



THE NATIONAL TREASURY AND PLANNING

**THE BUDGET SUMMARY FOR THE FISCAL YEAR
2021/22 AND THE SUPPORTING INFORMATION**

April 29, 2021

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THE BUDGET SUMMARY FOR THE FISCAL YEAR 2021/22 AND THE SUPPORTING INFORMATION

I. BACKGROUND

1. The Constitution of Kenya, 2010 and the Public Finance Management (PFM) Act, 2012, require the Cabinet Secretary responsible for finance to submit to the National Assembly the Budget Estimates of the Government for the next financial year at least two months before the end of the financial year.
2. In fulfilment of this legal requirement, the National Treasury and Planning has prepared this Budget Summary and other documents in support of the FY 2021/22 Budget. This Budget Summary includes:
 - i. Policy framework for the FY 2021/22 Budget and the Medium Term;
 - ii. A Statement specifying the measures taken by the National Government to implement the recommendations made by the National Assembly with respect to the Budget for the previous financial years;
 - iii. Highlights of the FY 2021/22 Budget;
 - iv. An explanation of how the fiscal responsibility principles and the financial objectives over the Medium Term are being met;
 - v. A memorandum by the Cabinet Secretary on the resolutions adopted by the National Assembly on the 2021 Budget Policy Statement;
 - vi. Information regarding loans, guarantees and other liabilities;
 - vii. Revenue allocations to County Governments from the National Government's share in terms of Article 202 of the Constitution, including conditional and unconditional transfers;
 - viii. Estimates of revenue and expenditure for State Corporations for the FY ending 30th June, 2022; and
 - ix. All estimated revenue by broad economic classification.

II. POLICY FRAMEWORK FOR THE FY 2021/22 BUDGET AND THE MEDIUM TERM

Policy Framework underpinning the FY 2021/22 Budget

Global Growth Outlook

3. The FY 2021/22 budget has been prepared against a background of a global economic recovery projected at 6.0 percent in 2021 in the April World Economic Outlook from a contraction of 3.3 percent in 2020. Global growth in 2020 was adversely affected by the outbreak and spread of COVID-19 pandemic. The 6.0 percent growth in 2021 was an upward revision from the earlier estimate of 5.5 percent reflecting additional fiscal support in a few large economies especially the United States on top of an already unprecedented fiscal response in 2020 and continued monetary accommodation that further uplifts the economic outlook. This outlook is also supported by the ongoing vaccinations for COVID-19 globally which is anticipated to pick in the second half of 2021.

4. This global economic recovery is underway in all regions although the pace of recovery is not uniform across countries. This reflects differences in the pace of vaccine rollout, the extent of economic policy support, and structural factors such as reliance on tourism. The advanced economies are projected to rebound to 5.1 percent in 2021 from an estimated contraction of 4.7 percent in 2020. The United States is expected to surpass its pre-COVID GDP level in 2021, while many other advanced economies will return to their pre-COVID levels in 2022. Emerging economies are projected to improve to a growth of 6.7 percent in 2021 from an estimated contraction of 2.2 percent in 2020. China returned to pre-COVID GDP in 2020, whereas many other emerging market economies are expected to recover in 2023.

5. The sub-Saharan Africa region is expected to recover at 3.4 percent growth in 2021 from an estimated contraction of 1.9 percent in 2020, supported by improved exports and commodity prices along with a recovery in both private consumption and investment as economies re-open. However, this growth is slower compared to the rest of the world, amid a continued limited access to vaccines and fiscal space to

support the crisis response and recovery. The slower growth is more pronounced especially in the tourism-dependent and commodity-exporting countries.

Domestic Economic Growth

6. The Kenyan economy was resilient prior to the outbreak of COVID-19 pandemic with growth averaging 5.6 percent in the period 2015 to 2019. This stable and healthy growth supported reduction in poverty and inequality. As a result, the wellbeing of Kenyans as measured by per capita income increased by 17.4 percent to an average of Ksh 99,864.8 equivalent to US dollar 985.8 in the period 2015 to 2019 compared with Ksh 85,050.6 equivalent to US dollar 839.7 in the period 2010 to 2014. Inflation was well contained while the external position was comfortable, with the current account deficit narrowing to 5.8 percent of GDP in 2019.

7. The outbreak of COVID-19 pandemic led to loss of lives and as a result, countries instituted various containment measures such as closure of airspaces and borders, introduction of curfews and cessation of movements in an effort to curb the spread of coronavirus. Similarly, the Kenyan Government rolled out appropriate protocols and measures to protect lives and livelihoods of Kenyans. This coupled with the disruption of the global supply chains affected economic performance in 2020. In particular, the economic development plans adopted prior to the outbreak of the pandemic were adversely affected. Additionally, the economy experienced adverse impact of two other shocks namely invasion of desert locusts and floods. The invasion of desert locusts that began in 2019 damaged crops and pasture for livestock while the floods in May 2020 resulted in loss of lives, displacement of people and destruction of infrastructure.

8. The Government further implemented policy measures that included fiscal reliefs to support livelihoods and businesses. In addition, liquidity was enhanced through accommodative monetary policy by Central Bank of Kenya. In order to cushion the vulnerable in the society, particularly, the emerging urban vulnerable, the Government provided additional resources to boost the on-going cash transfer programme.

Similarly, the Government provided resources to recruit health workers to strengthen the human capital capacity of the Ministry of Health.

9. Further, the Government is implementing the Economic Stimulus Programme (ESP) that targets to support Kenyans and businesses and enhance economic activities through labour-based activities. To further accelerate economic recovery, the Government is implementing interventions under the Post Covid-19 Economic Recovery Strategy which has clear thematic areas to re-position the economy on a steady and sustainable growth trajectory.

10. The above interventions are in addition to the implementation of the strategic priorities of the Government under the Big Four Agenda for food security, affordable housing, manufacturing, and affordable healthcare. The Government is scaling up vaccination programme for COVID-19 pandemic that is meant to create herd immunity and allow resumption of full economic activities.

11. As a result of the impact of COVID-19 pandemic on the economy and the attendant containment measures, economic growth is estimated to have slowed down in 2020. The economic performance in 2020 was supported mainly by performance of agriculture sector that grew by 6.3 percent as compared with a growth of 3.6 percent in 2019. The adequate rainfall received in 2020 supported this agricultural performance through enhanced production.

12. The service and industry sectors were adversely affected by the COVID-19 pandemic, with significant contractions in 2020. The service sectors are estimated to have contracted by 2.5 percent in 2020 from a growth of 6.6 percent in 2019 while the industry sectors are estimated to have contracted by 0.6 percent in 2020.

13. The economy is projected to recover in 2021 and is expected to grow by 6.3 percent in the FY 2021/22 from 3.8 percent in the FY 2020/21, reflecting in part, the impact of lower base in 2020 and associated with the impact of the COVID-19 pandemic and the interventions being undertaken by Government under the Big Four Agenda and the Post Covid-19 Economic Recovery Strategy. Economic growth over the medium term is projected at 6.1 percent. This growth

outlook will be supported by a stable macroeconomic environment, improved domestic consumption and external demand as economies re-open after the ongoing vaccinations for COVID-19 pandemic aimed at creating herd immunity. This will support Kenya's exports to the sub-region and the rest of the world.

14. There are risks to this macroeconomic outlook emanating from domestic as well external sources.

15. On the domestic front, the emergence of new COVID-19 variants, in Kenya and its trading partners, could lead to renewed disruptions to trade and tourism and require broader reinstatement of containment measures. Other risks relate to lower agricultural output due to potential adverse weather conditions and continued desert locust infestation in the northern region of the country, which potentially reduce fodder for animals and food. Additionally, increased public expenditure pressures, particularly wage and other recurrent expenditures would put a strain to the fiscal space. The upside risk to the domestic economy relate to faster than projected rebound in economic activities that would result in higher Government revenues providing fiscal space that would support faster reduction in fiscal deficit and debt accumulation. Additionally, potential lower oil prices in the international market would result in improved terms of trade.

16. On the external side, risks will depend on how the world responds to the health crisis, including whether the new COVID-19 strains are susceptible to vaccines. Additionally, world economies will continue to be affected by the effectiveness of policies taken to limit persistent economic disruptions; the evolution of financial conditions and commodity prices especially oil in the international market; and, the adjustment capacity of the economies.

17. The Kenyan Government continues to monitor the domestic and external environment and stands ready to take appropriate policy measures to safeguard the economy against the adverse effects were the risks to materialize. Following emergence of the new COVID-19 variants, the Government in March 2021 re-introduced containment measures to reduce the rate of infection and spread of the coronavirus. The Government in March 2021 received COVID-19 vaccines from the

COVAX Facility and has up scaled vaccination for the frontline workers and priority groups to create herd immunity.

Fiscal Policy Framework for the FY 2021/22 Budget and the Medium Term

18. Over the Medium Term, the fiscal policy focuses on raising revenues from 16.5 percent of GDP in the FY 2020/21 to 18.1 percent of GDP in the FY 2024/25. In addition, the recurrent expenditure will be reduced from 16.4 percent of GDP in the FY 2020/21 to below 15.0 percent of GDP in the FY 2024/25. In order to support growth, development expenditure will be contained at about 5.0 percent of GDP

19. The fiscal policy supporting the FY 2021/22 and the medium term budget framework is designed to reduce fiscal deficit and stabilize growth in public debt while strengthening debt sustainability. The policy will support the projected economic growth by ensuring development projects are implemented as planned. Fiscal deficit is therefore projected to decline from 8.7 percent of GDP in the FY 2020/21 to 7.7 percent of GDP in the FY 2021/22 and 3.6 percent of GDP by the FY 2024/25. This fiscal consolidation will be achieved through a combination of revenue enhancement initiatives, expenditure rationalization and development expenditure prioritization in the budget over the medium term as outlined in the 2021 Budget Policy Statement.

20. These measures are expected to stabilize the stock of public debt, over the medium term, creating adequate fiscal space to fund priority programmes under the Big Four Agenda and the Post Covid-19 Economic Recovery Strategy. The fiscal consolidation plan will be reinforced by a sound macroeconomic policy framework, efficiency in tax administration and enhanced efficiency in allocation of resources for projects in the budget.

21. The Government will continue to enhance efforts to increase efficiency, effectiveness, transparency and accountability of public spending by implementing guidelines for Public Investment Management. In order to ease the burden of pension payments from the exchequer in the future, the Government, in January 2021 rolled out the Super Annuation Scheme for all civil servants below the age of

45 years. The rollout is implemented in phases to ensure Government expenditures remain within the set ceilings in the current fiscal year and over the medium term.

22. **Budget Framework for FY 2021/22:** The Budget Framework for the FY 2021/22 has taken into account the uncertainties brought about by COVID-19 pandemic and has followed a cautious approach to projection of revenues. The deficit financing options have taken into account the prevailing domestic and external market conditions.

23. Allocation of these resources has been aligned to the Government priority programmes under the Big Four Agenda and the Third Medium Term Plan (2018-2022) of the Vision 2030 Economic Blueprint. In addition, the budget framework has focused on initiatives under the Post Covid-19 Economic Recovery Strategy aimed to accelerate growth, employment creation and poverty reduction. These priorities notwithstanding, the Government will strive to ensure that public spending results in high quality outcomes that are sustainably funded.

24. Towards this end, the Government has developed a framework for high quality services based on strong links between resources, budgeting, monitoring and clear expectations for delivering planned outcomes. The framework will ensure that spending is directed towards the most critical needs to achieve quality outputs and outcomes with the available resources. Further, the framework will ensure that Ministries, Departments and Agencies will bid and request for resources that are realistic under the constrained resource envelope as per the fiscal consolidation plan.

25. **Revenue and Expenditure Projections for FY 2021/22:** The FY 2021/22 budget targets revenue collection including Appropriation-in-Aid (AIA) of Ksh 2,038.6 billion (16.4 percent of GDP) with ordinary revenues projected at Ksh 1,775.6 billion (14.3 percent of GDP). Revenue performance will be underpinned by the on-going reforms in tax policy and revenue administration. On the other hand, total expenditure and net lending are projected at Ksh 3,053.8 billion (24.6 percent of GDP) with the recurrent expenditures estimated at Ksh 2,019.2 billion (16.3 percent of GDP). Ministerial development expenditures including foreign financed projects and allocation to

Contingencies Fund but excluding conditional transfers to the County Governments are projected at Ksh 624.5 billion in the FY 2021/22. Most of the outlays are expected to accelerate completion of ongoing critical infrastructure projects. Part of the development budget will be funded by external borrowing amounting to Ksh 287.6 billion while the balance of Ksh 336.9 billion will be financed through domestic resources.

26. **Deficit Financing for FY 2021/22 Budget:** Given the projected expenditures and revenues, the fiscal deficit, including grants, in the FY 2021/22, is projected at Ksh 952.9 billion (7.7 percent of GDP). The deficit is expected to decline to Ksh 775.3 billion (5.6 percent of GDP) in the FY 2022/23 and to Ksh 613.8 billion (3.6 percent of GDP) in the FY 2024/25 as per the fiscal consolidation plan. Financing of the fiscal deficit in the FY 2021/22 budget will be through net external financing of Ksh 291.3 billion (2.4 percent of GDP) and net domestic borrowing of Ksh 661.9 billion (5.3 percent of GDP).

27. **Medium Term Fiscal Framework:** Revenues are projected at 18.1 percent of GDP by FY 2024/25 from 16.4 percent of GDP in the FY 2021/22 as shown in **Table 1 and Annex Tables 2 (a-b) and 3 (a-b)**. Overall expenditures will decline gradually to 22.0 percent of GDP in the FY 2024/25 from 24.6 percent of GDP in the FY 2021/22. With these shifts in the projected expenditures and revenues, the fiscal deficit inclusive of grants is expected to gradually decline to 3.6 percent in the FY 2024/25 from 7.7 percent of GDP in the FY 2021/22.

28. **Tax and revenue reforms:** The on-going reforms in tax policy and revenue administration will support revenue performance. In particular, the reversal of tax relief measures which took effect from January 2021 will enhance revenue collection. In addition, revenues will be enhanced by the tax policy measures contained in the Finance Act, 2020 that include minimum tax and digital services tax. These measures are aimed at broadening the tax base. Over the medium term, the Government aims to reduce the level of tax expenditures/exemptions that was estimated at 6.0 percent of GDP in 2018 through amendment of tax laws.

29. **Expenditure Priorities for the FY 2021/22 and the Medium-Term Budget:** The Medium Term Framework will focus on priority

expenditures aligned to programmes supporting economic recovery. In particular, the focus will be on programmes under the Big Four Agenda, the Third Medium Term Plan (2018-2022) of the Vision 2030 Economic Blueprint, the Post Covid-19 Economic Recovery Strategy and the strategic policy initiatives of the Government. Public spending will be targeted to achieve high quality outcomes that are sustainably funded.

30. Deficit Financing for the Medium Term: Official external sources for loans on concessional terms will be maximized while non-concessional, commercial external borrowing and Sovereign bond issuance will be limited to projects with high financial and economic returns in line with Government`s development Agenda. These sources will be diversified by the Government maintaining its presence in the international and domestic capital markets. Further, other possible financing options such as the Islamic financing instruments, Green bonds, Samurai and Panda bonds and diaspora bonds over the medium term will be explored.

31. Issuance of Treasury Bills and Bonds play a critical role in deficit financing. However, in order to reduce the high weekly Treasury Bill redemptions and the financing risks associated with them, the Government will aim in the FY 2021/22 to significantly lower the stock of Treasury Bills. This will also help the Government restrict the use of Treasury Bills financing to cash urgent operations only going forward.

32. In addition, the financial market sector reforms aimed at improving market efficiency and transparency will be spearheaded by the National Treasury. The Government will also provide support for infrastructure to improve Debt management operations for both the primary and secondary markets, enhance investor access, promote confidence amongst market participants and further deepen the capital markets. Further, borrowing and management of public debt will be carried out in line with the existing Public Debt and Borrowing Policy.

Table 2: Medium Term Fiscal Framework

Financial Year	FY 2019/20		FY 2020/21		FY 2021/22		FY 2022/23		FY 2023/24		FY 2024/25		FY 2023/24		FY 2024/25						
	Prel.	Budget	BROP	Suppl I	BPS	Budget	Prel.	Budget	BROP	Suppl I	BPS	Budget	Prel.	Budget	BROP	Suppl I	BPS	Budget	Projections	Projections	
Ksh. Billions																					
TOTAL EXPENDITURE AND NET LENDING	2,565.4	2,774.7	2,919.0	2,892.0	3,010.0	3,053.5	3,202.0	3,495.6	3,762.9	25.2	24.6	25.9	25.9	24.3	24.6	25.9	24.3	24.6	23.3	22.7	22.0
1.1 Recurrent Expenditure (1.2+1.3)	1,645.2	1,826.7	1,843.6	1,835.1	1,986.0	2,019.2	2,120.0	2,318.6	2,505.0	16.2	16.2	16.4	16.4	16.0	16.3	16.4	16.0	16.3	15.4	15.1	14.6
1.2 Ministerial Recurrent Expenditures o/w wages and salaries	1,118.4	1,240.2	1,257.1	1,261.0	1,288.4	1,321.7	1,323.1	1,455.0	1,599.6	11.0	11.0	11.2	11.2	10.4	10.7	11.3	10.4	10.7	9.6	9.5	9.3
Government contribution to civil service pension	449.9	481.7	481.7	493.9	524.5	524.5	550.7	588.3	635.3	4.4	4.3	4.3	4.4	4.2	4.2	4.4	4.2	4.2	4.0	3.8	3.7
1.3 Interest payment and pension	526.8	586.5	586.5	574.1	697.6	697.5	796.9	863.6	906.4	5.2	5.2	5.2	5.1	5.6	5.6	5.8	5.6	5.6	5.8	5.6	5.3
1.4 Ministerial development expenditure	594.3	589.7	675.2	653.0	609.1	619.5	670.5	759.8	834.4	5.8	5.2	6.0	5.8	4.9	5.0	4.9	5.0	4.9	4.9	4.9	4.9
o/w Domestically financed	396.6	336.7	417.2	380.5	324.4	331.9	357.7	409.8	444.4	3.9	3.0	3.7	3.4	2.6	2.7	2.6	2.7	2.6	2.7	2.6	2.6
Foreign financed	197.6	253.0	258.0	272.5	284.7	287.6	312.7	349.9	390.0	1.9	2.2	2.3	2.4	2.3	2.3	2.4	2.3	2.3	2.3	2.3	2.3
1.5 Net lending	0.7	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-
1.6 Contingencies Fund	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	-	-	-	-	-	-	-	-	-	-	-	0.0
1.7 County Allocation	325.3	353.3	395.2	398.9	409.8	409.8	406.5	412.3	417.5	3.2	3.1	3.5	3.6	3.3	3.3	3.0	3.3	3.3	3.0	2.7	2.4
o/w Equitable Share	286.6	300.6	342.5	330.3	370.0	370.0	370.0	375.0	380.2	2.8	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.7	2.4	2.2
2.0 TOTAL REVENUES	1,737.0	1,892.6	1,860.3	1,848.0	2,033.9	2,038.6	2,379.7	2,796.4	3,099.8	17.1	16.8	16.5	16.5	16.4	16.4	16.5	16.4	16.4	17.3	18.2	18.1
2.1 Ordinary Revenue	1,573.4	1,633.8	1,601.4	1,594.0	1,775.6	1,775.6	2,141.6	2,516.3	2,807.4	15.5	14.5	14.2	14.3	14.3	14.3	14.3	14.3	14.3	15.6	16.4	16.4
2.2 Ministerial AIA	163.6	258.9	258.9	254.0	258.3	263.0	238.1	280.1	292.4	1.6	2.3	2.3	2.3	2.1	2.1	2.1	2.1	2.1	1.7	1.8	1.7
3.0 GRANTS	19.8	40.9	56.8	73.0	46.1	62.0	46.9	48.1	49.3	0.2	0.4	0.5	0.7	0.4	0.5	0.4	0.5	0.3	0.3	0.3	0.3
3.1 Amisom and other program grants	4.6	8.2	24.1	7.4	2.5	2.5	-	-	-	0.0	0.1	0.2	0.1	0.0	0.0	0.1	0.0	0.0	-	-	-
3.2 project grants	15.2	32.7	32.7	41.7	43.6	40.3	46.9	48.1	49.3	0.1	0.3	0.3	0.3	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.3
3.3 Nairobi Metropolitan Service	-	-	-	23.9	19.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.0 Adjustments to cash basis	11.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.0 DEFICIT	(796.8)	(841.1)	(1,001.8)	(970.9)	(930.0)	(952.9)	(775.3)	(651.2)	(613.8)	(7.8)	(7.5)	(8.9)	(8.7)	(7.5)	(7.7)	(8.7)	(7.5)	(7.7)	(5.6)	(4.2)	(3.6)
6.0 Descripancy	(6.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.0 FINANCING	790.8	841.1	1,001.8	970.9	930.0	952.9	775.3	651.2	613.8	7.8	7.5	8.9	8.7	7.5	7.7	8.7	7.5	7.7	5.6	4.2	3.6
7.1 External Commercial Financing	5.9	6.2	6.2	350.5	475.3	475.3	406.5	406.5	406.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
7.2 Project Loans	197.1	244.1	249.1	254.2	273.5	279.7	302.0	338.8	377.6	1.9	2.2	2.2	2.3	2.2	2.3	2.3	2.2	2.3	2.2	2.2	2.2
7.3 Semi consensational Loans	-	124.1	124.1	-	-	-	105.6	113.6	113.6	-	1.1	1.1	-	-	-	-	-	-	0.8	0.7	-
7.4 Programmes and other consensational loans	239.0	152.0	202.0	179.5	131.8	149.7	197.8	65.4	3.5	2.3	1.3	1.8	1.6	1.1	1.2	1.6	1.1	1.4	1.4	0.4	0.0
o/w Program loans	30.1	2.0	2.0	4.5	3.5	3.5	3.5	3.5	3.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rapid Credit Facility from IMF	78.3	-	-	78.8	54.0	57.6	63.2	61.9	-	0.8	-	-	0.7	0.4	0.5	0.4	0.5	0.5	0.5	0.4	-
Support for COVID-19 Vaccine Purchase	-	-	-	-	14.3	14.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DPO (WB&ADB) and other consensational loans	130.6	150.0	200.0	96.3	74.3	74.3	131.1	-	-	1.3	1.3	1.8	0.9	0.6	0.6	0.9	0.6	0.6	1.0	-	-
7.5 Foreign Repayments	(101.6)	(179.6)	(179.6)	(357.2)	(613.4)	(613.4)	(279.1)	(282.1)	(226.9)	(1.0)	(1.6)	(1.6)	(3.2)	(4.9)	(4.9)	(3.2)	(4.9)	(4.9)	(2.0)	(1.8)	(1.3)
7.6 Domestic Financing	450.4	494.3	600.0	543.9	662.8	661.6	449.0	415.5	459.5	4.4	4.4	5.3	4.9	5.3	5.3	4.9	5.3	5.3	3.3	2.7	2.7
Nominal GDP (Fiscal Year)	10,175.2	11,275.8	11,266.6	11,168.5	12,393.1	12,393.1	13,759.9	15,373.1	17,128.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NB. Ministerial Expenditures includes revised ceilings for Judiciary and Parliament

III. MEASURES TAKEN BY THE NATIONAL GOVERNMENT TO IMPLEMENT RECOMMENDATIONS MADE BY THE NATIONAL ASSEMBLY FOR PREVIOUS FINANCIAL YEAR(S)

33. Section 38 (1) (f) of the PFM Act, 2012 requires the National Treasury to submit a statement specifying measures taken by the National Government to implement recommendations made by the National Assembly with respect to the budget for the previous financial years. The following are the measures taken by the National Government to implement resolutions by the National Assembly on the FY 2020/21 Budget, FY 2020/21 Supplementary Estimates No.1 and the 2021 Budget Policy Statement.

A. IMPLEMENTATION OF THE RECOMMENDATIONS ON THE FY 2020/21 BUDGET

34. During the approval of the FY 2020/21 Annual Budget Estimates, the National Assembly made the following resolutions which we have explained in the subsequent paragraphs.

35. Resolution 1: Required that all future requests for approval under Article 223 of the Constitution must be accompanied by proof of payment;

Action Taken: The National Treasury in the submission of FY 2020/21 Supplementary Estimates No.1 included payment details of all approvals made under Article 223 of the Constitution. We shall endeavor to continue with the submission of the requested information in future Budget.

36. Resolution 2: Required that resources being expended from the Covid-19 Emergency Response Fund be appropriated through the National Assembly in order to be subject to legislative scrutiny and oversight;

Action taken: All expenditures for Covid-19 Emergency Response have been appropriated by the National Assembly in compliance with the resolution.

37. Resolution 3: Required that all donor financing which may have been left out when the budget was submitted be included as the Appropriations Bill is finalized;

Action taken: All donor funded projects omitted were included in the FY 2020/21 Appropriations Bill.

38. Resolution 4: Required that resources allocated to projects arising from public participation and other critical road interventions be ring fenced and the Ministry concerned to engage with the relevant Members of Parliament for proper implementation;

Action taken: Allocations for Public Participation projects have been coded under specific Sub-Heads in the FY 2020/21 Supplementary Estimates No.1 for implementation. Implementing MDAs are expected to adequately consult and engage the relevant Members of Parliament for proper implementation.

39. Resolution 5: Required that the small allocations under the National Expanded Irrigation Programme and Community Based Irrigation Programme be listed as block figures in the Printed Estimates for efficiency in project implementation under the two respective Programmes;

Action taken: During the finalization of the FY 2020/21 Budget, the allocations under the National Expanded Irrigation Programme and Community Based Irrigation Programme were consolidated under their respective Programmes to enhance efficiency and compliance with the resolutions of the National Assembly.

40. Resolution 6: Required that the project on rehabilitation of wells, water pans, and underground tanks in ASAL using locally available labour under the Kenya Post Covid-19 Economic Stimulus Programme be taken to the agency that has the technical expertise, that is; the project be moved from the State Department for Regional and Northern Corridor Development to the Ministry of Water, Sanitation and Irrigation. This was to enhance efficiency in resource

utilization and remove duplication of projects by many agencies;

Action taken: During the finalization of the FY 2020/21 Budget, the allocations amounting to KSh.530 million for Kenya Post Covid-19 Economic Stimulus Programme previously under the State Department for Regional and Northern Corridor Development for rehabilitation of wells, water pans, and underground tanks in ASAL were transferred to the Ministry of Water, Sanitation and Irrigation to enhance efficiency in resource utilization and eliminate duplication.

41. Resolution 7: Required that the PBB be revised accordingly to reflect the changes made by the House. In addition, all the Budget books and the attendant documents for budget implementation be submitted to the National Assembly 7 days after the enactment of the Appropriation Bill;

Action taken: The National Treasury in consultation with the MDAs aligned the Programme outputs, indicators and performance targets in line with the financial resolutions of the National Assembly on the FY 2020/21 Budget.

B. IMPLEMENTATION OF THE RESOLUTIONS ON THE FY 2020/21 SUPPLEMENTARY ESTIMATES NO.1

42. During the approval of the FY 2020/21 Supplementary Estimates No.1, the National Assembly made the following resolutions which we have addressed as explained in the subsequent paragraphs.

i. Policy Recommendations

43. Resolution 1: Required that within the next six months, the National Treasury provides funds and a clear road map for the completion of all stalled projects and present the information to Parliament;

Action taken: Following the emergency of Covid-19 and the containment measures, the performance of revenue has been below target. The Government will prioritize the completion of viable stalled projects during the preparation of the Medium Term Budgets subject to availability of resources;

44. Resolution 2: Required that during the finalization of Budget Estimates for the FY 2021/22, the National Treasury sets aside funds for the settlement of all pending bills and court awards;

Action taken: Following the emergency of Covid-19 pandemic, revenue performance has been below target. The National Treasury has only been able to clear some of the pending bills. Going forward, we will work with MDAs to ensure that pending bills are given priority. Further, we will endeavor to provide adequate resources to clear pending bills.

45. Resolution 3: Required that to avert incomplete projects, the National Treasury should request the Office of the Auditor General to carry out an audit of on-going projects that have been affected by budget cuts by April 2021, with a view of funding these projects in FY 2021/22 Budget;

Action taken: Auditing of projects affected by budget cuts by the Auditor General require enhancement of the operations of the Office of the Auditor General. This will be considered in the context of the FY 2020/21 Supplementary Estimates No. 2 and the FY 2021/22 Budget.

46. Resolution 4: Required that upon the approval of Supplementary Estimates No. 1 for FY 2020/21, MDAs and the National Treasury revises the outputs and performance targets to realign with the increase or decrease in budgetary allocation to various programmes;

Action taken: In accordance to the Public Finance Management Regulation, 2015, the National Treasury issued to all Accounting Officers the Treasury Warrant communicating the approved levels of the budget. Further, MDAs working closely with the National Treasury revised the programme outputs, indicators and performance targets in line with the FY 2020/21 Supplementary Estimates. No. 1.

47. Resolution 5: Required that the new projects in the FY 2020/21 Supplementary Estimates No. 1 be deferred to FY 2022/23;

Action taken: The Government is implementing the FY 2020/21 Budget on the basis of the FY 2020/2021 Supplementary Estimates No.1

Appropriations Act approved by the National Assembly. New projects not appropriated by the National Assembly have been deferred to future Budget.

48. Resolution 6: Required that for the next Supplementary Budget, the National Treasury ensures adequate consultation with the MDAs before Supplementary changes are affected in the Budget;

Action taken: The National Treasury has ensured adequate consultation is undertaken during budget preparation process including the Supplementary Estimates with the Technical Officers in MDAs under the Estimates Working Group meetings and the Cabinet where all MDAs are represented by their respective Cabinet Secretaries.

ii. Financial Recommendations

49. Resolution 1: Required that the supplementary Estimates No.1 for the FY 2020/21 be finalized as per the attached Schedules 1 and 2;

Action taken: The FY 2020/21 Supplementary Estimates No.1 was finalized on the basis of the financial recommendations as contained in Schedules 1 and 2 of the resolutions of the National Assembly.

50. Resolution 2: required that the attached schedule 1 formed the basis for the enactment of the first Supplementary Appropriations Act 2020/21;

Action taken: The first Supplementary Estimates Appropriations Act 2021 was enacted on the basis of the financial recommendations as contained in Schedule1 of the resolutions of the National Assembly.

IV. HIGHLIGHTS OF THE FY 2021/22 BUDGET

51. The Financial Year 2021/22 and the Medium-Term Budget has been prepared against a background of a contracting global economy occasioned by the Covid-19 pandemic. The pandemic and the ensuing containment measures have devastated global economies by disrupting businesses and livelihoods. While the impact of Covid-19 pandemic will vary from Country to Country, it has definitely increased unemployment, poverty and inequalities across the globe.

52. On the domestic scene, Covid-19 has negatively affected the economy as witnessed in the disruptions in supply chains, decline in diaspora remittances, poor performance in the financial markets and depreciation of the Kenya Shilling against major currencies. Nonetheless, there is hope that the economy will continue recovering going by the trends of improved economic activities in the third and fourth quarters of 2020, albeit at a slow pace, following the partial reopening of the economy.

53. Assuming the on-going efforts to contain the pandemic, including the ongoing mass vaccination programme will continue to bear fruits, we are hopeful of economic recovery albeit in a gradual manner. As demonstrated by slowing down of the contraction of the economy to 1.1 per cent in the third quarter of 2020, there is hope of recovery in 2021 depending on the effectiveness of the vaccination programme and the unlocking of the five Counties currently under lockdown

54. The FY 2021/22 and the Medium-Term Budget will continue to be anchored on the Medium-Term Plan III of the Vision 2030 with a special focus on the "Big Four" Agenda. The deliberate effort to focus on the "Big Four" Agenda is to ensure a resilient and sustainable economy which will continue to safeguard livelihoods, jobs, businesses and accelerate industrialization. In this regard, the Government will strengthen implementation of programmes and policy measures aimed at ensuring a more inclusive growth, foster macroeconomic stability and avail credit to the private sector to spur growth.

55. Building on the gains made under the Economic Stimulus Programme, the Government will roll out the Post-Covid19 Economic Recovery Strategy (PC-ERS) to mitigate against the adverse impacts of

the pandemic and re-position the economy on a steady and sustainable growth path.

56. The overall total gross expenditures in the FY 2021/22 Budget is as indicated in the table below:

Table 3: Summary of the Budget Allocation for FY 2021/22

		FY 2020/21		FY 2021/22	
		Approved Original Budget	Supplementary Estimates No.1	BPS	Estimates
1.0	National Government	1,855,634.0	1,955,672.6	1,950,377.9	1,934,931.6
	Executive	1,800,328.2	1,900,596.8	1,894,577.0	1,879,130.6
	Parliament	37,306.0	37,306.0	37,882.6	37,882.7
	Judiciary	17,999.8	17,769.9	17,918.3	17,918.3
		-	-	-	-
2.0	Consolidated Fund Services	1,028,064.1	1,073,713.4	1,306,390.4	1,327,220.1
3.0	County Government	316,500.0	346,200.0	370,000.0	370,000.0
	Total.....Kshs.	3,200,198.1	3,375,586.0	3,626,768.3	3,632,151.7
% Share in the Total Allocation					
1.0	National Government	58.0	61.1	60.9	60.5
	Executive	56.3	59.4	59.2	58.7
	Parliament	1.2	1.2	1.2	1.2
	Judiciary	0.6	0.6	0.6	0.6
		-	-	-	-
2.0	Consolidated Fund Services	32.1	33.6	40.8	41.5
3.0	County Government	9.9	10.8	11.6	11.6
Notes**					
**County Government allocation is composed of sharable allocation					
*** Kshs. 16,014million for Net provision for Nairobi Metropolitan is assumed in the figures for the County Sharable					
**** KShs.20.8billion for Public Service Superannuation Scheme has been captured under CFS					

57. The total allocation to the National Government is Ksh. 1,934.9 billion which comprise of Ksh. 1,879.1 billion for the Executive, Ksh. 37.9 billion for Parliament and Ksh. 17.9 billion for the Judiciary. The allocation to County Governments of Ksh. 370 billion excludes Conditional Grants. In addition, the allocation for the Consolidated Fund Services (CFS) is Ksh. 1,327.2 billion. The allocation for the CFS in the FY 2021/22 includes an allocation of Ksh. 20.8 billion for the Public Service Superannuation Scheme.

58. The Highlights of the FY 2021/22 Budget are as indicated in the subsequent paragraphs:

a. "Big Four" Plan Allocations

59. **Ksh. 135.3 billion** has been allocated in the FY 2021/22 Budget to implement "Big Four" Agenda under all clusters, both for drivers and enablers as indicated below;

Table 4: FY 2021/22 Big Four Allocations (Ksh. Million)

1.0 UNIVERSAL HEALTHCARE	47,740.1
Drivers	45,606.7
1081 Ministry of Health	45,606.7
Enablers	2,133.5
1091 State Department for Infrastructure	507.2
1095 State Department for Public Works	80.0
1109 Ministry of Water, Sanitation & Irrigation	557.0
1122 State Department for Information Communication Technology	409.3
1152 Ministry of Energy	580.0
2.0 MANUFACTURING	18,464.5
Drivers	5,153.5
1175 State Department for Industrialization	4,714.5
1222 State Department for Regional and Northern Corridor Development	439.0
Enablers	13,311.0
1071 The National Treasury	9,786.0
1091 State Department for Infrastructure	800.0
1095 State Department for Public Works	36.0
1109 Ministry of Water, Sanitation & Irrigation	150.0
1122 State Department for Information Communication Technology	195.0
1152 Ministry of Energy	2,209.0
1162 State Department for Livestock	100.0
1192 State Department for Mining	35.0
3.0 FOOD SECURITY	54,210.5
Drivers	51,763.2
1109 Ministry of Water, Sanitation & Irrigation	11,749.0
1162 State Department for Livestock.	2,535.2
1166 State Department for Fisheries, Aquaculture & the Blue Economy	7,787.9
1169 State Department for Crop Development & Agricultural Research	29,134.6
1222 State Department for Regional and Northern Corridor Development	556.5
Enablers	2,447.3
1091 State Department for Infrastructure	275.0
1112 Ministry of Lands and Physical Planning	2,072.3
1152 Ministry of Energy	100.0
4.0 AFFORDABLE HOUSING	14,854.0
Drivers	1,700.0
1094 State Department for Housing & Urban Development	1,700.0
Enablers	13,154.0
1071 The National Treasury	11,500.0
1091 State Department for Infrastructure	255.0
1095 State Department for Public Works	34.0
1109 Ministry of Water, Sanitation & Irrigation	875.0
1152 Ministry of Energy	490.0
GRAND TOTAL	135,269.1

b. Post Covid-19 Economic Recovery Strategy

60. In addition to the allocation for the Big 'Four' priorities, Ksh. 26.6 billion has been allocated in the FY 2021/22 Budget for the Post Covid-19 Economic Stimulus Programme in the following areas:

- ❖ Ksh. 8.6 billion for enhancing liquidity to business;
- ❖ Ksh. 6.4 billion for the improving education outcome;
- ❖ Ksh. 7.4 billion for the improving environment, water and sanitation facilities;
- ❖ Ksh. 1.97 billion for improving agriculture and food security;
- ❖ Ksh. 1.2 billion for the recruitment of health interns; and
- ❖ Ksh. 1.0 billion for Kenya Wildlife Services to engage community scouts.

c. Allocations under key Thematic Areas

61. Allocations in the FY2021/22 Budget broadly remain within the approved 2021 BPS ceilings, with variations on account of donor commitment. The following are the key allocations in thematic areas:

Table 5: Allocations under key Thematic Areas in the FY 2021/22 Budget

Thematic Areas	Amount (KSh. million)
1. Agriculture and Food Security	40,566.8
National Value Chain Support Programme	1,500.0
Cotton Industry Revitalization	100.0
Livestock & Crop Insurance Scheme	529.5
Food Security and Crop Diversification Project	620.0
Kenya Cereal Enhancement Programme	2,764.9
Small Scale Irrigation and Value Addition Project	1,485.0
Drought Resilience and Sustainable Livelihood Programme	1,163.0
Kenya Climate Smart Agriculture Project	8,969.0
National Agricultural & Rural Inclusivity Project	7,058.8
Agricultural Sector Development Support Programme II	1,525.5
Climate Smart Agricultural Productivity Project	280.0
Fall Army Worm Mitigation	300.0
Establishment of Liquid Nitrogen Plants - KAGRC	150.0
Sustainable Tse Tse and Trypanosomiasis Free Areas in Kenya - KENTTEC	180.0
Aquaculture Technology Development and Innovation Transfers	150.0
Development of Blue Economy Initiatives	195.3
Exploitation of Living Resources under the Blue Economy	338.3
Aquaculture Business Development Project	3,222.0
Kenya Marine Fisheries & Socio-Economic Development Project	3,403.0
Coastal Fisheries Infrastructure Development	290.0
Rehabilitation of Fish Landing Sites in L. Victoria	326.6
Regional Pastoral Livelihood Resilience project	488.1
Livestock Value Chain Support Project	163.0
Modernize Foot & Mouth Disease Laboratory for GMP standards	60.0
Processing and Registration of Title deeds	1,450.0
Digitization of Land Registries	622.3
Construction of Land Registries	105.0
Disease Free Zones Program	131.4
Construction and refurbishment - Leather Science Institute	65.0
Livestock Production 'Big Four' Interventions	156.2
Development of Leather Industrial Park - Kenanie	100.0
Kenya Livestock Commercialization Programme (KeLCoP)	455.0
Towards Ending Drought Emergencies in Kenya (TWEENDE)	178.0
Emergency Locusts Response	1,842.0
Embryo Transfer Project	200.0

Thematic Areas	Amount (KSh. million)
2. Transport	53,588.0
Standard Gauge Railway: Nairobi to Naivasha (Phase II)	27,158.0
Mombasa Port Development Project(Donor)	7,500.0
LAPSSET Project	4,464.0
Insurance for ferries for Likoni channel	128.0
Dongo Kundu Special Economic Zone	8,250.0
Naivasha Special Economic Zone (Textile Park)	236.0
Railway Metro line - Embakasi Station - Ruai	450.0
Railway Metro Line Athi River Station - East African Portland Cement	400.0
Railway Metro Line Athi River Station - NSSF Mavoko	450.0
Rehabilitation of The Nairobi - Nanyuki MGR Branch Line	1,100.0
Rehabilitation of Nakuru-Kisumu MGR	700.0
Construction of NVS ICD-Long. Railway Link & Rehab. of Long.-MLB Line	2,000.0
Maintenance of ferries and jetties project - Headquarters	149.0
Construction/Expansion of airports and airstrips	603.0
3. Roads	182,529.3
Construction of Roads and Bridges	92,331.5
Rehabilitation of Roads	36,119.9
Maintenance of Roads	54,077.9
4. Energy	74,628.0
Geothermal generation	11,321.0
Alternative Energy Technologies	2,637.0
National Grid System	50,132.0
Rural Electrification	9,304.0
Development of Nuclear Energy	810.0
Coal Exploration and Mining	424.0
5. Housing & Urban Development and Public Works	21,695.8
Kenya Affordable Housing Project (Kenya Mortgage Refinance Company)	8,000.0
Operationalization of the Kenya Mortgage Refinance Company (KMRC)	3,500.0
Construction of Housing Units for National Police & Kenya Prison	750.0
Maintenance of Government Pool Houses	1,018.0
Kenya Urban Programme (KenUP)	700.0
Construction of Affordable Housing Units	1,200.0
Construction of Markets	1,010.0
Nairobi Metropolitan Services Improvement Project (NAMSIP)	100.0
Construction of County Headquarters	341.0
Construction of Foot Bridges	111.2
Construction & Completion of Stalled Government Buildings	45.6
Construction of Social Housing Units	500.0
Africities Summit	200.0
Nairobi Bus Rapid Transport Project	700.0
Kenya Informal Settlement Improvement Project - Phase II	3,520.0

Thematic Areas	Amount (KSh. million)
6. Information, Communication and Technology	23,032.4
Maintenance & Rehabilitation of Last Mile County Connectivity Network.	463.0
Maintenance & Rehabilitation of NOFBI II Cable	702.0
Maintenance & Rehabilitation of NOFBI II Expansion Cable	554.0
Installation and Commissioning of Eldoret - Nadapal Fibre Optic Cable	1,100.0
Construction of Konza Complex Phase I B	400.0
Konza Technopolis Masterplan Consultancy - MDP2	200.0
Horizontal Infrastructure Phase I - Engineer, Procure, Construct and Finance (EPCF) for KONZA	12,000.0
Konza data Centre & Smart City Facilities	5,200.0
Government Shared Services	1,039.0
Digital Literacy Programme (School Laptop Project)	670.0
Connectivity to Health Facilities (Big Four)	604.4
Afri-Cities Summit.	100.0
7. National Security	183,880.1
National Intelligence Service	42,451.0
Defence	119,842.9
Leasing of Police Motor Vehicles	10,669.8
National Communication and Surveillance System	1,500.0
Police Modernization Programme	1,000.0
Huduma Namba	1,000.0
Group Personal Insurance (NPS & Prisons)	2,295.6
Medical Insurance (NPS & Prisons)	4,785.8
Equipping of the National Forensic Laboratory	335.0
8. Educational Sector	202,851.7
Free Day Secondary Education (Including NHIF for Students)	62,421.9
Free Primary Education	12,001.0
School Feeding Programme	1,856.0
Recruitment of Teachers	2,500.0
Digital Literacy Programme & ICT Integration in Secondary Schools	420.2
Competency Based Curriculum _training of teachers	1,000.0
Primary and Secondary Infrastructure	4,239.8
Construction and Equipping TTIs and Vocational Training Centres	1,813.4
East Africa Skills Transformation and Regional Integration	1,050.0
Technical, Vocational Education Training & Entrepreneurship	745.0
Promotion of Youth Employment and Vocational Training in Kenya I	633.0
Subsidy to KNEC for Examination Fees Waiver	4,023.9
Kenya Secondary Education Quality Improvement Project	5,820.6
Higher Education Loans Board	15,804.2
University Education	82,999.6
National Research Fund	323.0
Capitation for TVET students	5,200.0

Thematic Areas	Amount (KSh. million)
	106,993.3
9. Health Sector	
Kenyatta National Hospital	15,342.0
Moi Referral and Teaching Hospital	11,429.3
Kenya Medical Training Centre	7,370.3
Kenya Medical Research Institute	2,842.7
Cover for the Elderly and Severely Disabled	1,873.2
Rollout of Universal Health Coverage	7,764.5
Universal Health Coverage Coordination & Management Unit	8,031.6
Free Maternity Health Care	4,098.0
Transforming Health Systems for UHC	3,463.8
Health Sector Support for Universal Health Coverage	4,000.0
Global Fund (HIV, Malaria, TB)	17,305.1
Cancer Centres (Meru, Kakamega)	350.0
Vaccines and Immunizations	3,900.0
Managed Equipment Services	7,205.0
Procurement of Cyber knife Radiotherapy Equipment for KUTRRH	450.0
Kenya COVID-19 Emergency Response Project	8,787.2
Procurement of Equipment at the National Blood Transfusion Services	600.0
Procurement of Family Planning & Reproductive Health Commodities	863.0
KNH Burns and Paediatrics Centre	1,317.5
	7,513.7
10. Manufacturing and Industrialization	
Develop a Freeport & Industrial parks-Special Economic Zone Mombasa	90.0
Development of SEZ Textile Park Naivasha	110.0
Development of Athi River Textile Hub. EPZA	140.1
Industrial Research Laboratories – KIRDI	448.0
Kenya Industry and Entrepreneurship Project	1,368.5
Modernization of RIVATEX	130.2
Development of Various Small and Medium Enterprises (SMEs) in Kenya	500.0
Cotton Development (RIVATEX) - Subsidy and Extension Support	50.0
Kenya Youth Empowerment and Opportunities Project	802.1
Constituency Industrial Development Centres	199.5
Provision of Finances to SMEs in the manufacturing sector KIE	616.1
Modernization of cooperative cotton ginneries	59.2
Credit Guarantee Scheme	3,000.0
	37,841.3
11. Social Protection and Affirmative Action	
Cash Transfer to Elderly Persons	16,673.5
Cash Transfer to Orphans and Vulnerable Children	7,930.7
Cash Transfers to Persons with Severe Disability	1,190.0
Hunger Safety Net Programme	4,100.1
Kenya Social and Economic Inclusion Project	2,713.2
National Development Fund for Persons With Disabilities (PWDs)	200.0
Presidential Bursary	400.0
Kenya development Response to Displacement Impact Project	3,700.0
Child welfare Society of Kenya	933.8

Thematic Areas	Amount (KSh. million)
12. Equity, Poverty Reduction, Women and Youth Empowerment	65,585.7
Kenya Youth Empowerment and Opportunities Project	4,256.0
National Youth Service (NYS)	10,023.8
Youth Enterprise Development Fund	454.1
Youth Employment and Enterprise (Uwezo Fund)	62.0
Women Enterprise Fund	120.0
National Government Affirmative Action Fund	2,130.0
National Government Constituency Development Fund	41,714.8
Equalization Fund	6,825.0
13. Sports Culture, Recreation and Tourism	18,131.8
Sports, Arts and Social Development Fund	15,000.0
Refurbishment of Regional Stadia	90.0
Tourism Promotion Fund (TPF)	643.0
Tourism Fund	2,398.8
14. Environmental Protection, Water & Natural Resources	93,220.8
Forests and Water Towers Conservation	9,552.3
Meteorological Service	1,435.0
Environment Management and Protection	3,318.0
Water Resources Management	16,420.9
Water and Sewerage Infrastructure Development	39,151.3
Water Storage and Flood Control	10,813.0
Irrigation and Land Reclamation	10,481.0
Water Harvesting and Storage for Irrigation	1,640.3
Wildlife Conservation and Management	409.0
TOTAL	1,112,058.7

V. ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

62. In line with the Constitution, the Public Finance Management (PFM) Act, 2012, the PFM regulations, and in keeping with prudent and transparent management of public resources, the Government has adhered to the fiscal responsibility principles as set out in the statute as follows:

a. A minimum of 30 percent of the national government's budget allocated to the development expenditure over the medium term.

63. The National Government's allocation to development expenditures has been above 30 percent of its total expenditures. In the FY 2021/22, the allocation to development in the budget is 34.0 percent of the total expenditures meeting the set threshold. We will ensure that this requirement is adhered to even over the Medium-Term.

b. The National Government's expenditure on wages and benefits for its employees not to exceed 35 percent of the national government equitable share of the revenue.

64. The National Government has over the years strictly adhered to the requirement. Despite the impact of the measures taken to fight Covid-19 Pandemic that significantly reduced the revenues for FY 2020/21, the National Government share of wages and benefits was 34.2 percent in the FY 2020/21. This is expected to reduce to 33.6 percent in FY 2021/22 and below 25.0 percent over the medium term.

c. Over the medium term, the National Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.

65. The Government has continued to adhere to this principle as all Government's medium to long term borrowing is being channeled towards funding of Development Expenditures. Further, this borrowing is carried out within the context of the Medium Term Debt Strategy (MTDS) approved by Parliament.

d. Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for National Government

66. The PFM Act requires that public debt and obligations remain at sustainable levels. The Government is committed to adhering to this at all times. Kenya's overall debt ratios have deteriorated compared with internationally recognized thresholds. With the negative impacts of COVID-19, exports and domestic resources have declined. These in turn have deteriorated the debt service to revenue ratio and exports to external debt service ratio. However, with the pandemic expected to ease with the global and domestic vaccinations efforts. These ratios are expected to improve significantly. In addition, the Government's fiscal consolidation programme as outlined in the approved 2021 BPS will reduce debt vulnerabilities and ensure a stronger debt sustainability position going forward.

67. The external debt sustainability indicators illustrate that Kenya's risk has increased from low to moderate, but this is expected to be short term as Government continues with its fiscal consolidation reform and implements liability management strategy aimed at restructuring short term commercial loans by replacing them with long dated maturities. The strategy also aims at limiting non-concessional loans to projects with high economic and social returns to stimulate growth and exports which will improve the debt sustainability ratios.

e. Fiscal risks shall be managed prudently

68. To manage fiscal risks prudently as required, the Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and their implications on the budget. Potential fiscal risks arising from contingent liabilities, including from Public Private Partnership projects among others are taken into account and a contingency provision made to cushion the economy from unforeseeable shocks.

69. In FY 2021/22 the impact of COVID-19 and the containment measures remain the main risks on our fiscal aggregates. Its impact on economic activity and in turn domestic resource mobilization as well as impact on international trade and operations of international capital

markets affecting both our customs revenues as well as our ability to mobilize external resources could comprise fiscal position.

f. A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future

70. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the Government continues to carry out tax reforms through modernizing and simplifying tax laws. In order to lock in predictability and enhance compliance with tax system, the Government has through the annual Finance Acts continued to amend the various tax laws.

The Government has maintained tax rates at stable levels. However, the VAT rate and Income tax rates were temporarily adjusted in April 2020 to cushion individuals and corporates from the adverse impact of the COVID-19 pandemic. These temporary reliefs included reduction in tax rates (Value Added Tax from 16% to 14%; reduction in tax rates for both corporate income tax and individual income tax top rate from 30% to 25%.

71. The tax rates for both corporate income tax and individual income tax top rate were reversed with effect from January 1, 2021 in an effort to support revenue mobilisation. The Government will continue to maintain stable tax rates and build confidence in the Kenyan taxation system, enhance compliance and improve predictability while improving tax administration. The Government will also use tax policy initiatives to address areas where the tax base has been eroded, to strengthen revenue mobilization.

VI. MEMORANDUM ON THE RESOLUTIONS ADOPTED BY THE NATIONAL ASSEMBLY ON THE 2021 BUDGET POLICY STATEMENT

(a) Introduction

72. Section 25(8) of the Public Finance Management (PFM) Act, 2012 prescribes that the Cabinet Secretary for The National Treasury shall take into account resolutions passed by Parliament in finalizing the budget for a given financial year. The National Assembly approved the 2021 Budget Policy Statement (BPS) and the Medium Term Debt Management Strategy for the FY 2021/22 on 4th March, 2021.

73. Section 38(1) (iii) of the PFM Act, 2012 requires the Cabinet Secretary to prepare a memorandum explaining how the resolutions adopted on the BPS have been taken into account. In this regard, the following Section provides a brief to Parliament on the extent to which the resolutions of the House on the 2021 BPS have been taken into account and the reasons thereof.

(b) Policy Resolutions on the 2021 BPS

74. Resolution 1: *That, the National Treasury develops a policy to enable the reduction of unproductive and non-targeted tax waivers and tax breaks in order to protect revenue. This should be submitted to the National Assembly alongside the 2021/2022 budget estimates by 30th April 2021.*

Action taken: This is a welcome resolution. Indeed, the National Treasury embarked on the process of developing a National Tax Policy a while ago and the draft policy has been finalized. This draft policy is undergoing review before it is subjected to stakeholder and public consultations in accordance with the constitution and statutory instruments Act. After that, the draft will be submitted to the Cabinet for approval before it's submission to Parliament.

75. Resolution 2: *That, the National Treasury reviews the compendium of government projects and considers deferment of new projects by one financial year while ensuring adequate*

counterpart funding and provision of funds for stalled projects before finalization of the budget estimates for 2021/2022.

Action taken: The Government is focusing on completion of on-going projects in the FY 2021/22 Budget. Counterpart funds have been prioritized and provided in the FY 2021/22 Budget. The Government is reviewing the stock of stalled projects with a view to determining viable projects for completion over the Medium-Term.

76. Resolution 3: *That, during finalization of the budget estimates for 2021/2022, the National Treasury should take into account the pending bills and ensure that these are adequately provided for within the approved expenditure ceilings.*

Action taken: The Government is committed to clearing of all pending bills, both current and historical. In view of this, the Government will prioritize payment of all pending bills as a first charge on the FY 2021/22 Budget.

Resolution 4: *That, the National Treasury should restructure State Owned Enterprises (SoEs) especially the highly indebted ones who are unable to meet their operational costs with a view to privatizing some of them by end of FY 2021/2022 in order to put them on a sound economic footing.*

Action taken: The National Treasury is developing a strategy to address governance of SOEs as well as the financial pressures in the SOE sector. An in-depth and forward-looking financial evaluation of the top SOEs representing the largest financial and fiscal risks and a framework for deciding on interventions, and reforms to rationalize the SOE sector is ongoing. The National Treasury is confident that the strategy together with the other ongoing reforms will address the current challenges of the SOE sector and their implementation will bear good fruits of development.

77. Resolution 5: *That, during the finalization of the 2021/2022 budget estimates, the resources allocated for all international trade functions under the Ministry of Foreign Affairs be transferred to the State Department of Trade and*

Enterprise Development in order to be in line with assignment of functions as per the Executive Order No.1 of 2020.

Action taken: Ksh.105 million has been transferred from the Ministry of Foreign Affairs to the State Department for Trade and Enterprise Development to support international trade function (Foreign Service Allowance) in the FY 2021/22 Budget.

78. Resolution 6: *That, for the avoidance of doubt and after consultations with the National Treasury, the Committee has approved the debt mix ratio of 57:43 of external to domestic borrowing as provided for in the MTDS. This strategy provides the optimal debt and is also consistent with key provisions of Section 50 of the PFM Act, 2012. Specifically, the law requires that, the National Government shall ensure that its financing needs and payment obligations are met at the lowest possible cost in the market which is consistent with a prudent degree of risk, while ensuring that the overall level of public debt is sustainable.*

Action taken: The National Treasury notes that the recommendation is premised on optimal borrowing mix as per the 2021 Medium Term Debt Strategy. 2021 Medium Term Debt Strategy, though optimized as far as cost is concerned, the proportion of the 2021 Budget Policy Statement is the most practical given the prevailing market conditions and is more feasible to be achieved. It is important to note that 57:43 mix as recommended would require the National Treasury to have external (commercial) borrowing of Ksh. 387.2 billion. This added to the planned refinancing operations of Ksh. 351.0 billion would raise the external commercial borrowing to Ksh 738.2 billion in FY 2021/22. Such a quantum of external commercial borrowing would raise further the refinancing risks and heighten debt vulnerabilities. In this respect, therefore, the deficit financing strategy in the 2021 Budget Policy Statement has been retained.

79. Resolution 7: *That, the National Treasury should stick to its plan to reduce the stock of Treasury bills by Kshs. 200 billion. In the next 30 days following the adoption of this Report, the National Treasury should report to the National*

Assembly how this has been achieved and also on the progress on average time to maturity on domestic debt. Further, the National Treasury should ensure the retirement of overdraft facility at the Central Bank of Kenya at the end of any Fiscal Year.

Action Taken: The stock of Treasury bills has declined by **Kshs. 140.8 billion** from **Kshs. 887.1 billion** as at 30th June 2020 to **Kshs. 746.3 billion** as at 27th April 2021.

The average time to maturity on domestic debt has increased by **8.9 percent** from **7 years 8 months** at the beginning of the fiscal year to the current level of **8 years 6 months**.

The National Treasury shall endeavor to retire the outstanding overdraft at the Central bank of Kenya at the end of each fiscal year.

80. Resolution 8: That, in future, the National Treasury ensures that the borrowing strategies contained in the BPS and the MTDS are aligned in accordance with the provisions of section 33 of the PFM Act, 2012.

Action taken: The National Treasury will ensure consistency between the Medium Term Debt Strategy and the Budget Policy Statement.

81. Resolution 9: That, the sectoral policy recommendations annexed as annex 1 to the Report, being a compendium of the policy observations and recommendations of the fifteen Departmental Committees, forms part of the recommendations of this House.

Action taken: This has been considered and the sectoral policy recommendations in annex 1 have been included in the recommendations of the National Assembly.

(c) Financial Resolutions on the 2021 BPS

82. Resolution 10: That, the revenue target for the FY 2021/22 be set at no less than Ksh 2,034 billion, with ordinary revenue target being set at Ksh 1,775.6 billion.

Action taken: The revenue target for the FY 2021/22 has been set at Ksh 2,038.6 billion while ordinary revenue target has been set at Ksh 1,775.6 billion in line with the approved targets in the 2021 Budget Policy Statement.

83. Resolution 11: *That, the fiscal deficit (including grants) approved by Parliament for the FY 2021/22 is pegged at Kshs. 930.0 billion or 7.5% of GDP, whichever is lower. Any increase of the Fiscal Deficit beyond what has been approved in the BPS for FY 2021/22 will NOT be approved by Parliament.*

Action taken: The National Treasury has broadly complied with the recommendation. However, in order to acquire additional vaccine and ensure the initial number of Kenyans are vaccinated so that we can develop herd immunity, expenditures have been raised slightly. As a result, the fiscal deficit (including grants) for the FY 2021/22 has slightly increased to 952.9 billion or 7.7 percent of GDP.

84. Resolution 12: *That, consistent with the debt mix that ensures there is low cost and minimizes risk, Net Foreign Financing be limited to Ksh 530 billion, while Net Domestic Financing be set at Ksh 399.9 billion.*

Action taken: It is important to note that the financing mix as recommended would require the National Treasury to have external (commercial) borrowing of Ksh. 387.2 billion. This added to the planned refinancing operations of Ksh. 351.0 billion would raise the external commercial borrowing to Ksh 738.2 billion in FY 2021/22. Such a quantum of external commercial borrowing would raise further the refinancing risks and heighten our debt vulnerabilities. In this respect, therefore, the deficit financing strategy in 2021 Budget Policy Statement has been retained.

85. Resolution 13: *Required that the Ministerial Expenditure underpinning the programmes for the FY 2021/22 be limited to no more than Kshs. 1,307,435.5 million for the recurrent expenditure and Kshs. 658,938.3 million for development expenditure.*

Action Taken: The National Treasury has allocated **Ksh.1, 286,589.1 million** for recurrent expenditure. **Kshs.20.8billion** is budgeted under Public Service Superannuation Scheme for the civil service and reflected under Consolidated Fund Services. Further, **Kshs. 664,356.6 million** has been allocated under Development expenditure in the FY 2021/22 Budget. The expenditure includes the allocation to Parliamentary Service Commission and Judiciary.

86. Resolution 14: Required that, the ceiling for Parliament and the Judiciary be set at Ksh. 37,882.7 million and Ksh. 17,918.3 million, respectively.

Action Taken: The National Treasury communicated a ceiling of **Ksh.37,882.7 million** for the Parliamentary Service Commission and **Ksh.17,918.3 million** for the Judiciary in the FY 2021/22 Budget vide the Treasury Circular No.3/2021 Ref. No.ES/03/'P' dated March 11, 2021.

87. Resolution 15: Required that the expenditure ceilings for the FY 2021/2022 budget be set out in Schedule 2 of the Report. For the avoidance of doubt, these ceilings shall be binding and the National Treasury should prepare the budget estimates within these binding constraints.

Action Taken: The National Treasury has finalized the FY 2021/22 Budget as per Schedule 2 with minimal variation on account of salary shortfalls and donor commitment mainly to support purchase of vaccines. Any variation is clearly explained.

88. Resolution 16: Required that having considered the unfunded requests from Departmental Committees amounting to Ksh.240 billion, the committee has identified critical expenditures that require urgent funding amounting to Ksh.45.5 billion as per the attached schedule 1. More importantly, any revenue-raising measures contained in the FY 2021/22 Finance Bill shall be earmarked to fund the aforementioned priority areas;

Action Taken: The Covid-19 pandemic has limited the ability of the Government to generate additional resources. The National Treasury,

will however prioritize funding to the identified critical expenditures of Ksh.45 billion should revenue performance improve in the FY 2021/22.

89. Resolution 17: That, county governments be allocated Kshs. 409.88 billion for FY 2021/2022 of which, the County Government Equitable share shall amount to Kshs. 370 billion.

Action taken: County Governments have been allocated Ksh 409.8 billion for the FY 2021/22, of which County Equitable Share shall amount to Ksh 370 billion.

90. Resolution 18: That the allocation to the Equalization Fund of Kshs. 6.825 billion be approved as provided in the Budget Policy Statement.

Action taken: Equalization Fund has been allocated Ksh 6.8 billion as approved in the 2021 Budget Policy Statement.

91. Resolution 19: That, once approved by the House, these recommendations together with the First and Second Schedule of the Report, forms the basis of the FY 2021/2022 Budget Estimates.

Action Taken: The FY 2021/22 Budget has been finalized based on the resolutions of the National Assembly on 2021 Budget Policy Statement. Specifically, in accordance to Schedule 1 and 2 of the Resolutions.

VII. REVENUE AND EXPENDITURE ALLOCATION FROM THE EQUALIZATION FUND AND COMPLIANCE WITH THE POLICY DEVELOPED BY CRA UNDER ARTICLE 216(4) OF THE CONSTITUTION

92. The National Treasury proposed that County Governments be allocated Ksh 6.8 billion from the Equalization Fund in FY 2021/22 to finance development projects in the marginalized areas. Accordingly, cumulative allocations due to the Equalization Fund since its inception amount to Ksh 47.4 billion since FY 2013/14 to FY 2021/22. Failure to allocate in some years is attributable mainly to: i) delay in approval of the initial Policy setting out the criteria to identify marginalized areas; ii) delay in approval of the PFM (Equalization Fund) Guidelines, 2015; and, iii) lapse of the Equalization Fund Appropriations Act, 2017. Nevertheless, allocations in FYs 2015/16, 2016/17 and 2017/18 were enhanced to make up for the shortfalls.

93. Article 221(2) of the Constitution requires the National Treasury to submit estimates of expenditure from the Equalization Fund for FY 2021/2022. Since projects to be financed under the second Policy have not been identified, the National Treasury has not yet prepared the required estimates. In addition, the High Court ruling on petition No. 272/2016 on 5th November, 2019 quashed the guidelines and declared them unconstitutional has negatively affected the implementation of the ongoing Equalization Fund projects under the first policy on marginalization and identification of projects to be implemented under the second policy on marginalization. It further directed the Cabinet Secretary, the National Treasury and Planning to develop a new statutory instrument within six (6) months on administration of Equalization Fund.

94. The National Treasury through the multi-agency committee developed the Draft Public Finance Management (Equalization Fund) Regulations, 2020 which was approved by Cabinet and submitted to the Attorney General for legal drafting. Once gazetted, the draft regulations will be submitted to Parliament for approval. The approval of these Regulations by Parliament is expected to unlock the implementation of the ongoing Equalization Fund projects based on the first policy on marginalization through facilitating payment of pending interim

certificates. Furthermore, the Regulations will facilitate the implementation of subsequent policies on marginalization specifically on identification of new projects, to be financed under the Equalization Fund.

VIII. REVENUE ALLOCATION TO COUNTY GOVERNMENTS, INCLUDING CONDITIONAL AND UNCONDITIONAL GRANTS

95. In the FY 2021/22, the National Treasury proposes that County Governments be allocated an equitable share of revenue raised nationally of Ksh 370 billion. This is premised on Parliament having approved the third basis for allocation of the share of national revenue among the County Governments in September, 2020 on condition that the formula's implementation would be preceded by a Ksh 53.5 billion increase in the Counties' equitable revenue share. The proposed County Governments' equitable share of revenue raised nationally for the financial year 2021/22 is arrived at by growing the County Governments' equitable share for 2020/21 of Ksh 316.5 billion by Ksh 36.1 billion or 11.4 %. This growth derived from anticipated improvement in revenues raised nationally in FY 2021/22 when the effects of Covid-19 pandemic are expected to ease. This increase is expected to facilitate Post Covid-19 economic recovery at the counties as well as ensure sustained service delivery by the devolved governments.

96. Additionally, the National Treasury has proposed to convert some of the ongoing additional conditional allocations to county governments, without any ongoing contractual obligations, amounting to Ksh 17.4 billion equitable share in FY 2021/22. The four conditional allocations are: The Road Maintenance Levy Fund (RMLF); the grant to level-5 hospitals; the compensation for user fees foregone; and the rehabilitation of village polytechnics grants. This proposal, if approved by Parliament, this will guarantee County Governments an equitable revenue share allocation of Ksh 370 billion in FY 2021/22.

97. Conversion of the four conditional allocations to Counties' equitable revenue share as proposed above has several advantages. Firstly, it will afford the Counties more autonomy to budget and prioritize allocation of resources. Secondly, it will achieve a more consolidated approach to funding of devolved functions, while also enabling better tracking of performance and attribution of outcomes. Thirdly, it will help to address a number of challenges which are currently being experienced including suboptimal absorption of conditional allocations (which arises due primarily to difficulties faced by

many Counties in adhering to the underlying conditions); and failure by Counties to allocate sufficient resources in areas receiving supplemental funding by the National Government through conditional allocations.

98. In addition to the equitable share of revenue raised nationally, the National Treasury proposes that County Governments receive additional conditional allocations amounting to Ksh 39.88 billion. This reflects a decrease of Ksh 13.52 billion. This decrease has been occasioned by proposal to convert some of the ongoing additional conditional allocations to county governments, without any ongoing contractual obligations, amounting to Ksh 17.4 billion equitable share in FY 2021/22. This comprises: i) additional conditional allocations from the National Government of Ksh 7.54 billion; and, ii) conditional allocation from proceeds of external loans and grants amounting to Ksh 32.34 billion. Each conditional allocation is distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula.

99. The 2021 BPS and the Division of Revenue Bill (DoRB), 2021 submitted by the National Treasury to Parliament contains the vertical division of revenue summarized in **Table 6**.

100. Horizontal distribution of County Governments' equitable revenue share allocation for FY 2020/21 is based on the Third basis of the revenue allocation criteria approved by Parliament in accordance with Article 217 of the Constitution. The Third Basis formula which will be applicable from FY 2020/21 to FY 2024/25 has taken into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Index (5%); (iv) Poverty Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%).

101. The Nairobi City County Government (NCCG) transferred some of its functions to the National Government pursuant to Article 187 of the Constitution and as read with Section 26 of the Intergovernmental Relations Act. The transfer was legally effected through a mutual Deed Agreement vide Gazette Notice No. 1609 dated 25th February, 2020. According to the Agreement, the scope of the functions unequivocally transferred to the National Government is as follows: County health services; County transport services; County planning and development

services; and, County public works, utilities and ancillary services. The National Government has been implementing these transferred functions through Nairobi Metropolitan Services (NMS) established pursuant to the Executive Order No. 1 of 2020.

102. In this regard, and in order to ensure that resources necessary for performance of the four functions are transferred as contemplated under Article 187 of the Constitution, the National Treasury has developed an Appropriate Framework for financing of transferred functions from NCCG to NMS. The framework provides for:-- i) Budget formulation whereby the NCCG and NMS shall jointly determine the cost of transferred functions and ensure they are budgeted for both in the National and NCCG Appropriations; ii) Budget Execution whereby, the NMS and NCCG shall jointly prepare cash flow projections with which the Controller of Budget shall use to approve Exchequer requisitions, drawn of NCCG County Revenue Fund Account, to finance the transferred functions and the remaining functions of NCCG; and iii) Reporting and Oversight, whereby it prescribes the preparation of quarterly and annual financial and non-financial reports relating to transferred functions by NMS to be submitted to the Cabinet Secretary/ National Treasury, Controller of Budget, County Executive Committee Member (CECM) for Finance, respective CECM responsible for the transferred functions, the Auditor General , Parliament and the Nairobi City County Assembly.

Table 6: Disaggregation of County Governments' Allocation (Ksh Million)

Type/Level of Allocation	Amount in Ksh (Million)	Percentage (%) of 2016/17 audited and approved Revenue i.e. Ksh 1,357,698 Million
A. Total Sharable Revenue	1,775,624.2	
B. National Government	1,398,798.9	
C. Equalization Fund	6,825.3	0.50%
D. County equitable share	370,000.0	27.30%
E. Additional conditional allocations (National Government share of Revenue)	7,537.0	
F. Conditional allocations (Loans & grants)	32,343.9	
Total County Allocations= (D+E+F)	409,880.9	

IX. OTHER BUDGET DOCUMENTS AND INFORMATION

104. The following information and documents have been prepared to accompany the FY 2021/22 budget estimates: highlights of the 2021 Medium Term Debt Management Strategy (MTDS), domestic and external loan redemption and interest, list of guaranteed loans, revenues for guaranteed loans repayment interest, a list of Semi-Autonomous Government Agencies receiving funds from the exchequer as well as public pensions and Public Service Superannuation Scheme. The details are given as follows:

A. Highlights of the 2021 Medium Term Debt Management Strategy

105. The 2021 MTDS will implement the government's desired composition of the debt portfolio covering the period FY2021/22-FY2023/24. It provides guidance on how to refinance the maturing public debt and fund the annual fiscal deficits during the period 2021/22-2023/24 while minimizing costs and risks of overall public debt.

106. The strategy is to finance fiscal deficits through, net financing mix of 57 per cent from external sources and 43 per cent from domestic market. In terms of gross borrowing, external and domestic financing accounts for 27 percent and 73 percent respectively.

107. The focus of the 2021 debt management strategy is to fund the fiscal deficits while to achieving gradual repayment of Treasury bills and part of commercial debt in the external portfolio through liability management operations. It considers the cost and risk trade-offs, the net borrowing and the need to diversify the funding sources. The strategy also reflects the need to maintain issuance of Treasury bills as cash management tool and gradually reduce its stock over the medium term. The strategy further underpins the need to issue medium to long term bonds to lengthen the maturity structure thus reducing refinancing risk of borrowing as well as supporting domestic debt market development through benchmark bond program. The envisaged borrowing will continue to maximize concessional and semi-concessional debt from the external sources and tapping into the international capital market.

108. Government will continue to spearhead the implementation of reforms to develop the domestic debt market and promote collaborative partnerships among various stakeholders including regulators, investors and other market players to support faster market development.

B. National Government Loans to State Corporations, Government Agencies, and other Organizations

109. Total outstanding loans by The National Government to State Corporations, Government Agencies, and other organizations as at June 30th, 2020 stood at **Ksh 867 billion (Table 7)**.

Table 7: Statement of Outstanding Loans to State Corporations and Other Agencies as at 30th June, 2020

To Whom Lent	Initial Amount Lent	Amount Repaid	Amount Outstanding
	KSHS	KSHS	KSHS
1 Agricultural Finance Corporation	562,294,453	87,175,290	475,119,163
2 Agricultural Settlement Fund and Central Land Board.	126,326,880	48,571,556	77,755,324
3 Agro-chemical & food Company Ltd	2,941,884,000	95,000,000	2,846,884,000
4 Athi Water Services Board	39,599,586,946	481,217,885	39,118,369,061
5 Catering Levy Trustee/Utalii College	140,000,000	18,000,000	122,000,000
6 Coast Water Service Board	26,271,589,290	-	26,271,589,290
7 Co-operative Bank of Kenya Ltd	417,861,548	130,444,827	287,416,721
8 East African Sugar Industries Limited, Muhoroni	177,123,100	-	177,123,100
9 Eldoret Municipal Council	1,058,673,824	732,007,157	326,666,667
10 Equity Bank Ltd	654,300,292	160,832,713	493,467,579
11 Faulu Kenya Deposit Taking Micro-Finance Ltd.	235,568,667	137,415,055	98,153,612
12 Halal Meat Products	27,701,420	-	27,701,420
13 IDB Capital Limited	1,555,675,500	-	1,555,675,500
14 Industrial and Commercial Dev. Corporation	2,054,936,119	883,087,559	1,171,848,560
15 Kenya Airports Authority	4,251,876,908	1,272,151,453	2,979,725,455
16 Kenya Civil Aviation Authority	2,087,092,807	531,009,688	1,556,083,119
17 Kenya Electricity Generating Co. Ltd.	138,976,998,311	23,365,580,034	115,611,418,277
18 Kenya Meat Commission	940,241,100	-	940,241,100
19 Kenya Mortgage Refinance Company	22,778,098,320	-	22,778,098,320
20 Kenya Power and Lighting Co. Limited	86,802,513,829	10,952,616,328	75,849,897,501
21 Kenya Railways Corporation	473,210,691,342	-	473,210,691,342
22 Kenya Tourist Development Corporation	48,000,000	-	48,000,000
23 Kenya Urban Transport Various Towns	40,706,140	-	40,706,140
24 Kenya Women Finance Trust Deposit Taking Micro-Finance Ltd.	241,334,333	140,778,360	100,555,973
25 Kenyatta University	10,857,620,656	-	10,857,620,656
26 Kilifi Mariakani Water & Sewerage Co. Ltd	1,059,644,328	-	1,059,644,328
27 Kwale Water & Sewerage Co. Ltd	2,051,265,560	-	2,051,265,560
28 Lake Basin Development Authority (LBDA)	2,000,000,000	-	2,000,000,000
29 Lake Victoria North Water Services Board	7,593,445,499	3,932,244	7,589,513,256
30 Lake Victoria South Water Services Board	13,121,785,606	-	13,121,785,606
31 Local Government Loans Authority	7,688,792,480	94,518,760	7,594,273,720
32 Malindi Water, Sewerage & Sanitation Co. Ltd	1,058,633,217	-	1,058,633,217
33 Miwani Outgrowers Mills Limited	6,600,000	-	6,600,000
34 Miwani Sugar Company (1989) Limited	16,000,020	-	16,000,020
35 Miwani Sugar Mills Limited	78,088,180	-	78,088,180

To Whom Lent		Initial Amount Lent	Amount Repaid	Amount Outstanding
		KSHS	KSHS	KSHS
36	Moi University	250,000,000	18,750,000	231,250,000
37	Mombasa Pipeline Board	63,400,000	40,435,020	22,964,980
38	Mombasa Water & Sanitation Co. Ltd	1,798,411,538	-	1,798,411,538
39	Mumias Outgrowers Company Limited	43,208,440	26,691,040	16,517,400
40	Mumias Sugar Company Limited	3,000,000,000	-	3,000,000,000
41	Nairobi City Council	123,109,580	20,775,820	102,333,760
42	National Irrigation Board	2,262,036,544	-	2,262,036,544
43	National Water Conservation and Pipeline Corporation	2,460,874,897	-	2,460,874,897
44	Northern Water Services Board	5,389,000,000	-	5,389,000,000
45	Nyeri Water and Sewerage Company	1,159,592,738	554,587,833	605,004,905
46	Nzoia Sugar Company Limited	482,139,360	23,629,260	458,510,100
47	Rafiki Deposit Taking Micro-Finance Ltd.	111,352,583	64,955,673	46,396,909
48	Rift Valley Water Services Board	4,834,529,796	44,214,725	4,790,315,071
49	Rural Electrification Authority	13,649,158,450	-	13,649,158,450
50	SMEP Deposit Taking Micro-Finance Ltd.	118,555,667	69,157,472	49,398,194
51	South Nyanza Sugar Company Limited	253,317,120	54,289,700	199,027,420
52	Tana Water Services Board	7,543,116,143	-	7,543,116,143
53	Tanathi Water Services Board	9,713,565,506	-	9,713,565,506
54	Tavevo Water & Sewerage Co. Ltd	1,506,555,390	-	1,506,555,390
55	Uchumi Supermarkets Limited	1,200,000,000	-	1,200,000,000
56	Water Resource Management	362,612,300	-	362,612,300
Total		907,057,486,726	40,051,825,454	867,005,661,272

C. Investment Revenue Estimates for FY 2021/22

110. In the FY 2020/21, the National Treasury has budgeted for investment revenue of Ksh 41.9 billion as shown in **Table 8** below:

Table 8: Projected Investment Revenue Estimates – FY 2021/22

	Printed Estimate - FY2020/2021	Actual Revenue Receipts – FY2020/2021 (as at March, 2021)	Projected Estimates - 2021/2022 FY
	Ksh	Ksh	Ksh
Loan Redemption	4,824,900,888	330,133,425.55	6,790,665,012.67
Interest Receipts	1,659,783,124	78,509,644	2,059,746,503.61
Other Profits & Dividends	28,567,655,535.00	30,472,505,117	29,082,000,000.00
Dividend from CBK	-	7,500,000,000	4,000,000,000.00
Surplus Funds	12,338,000,000	2,777,185,000	-
Directors Funds	31,691,640	15,244,998	34,418,800.00
TOTAL	47,422,031,187	41,173,578,186	41,966,830,316.28

D. Other Tables

111. The rest of the Tables in this document are as follows:

- i. Table 9: Internal interest payments from the Consolidated Fund
- ii. Table 10: Summary of interest on internal debt
- iii. Table 11: Internal debt redemption from the Consolidated Fund
- iv. Table 12: External debt redemption from the Consolidated Fund
- v. Table 13: External debt interest payments from the Consolidated Fund
- vi. Table 14: List of publicly guaranteed debt

Table 9: Internal Interest Payments from the Consolidated Fund

242000 - INTEREST ON INTERNAL DEBT										
SUB-HEAD DESCRIPTION				PRINTED ESTIMATES 2020/2021	Revised ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022	PRINTED ESTIMATES 2022/2023	PRINTED ESTIMATES 2023/2024	PRINTED ESTIMATES 2024/25	
TREASURY BONDS :	ISSUE No.	PRINCIPAL	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
002000220	MAB2/2017/3	891,350,000.00	2020/09	3YRS	63,567,500	63,567,500	-	-	-	-
002000209	FXD2/2010/10	33,387,900,000.00	2020/10	10YRS	1,553,705,927	1,553,705,927	-	-	-	-
002000204	FXD2/2015/5	30,673,850,000.00	2020/11	5YRS	2,134,899,960	2,134,899,960	-	-	-	-
002000203	FXD1/2019/2	31,120,850,000.00	2021/01	2YRS	3,330,242,159	3,330,242,159	-	-	-	-
002000204	FXD1/2016/5	19,545,570,000.00	2021/04	5YRS	2,801,662,004	2,801,662,004	-	-	-	-
002000204	FXD2/2016/5	24,395,300,000.00	2021/07	5YRS	3,432,174,757	3,432,174,757	1,716,087,379	-	-	-
002000204	FXD3/2016/5	23,051,050,000.00	2021/09	5YRS	3,022,453,676	3,022,453,676	-	-	-	-
002000212	FXD1/2007/15	3,654,600,000.00	2022/03	15YRS	529,917,000	529,917,000	529,917,000	-	-	-
002000212	SFX1/2007/15	6,000,000,000.00	2022/05	15YRS	870,000,000	870,000,000	870,000,000	-	-	-
002000209	FXD1/2012/10	35,273,700,000.00	2022/06	10YRS	4,481,523,585	4,481,523,585	4,481,523,585	-	-	-
002000212	FXD2/2007/15	32,682,600,000.00	2022/06	15YRS	4,412,151,000	4,412,151,000	4,412,151,000	-	-	-
002000204	FXD1/2017/5	29,599,150,000.00	2022/08	5YRS	3,689,534,048	3,689,534,048	3,689,534,048	1,844,767,024	-	-
002000204	FXD2/2017/5	20,712,100,000.00	2022/10	5YRS	2,592,533,557	2,592,533,557	2,592,533,557	1,296,266,779	-	-
002000212	FXD3/2007/15	32,958,100,000.00	2022/11	15YRS	4,119,762,500	4,119,762,500	4,119,762,500	2,059,881,250	-	-
002000203	FXD1/2021/2	55,860,260,000.00	2023/01	2YRS	-	-	5,298,904,264	5,298,904,264	-	-
002000212	FXD1/2008/15	34,789,800,000.00	2023/03	15YRS	4,348,725,000	4,348,725,000	4,348,725,000	4,348,725,000	-	-
002000204	FXD1/2008/5	30,795,550,000.00	2023/03	5YRS	3,787,544,695	3,787,544,695	3,787,544,695	3,787,544,695	-	-
002000209	FXD1/2013/10	39,248,200,000.00	2023/06	10YRS	4,855,394,822	4,855,394,822	4,855,394,822	4,855,394,822	-	-
002000204	FXD1/2019/5	65,359,500,000.00	2024/02	5YRS	7,388,237,880	7,388,237,880	7,388,237,880	7,388,237,880	7,388,237,880	-
002000209	FXD1/2014/10	35,852,150,000.00	2024/01	10YRS	4,366,791,870	4,366,791,870	4,366,791,870	4,366,791,870	4,366,791,870	-
002000204	FXD2/2019/5	39,201,400,000.00	2024/05	5YRS	4,261,976,208	4,261,976,208	4,261,976,208	4,261,976,208	4,261,976,208	-
002000212	FXD1/2009/15	31,952,450,000.00	2024/10	15YRS	3,994,056,250	3,994,056,250	3,994,056,250	3,994,056,250	3,994,056,250	1,997,028,125
002000204	FXD3/2019/5	73,315,750,000.00	2024/12	5YRS	3,273,524,930	5,849,485,460	8,425,445,990	8,425,445,990	8,425,445,990	4,212,722,995
002000212	FXD1/2010/15	27,693,900,000.00	2025/03	15YRS	2,838,624,750	2,838,624,750	2,838,624,750	2,838,624,750	2,838,624,750	2,838,624,750
002000204	FXD1/2020/5	38,577,850,000.00	2025/05	5YRS	-	1,742,080,500	4,500,877,760	4,500,877,760	4,500,877,760	4,500,877,760
002000212	FXD2/2010/15	25,199,800,000.00	2025/12	15YRS	1,216,179,000	6,823,651,938	2,267,982,000	2,267,982,000	2,267,982,000	2,267,982,000
002000209	FXD1/2016/10	18,306,450,000.00	2026/08	10YRS	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,016
002000209	FXD1/2017/10	35,174,400,000.00	2027/07	10YRS	4,560,712,704	4,560,712,704	4,560,712,704	4,560,712,704	4,560,712,704	4,560,712,704
002000212	FXD1/2012/15	48,937,100,000.00	2027/09	15YRS	5,383,081,000	5,383,081,000	5,383,081,000	5,383,081,000	5,383,081,000	5,383,081,000
002000212	FXD1/2013/15	42,138,450,000.00	2028/02	15YRS	4,740,575,625	4,740,575,625	4,740,575,625	4,740,575,625	4,740,575,625	4,740,575,625
002000212	FXD2/2013/15	65,391,900,000.00	2028/04	15YRS	5,866,924,500	7,397,842,500	8,928,760,500	36,485,284,500	36,485,284,500	36,485,284,500
002000212	FXD1/2008/20	38,145,100,000.00	2028/06	15YRS	5,244,951,250	5,244,951,250	5,244,951,250	5,244,951,250	5,244,951,250	5,244,951,250
002000209	FXD1/2018/10	40,584,600,000.00	2028/08	10YRS	5,148,562,356	5,148,562,356	5,148,562,356	5,148,562,356	5,148,562,356	5,148,562,356
002000209	FXD2/2018/10	52,901,100,000.00	2028/12	10YRS	4,096,549,093	5,355,122,308	6,613,695,522	6,613,695,522	6,613,695,522	6,613,695,522
002000209	FXD1/2019/10	71,287,600,000.00	2029/02	10YRS	6,473,232,720	8,866,751,688	8,866,751,688	8,866,751,688	8,866,751,688	8,866,751,688
002000209	FXD3/2019/10	45,005,050,000.00	2029/08	10YRS	5,183,231,609	5,183,231,609	5,183,231,609	5,183,231,609	5,183,231,609	5,183,231,609
002000209	FXD4/2019/10	69,350,100,000.00	2029/11	10YRS	4,473,180,340	4,473,180,340	5,516,192,280	5,516,192,280	5,516,192,280	5,516,192,280
002000209	FXD2/2019/10	51,326,720,000.00	2029/04	10YRS	6,313,186,560	6,313,186,560	6,313,186,560	6,313,186,560	6,313,186,560	6,313,186,560
002000213	FXD1/2011/20	37,029,400,000.00	2031/05	20YRS	936,580,000	2,319,760,000	3,702,940,000	3,702,940,000	3,702,940,000	3,702,940,000
002000213	FXD1/2012/20	44,581,650,000.00	2032/11	20YRS	5,349,798,000	5,349,798,000	5,349,798,000	5,349,798,000	5,349,798,000	5,349,798,000
002000212	FXD1/2018/15	49,254,850,000.00	2033/05	15YRS	8,442,306,400	8,442,306,400	8,442,306,400	8,442,306,400	8,442,306,400	8,442,306,400
002000212	FXD2/2018/15	29,064,350,000.00	2033/10	15YRS	3,705,704,625	3,705,704,625	3,705,704,625	3,705,704,625	3,705,704,625	3,705,704,625
002000212	FXD1/2019/15	79,096,895,238.50	2034/01	15YRS	3,929,954,191	7,049,718,098	10,169,482,005	10,169,482,005	10,169,482,005	10,169,482,005
002000212	FXD2/2019/15	59,616,400,000.00	2034/04	15YRS	8,350,976,300	9,444,132,897	8,350,976,300	8,350,976,300	8,350,976,300	8,350,976,300
002000212	FXD3/2019/15	50,552,950,000.00	2034/07	15YRS	6,238,234,030	6,238,234,030	6,238,234,030	6,238,234,030	6,238,234,030	6,238,234,030
002000212	FXD1/2020/15	49,917,150,000.00	2035/02	15YRS	657,093,450	3,509,711,352	6,367,431,654	6,367,431,654	6,367,431,654	6,367,431,654
002000214	FXD1/2010/25	20,192,500,000.00	2035/05	25YRS	2,271,656,250	2,271,656,250	2,271,656,250	2,271,656,250	2,271,656,250	2,271,656,250
002000213	FXD1/2016/20	12,761,200,000.00	2036/09	20YRS	1,786,568,000	1,786,568,000	1,786,568,000	1,786,568,000	1,786,568,000	1,786,568,000
002000213	FXD1/2018/20	59,034,150,000.00	2038/03	20YRS	4,162,862,880	5,974,589,280	7,792,507,800	7,792,507,800	7,792,507,800	7,792,507,800
002000213	FXD2/2018/20	56,068,500,000.00	2038/07	20YRS	2,091,757,800	4,746,399,900	7,401,042,000	7,401,042,000	7,401,042,000	7,401,042,000
002000213	FXD1/2019/20	14,541,900,000.00	2039/03	20YRS	1,871,978,787	1,871,978,787	1,871,978,787	1,871,978,787	1,871,978,787	1,871,978,787
002000213	FXD2/2019/20	9,022,760,000.00	2039/03	20YRS	1,161,499,895	1,161,499,895	1,161,499,895	1,161,499,895	1,161,499,895	1,161,499,895
002000215	SDB1/2011/30	28,144,700,000.00	2041/01	30YRS	3,377,364,000	3,377,364,000	3,377,364,000	3,377,364,000	3,377,364,000	3,377,364,000
002000214	FXD1/2018/25	94,326,700,000.00	2043/05	25YRS	5,732,924,680	9,157,200,880	12,639,777,800	12,639,777,800	12,639,777,800	12,639,777,800
002000208	IFB2/2010/9	15,874,483,887	2019/08	9YRS	-	-	-	-	-	-
002000207	IFB1/2011/12	14,399,102,964	2019/09	8YRS	-	-	-	-	-	-

Table 9: Internal Interest Payments from the Consolidated Fund (Cont'd)

242000 - INTEREST ON INTERNAL DEBT											
SUB-HEAD DESCRIPTION					PRINTED ESTIMATES 2020/2021	Revised ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022	PRINTED ESTIMATES 2022/2023	PRINTED ESTIMATES 2023/2024	PRINTED ESTIMATES 2024/25	
TREASURY BONDS :	ISSUE No.	PRINCIPAL	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
					476,643,461	476,643,461					
002000204	IFB1/2015/9	8,666,244,750.00	2020/12	5YRS	983,545,688	983,545,688					
002000211	IFB1/2009/12	7,868,365,500.00	2021/02	12YRS	2,248,627,623	2,248,627,623					
002000211	IFB1/2015/12	20,442,069,304.00	2021/03	12YRS	1,031,237,775	1,031,237,775					
002000208	IFB1/2016/9	8,249,902,200.00	2021/05	9YRS	1,399,226,577	1,399,226,577	699,613,289				
002000207	IFB1/2013/12	12,388,366,473.72	2021/09	8YRS	646,599,000	646,599,000	646,599,000				
002000211	IFB2/2009/12	5,388,325,000.00	2021/11	12YRS	343,929,600	343,929,600	343,929,600				
002000209	IFB1/2017/12	2,866,080,000.00	2022/02	10YRS	1,216,824,645	1,216,824,645	1,216,824,645	608,412,323			
002000211	IFB1/2014/12	11,062,042,230.72	2022/10	12YRS	2,591,840,625	2,591,840,625	2,591,840,625	1,295,920,313			
002000206	IFB1/2017/7	20,734,725,000.00	2022/11	7YRS	809,908,841	809,908,841	809,908,841	404,954,420			
002000204	IFB1/2015/9	7,362,807,645.05	2022/12	7YRS	1,031,239,227	1,031,239,227	1,031,239,227	1,031,239,227			
002000208	IFB1/2016/9	8,249,913,817.02	2023/05	7YRS	1,233,971,876	1,233,971,876	1,233,971,876	1,233,971,876	616,985,938		
002000207	IFB1/2011/12	10,283,098,969.87	2023/09	12YRS	644,868,000	644,868,000	644,868,000	644,868,000	644,868,000		
002000209	IFB1/2017/12	5,158,944,000.00	2024/02	12YRS	2,149,486,411	2,149,486,411	2,149,486,411	2,149,486,411	2,149,486,411		
002000211	IFB1/2015/12	20,199,547,781.00	2024/03	12YRS	2,591,840,625	2,591,840,625	2,591,840,625	2,591,840,625	2,591,840,625	1,295,920,313	
002000206	IFB1/2017/7	20,734,725,000.00	2024/11	7YRS	999,954,737	999,954,737	999,954,737	999,954,737	999,954,737	499,977,368	
002000204	IFB1/2015/9	9,090,497,604.95	2024/12	9YRS	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,998	
002000208	IFB1/2016/9	19,803,383,982.98	2025/05	9YRS	1,672,561,923	1,672,561,923	1,672,561,923	1,672,561,923	1,672,561,923	1,672,561,923	
002000207	IFB1/2013/12	15,205,108,388.28	2025/09	12YRS	-	2,063,118,300	2,063,118,300	2,063,118,300	2,063,118,300	2,063,118,300	
002000205	IFB1/2020/6	20,226,650,000.00	2026/05	6YRS	1,696,260,139	1,696,260,139	1,696,260,139	1,696,260,139	1,696,260,139	1,696,260,139	
002000211	IFB1/2014/12	15,420,546,720.28	2026/10	12YRS	1,233,027,966	1,233,027,966	1,233,027,966	1,233,027,966	1,233,027,966	1,233,027,966	
002000211	IFB1/2015/12	11,209,345,142.61	2027/03	12YRS	2,059,240,000	2,059,240,000	2,059,240,000	2,059,240,000	2,059,240,000	2,059,240,000	
002000212	IFB1/2018/15	16,473,920,000.00	2028/01	15YRS	2,198,041,175	2,198,041,175	2,198,041,175	2,198,041,175	2,198,041,175	2,198,041,175	
002000209	IFB1/2018/20	18,393,650,000.00	2028/11	10YRS	1,146,432,000	1,146,432,000	1,146,432,000	1,146,432,000	1,146,432,000	1,146,432,000	
002000209	IFB1/2017/12	6,305,376,000.00	2029/02	12YRS	-	-	8,568,635,600	8,568,635,600	8,568,635,600	8,568,635,600	
002000204	IFB1/2020/09	78,973,600,000.00	2029/04	9YRS	4,803,558,000	4,373,603,200	8,747,206,400	8,747,206,400	8,747,206,400	8,747,206,400	
002000210	IFB1/2020/11	80,249,600,000.00	2031/08	11YRS	3,088,860,000	4,803,558,000	4,803,558,000	4,803,558,000	4,803,558,000	4,803,558,000	
002000212	IFB1/2016/15	40,029,650,000.00	2031/10	15YRS	1,182,435,790	3,088,860,000	3,088,860,000	3,088,860,000	3,088,860,000	3,088,860,000	
002000212	IFB1/2018/15	24,710,880,000.00	2033/01	15YRS	8,345,854,625	1,182,435,790	1,182,435,790	1,182,435,790	1,182,435,790	1,182,435,790	
002000209	IFB1/2018/20	9,196,825,000.00	2033/10	15YRS	2,850,261,560	8,345,854,625	8,345,854,625	8,345,854,625	8,345,854,625	8,345,854,625	
002000221	IFB1/2019/16	71,028,550,000.00	2035/10	16YRS	-	-	9,934,607,376	9,934,607,376	9,934,607,376	9,934,607,376	
002000221	IFB1/2021/16	81,052,520,000.00	2037/01	16YRS	2,053,095,300	2,850,261,560	2,850,261,560	2,850,261,560	2,850,261,560	2,850,261,560	
002000209	IFB1/2018/20	9,196,825,000.00	2038/10	20YRS	2,860,300,000	2,053,095,300	2,053,095,300	2,053,095,300	2,053,095,300	2,053,095,300	
002000214	IFB1/2019/25	16,828,650,000.00	2044/02	25YRS	1,776,660,492	-	20,067,705,000	35,046,150,000	36,798,457,500	36,798,457,500	
002000218	April-June Issue	175,000,000,000.00	various	various	-	-	18,742,512,349	52,295,056,084	83,570,597,298	116,413,040,260	
002000219	NEW LOANS	-	-	-	-	-	-	-	-	-	
		SUB - TOTAL			Kshs	257,511,493,815	290,759,142,080	361,028,286,425	414,394,549,363	419,973,402,023	425,381,849,878

Table 10: Summary of Interest on Internal Debt

CONSOLIDATED FUND SERVICES								
(1) R50 PUBLIC DEBT								
242000 - INTEREST ON INTERNAL								
SUB- HEAD	ITEM	DESCRIPTION	PRINTED ESTIMATES 2020/2021 Kshs	Revised ESTIMATES 2020/2021 Kshs	PRINTED ESTIMATES 2021/2022 Kshs	PRINTED ESTIMATES 2022/2023 Kshs	PRINTED ESTIMATES 2023/2024 Kshs	PRINTED ESTIMATES 2024/25 Kshs
OTHER LOANS:								
002000401	2420102	Pre - 1997 Gov't Overdraft Debt	666,862,671	666,862,671	650,212,671	633,562,671	616,912,671	600,262,671
002000403	2420102	Tax Reserve Certificate						
002000407	2420102	Short Term Borrowing (T. Bills Interest)	41,354,333,514	39,674,869,810	51,327,085,787	58,522,427,251	78,546,397,889	83,786,415,328
002000404	2420102	Miscellaneous (Advertising)	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
002000405	2420102	SDR- Allocation Charges	-	-	-	-	-	-
002000402	2420102	Government Overdraft- Interest Charges	5,821,310,000	5,821,310,000	5,821,310,000	5,821,310,000	5,821,310,000	5,821,310,000
002000408	2420102	Commissions to CBK	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
		SUB - TOTAL	50,912,506,185	49,233,042,480	60,868,608,458	68,047,299,922	88,054,620,560	93,277,987,999
		TOTAL INTEREST ON BONDS & OTHER LOANS	308,424,000,000	339,992,184,560	421,896,894,883	482,441,849,284	508,028,022,583	518,659,837,876
2420000		GRAND TOTAL INTERNAL DEBT - INTEREST	308,424,000,000	339,992,184,560	421,896,894,883	482,441,849,284	508,028,022,583	518,659,837,876

Note:

1. Net domestic financing has been assumed at Kshs 662 billion in the fiscal year 2021/22
2. Net domestic borrowing , is assumed 100% through bonds
3. Interest rates will be stable between 7.00% p.a-8.00% p.a , 8.00 - 9.00% p.a and 9.00% p.a- 10.5% p.a - for 91 days,182 days and 364 days.
4. The usage of the overdraft at CBK will fluctuate within the year but close at zero at end June 2022. Interest will be charged at the CBR rate and the facility will be utilized at 100 % of the set ceiling .

Table 11: Internal Debt Redemption from the Consolidated Fund

CONSOLIDATED FUND INTERNAL DEBT REDEMPTION					Revised	PRINTED	PRINTED	PRINTED	PRINTED	
SUB-HEAD	ITEM	DESCRIPTION	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	
HEAD	ITEM	DESCRIPTION	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Kshs		
		ISSUE No.	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	
002000213	5210201	MAB1/2017/3	2020/09	3YRS	247,750,000	-	-	-	-	
002000213	5210201	MAB1/2017/3	2020/09	3YRS	183,000,000	-	-	-	-	
002000213	5210201	MAB1/2017/3	2020/09	3YRS	197,000,000	-	-	-	-	
002000213	5210201	MAB1/2017/3	2020/09	3YRS	263,600,000	-	-	-	-	
002000213	5210201	MAB1/2017/3	2020/10	10YRS	13,847,900,000	-	-	-	-	
002000209	5210201	FXD2/2010/10	2020/10	10YRS	3,890,350,000	-	-	-	-	
002000209	5210201	FXD2/2010/10	2020/10	10YRS	5,200,100,000	-	-	-	-	
002000209	5210201	FXD2/2010/10	2020/10	10YRS	1,111,650,000	-	-	-	-	
002000209	5210201	FXD2/2010/10	2020/10	10YRS	9,337,900,000	-	-	-	-	
002000209	5210201	FXD2/2010/10	2020/11	5YRS	30,673,850,000	-	-	-	-	
002000204	5210201	FXD2/2015/5	2020/12	5YRS	5,709,387,750	-	-	-	-	
002000204	5210201	IFB1/2015/09	2020/12	5YRS	509,202,750	-	-	-	-	
002000204	5210201	IFB1/2015/09	2020/12	5YRS	1,625,415,750	-	-	-	-	
002000204	5210201	IFB1/2015/09	2020/12	5YRS	822,238,500	-	-	-	-	
002000209	5210201	IFB1/2015/09	2020/12	5YRS	23,708,850,000	-	-	-	-	
002000203	5210201	FXD1/2019/2	2021/01	2YRS	7,412,000,000	-	-	-	-	
002000203	5210201	FXD1/2019/2	2021/01	2YRS	-	-	-	-	-	
002000211	5210201	IFB1/2009/12	2021/02	12YRS	7,868,365,500	-	-	-	-	
002000211	5210201	IFB1/2015/12	2021/03	12YRS	9,876,461,424	-	-	-	-	
002000211	5210201	IFB1/2015/12	2021/03	12YRS	10,565,607,880	-	-	-	-	
002000204	5210201	FXD1/2016/05	2021/04	5YRS	19,544,200,000	-	-	-	-	
002000204	5210201	IFB1/2016/05	2021/05	5YRS	8,249,902,200	-	-	-	-	
002000204	5210201	FXD2/2016/5	2021/07	5YRS	-	24,395,300,000	-	-	-	
002000204	5210201	IFB1/2013/12	2021/09	8YRS	-	5,494,159,495	-	-	-	
002000207	5210201	IFB1/2013/12	2021/09	8YRS	-	6,894,206,979	-	-	-	
002000207	5210201	IFB1/2013/12	2021/09	8YRS	-	23,051,050,000	-	-	-	
002000204	5210201	FXD3/2016/5	2021/09	5YRS	-	5,388,325,000	-	-	-	
002000211	5210201	IFB2/2009/12	2021/11	12YRS	-	1,258,160,000	-	-	-	
002000211	5210201	IFB1/2017/12	2022/02	12YRS	-	1,607,920,000	-	-	-	
002000211	5210201	IFB1/2017/12	2022/02	12YRS	-	3,654,600,000	-	-	-	
002000212	5210201	FXD1/2007/15	2022/03	15YRS	-	6,000,000,000	-	-	-	
002000212	5210201	SFX1/2007/12	2022/05	15YRS	-	7,236,950,000	-	-	-	
002000212	5210201	FXD2/2007/15	2022/06	15YRS	-	25,445,650,000	-	-	-	
002000212	5210201	FXD2/2007/15	2022/06	15YRS	-	11,061,750,000	-	-	-	
002000209	5210201	FXD1/2012/10	2022/06	10YRS	-	443,150,000	-	-	-	
002000209	5210201	FXD1/2012/10	2022/06	10YRS	-	5,298,850,000	-	-	-	
002000209	5210201	FXD1/2012/10	2022/06	10YRS	-	18,469,950,000	-	-	-	
002000209	5210201	FXD1/2012/10	2022/06	10YRS	-	-	12,109,150,000	-	-	
002000209	5210201	FXD1/2017/5	2022/08	5YRS	-	-	17,490,000,000	-	-	
002000204	5210201	FXD1/2017/5	2022/08	5YRS	-	-	4,992,243,486	-	-	
002000204	5210201	FXD1/2017/5	2022/10	12YRS	-	-	496,781,595	-	-	
002000211	5210201	IFB1/2014/12	2022/10	12YRS	-	-	2,209,998,429	-	-	
002000211	5210201	IFB1/2014/12	2022/10	12YRS	-	-	3,363,018,721	-	-	
002000211	5210201	IFB1/2014/12	2022/10	12YRS	-	-	13,492,100,000	-	-	
002000211	5210201	IFB1/2017/5	2022/10	5YRS	-	-	7,220,000,000	-	-	
002000204	5210201	FXD1/2017/5	2022/10	5YRS	-	-	7,841,100,000	-	-	
002000204	5210201	FXD2/2017/5	2022/11	15YRS	-	-	14,927,900,000	-	-	
002000212	5210201	FXD3/2007/15	2022/11	15YRS	-	-	10,189,100,000	-	-	
002000212	5210201	FXD3/2007/15	2022/11	15YRS	-	-	20,734,725,000	-	-	
002000212	5210201	FXD3/2007/15	2022/11	7YRS	-	-	766,621,692	-	-	
002000206	5210201	IFB1/2017/7	2022/12	7YRS	-	-	474,759,907	-	-	
002000206	5210201	IFB1/2015/9	2022/12	7YRS	-	-	798,225,421	-	-	
002000206	5210201	IFB1/2015/9	2022/12	7YRS	-	-	5,323,200,625	-	-	
002000206	5210201	IFB1/2015/9	2022/12	7YRS	-	-	7,380,900,000	-	-	
002000206	5210201	IFB1/2015/9	2023/03	15YRS	-	-	2,692,550,000	-	-	
002000212	5210201	FXD1/2008/15	2023/03	15YRS	-	-	4,695,250,000	-	-	
002000212	5210201	FXD1/2008/15	2023/03	15YRS	-	-	20,021,100,000	-	-	
002000212	5210201	FXD1/2008/15	2023/03	15YRS	-	-	23,055,800,000	-	-	
002000212	5210201	FXD1/2008/15	2023/03	5YRS	-	-	7,739,750,000	-	-	
002000204	5210201	FXD1/2008/5	2023/03	5YRS	-	-	8,249,913,817	-	-	
002000204	5210201	FXD1/2008/5	2023/05	7YRS	-	-	4,737,700,000	-	-	
002000206	5210201	IFB1/2016/9	2023/06	10YRS	-	-	11,909,050,000	-	-	
002000209	5210201	FXD1/2013/10	2023/06	10YRS	-	-	521,700,000	-	-	
002000209	5210201	FXD1/2013/10	2023/06	10YRS	-	-	9,958,400,000	-	-	
002000209	5210201	FXD1/2013/10	2023/06	10YRS	-	-	12,121,350,000	-	-	
002000209	5210201	IFB1/2011/12	2023/09	12YRS	-	-	-	10,283,098,164	-	
002000209	5210201	FXD1/2014/10	2024/01	10YRS	-	-	-	35,852,150,000	-	
002000209	5210201	FXD1/2019/5	2024/02	5YRS	-	-	-	65,359,500,000	-	
002000209	5210201	FXD1/2019/5	2024/02	12YRS	-	-	-	5,158,944,000	-	
002000209	5210201	IFB1/2017/12	2024/03	12YRS	-	-	-	20,199,547,781	-	
002000209	5210201	IFB1/2015/12	2024/05	5YRS	-	-	-	39,201,400,000	-	
002000209	5210201	FXD2/2019/05	2024/10	15YRS	-	-	-	-	31,952,450,000	
002000209	5210201	FXD1/2009/15	2024/11	7YRS	-	-	-	-	20,734,725,000	
002000209	5210201	IFB1/2017/7	2024/12	12YRS	-	-	-	-	8,386,913,137	
002000209	5210201	IFB1/2015/9	2024/12	5YRS	-	-	-	-	44,830,500,000	
002000209	5210201	FXD3/2019/5	2024/12	12YRS	-	-	-	-	27,693,900,000	
002000209	5210201	FXD1/2010/15	2025/03	15YRS	-	-	-	-	39,486,800,000	
002000209	5210201	IFB1/2020/9	2025/04	9YRS	-	-	-	-	38,577,850,000	
002000209	5210201	FXD1/2020/5	2025/05	5YRS	-	-	-	-	19,803,383,983	
002000209	5210201	IFB1/2016/9	2025/05	9YRS	-	-	-	-	80,000,000,000	
002000219	5210201	NEW LOANS						80,000,000,000		
SUB TOTAL					Kshs	160,844,731,754	145,700,021,474	235,512,388,693	256,054,639,945	311,466,522,119
002000401	5210201	Pre - 1997 Govt Overdraft debt			1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000	1,110,000,000
002000407	5210201	Redemption of Treasury Bills - Shortfall			200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000
002000403	5210201	Tax Reserve Certificate			300,000	300,000	300,000	300,000	300,000	300,000
SUB TOTAL					Kshs	201,110,300,000	201,110,300,000	201,110,300,000	201,110,300,000	201,110,300,000
GRAND TOTAL INTERNAL DEBT					Kshs	361,955,031,754	346,810,321,474	436,622,688,693	457,164,939,945	512,576,822,119

Table 12: External Debt Redemption from the Consolidated Fund

CONSOLIDATED FUND SERVICES								
(1) 1002 - PUBLIC DEBT								
5510600 - EXTERNAL DEBT REDEMPTION								
HEAD	CREDITOR	PRINTED	REVISED	Deviation	PRINTED	PRINTED	PRINTED	PRINTED
		ESTIMATES	ESTIMATES		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
		2020/2021	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
		Kshs	Kshs	Kshs				
501	GERMANY	3,031,606,300	1,587,864,265	(1,443,742,036)	6,125,228,910	7,420,130,549	7,730,005,005	7,368,755,018
502	ITALY	11,352,399,456	4,380,035,323	(6,962,364,133)	16,736,925,450	17,221,414,399	15,429,059,521	13,027,061,155
503	JAPAN	4,699,800,675	2,607,597,466	(2,092,203,209)	10,108,703,971	11,276,078,384	10,535,666,132	11,244,552,879
504	IDA	17,576,054,729	17,576,054,729	-	24,015,235,345	34,279,296,311	38,133,603,641	42,337,269,827
505	ADBI/ADF	5,662,338,763	5,662,338,763	-	5,188,951,038	6,377,109,569	8,609,940,479	11,108,971,794
506	U.S.A	420,416,585	294,470,728	(125,945,857)	221,854,719	234,184,468	247,041,175	260,083,549
507	DENMARK	163,030,199	113,649,627	(49,380,572)	-	-	-	-
508	NETHERLANDS	55,132,488	55,132,488	-	-	-	-	-
509	OPEC	731,311,871	731,311,871	-	788,208,350	705,475,487	731,148,878	756,116,156
510	BADEA	290,274,244	290,274,244	-	353,726,192	280,525,921	315,755,974	352,537,623
511	FRANCE	7,266,593,263	2,955,175,535	(4,311,417,728)	12,879,586,995	15,670,816,138	16,320,688,878	17,333,029,659
512	EIB	1,694,175,134	1,694,175,134	-	2,701,669,367	3,677,097,962	3,811,231,007	3,941,842,747
513	SAUDI FUND	83,787,968	77,340,761	(6,447,206)	110,414,585	114,471,401	292,806,504	335,678,719
514	AUSTRIA - BAWAG	32,514,545	30,697,556	(1,816,989)	-	-	-	-
512	EEC	240,298,978	240,298,978	-	289,370,221	303,409,997	263,834,682	272,825,122
517	BELGIUM	1,881,931,248	1,242,831,621	(639,099,627)	2,605,288,168	5,655,846,090	5,508,726,117	5,404,205,269
518	FINLAND	287,840,230	143,920,115	(143,920,115)	342,157,668	354,971,836	367,948,621	380,589,572
	CHINA	296,905,768	-	(296,905,768)	256,830,687	170,722,457	475,088,995	491,208,843
536	EXIM BANK OF CHINA	43,266,932,229	21,227,506,249	(22,039,425,980)	73,422,515,612	80,509,204,625	87,226,250,846	91,677,769,138
537	CHINA DEVELOPMENT BANK	18,762,973,950	18,762,973,950	-	19,515,280,521	14,561,553,457	-	-
520	SPAIN	5,775,658,382	2,597,935,893	(3,177,722,489)	2,396,213,054	2,410,095,739	1,796,027,147	1,261,514,396
521	KUWAIT	204,090,831	204,090,831	-	208,443,691	216,167,560	440,755,205	455,802,608
522	EXIM BANK OF KOREA	170,441,114	103,294,880	(67,146,234)	174,396,091	180,832,259	187,404,602	193,791,723
526	IFAD	517,169,294	517,169,294	-	888,145,360	1,012,227,558	1,049,012,942	1,084,759,524
527	NORDIC DEVELOPMENT FUND	62,912,947	62,912,947	-	74,785,054	77,585,834	80,422,156	125,126,082
530	EXIM BANK OF INDIA	647,506,552	227,395,176	(420,111,376)	833,017,783	864,215,182	986,040,700	1,019,903,621
531	STANDARD BANK -BVR	830,748,279	830,748,279	-	997,195,014	512,139,698	-	-
532	DEBUT INTERNATIONAL SVRNG BOND	-	-	-	-	-	248,721,739,839	-
	2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	-	-	-	-	-	-	38,567,608,363
534	ISRAEL	666,777,797	204,481,120	(462,296,677)	676,481,185	701,816,121	727,472,571	752,484,814
538	ABU DHABI	147,134,305	147,134,305	-	160,136,202	166,006,157	172,023,525	177,862,777
540	TDB SYND	53,138,600,099	53,138,600,099	-	56,105,705,925	52,146,436,055	52,185,545,904	50,683,827,196
541	POLAND	-	-	-	18,446,736	45,146,742	283,363,293	510,013,195
542	IBRD	-	-	-	-	-	-	1,753,848,326
535	NEW LOANS-REDEMPTIONS/DSSI	-	-	-	23,898,058,962	21,898,058,962	30,898,058,962	40,898,058,962
		179,937,358,226	137,707,382,229	(42,229,975,996)	262,092,952,860	279,043,036,918	533,526,653,298	343,777,108,657

Table 13: External Debt Interest Payments from the Consolidated Fund

CONSOLIDATED FUND SERVICES (1) 1002- PUBLIC DEBT 2410100 - INTEREST ON EXTERNAL DEBT									
HEAD	CREDITOR	PRINTED ESTIMATES 2020/2021	REVISED ESTIMATES 2020/2021	DEVIATION	PRINTED ESTIMATES 2021/2022	PRINTED ESTIMATES 2022/2023	PRINTED ESTIMATES 2023/2024	PRINTED ESTIMATES 2024/2025	
		Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
501	GERMANY	619,556,800	337,679,795	(281,877,005)	815,006,619	900,918,222	1,063,079,210	1,061,874,780	
502	ITALY	2,546,645,874	2,546,410,208	(235,666)	2,703,752,183	2,505,761,625	2,158,069,317	1,813,390,658	
503	JAPAN	619,713,696	271,301,087	(348,412,608)	1,028,743,866	1,141,354,457	1,220,515,492	1,255,888,704	
504	IDA	8,905,548,297	8,905,548,297	-	13,183,650,344	14,907,676,184	16,269,957,503	17,104,954,870	
505	ADB/ADF	3,672,611,767	3,672,611,767	-	3,835,552,421	4,512,318,746	5,189,749,731	5,710,577,927	
506	USA	46,453,851	46,453,851	-	35,999,731	30,407,669	24,203,446	17,333,894	
516	NEW LOANS/1	29,378,126,462	2,441,000,000	(26,937,126,462)	19,836,256,203	42,093,750,000	68,218,750,000	95,906,250,000	
508	NETHERLANDS	689,157	689,157	-	-	-	-	-	
509	OPEC	76,901,176	76,901,176	-	70,530,112	99,287,178	142,526,094	160,092,160	
510	BADEA	57,499,888	57,499,888	-	57,578,929	76,259,975	91,355,054	98,197,279	
511	FRANCE	1,416,239,868	1,393,146,490	(23,093,378)	1,990,996,678	2,221,054,581	2,595,049,624	2,765,505,276	
512	EIB	456,071,799	456,071,799	-	536,745,446	550,412,427	587,171,731	586,218,400	
513	SAUDI FUND	31,953,274	17,789,952	(14,163,322)	35,187,753	45,506,264	58,024,861	61,708,225	
514	AUSTRIA	20,337,105	20,337,105	-	-	-	-	-	
515	SWITZERLAND	-	-	-	-	-	-	-	
512	EEC	16,742,039	16,742,039	-	17,079,690	14,706,180	12,225,008	9,914,955	
517	BELGIUM	114,608,502	114,608,502	-	169,079,968	162,171,174	148,739,331	133,356,031	
536	EXIM BANK OF CHINA	29,886,568,140	21,444,362,170	(8,442,205,970)	23,277,281,519	23,242,255,400	22,947,171,181	21,902,961,191	
537	CHINA DEVELOPMENT BANK	3,166,414,821	3,166,414,821	-	1,455,889,189	490,164,030	-	-	
520	SPAIN	404,594,185	347,818,943	(56,775,242)	183,807,197	147,079,120	108,664,803	85,515,948	
521	KUWAIT	52,564,715	52,564,715	-	52,103,238	78,682,290	109,941,554	125,067,944	
522	EXIM BANK OF KOREA	29,792,243	20,949,541	(8,842,703)	28,686,220	30,185,497	34,061,150	36,208,161	
526	IFAD	175,401,335	175,401,335	-	190,431,853	207,889,649	235,999,671	252,081,347	
527	NORDIC DEVELOPMENT FUND	20,879,234	20,879,234	-	24,257,027	24,583,697	24,879,288	25,110,860	
530	EXIM BANK OF INDIA	188,609,503	92,251,403	(96,358,100)	157,384,590	177,188,550	204,245,464	229,894,959	
531	STANDARD BANK -BVR	40,758,010	40,758,010	-	27,136,846	5,597,260	-	-	
532	DEBUT INTERNATIONAL SVRNG BOND (USD 2.75	15,175,934,813	15,175,934,813	-	15,784,418,068	16,363,011,995	16,956,136,076	-	
542	2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	17,107,417,425	17,389,294,430	281,877,005	17,620,641,340	18,280,553,019	18,948,839,298	19,600,345,621	
543	2019 INTERNATIONAL SVRNG BOND (USD 1.2 BN)	10,595,561,760	10,595,561,760	-	7,232,133,370	7,497,234,587	8,863,166,769	8,032,707,829	
544	2019 INTERNATIONAL SVRNG BOND (USD 900 MN)	6,953,337,405	6,953,337,405	-	11,020,393,706	11,424,357,466	10,085,672,530	12,240,316,692	
534	ISRAEL	234,946,617	234,946,617	-	133,154,242	141,109,889	130,158,787	114,369,495	
538	ABU DHABI	17,135,159	8,553,690	(8,581,469)	40,924,671	42,723,249	39,953,800	36,363,884	
540	TDB SYND	22,630,103,478	22,630,103,478	-	16,090,711,980	12,812,598,093	9,729,731,143	6,445,442,361	
541	POLAND	24,468,602	24,468,602	-	25,946,377	41,202,457	57,988,580	72,989,638	
542	IBRD	-	-	-	703,400,325	753,503,095	800,858,675	835,097,167	
		154,684,186,999	118,748,392,079	(35,935,794,920)	138,364,861,701	161,021,504,026	187,056,885,170	196,719,736,254	

Table 14: List of Publicly Guaranteed Debt, In Ksh million

Agency	Year	Purpose of the loan	Creditor	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20
Nairobi City County	1985	Umoja II Housing Project	USA	-	-	-	-	-	-
KBC	1989	KBC Modernization Project	Japan	2,404	2,224	1,386	1,035	357	-
Telkom Kenya Ltd	1990	Purchase of Microwave Telephone System	Canada	375	-	-	-	-	-
Tana and Athi River Development Authority	1990	Tana Delta Irrigation Project	Japan	1,172	1,156	811	673	279	-
East African Portland Cement	1990	Cement Plant Rehabilitation Project	Japan	1,457	1,438	1,008	836	346	-
	1995	Mombasa Diesel Generating Power Project	Japan	3,393	3,767	3,325	2,923	2,421	2,108
	1997	Sondu Miriu Hydropower Project	Japan	3,372	3,827	3,422	3,099	2,727	2,515
	2004	Sondu Miriu Hydropower Project II	Japan	8,005	9,534	8,753	8,404	8,207	8,233
KenGen Ltd	2007	Sondu Miriu Hydropower Project – Sang'oro Power Plant	Japan	3,416	4,218	3,972	3,827	3,760	3,789
	2010	Olkaria Unit 4 and 5 Geothermal Power Project	Japan	44	55	51	51	19,389	19,549
	2010	Rehabilitation and Expansion of the Hydropower Plant Kindaruma	Germany		3,514	3,302	2,970	2,607	1,879
	2011	Rehabilitation and Upgrade of the Geothermal Plant Olkaria	Germany		4,656	4,875	4,510	3,924	3,113
Kenya Ports Authority	2007	Mombasa Port Modernization Project	Japan	15,856	22,099	21,211	23,808	23,903	23,185
Kenya Railways	2008	Kenya Railways Concessioning	IDA	4,439	4,044	4,667	4,547	4,603	4,793
Kenya Ports Authority	2016	Kenya Port Development Project Phase 2	Japan			614	6,333	10,158	16,189
Kenya Airways	2017	Kenya Airways	Afrexim	0	0	77,784	75,787	76,724	79,893
Kenya Farmers Association	2005	Revival of KFA	Local banks	Unutilized	Unutilized	Unutilized		Unutilized	Unutilized
National Cereals & Produce Board (GSM-102)	2009	Importation of maize under GSM-102	USA	Unutilized	Unutilized	Unutilized		Unutilized	Unutilized
Total				43,933	60,530	135,179	138,803	159,405	165,247

E. Annexes

112. The following are annexes to this report:

- Annex Table 1, Annex Table 2(a-b) and Annex Table 3(a-b) on Macro and Fiscal Framework.
- Annex on Breakdown of Estimates of Revenues and Expenditure for State Corporations of the Government of Kenya for the Financial Year ending 30th June 2022.
- Annex on Estimates of Revenues, Grants and Loans that captures the Revenues estimates by broad economic classification.
- Annex on Comparison of Expenditures by Vote and Programmes, 2021/22.

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Annex Table 1: Macroeconomic Framework

	2019/20	2020/21		2021/22		2022/23		2023/24		2024/25	
	Act	Budget	Final Budget I	BPS'21	Budget	BPS'21	PROJ.	BPS'21	PROJ.	BPS'21	PROJ.
	<i>annual percentage change, unless otherwise indicated</i>										
National Account and Prices											
Real GDP	3.0	4.2	3.8	6.3	6.3	5.7	5.7	6.0	6.0	6.1	6.1
GDP deflator	5.6	6.2	6.4	5.2	5.2	5.0	5.0	5.4	5.4	5.3	5.3
CPI Index (eop)	5.2	5.0	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI Index (avg)	5.2	5.0	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Terms of trade (-deterioration)	-2.2	4.2	-2.9	1.1	1.1	-0.3	-0.3	0.5	0.5	0.6	0.6
Money and Credit (end of period)											
Net domestic assets	13.5	14.8	11.3	10.2	10.2	12.0	12.0	13.0	13.0	12.6	12.6
Net domestic credit to the Government	21.0	19.6	21.0	21.1	21.1	13.5	11.8	11.1	9.8	9.6	9.9
Credit to the rest of the economy	7.6	7.5	10.5	7.7	7.7	13.8	14.6	13.7	14.3	13.2	13.0
Broad Money, M3 (percent change)	8.4	10.6	9.8	11.0	11.0	11.0	11.0	11.7	11.7	11.4	11.4
Reserve money (percent change)	-2.9	6.1	12.9	6.5	6.5	6.6	6.6	7.2	7.2	6.9	6.9
	<i>in percentage of GDP, unless otherwise indicated</i>										
Investment and Saving											
Investment	9.4	21.6	12.6	19.8	19.8	18.3	18.3	19.0	19.0	19.4	19.4
Central Government	5.8	5.0	5.8	4.9	5.0	4.8	4.8	4.9	4.9	4.8	4.8
Other	3.5	16.6	6.8	14.9	14.8	13.4	13.4	14.1	14.1	14.6	14.6
Gross National Saving	3.5	16.5	6.5	13.8	13.8	12.2	12.2	12.8	12.8	13.1	13.1
Central Government	-2.1	0.5	-2.9	-2.6	-2.9	-1.4	-1.4	-0.4	-0.4	-0.1	-0.1
Other	5.6	16.0	9.5	16.4	16.7	13.6	13.6	13.2	13.2	13.2	13.2
Central Government Budget											
Total revenue	17.1	16.8	16.5	16.4	16.4	17.3	17.3	18.2	18.2	18.1	18.1
Total expenditure and net lending	25.2	24.7	25.9	24.3	24.6	23.3	23.3	22.7	22.7	22.0	22.0
Overall Fiscal balance excl. grants	-8.1	-8.0	-9.3	-7.9	-8.2	-6.0	-6.0	-4.5	-4.5	-3.9	-3.9
Overall Fiscal balance, incl. grants, cash basis	-7.8	-7.5	-8.7	-7.5	-7.7	-5.6	-5.6	-4.2	-4.2	-3.6	-3.6
Primary budget balance	-3.5	-3.4	-4.6	-3.0	-3.2	-1.0	-1.0	0.3	0.3	0.6	0.6
Net domestic borrowing	4.4	4.4	4.9	5.3	5.3	3.7	3.3	3.1	2.7	2.7	2.7
External Sector											
Exports value, goods and services	11.3	12.7	10.9	11.0	11.0	10.5	10.5	10.0	10.0	9.5	9.5
Imports value, goods and services	20.7	20.3	19.5	18.6	18.6	17.8	17.8	17.0	17.0	16.2	16.2
Current external balance, including official transfers	-5.9	-5.1	-6.0	-6.0	-6.0	-6.1	-6.1	-6.2	-6.2	-6.3	-6.3
Gross reserves in months of next yr's imports	5.4	4.5	5.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Gross reserves in months of this yr's imports	6.3	6.0	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.9	5.9
Public debt											
Nominal central government debt (eop), gross	65.8	65.0	68.6	69.3	69.5	68.1	68.3	65.2	65.3	62.1	62.2
Nominal debt (eop), net of deposits	60.8	60.5	64.1	65.3	65.5	64.4	64.6	61.9	62.1	59.1	59.3
Domestic (gross)	31.2	32.0	33.3	35.4	35.4	35.6	35.1	35.0	34.1	34.1	33.3
Domestic (net)	26.3	27.5	28.8	31.3	31.3	31.9	31.5	31.7	30.9	31.1	30.4
External	34.6	33.0	35.3	34.0	34.2	32.5	33.1	30.2	31.2	28.0	28.9
Memorandum Items:											
Nominal GDP (in Ksh Billion)	10,175	11,276	11,169	12,393	12,393	13,760	13,760	15,373	15,373	17,128	17,128
Nominal GDP (in US\$ Million)	96,332	110,672	102,611	114,334	114,334	126,082	126,082	139,749	139,749	155,429	155,429

Source: National Treasury

Notes: BPS = Budget Policy Statement; BRP = Budget Review & Outlook Paper; SGR = Standard Gauge Railway

Annex Table 2a: Fiscal Framework (Ksh billion)

	2019/20		2020/21		2021/22		2022/23		2023/24		2024/25	
	Act	Budget	Final Budget I	BPS'21	Budget	BPS'21	PROJ	BPS'21	PROJ	BPS'21	PROJ	
TOTAL REVENUE	1,737.0	1,892.6	1,848.0	2,033.9	2,038.6	2,379.7	2,379.7	2,796.4	2,796.4	3,099.8	3,099.8	
Ordinary Revenue	1,573.4	1,633.8	1,594.0	1,775.6	1,775.6	2,141.6	2,141.6	2,516.3	2,516.3	2,807.4	2,807.4	
Income Tax	706.9	685.0	733.0	834.5	834.5	997.3	997.3	1,178.6	1,178.6	1,316.2	1,316.2	
Import duty (net)	98.0	106.8	96.3	119.0	119.0	144.9	144.9	170.4	170.4	187.5	187.5	
Excise duty	195.3	241.4	208.8	241.0	241.0	297.2	297.2	346.9	346.9	389.7	389.7	
Value Added Tax	383.7	481.6	395.2	472.9	472.9	584.7	584.7	691.6	691.6	774.3	774.3	
Investment income	46.0	28.6	45.1	30.0	30.0	31.5	31.5	33.1	33.1	34.7	34.7	
Other	143.4	90.4	115.7	78.2	78.2	86.0	86.0	95.7	95.7	105.0	105.0	
Ministerial Appropriation in Aid	163.6	258.9	254.0	258.3	263.0	238.1	238.1	280.1	280.1	292.4	292.4	
Railway Development Levy	23.3	27.2	27.2	27.8	30.6	30.4	30.4	33.2	33.2	36.3	36.3	
African Union & Int'l Subscription Fund	3.4		0.0	4.1	4.1	4.5	4.5	5.0	5.0	5.5	5.5	
Road Maintenance Levy Transfer to Counties			0.0	9.7	9.7					0.0	0.0	
Ministerial and Departmental Fees (AIA)/NMS	137.0	231.7	223.2	226.4	218.6	203.3	203.3	241.9	241.9	250.6	250.6	
EXPENDITURE AND NET LENDING	2,565.4	2,790.6	2,892.0	3,010.0	3,053.5	3,202.0	3,202.0	3,495.6	3,495.6	3,762.9	3,762.9	
Recurrent expenditure	1,645.2	1,826.7	1,835.1	1,986.0	2,019.2	2,120.0	2,120.0	2,318.6	2,318.6	2,506.0	2,506.0	
Interest payments	437.2	463.1	458.7	560.6	560.3	644.0	644.0	695.6	695.6	713.8	713.8	
Domestic interest	315.4	308.4	340.0	421.7	421.9	482.4	482.4	508.0	508.0	518.7	518.7	
Foreign interest	121.8	154.7	118.7	138.9	138.4	161.5	161.5	187.6	187.6	195.1	195.1	
Foreign interest	89.6	123.4	115.3	137.0	137.2	152.9	152.9	167.9	167.9	192.6	192.6	
Pensions & Other CFS	87.0	119.2	111.1	132.8	132.8	146.0	146.0	163.5	163.5	188.1	188.1	
Pensions	2.6	4.2	4.2	4.2	4.4	4.4	4.4	23.8	23.8	24.8	24.8	
Other CFS	0.0	10.3	7.3	21.6	20.8	22.9	22.9	1,250.3	1,250.3	1,388.3	1,388.3	
Contribution to Civil Service Pension Fund	1,011.5	1,052.8	1,077.2	1,093.6	1,125.8	1,152.9	1,152.9	588.3	588.3	635.3	635.3	
Net Issues/Net Expenditure	449.9	496.3	493.9	524.5	524.5	550.7	550.7	760	760	759.8	759.8	
O/W: Wages & Salaries	594.9	589.7	653.0	609.1	619.5	670.5	670	401.8	401.8	436.8	436.8	
Development and Net lending	396.6	329.9	373.7	317.6	325.1	350.3	350.3	318.4	318.4	347.3	347.3	
Domestically financed (Gross)	352.7	273.5	305.2	246.3	250.3	274.2	274.2	318.4	318.4	390.0	390.0	
O/W Domestically Financed (Net)/NMS	43.9	56.4	68.5	71.3	78.3	76.0	76.0	83.4	83.4	90.7	90.7	
Ministerial Development AIA	197.6	253.0	272.5	284.7	287.6	312.7	312.7	349.9	349.9	390.0	390.0	
Foreign financing	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net lending	0.0	6.8	6.8	6.8	6.8	7.5	7.5	8.0	8.0	7.6	7.6	
Equalization Fund	325.3	369.2	398.9	409.8	409.8	370.0	370.0	375.0	375.0	380.2	380.2	
County Transfers	286.8	316.5	330.3	370.0	370.0	370.0	370.0	375.0	375.0	380.2	380.2	
Equitable Share			15.9	0.0	19.2	0.0	0.0	0.0	0.0	0.0	0.0	
Of which to Nairobi County	38.5	52.7	52.7	39.8	39.8	36.5	36.5	37.3	37.3	37.3	37.3	
Conditional Allocation	4.3	4.3	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Level Five Hospital	9.3	9.0	9.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	
Road Maintenance Levy 15%	3.4	8.5	8.5	7.5	7.5	0.3	0.3	0.0	0.0	0.0	0.0	
Capital Transfers	0.9	0.8	0.8	0.0	0.0	0.0	0.0	37.0	37.0	37.0	37.0	
Recurrent Transfers	20.6	30.1	30.1	32.3	32.3	36.2	36.2	5.0	5.0	5.0	5.0	
Foreign Financed Transfers	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Contingency Fund	-828.5	-898.0	-1,043.9	-976.1	-1,014.9	-822.3	-822.3	-699.3	-699.3	-663.1	-663.1	
Fiscal Balance (commitment basis excl. grants)	19.8	56.8	73.0	46.1	62.0	46.9	46.9	48.1	48.1	49.3	49.3	
Grants	15.2	32.7	41.7	43.6	40.3	46.9	46.9	48.1	48.1	49.3	49.3	
Of which: Projects Grants (Revenue and AIA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt Swap	4.6	24.1	7.4	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	
Programme Grants/AMISOM Receipts			23.9		19.2							
Nairobi Metropolitan Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-613.8	-613.8	
County Health Facilities - DANIDA												
Fiscal Balance (incl. grants)	-808.6	-841.1	-970.9	-930.0	-952.9	-775.3	-775.3	-651.2	-651.2	-613.8	-613.8	
Adjustment to Cash Basis	11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-613.8	-613.8	
Fiscal Balance (incl. grants) Cash Basis	-796.8	-841.1	-970.9	-930.0	-952.9	-775.3	-775.3	-651.2	-651.2	-613.8	-613.8	
Statistical discrepancy	-6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL FINANCING	790.8	841.1	970.9	930.0	952.9	775.3	775.3	651.2	651.2	613.8	613.8	
Net Foreign Financing	340.4	346.8	427.0	267.3	291.3	263.1	326.4	173.8	235.7	154.3	154.3	
Disbursements	442.0	526.4	784.2	880.6	904.7	542.2	605.5	455.8	517.8	381.1	381.1	
Commercial Financing	5.9	6.2	350.5	475.3	475.3	0.0	0.0	0.0	0.0	0.0	0.0	
O/W Export Credit	5.9	6.2	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sovereign Bond	0.0		123.8	124.3	124.3	0	0.0	0	0.0	0.0	0.0	
External Debt Operations - Refinancing	0.0		220.0	351.0	351.0	0.0	0.0	113.6	113.6	0.0	0.0	
Semi concessional Loans	0.0	124.1	0.0	0.0	0.0	105.6	105.6	338.8	338.8	377.6	377.6	
Total Project loans (AIA + Revenue)	197.1	244.1	254.2	273.5	279.7	302.0	302.0	239.1	239.1	263.0	263.0	
O/W Project Loans AIS	104.5	145.6	152.0	181.6	174.9	204.3	204.3	99.7	99.7	114.6	114.6	
Project Loans Revenue	47.8	81.3	90.3	91.9	104.7	0.0	0.0	0.0	0.0	0.0	0.0	
Project Loans SGR_Phase I_AIA	12.2	2.0	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Project Loans SGR_Phase 2A_AIA	32.6	15.3	7.3	0.0	0.0	0.0	0.0	3.5	65.4	3.5	3.5	
Programme Loans	239.0	152.0	179.5	131.8	149.7	134.6	197.8	3.5	3.5	3.5	3.5	
o/w: P for R Programme Loans	30.1	2.0	4.5	3.5	3.5	3.5	3.5	0.0	61.9	0.0	0.0	
Rapid Credit Facility from IMF	78.3	0.0	78.8	54.0	57.6	0.0	63.2	0.0	0.0	0.0	0.0	
World Bank DPO	130.6	150.0	82.5	74.3	74.3	131.1	131.1	0.0	0.0	0.0	0.0	
AfDB	0.0	0.0	0.0	-	14.3	0.0	0.0	-282.1	-282.1	-226.9	-226.9	
Debt repayment - Principal	-101.6	-179.6	-357.2	-613.4	-613.4	-279.1	-279.1	0.0	0.0	0.0	0.0	
of which: External Debt Operations - Refinancing	0.0		-220.0	-351.0	-351.0	0.0	0.0	477.4	415.5	459.5	459.5	
Net Domestic Financing	450.4	494.3	543.9	662.8	661.6	512.2	449.0					
Memo Items												
Gross Debt (Stock)	6,693.3	7,332.6	7,664.2	8,593.8	8,617.1	9,369.1	9,392.5	10,020.3	10,043.7	10,634.1	10,657.4	
External Debt	3,515.8	3,722.8	3,942.8	4,209.0	4,234.1	4,472.2	4,560.5	4,646.0	4,796.2	4,800.2	4,950.5	
Domestic Debt (gross)	3,177.5	3,609.9	3,721.4	4,384.8	4,383.0	4,897.0	4,832.0	5,374.3	5,247.4	5,833.9	5,707.0	
Domestic Debt (net)	2,674.2	3,102.4	3,218.1	3,881.5	3,879.7	4,393.6	4,328.7	4,871.0	4,744.1	5,330.6	5,203.7	
Financing gap	-17.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nominal GDP	10,175.2	11,275.8	11,168.5	12,393.1	12,393.1	13,759.9	13,759.9	15,373.1	15,373.1	17,128.4	17,128.4	

Source: The National Treasury

Annex Table 2b: Fiscal Framework (percent of GDP)

	2019/20	2020/21		2021/22		2022/23		2023/24		2024/25	
	Act	Budget	Final Budget I	BPS'21	Budget	BPS'21	PROJ.	BPS'21	PROJ.	PROJ.	PROJ.
TOTAL REVENUE	17.1	16.8	16.5	16.4	16.4	17.3	17.3	18.2	18.2	18.1	18.1
Ordinary Revenue	15.5	14.5	14.3	14.3	14.3	15.6	15.6	16.4	16.4	16.4	16.4
Income Tax	6.9	6.1	6.6	6.7	6.7	7.2	7.2	7.7	7.7	7.7	7.7
Import duty (net)	1.0	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1
Excise duty	1.9	2.1	1.9	1.9	1.9	2.2	2.2	2.3	2.3	2.3	2.3
Value Added Tax	3.8	4.3	3.5	3.8	3.8	4.2	4.2	4.5	4.5	4.5	4.5
Investment income	0.5	0.3	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other	1.4	0.8	1.0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Ministerial Appropriation in Aid	1.6	2.3	2.3	2.1	2.1	1.7	1.7	1.8	1.8	1.7	1.7
Railway Development Levy	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
African Union & Int'l Subscription Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Road Maintenance Levy Transfer to Counties	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	1.0	0.0
Ministerial and Departmental Fees (AIA)/NMS	1.3	2.1	2.0	1.8	1.8	1.5	1.5	1.6	1.6	1.5	1.5
Across the board Additional AIA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EXPENDITURE AND NET LENDING	25.2	24.7	25.9	24.3	24.6	23.3	23.3	22.7	22.7	22.0	22.0
Recurrent expenditure	16.2	16.2	16.4	16.0	16.3	15.4	15.4	15.1	15.1	14.6	14.6
Interest payments	4.3	4.1	4.1	4.5	4.5	4.7	4.7	4.5	4.5	4.2	4.2
Domestic interest	3.1	2.7	3.0	3.4	3.4	3.5	3.5	3.3	3.3	3.0	3.0
Foreign Interest	1.2	1.4	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.1	1.1
Civil service Reform	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pensions & Other CFS	0.9	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Pensions	0.9	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Other CFS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution to Civil Service Pension Fund	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Net Issues/Net Expenditure	9.9	9.3	9.6	8.8	9.1	8.4	8.4	8.1	8.1	8.1	8.1
O/W: Wages & Salaries	4.4	4.4	4.4	4.2	4.2	4.0	4.0	3.8	3.8	3.7	3.7
Free Secondary education	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Free Primary Education	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Civil Service Reform	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Famine Relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Strategic Grain Reserve	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IEBC	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
KRA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Defense and NIS	1.4	1.3	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.0	1.0
Nairobi Metropolitan Service (NMS)	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	3.1	2.8	3.0	2.2	2.4	1.9	1.9	2.1	2.1	2.4	2.4
Ministerial Recurrent AIA	1.1	1.6	1.6	1.4	1.4	1.1	1.1	1.2	1.2	1.1	1.1
Other recurrent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Development and Net lending	5.8	5.2	5.8	4.9	5.0	4.9	4.9	4.9	4.9	4.9	4.9
Domestically financed (Gross)	3.9	2.9	3.3	2.6	2.6	2.5	2.5	2.6	2.6	2.5	2.5
O/W Domestically Financed (Net)/NMS	3.5	2.4	2.7	2.0	2.0	2.0	2.0	2.1	2.1	2.0	2.0
Ministerial Development AIA	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5
Foreign financed	1.9	2.2	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
o/w: Donor project support	2.1	2.5	2.6	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equalization Fund	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Constitution Reform	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4
County Transfers	3.2	3.3	3.6	3.3	3.3	3.0	3.0	2.7	2.7	2.4	2.4
Equitable Share	2.8	2.8	3.0	3.0	3.0	2.7	2.7	2.4	2.4	2.2	2.2
Conditional Allocation	0.4	0.5	0.5	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Level Five Hospital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Road Maintenance Levy 15%	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recurrent Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Financed Transfers	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Contingency Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal Balance (commitment basis excl. grants)	-8.1	-8.0	-9.3	-7.9	-8.2	-6.0	-6.0	-4.5	-4.5	-3.9	-3.9
Grants	0.2	0.5	0.7	0.4	0.5	0.3	0.3	0.3	0.3	0.3	0.3
Of which: Projects Grants (Revenue and AIA)	0.1	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Programme Grants/AMISOM Receipts	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal Balance (incl. grants)	-7.9	-7.5	-8.7	-7.5	-7.7	-5.6	-5.6	-4.2	-4.2	-3.6	-3.6
Adjustment to Cash Basis	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal Balance (incl. grants) Cash Basis	-7.8	-7.5	-8.7	-7.5	-7.7	-5.6	-5.6	-4.2	-4.2	-3.6	-3.6
Statistical discrepancy	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL FINANCING	7.8	7.5	8.7	7.5	7.7	5.6	5.6	4.2	4.2	3.6	3.6
Net Foreign Financing	3.3	3.1	3.8	2.2	2.4	1.9	2.4	1.1	1.5	0.9	0.9
Disbursements	4.3	4.7	7.0	7.1	7.3	3.9	4.4	3.0	3.4	2.2	2.2
Commercial Financing	0.1	0.1	3.1	3.8	3.8	0.0	0.0	0.0	0.0	0.0	0.0
O/W Export Credit	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sovereign Bond	0.0	0.0	1.1	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
External Debt Operations - Refinancing	0.0	0.0	2.0	2.8	2.8	0.0	0.0	0.0	0.0	0.0	0.0
Semi concessional Loans	0.0	1.1	0.0	0.0	0.0	0.8	0.8	0.7	0.7	0.0	0.0
Total Project loans (AIA + Revenue)	1.9	2.2	2.3	2.2	2.3	2.2	2.2	2.2	2.2	2.2	2.2
O/W Project Loans AIS	1.0	1.3	1.4	1.5	1.4	1.5	1.5	1.6	1.6	1.5	1.5
Project Loans Revenue	0.5	0.7	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.7	0.7
Project Loans SGR_Phase I_AIA	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Loans SGR_Phase 2A_AIA	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Programme Loans	2.3	1.3	1.6	1.1	1.2	1.0	1.4	0.0	0.4	0.0	0.0
o/w: P for R Programme Loans	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rapid Credit Facility from IMF	0.8	0.0	0.7	0.4	0.5	0.0	0.5	0.0	0.4	0.0	0.0
World Bank DPO	1.3	1.3	0.7	0.6	0.6	1.0	1.0	0.0	0.0	0.0	0.0
AIDB	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Debt repayment - Principal	-1.0	-1.6	-3.2	-4.9	-4.9	-2.0	-2.0	-1.8	-1.8	-1.3	-1.3
of which: External Debt Operations - Refinancing	0.0	0.0	-2.0	-2.8	-2.8	0.0	0.0	0.0	0.0	0.0	0.0
Net Domestic Financing	4.4	4.4	4.9	5.3	5.3	3.7	3.3	3.1	2.7	2.7	2.7
Memo Items											
Gross Debt (Stock)	65.8	65.0	68.6	69.3	69.5	68.1	68.3	65.2	65.3	62.1	62.2
External Debt	34.6	33.0	35.3	34.0	34.2	32.5	33.1	30.2	31.2	28.0	28.9
Domestic Debt (gross)	31.2	32.0	33.3	35.4	35.4	35.6	35.1	35.0	34.1	34.1	33.3
Domestic Debt (net)	26.3	27.5	28.8	31.3	31.3	31.9	31.5	31.7	30.9	31.1	30.4
Financing gap	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Annex Table 3a: Fiscal Framework for FY 2017/18 – FY 2021/22 (Ksh billion)

	FY 2017/2018	FY 2018/2019	FY 2019/20		FY 2020/21		FY 2021/22	
	Actual	Actual	Revised Estimates	Actual*	Printed Estimates	SUPP I	BPS' 21	Budget
Ksh Billion								
A. TOTAL REVENUE	1,525.6	1,704.4	1,842.1	1,737.0	1,892.6	1,848.0	2,033.9	2,038.6
Ordinary Revenue	1,365.1	1,499.8	1,615.4	1,573.4	1,633.8	1,594.0	1,775.6	1,775.6
Income tax	640.5	685.3	720.3	706.9	685.0	733.0	834.5	834.5
Import Duty (Net)	93.7	106.9	95.9	98.0	106.8	96.3	119.0	119.0
Excise Duty	167.8	194.3	201.2	195.3	241.4	208.8	241.0	241.0
VAT	357.1	414.1	400.1	383.7	481.6	395.2	472.9	472.9
Investment Income & Mop up	23.9	26.8	46.1	116.1	40.9	69.5	30.0	30.0
Others	82.0	72.3	151.8	73.3	78.1	91.3	78.2	78.2
Ministerial and Departmental Fees	160.5	204.6	226.8	163.6	258.9	254.0	258.3	263.0
Grants	27.6	19.7	35.0	19.8	40.9	73.0	46.1	62.0
B. EXPENDITURE and NET LENDING	2,146.8	2,433.7	2,817.8	2,565.4	2,774.7	-2,892.0	3,010.0	3,053.5
Recurrent	1,349.9	1,531.1	1,777.0	1,645.2	1,826.7	1,835.1	1,986.0	2,019.2
Interest Payments	323.9	375.7	433.7	437.2	463.1	458.7	560.6	560.3
Domestic Interest	239.5	272.4	301.8	315.4	308.4	340.0	421.7	421.9
Foreign Interest	84.4	103.4	131.9	121.8	154.7	118.7	138.9	138.4
Wages and Salaries	388.9	417.5	457.2	449.9	481.7	493.9	524.5	524.5
Contribution to Civil Service Pension Fund	-	-	-	-	10.3	7.3	21.6	20.8
Pension etc	65.1	70.8	91.0	89.6	123.4	115.3	137.0	137.2
Others	336.0	384.0	653.1	423.5	436.1	438.5	412.2	444.4
Defense and NSIS	126.1	135.3	142.1	138.0	145.3	152.0	156.9	156.9
Ministerial Recurrent AIA ¹	109.9	147.8	-	107.0	177.2	176.5	173.2	175.1
Development	469.7	541.9	678.5	594.9	594.7	658.0	614.1	624.5
Domestically Financed	266.2	314.0	449.7	396.6	341.7	385.5	329.4	336.9
o/w Domestically Financed(Net) ^{1,2}	229.2	269.2	385.3	352.7	285.3	317.0	258.1	262.1
Ministerial Development A.I.A	37.0	44.8	64.3	43.9	56.4	68.5	71.3	74.8
Foreign Financed	201.0	225.4	228.1	197.6	253.0	272.5	284.7	287.6
County Transfer ³	327.3	360.7	362.4	325.3	353.3	398.9	409.8	409.8
Fiscal Balance (Commitment basis excl. Grants)	(621.3)	(729.3)	(975.7)	(828.5)	(882.1)	(1,043.9)	(976.1)	(1,014.9)
External Grants to County Governments	1.1	-	-	-	-	-	-	-
Fiscal Balance (Commitment basis incl. Grants)	(593.7)	(709.6)	(940.6)	(808.6)	(841.1)	(970.9)	(930.0)	(952.9)
Adjustment to Cash Basis	(34.7)	-	-	11.8	-	-	-	-
Fiscal Balance (Cash basis incl. grants)	(628.4)	(709.6)	(940.6)	(796.8)	(841.1)	(970.9)	(930.0)	(952.9)
Statistical Discrepancy	2.7	11.4	(22.7)	(6.0)	-	-	-	(0.0)
TOTAL FINANCING	631.1	721.1	918.0	790.8	841.1	970.9	930.0	952.9
Net Foreign financing	355.0	414.5	324.0	340.4	346.8	427.0	267.3	291.3
Disbursements	493.3	680.8	445.5	442.0	526.4	784.2	880.6	904.7
Commercial Financing	298.1	362.6	-	-	-	350.5	475.3	475.3
Semi concessional Loans	-	-	-	-	124.1	-	-	-
Project Loans	186.7	233.4	227.6	203.0	250.3	254.2	273.5	279.7
Programme Loans & Other Concessional Loans	8.5	84.8	217.9	239.0	152.0	179.5	131.8	149.7
O/W P for R Programme Loans	-	-	-	-	-	4.5	3.5	3.5
IMF - RCF/ECF/EFF	-	-	-	-	-	78.8	54.0	57.6
Development Policy Operations - WB & ADB	-	-	-	-	-	96.3	74.3	74.3
Support for COVID-19 Vaccine Purchase	-	-	-	-	-	-	-	14.3
Debt Repayment - Principal	(138.4)	(266.2)	(121.5)	(101.6)	(179.6)	(357.2)	(613.4)	(613.4)
Net Domestic Financing	276.1	306.5	594.0	450.4	494.3	543.9	662.8	661.6
Nominal GDP (Fiscal Year)	8,518.0	9,303.1	10,196.6	10,199.9	11,275.8	11,168.5	12,393.1	12,393.1

Annex Table 3b: Fiscal Framework for FY 2017/18 – FY 2021/22 (Percent of GDP)

	FY 2017/2018	FY 2018/2019	FY 2019/20	FY 2020/21		FY 2021/22	
	Actual	Actual	Actual*	Printed Estimate	SUPP I	BPS' 21	Budget
Ksh Billion							
A. TOTAL REVENUE	17.9%	18.3%	17.0%	16.8%	16.5%	16.4%	16.4%
Ordinary Revenue	16.0%	16.1%	15.4%	14.5%	14.3%	14.3%	14.3%
Income tax	7.5%	7.4%	6.9%	6.1%	6.6%	6.7%	6.7%
Import Duty (Net)	1.1%	1.1%	1.0%	0.9%	0.9%	1.0%	1.0%
Excise Duty	2.0%	2.1%	1.9%	2.1%	1.9%	1.9%	1.9%
VAT	4.2%	4.5%	3.8%	4.3%	3.5%	3.8%	3.8%
Investment Income & Mop up	0.3%	0.3%	1.1%	0.4%	0.6%	0.2%	0.2%
Others	1.0%	0.8%	0.7%	0.7%	0.8%	0.6%	0.6%
Ministerial and Departmental Fees	1.9%	2.2%	1.6%	2.3%	2.3%	2.1%	2.1%
Grants	0.3%	0.2%	0.2%	0.4%	0.7%	0.4%	0.5%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B. EXPENDITURE and NET LENDING	25.2%	26.2%	25.2%	24.6%	25.9%	24.3%	24.6%
Recurrent	15.8%	16.5%	16.1%	16.2%	16.4%	16.0%	16.3%
Interest Payments	3.8%	4.0%	4.3%	4.1%	4.1%	4.5%	4.5%
Domestic Interest	2.8%	2.9%	3.1%	2.7%	3.0%	3.4%	3.4%
Foreign Interest	1.0%	1.1%	1.2%	1.4%	1.1%	1.1%	1.1%
Wages and Salaries	4.6%	4.5%	4.4%	4.3%	4.4%	4.2%	4.2%
Contribution to Civil Service Pension Fund	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%
Pension etc	0.8%	0.8%	0.9%	1.1%	1.0%	1.1%	1.1%
Others	3.9%	4.1%	4.2%	3.9%	3.9%	3.3%	3.6%
Defense and NSIS	1.5%	1.5%	1.4%	1.3%	1.4%	1.3%	1.3%
Ministerial Recurrent AIA ¹	1.3%	1.6%	1.0%	1.6%	1.6%	1.4%	1.4%
Development	5.5%	5.8%	5.8%	5.3%	5.9%	5.0%	5.0%
Domestically Financed	3.1%	3.4%	3.9%	3.0%	3.5%	2.7%	2.7%
o/w Domestically Financed(Net) ^{1,2}	2.7%	2.9%	3.5%	2.5%	2.8%	2.1%	2.1%
Ministerial Development A.I.A	0.4%	0.5%	0.4%	0.5%	0.6%	0.6%	0.6%
Foreign Financed	2.4%	2.4%	1.9%	2.2%	2.4%	2.3%	2.3%
Net Lending	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
County Transfer ³	3.8%	3.9%	3.2%	3.1%	3.6%	3.3%	3.3%
Fiscal Balance (Commitment basis incl. Grants)	-7.0%	-7.6%	-7.9%	-7.5%	-8.7%	-7.5%	-7.7%
Adjustment to Cash Basis	-0.4%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Fiscal Balance (Cash basis incl. grants)	-7.4%	-7.6%	-7.8%	-7.5%	-8.7%	-7.5%	-7.7%
Statistical Discrepancy	0.0%	0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
TOTAL FINANCING	7.4%	7.8%	7.8%	7.5%	8.7%	7.5%	7.7%
Net Foreign financing	4.2%	4.5%	3.3%	3.1%	3.8%	2.2%	2.4%
Disbursements	5.8%	7.3%	4.3%	4.7%	7.0%	7.1%	7.3%
Commercial Financing	3.5%	3.9%	0.0%	0.0%	3.1%	3.8%	3.8%
Semi concessional Loans	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%
Project Loans	2.2%	2.5%	2.0%	2.2%	2.3%	2.2%	2.3%
Programme Loans & Other Concessional Loans	0.1%	0.9%	2.3%	1.3%	1.6%	1.1%	1.2%
O/W P for R Programme Loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IMF - RCF/ECF/EFF	0.0%	0.0%	0.0%	0.0%	0.7%	0.4%	0.5%
Development Policy Operations - WB & ADB	0.0%	0.0%	0.0%	0.0%	0.9%	0.6%	0.6%
Support for COVID-19 Vaccine Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Debt Repayment - Principal	-1.6%	-2.9%	-1.0%	-1.6%	-3.2%	-4.9%	-4.9%
Net Domestic Financing	3.2%	3.3%	4.4%	4.4%	4.9%	5.3%	5.3%
Nominal GDP (Fiscal Year)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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