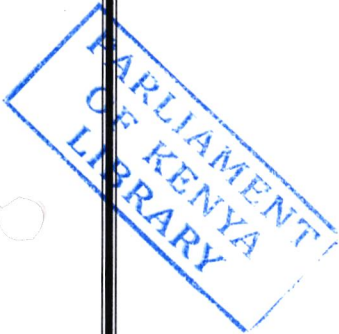


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W. Nanyo



THE NATIONAL TREASURY



**THE BUDGET SUMMARY FOR THE FISCAL YEAR 2018/19 AND THE
SUPPORTING INFORMATION**

April 2018

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THE BUDGET SUMMARY FOR THE FISCAL YEAR 2018/19 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 fulfillment of this legal requirement, the National Treasury and Planning has prepared this Budget Summary and other documents in support of the FY 2018/19 Budget. This Budget Summary includes:

- i. Policy framework for the FY 2018/19 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 2018/19 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 Cabinet Secretary on the resolutions adopted by the National Assembly on the 2018 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 Corporation for the FY ending 30th June, 2019; and
- ix. All estimated revenue by broad economic classification.

II. POLICY FRAMEWORK FOR THE FY 2018/19 BUDGET AND THE MEDIUM TERM

Policy Framework underpinning the FY 2018/19 Budget

Global Growth Outlook

3. The FY 2018/19 budget is framed against a backdrop of improving global and regional economic prospects. Global economic activity continues to firm up with output strengthening by 3.8 percent in 2017 from 3.2 percent in 2016, supported by notable improvements in investment, trade, and industrial production, coupled with strengthening business and consumer confidence. This growth momentum is expected to reach 3.9 percent in 2018 and 2019, reflecting improving domestic demand in advanced economies and China, accommodative financial conditions and improved performance in other emerging market economies. In addition, the partial recovery in commodity prices should allow conditions in commodity exporting countries to gradually improve.

4. Similarly, growth in Sub-Saharan Africa is projected to pick up to 3.4 percent in 2018 from 2.8 percent in 2017, albeit with variations across the region. At the sub region, the East African Community economies continue to record relatively higher economic growth supported by a stable macroeconomic environment, on-going infrastructure investments and strong private consumption.

Domestic Growth Performance and Outlook

5. On the domestic front, economic growth has remained resilient and broad based in the past five years, largely driven by growth in the non-agriculture sectors. Specifically, the economy grew at an average of 5.6 percent per year in the period 2013 - 2017 outperforming the average growth rate of 4.7 percent in the period 2008 to 2012. As a result, the economy generated an average of 827.0 thousand new jobs per year in the period 2013 - 2017 up from 656.5 thousand jobs per year in the period 2008-2012. The strong performance recorded was supported by strong public and private sector investment and implementation of appropriate economic and financial policies.

6. The economy remained resilient in 2017 grew by 4.9 per cent in 2017 compared with a revised growth of 5.9 per cent in 2016, supported by the performance in the non-agricultural sector that relative to the decline in the agricultural sector. The non-agricultural sector registered a robust growth of 5.9 percent in 2017 supported mainly by increased activities in the services sub-sector. The strong performance in the services sub-sector was a result of increased growth in information and communication, tourism, wholesale and retail, and transport and storage. Meanwhile, the economy experienced subdued performance in agriculture, manufacturing in 2017 largely due to the adverse weather conditions and uncertainty associated with prolonged electioneering period.

7. The 4.9 percent economic growth in 2017 generated 898.0 thousand new jobs up from 833.0 thousand new jobs in 2016.

8. The economy is projected to recover to 5.8 percent in 2018 and around 7.0 percent over the medium term due to the pickup in agricultural and manufacturing activities as well as the stable macroeconomic environment and ongoing public infrastructural investments. Inflation is expected to remain within the Government's target range over the medium term underpinned by prudent monetary and fiscal policies and a stable exchange rate which is expected to dampen any risks of imported inflation. The interest rates are expected to remain low and stable over the medium term supported by improved liquidity conditions, and the fiscal consolidation programme, and the continued diversification in the funding of our development budget.

9. To further support this growth outlook, the Government will implement policies and programmes under the "Big Four" Plan. The "Big Four" Plan aims to build on the progress made under the Economic Transformation Agenda and address the remaining bottlenecks that continue to hold the economy from achieving its full potential. As such, "the Big Four" Plan targets to:

- i. Support value addition and raise the manufacturing sector's share to GDP to 15 percent by 2022. This will promote economic growth, create jobs and reduce poverty;
- ii. Focus on initiatives that guarantee food security and nutrition to all Kenyans by 2022 through expansion of food production and supply, reduction of food prices to ensure affordability and support value addition in the food processing value chain;
- iii. Provide Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and
- iv. Provide at least five hundred thousand (500,000) affordable new houses to Kenyans by 2022, and thereby improve the living conditions for Kenyans.

10. Investments in the above four areas is expected to transform lives by creating jobs, enabling Kenyans meet their basic needs, improve health standards, improve living conditions, lower cost of living, and reduce poverty and inequality.

11. Additionally, the policies and reform measures for the FY 2018/19 Budget as expounded in the 2018 Budget Policy Statement continue to provide an enabling environment for the private sector to thrive by preserving macroeconomic stability; expanding infrastructure; improving security; implementing business regulatory reforms; expanding access to finance and instituting governance reforms so as to achieve "The Big Four" Plan. The Government will also support higher levels of value addition in domestically produced goods, strengthen the fight against corruption and counterfeits, enhance the use of public procurement to promote "Buy Kenya Build Kenya" initiative and support Micro, Small and Medium Enterprises (MSME) sector through the proposed Kenya Development Bank Limited and Biashara Kenya Fund.

12. Further, the policies in this FY 2018/19 Budget are aligned to the medium-term priorities and strategies outlined in the Third Medium-Term Plan (2018-2022) of the Kenya Vision 2030. As such, the policy goals, priority programs and fiscal framework in this Budget are in line with strategic priorities outlined in the draft MTP III.

13. This macroeconomic outlook is not without risks. Risks from the global economies relates to tightening of financial conditions, waning support for global economic integration, growing trade tensions and risks of a shift toward protectionist policies. Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under “The Big Four” Plan are put in place. Additional risks could emanate from public expenditure pressures especially recurrent expenditures. The Government will monitor the above risks and take appropriate measures to safeguard macroeconomic stability.

Fiscal Policy Framework for FY 2018/19 and the Medium Term

14. The 2018 Medium-Term Fiscal Policy aims at supporting inclusive economic growth, continue the fiscal consolidation programme while supporting the devolved system of Government for effective delivery of services. The Government will continue to address debt sustainability issues by containing the overall fiscal deficit and putting emphasis on efficiency and effectiveness of public spending and improving revenue performance. The Government’s fiscal policy also indicates a deliberate commitment to fiscal consolidation and convergence path towards the East African Community Monetary Union protocol’s fiscal targets. Specifically, the fiscal policy aims at sustaining revenue effort of 19.2 percent of GDP over the medium term, containing growth of total expenditure. The additional resources and expenditure rationalization are expected to support the fiscal consolidation program thereby reducing fiscal deficit from 9.1 percent of GDP in FY 2016/17 to 7.2 percent of GDP in FY 2017/18 and further down to 3.0 percent of GDP by FY 2021/22.

15. **On tax and revenue reforms**, much progress has been achieved towards broadening the tax base and improving revenue administration. Some of the measures implemented recently include; continuous tax base expansions focusing on nil and non-filers, county suppliers and utilization of third party data to identify the compliant, using the IFMIS/iTax integration to ensure county suppliers are compliant, and benchmarking of sensitive goods (targeting undervaluation).

16. Going forward, to boost domestic revenue mobilization, the Government will complete the review of the Income Tax Act in order to simplify and modernize it with a view of enhancing revenue collection. In addition, the Government will continue to undertake a combination of policy and administrative reforms to bolster revenue yields. These reforms will include:

- i. Roll out of the Integrated Customs Management System (ICMS) to seal loop holes at the Customs to prevent concealment, undervaluation, mis-declarations and falsifications of import documents;
- ii. Implementation of the Regional Electronic Cargo Tracking (RECTS) to tackle transit diversion;
- iii. Enhance scanning activities to detect concealment;
- iv. Scaling-up on-going and routine activities such as Pre-Verification of Conformity (PVoC), benchmarking and auctions;
- v. Data matching and use of third party data to enhance compliance through integration of iTax with IFMIS ;
- vi. Expansion of tax base by targeting informal sector, pursue non-filers and increase focus on taxation of international transactions and transfer pricing; and
- vii. Enhance investigations, intelligence capacity and KRA capacity to support revenue collection.

17. **Expenditure Priorities and Management:** The expenditure priorities in this Budget and over the medium term have been realigned to “The Big Four” Plan. In this regard, the targeted expenditures will prioritize employment creation, youth empowerment, supporting manufacturing activities, enhancing health coverage, improving food security and enhancing living conditions through affordable housing. The allocations to the enablers of “the Big Four” Plan such as education, infrastructure, energy and social protection will remain protected so as to achieve the targeted objectives.

18. As emphasized in the 2018 BPS, the Government will continue with the rationalization of public expenditures for enhanced efficiency and productivity in service delivery. To improve efficiency and effectiveness in public resource utilization, the Government will continue to strengthen expenditure control and improve the efficiency of public spending through public financial management reforms aimed at upgrading efficiency, transparency and accountability in order to free fiscal space for priority social and investment projects and to improve governance in the public sector.

19. **Deficit Financing:** The Government will continue to diversify the sources of financial resources over the medium term by maintaining a presence in the international capital markets. The Government will utilize and maximize the official external sources for loans on concessional terms. Non-concessional and commercial external borrowing will be limited to development projects with high financial and economic returns.

20. Domestic borrowing remains one of the key sources of financing the Government’s deficit. The borrowing plan will be anchored in the medium term debt management strategy to ensure public debt sustainability without crowding out the private sector.

21. **Medium Term Fiscal Framework:** Over the medium term, driven by continued reforms, revenue collection is expected to rise to 19.2 percent of GDP by 2021/22 as shown in **Table 1**. Overall expenditures will decline gradually to 22.6 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 3.0 percent in the FY 2021/22(**Table 1**).

Table 1: Medium Term Fiscal Framework

FY	2017/18		2018/19		2019/20	2020/21	2021/22	2017/18		2018/19		2019/20	2020/21	2021/22
	Printed Estimates	Revised Estimates	BPS 2018	Budget	Proj	Proj	proj	Printed Estimates	Revised Estimates	BPS 2018	Budget	Proj	Proj	proj
Ksh million							As percentage of GDP							
1.0 TOTAL EXPENDITURE AND LENDING	2,298,775	2,329,308	2,492,155	2,533,129	2,648,163	2,898,869	3,243,089	26.5	26.9	25.5	25.9	23.9	23.0	22.6
1.1 Ministerial Recurrent Expenditure	960,473	1,077,211	1,053,047	1,066,287	1,127,521	1,226,699	1,360,405	11.1	12.4	10.8	10.9	10.2	9.7	9.5
<i>o/w wages and salaries</i>	391,259	392,823	444,157	444,157	484,365	524,583	563,402	4.5	4.5	4.5	4.5	4.4	4.2	3.9
<i>Govts Contribution to Civil Services Pensions</i>	17,947	-	15,322	15,322	23,963	25,401	33,804	0.2	0.0	0.2	0.2	0.2	0.2	0.2
1.2 Interest Payments and Pensions	356,892	381,234	461,917	490,554	493,401	558,237	630,103	4.1	4.4	4.7	5.0	4.4	4.4	4.4
1.3 Development Expenditure	640,295	582,862	658,192	657,287	701,849	778,929	904,677	7.4	6.7	6.7	6.7	6.3	6.2	6.3
<i>o/w Domestically Financed</i>	366,255	316,538	353,691	355,895	375,203	425,055	499,502	4.2	3.7	3.6	3.6	3.4	3.4	3.5
<i>Foreign Financed</i>	236,413	236,413	252,171	247,177	281,135	306,698	357,096	2.7	2.7	2.6	2.5	2.5	2.4	2.5
1.4 Net Lending	2,398	2,398	2,383	2,383	1,600	2,500	2,500	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.5 Contingency Fund	5,000	-	5,000	5,000	5,000	5,000	8,000	0.1	0.0	0.1	0.1	0.0	0.0	0.1
1.6 County allocation	345,681	331,681	372,742	374,627	372,164	381,909	391,947	4.0	3.8	3.8	3.8	3.4	3.0	2.7
<i>o/w Equitable share</i>	302,000	288,000	314,000	314,000	320,392	330,004	339,904	3.5	3.3	3.2	3.2	2.9	2.6	2.4
2.0 TOTAL REVENUE	1,704,503	1,659,611	1,853,949	1,923,344	2,117,782	2,423,886	2,756,604	19.6	19.2	18.9	19.6	19.1	19.2	19.2
2.1 Ordinary Revenue	1,549,367	1,489,633	1,688,492	1,743,392	1,931,015	2,229,082	2,548,424	17.8	17.2	17.2	17.8	17.4	17.7	17.7
2.2 Ministerial A-I-A	155,136	169,977	165,458	179,952	186,767	194,804	208,180	1.8	2.0	1.7	1.8	1.7	1.5	1.4
3.0 GRANTS	58,821	42,953	50,496	47,037	51,616	52,447	54,394	0.7	0.5	0.5	0.5	0.5	0.4	0.4
3.1 AMISOM Receipts	6,100	6,100	6,100	7,050	5,000	3,500	3,000	0.1	0.1	0.1	0.1	0.0	0.0	0.0
3.2 Project Grants	52,721	36,853	44,396	39,987	46,616	48,947	51,394	0.6	0.4	0.5	0.4	0.4	0.4	0.4
3.3 Italian Debt Swap	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.0 DEFICIT	- 535,451	- 626,744	- 587,709	- 562,748	- 478,765	- 422,535	- 432,091	-6.2	-7.2	-6.0	-5.7	-4.3	-3.3	-3.0
5.0 FINANCING	535,451	626,744	587,709	562,748	478,765	422,535	432,091	6.2	7.2	6.0	5.7	4.3	3.3	3.0
5.1 Commercial Financing	200,000	290,214	297,050	298,926	107,790	50,068	-	2.3	3.4	3.0	3.1	1.0	0.4	0.0
5.2 Project Loans	204,100	207,682	231,918	231,343	256,171	287,126	335,144	2.3	2.4	2.4	2.4	2.3	2.3	2.3
5.3 Programme Support	900	7,008	2,500	2,500	1,500	1,500	3,500	0.0	0.1	0.0	0.0	0.0	0.0	0.0
5.4 Foreign Payments	- 149,046	- 150,282	- 316,752	- 250,283	- 145,422	- 173,487	- 201,798	-1.7	-1.7	-3.2	-2.6	-1.3	-1.4	-1.4
5.5 Domestic Financing other than Borrowing	3,809	4,038	4,197	4,197	5,677	1,236	2,217	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
5.6 Domestic Borrowing	275,689	268,084	368,796	276,064	264,403	258,565	297,462	3.2	3.1	3.8	2.8	2.4	2.0	2.1
6.0 FINANCING GAP DISCREPANCY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nominal GDP (Fiscal Year)	8,689,852	8,654,618	9,790,758	9,790,760	11,100,784	12,620,781	14,363,930							

NB. Ministerial Expenditures includes revised ceilings for Judiciary and Parliament

Budget Framework for FY 2018/19

22. The Budget for FY 2018/19 is framed within the context of a medium term macro-fiscal framework that takes on board, the Vision 2030 priorities, draft Medium Term Plan III (2018-2022) and the Government priorities under “the Big Four” Plan. In addition, the Government will be

pursuing a fiscal consolidation policy, which is aimed at reducing the overall fiscal deficit and debt accumulation. Taking this into account, **Table 2** summarizes the key assumptions underpinning the Budget for the FY 2018/19:

Table 2: Key Assumptions Underpinning the FY 2018/19 Macro-Fiscal Framework

Indicator	Assumption
Real GDP growth	Forecasted to grow at 5.3% in FY 2017/18; 5.9% in FY 2018/19 and 7.0% over the medium-term
Inflation	Expected to be maintained within a target range of 5% (± 2.5) over the medium-term
Interest rates	To remain low and stable
Exchange rates	Safeguard exchange rate stability to achieve competitiveness in the medium-term.
Total Revenue	Revenue is projected to increase from 19.1 percent of GDP in FY 2017/18 to 19.6 percent in FY 2018/19 and 19.2 percent of GDP in FY 2021/22
Total expenditure	Overall expenditures, as a percentage of GDP is expected to decline from 26.9% in FY 2017/18 to 25.9% in FY 2018/19 and stabilize at 22.6% in FY 2021/22
Overall fiscal deficit	The overall deficit (after grants) is expected to decline from a high of 9.1% of GDP in FY 2016/17 to 7.2% of GDP in FY 2017/18, 5.7% in FY 2018/19 and stabilize at around 3.0% of GDP in FY 2021/22
Weather	Adequate rainfall over the medium term

Revenue Projections

23. The FY 2018/19 budget targets revenue collection including Appropriation-in-Aid (AIA) of Ksh 1,923.3 billion (19.6 percent of GDP) from Ksh 1,659.6 billion (19.2 percent of GDP) in the FY 2017/18. Ordinary revenues are projected at Ksh 1,743.4 billion (17.8 percent of GDP) in the FY 2018/19 up from the projected Ksh 1,489.6 billion (17.2 percent of GDP) in the FY 2017/18.

24. This performance will be underpinned by on-going reforms in tax policy and revenue administration. The Government has already simplified and modernized the VAT and Tax Appeals Tribunal legislations and a new Excise Tax Act is fully operational. Going forward, the Government will implement various measures to boost revenue mobilization. These measures will include: complete overhaul of the current Income Tax Act, strengthening tax administration and expansion of the tax base.

Expenditure Projections

25. The expenditures in FY 2018/19 Budget are guided by the 'The Big Four' initiatives, the draft Third MTP of Vision 2030 priorities and the strategic policy interventions of the Government. The Government will continue to implement the fiscal consolidation program that aims to contain the growth of recurrent expenditures in favour of capital investment so as to promote sustainable and inclusive growth.

26. In the FY 2018/19, total expenditure and net lending are projected at Ksh 2,533.1 billion (or 25.9 percent of GDP) from the estimated Ksh 2,329.3 billion (26.9 percent of GDP) in the FY 2017/18 budget. Recurrent expenditures will amount to Ksh 1,543.3 billion (15.8 percent of GDP) compared with Ksh 1,442.3 billion (16.7 percent of GDP) in the FY 2017/18. This takes into account the Government's efforts to increase the efficiency, effectiveness, transparency, and accountability of public spending, in order to ensure that there is sufficient fiscal space for priority social and investment projects.

Development and Net Lending

27. The ceiling for development expenditures including foreign financed projects (including net lending) in nominal terms amounts to Ksh 610.2 billion in the FY 2018/19. Most of the outlays are expected to support critical infrastructure. Part of the development budget will be funded by project loans and grants from development partners, external borrowing, while the balance will be financed through domestic resources.

Contingency Fund

28. In line with the Constitution and the PFM Act, 2012, a contingency provision of Ksh 5.0 billion has been provided for in the FY 2018/19 Budget to cater for unforeseen expenditures

Equalization Fund

29. In the FY 2018/19, the Equalization Fund has been allocated Ksh 4.7 billion to cater for critical development expenditure in water, roads, health, and energy in marginalized areas to improve services in those areas. The National Treasury will propose utilization of these funds in accordance with the with the second generation policy for identifying marginalized areas to be determined by the Commission on Revenue Allocation pursuant to Article 216(4) of the Constitution.

Deficit Financing

30. Reflecting the projected expenditures and revenues, the fiscal deficit in the FY 2018/19 (excluding grants), amount to Ksh 609.8 billion (equivalent to 6.2 percent of GDP). Including

grants, the overall fiscal deficit is projected at Ksh 562.7 billion (5.7 percent of GDP) in the FY 2018/19 compared to the estimated overall fiscal balance of Ksh 626.7 billion (7.2 percent of GDP) in the FY 2017/18. The deficit excluding SGR related expenditures in the FY 2018/19 is projected at 5.2 percent of GDP which is lower than the projected 6.4 percent of GDP in FY 2017/18.

31. The fiscal deficit in FY 2018/19 will be financed by net external financing of Ksh 282.5 billion (2.9 percent of GDP), net domestic borrowing of Ksh 276.1 billion (2.8 percent of GDP) and other net domestic receipts of Ksh 4.2 billion.

32. Inherent in the medium term fiscal policy, is the Government's commitment to the fiscal consolidation program which will bring the fiscal deficit down gradually from the 7.2 percent of GDP in FY 2017/18 to 5.7 percent of GDP in FY 2018/19 and below 3.0 percent of GDP over the medium term. The program aims to narrow the primary budget deficit and stabilize public debt, prioritize development expenditures while protecting social spending and investments. This reduction will strengthen our debt sustainability position. We have carefully evaluated our external and domestic debt to ensure that we are in a position to service the same. A recent Debt sustainability Analysis concluded that Kenya continues to face low risk of debt distress, with the net present value of our public debt to GDP being below 50 percent.

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 requires the National Treasury to submit a statement specifying the measures taken by the national government to implement any recommendations made by the National Assembly with respect to the budget for the previous financial year or years. Below we highlight a number of measures taken by the National Government to implement National Assembly recommendations.

A. STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS BY THE NATIONAL ASSEMBLY ON THE 2017 BUDGET POLICY STATEMENT

Resolution 1: *That the deficit/fiscal balance be limited to no more than 6 percent of the GDP (Ksh 500 billion) in FY 2017/18 and thereafter reduced to 4.9 percent and 4 percent in FY 2018/19 and FY 2019/20 respectively.*

34. **Action taken:** The fiscal deficit is expected to narrow by about 2 percentage points of GDP to 7.2 percent of GDP in the FY 2017/18. It is expected to narrow further to 5.7 percent of GDP in the FY 2018/19 and to 3.0 percent of GDP in the FY 2021/22.

Resolution 2: *That the allocations to the County Governments for the FY 2017/18 from the National Government's equitable revenue share be Ksh 291.1billion*

35. **Action taken:** The National Treasury has adjusted the County Governments' allocation to Ksh 302 billion. This was the agreed position following mediation through a Joint Committee of the National Assembly and the Senate. In light of the shortfalls in revenue collected nationally, the National Treasury has proposed to Parliament a reduction in the equitable share of revenue allocated to both levels of government. It has been proposed that the equitable share of revenue allocated to County Governments in the FY 2017/18 be reduced to Ksh 288 billion.

Resolution 3: *The NA resolved that the GoK-financed conditional allocations which are disbursed directly to County Governments be reduced by a net of Ksh 1.4 billion.*

36. **Action taken:** The National Treasury has implemented the resolutions which entails: first, allocation of a new Ksh 2 billion conditional allocation to County Governments to finance rehabilitation of village polytechnics. This is to be budgeted under the State Department of Vocational and Technical Training, and will benefit all Counties, with the distribution criteria having two parameters: equitable share (60 percent) and trainee enrolment (40 percent); and, secondly reallocation of the Ksh 3.4 billion free maternal healthcare as a special grant to the National Health

Insurance Fund (NHIF) to be disbursed directly to contracted health institutions through existing NHIF systems as a reimbursement for service provided.

Resolution 4: *That the National Treasury develops a framework on commitment control for the Ministries, Departments and Agencies (MDAs) in order to address this issue decisively and conclusively.*

37. **Action taken:** The National Treasury has from time to time issued instructions on commitment control to MDAs to guide in the implementation of the budget. These guidelines are contained in the Budget Implementation Circulars that are issued at the beginning of every financial year and a specific guideline as need arises. Going forward, and in compliance with the resolution, the National Treasury will develop a more comprehensive framework on commitment control.

Resolution 5: *That the National Treasury reviews the Public Private Partnership policy to ensure all fiscal risks are minimized and enhance effective implementation of all PPP projects. In addition, a report should be tabled in Parliament of total costs of all PPPs including the contingent liabilities arising from them.*

38. **Action taken:** The National Treasury has a PPP unit responsible for mandatory evaluation of all proposed PPP projects for financial risks and contingent liabilities as a condition of project approval. In addition, the PPP Steering Committee has adopted a Fiscal Commitment and Contingent Liability (FCCL) Management Framework to ensure approval of, and fiscal accountability in the management of, financial and any other form of Government support granted in the implementation of the country's PPP program.

39. Further, the PPP unit has developed a policy framework to govern the issuance of letters of support requested across Government. The policy provides clear structure and process as a primary means of managing financial risks to government by ensuring robust and rigorous analysis and review before the Government takes on such commitments.

40. Ongoing and planned PPP projects are normally contained in the BPS which is tabled in Parliament.

Resolution 6: *That the approved Medium Term Debt Management Strategy sets external and domestic borrowing in the ratio of 60:40; of which external borrowing comprises of concessional loans (20%), semi-concessional loans (30%) and commercial loans (10%). Any deviation from the approved framework in the course of the FY must receive Parliamentary approval and legislation be enacted.*

41. **Action taken:** The National Treasury commits to remain within the framework. In the event of deviation from the approved framework, approval shall be sought from Parliament.

Resolution 7: *That the MTEF Sector Working Groups be restructured to provide for an oversight/legislative Sector to ensure adequate participation and adherence to principle of separation of Power.*

42. **Action taken:** The Sector Working Groups have been formulated according to the Classification of Functions of Government (COFOG) and international best practice. The objective of the Sector Working Groups is to prioritize allocation of resources by trade-offs amongst related priority expenditure areas and provide a platform for public participation in the Budget making process. It is important to note that the Sector Working Groups arrangement does not infringe on the institutions operational independence and the principle of separation of power in the implementation of their various mandates. It is only a forum for bidding and allocating the scarce resources. In view of this, Parliament and other oversight institutions are rightly placed in the Sector Working Group framework.

Resolution 8: *That Ksh 7.7 billion is set aside for the Equalization Fund.*

43. **Action taken:** The National Treasury allocated Ksh 7.7 billion to the Equalization Fund in the FY 2017/18 Budget.

44. The Commission on Revenue Allocation (CRA) has yet to complete the second generation of the policy on marginalization. It is expected that the policy will be completed in FY 2018/19 following public participation. Accordingly, Ksh 4.7 billion has been allocated for the Equalization Fund in FY 2018/19.

Resolution 9: *That the National Government identifies resources for giving incentives to agriculture and manufacturing sectors to unlock the Country's economic potential.*

45. **Action taken:** The National Treasury is indeed committed to transforming agriculture and manufacturing sectors of the economy. In the FY 2017/18 Budget, the Government has allocated resources towards subsidizing agricultural inputs, farm mechanization, value addition, irrigated agriculture as well as expanding infrastructure (rail, roads and ports). To improve efficiency in the manufacturing sector, the Government has allocated resources towards energy generation and distribution, improving on ease of doing business, security, and revival of strategic industries such as textile, pyrethrum, milk processing, and leather development amongst others. Going forward, the Government shall intensify investment in these areas to unlock the Country's economic potential. Both manufacturing and agriculture have been identified as part of "the Big Four" Plan.

Resolution 10: *That the ceilings of each arm of government for FY 2017/18 be capped as follows: Parliament Ksh 36 billion, Judiciary Ksh 18 billion and Executive Ksh 1.468 billion*

46. **Action taken:** The National Treasury in liaison with individual MDAs has to a large extent adjusted the ceilings of MDAs based on the recommendations from the Parliament in finalizing the FY 2017/18 Budget. The allocations for the Auditor General and Parliament have been adjusted and Ksh 2.0 billion for rehabilitation of village polytechnics reflected. During the finalization of the Budget, the Cabinet in conjunction with the National Treasury also critically reviewed the submissions from MDAs and where necessary made reallocations from less productive areas, and directed the resultant savings towards high priority areas within or across MDAs.

B. STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS BY THE NATIONAL ASSEMBLY ON THE FY 2017/18 BUDGET

Resolution 1: *In order to strengthen the link between the Programme Based Budget framework and Itemized Budget, there is need for a review of the set of indicators, key outputs and targets in order to make them realistic and achievable. This will facilitate monitoring and evaluation of the government programmes.*

47. **Action taken:** The key performance indicators, targets, and outputs for the programmes have been reviewed to ensure they are specific, measurable, achievable, realistic and time bound. The Government has continued to build the capacity of Ministries, Departments, and Agencies to ensure continuous improvement.

Resolution 2: *In order to ensure efficiency in utilization of resources, the National Treasury should minimize in-year substantial revisions from approved allocations in terms of supplementary budgeting. There is need to ensure that the ministries improve the utilization of approved allocations especially of external funds already mobilized and committed with a view to minimizing the associated opportunity costs in form of delayed benefits to Kenyans, fiscal risks as well as contingent liabilities.*

48. **Action taken:** The National Treasury has ensured that the in-year reviews are within the 10 percent thresholds provided under Article 223 of the Constitution. The Government has strengthened its Monitoring and Evaluation Framework. An Inter-ministerial Steering Committee has been put in place to track both domestically and foreign financed projects.

Resolution 3: *There is need to put in place accountability framework in order to enhance transparency and accountability. The National Treasury should therefore publish online, exchequer releases in order to ensure predictability in budget implementation.*

49. **Action taken:** The National Treasury publishes exchequer releases on monthly basis in the Kenya Gazette in accordance with the law. Copies of the same are given to the Controller of Budget and the Commission on Revenue Allocation

Resolution 4: *The National Government should implement and operationalize the Presidential Taskforce on Parastatals Reforms report in order to rationalize State Agencies, and reduce duplication of functions.*

50. **Action taken:** The Government has already commenced the process, the Youth Enterprise Fund, Women Enterprise Fund, Uwezo Fund, and Small Medium Enterprise Authority are being consolidated into Biashara Kenya Fund. The Commercial Development Corporation, IDB Capital Limited and Tourism Finance Corporation are being consolidated to form the Kenya Development Bank Limited.

Resolution 5: *The National Government should invest heavily in provision of certified seeds alongside the fertilizer subsidy for efficiency and better results. The fertilizer subsidy initiative, which the Government started financing in 2008, has not translated to improved agricultural production due to the quality of seeds as well as seeds adaptability to varying climatic conditions.*

51. **Action taken:** The Government has enhanced the budget support to research on certified seeds that can adapt to varying climatic conditions. At the Ministry of Agriculture, a Research Unit has been created to further strengthen this area.

Resolution 6: *No new projects should be started except externally funded projects and/or key flagship projects under vision 2030. The MDAs should focus on fast-tracking completion of key ongoing projects and ensure that new projects are considered within the context of constrained exchequer support. In this regard under the state department of university education, it is recommended that no new projects amounting to Ksh.2.5 billion should be started. Instead, the money should be redistributed within the vote to complete ongoing projects.*

52. **Action taken:** Treasury Circular on the Preparation and finalization of the FY 2018/19 and the Medium Term Budget emphasized on the need for completion of the ongoing projects with high impact on poverty reduction, equity and employment creation before new ones are completed. In this regard, the FY 2018/19 Budget has prioritized completion of on-going development projects in order to realize the desired benefits.

Resolution 7: *There is concern over the level of pending bills in Ministries. The Government should therefore come up with a process of auditing and identifying those that can be paid and start paying them using available resources. In addition, there is need to institute a process of commitment control whereby no commitments should be entered into in the absence of resources.*

53. **Action taken:** During the preparation of the FY 2018/19 Budget, MDAs submitted a list of their respective pending bills. A Task Force has been put in place to audit all the pending bills prior to the FY 2015/16 and advise cases that are payable. These cases will be prioritized for funding in the next medium term budget. In addition, MDAs have been advised through the

Treasury Circulars to always prioritize payment of carryover bills/pending before commencement of implementation of the budget.

Resolution 8: *There is concern that some key provisions in the budget such as provision of sanitary towels are not available to all needy children. Therefore, it is proposed that the provision of sanitary towels to school girls be implemented through the National Government Affirmative Action Fund for effective monitoring and evaluation.*

54. **Action Taken:** The provision of Ksh 470 million for sanitary towels to school girls was provided under the National Government Affirmative Action Fund. It is however, important to note that schools have not accessed the towels due to capacity and logistical challenges. To ensure that the school girls are not disadvantaged, Parliament should consider having this expenditure at its cost centre i.e. in the State Department responsible for Basic Education.

Resolution 9: *Review the purchase of police vehicles as well as the contracts for the Managed Equipment Services (MES) project; and further undertake a performance audit on the implementation of MES programmes to ascertain value for money.*

55. **Action Taken:** A study was undertaken on leasing of motor vehicles which established that the leasing is viable. It also proposed measures to further cut down the operational costs which have since been factored in the Phase IV of Motor Vehicle Leasing. A similar study on MES will be undertaken when the programme is fully operational.

IV. HIGHLIGHTS OF THE FY 2018/19 BUDGET

56. During the FY 2018/19, adequate resources have been provided to implement key priority projects of the Government, including the “Big Four” Plan. These are in addition to the ongoing strategic interventions for the transformative agenda, which the Government has been implementing during the last four financial years. The Highlights are as indicated in the subsequent paragraphs.

- **“Big Four Plan” Allocations**

57. We have allocated **Ksh 460.2 billion** to implement the “Big Four” Agenda under all clusters, both for drivers and cross cutting enablers, and other enablers. The allocation for the drivers is **Ksh 82 billion** while for cross cutting enablers it is **Ksh 322.2 billion**, and other enablers of **Ksh 56.7 billion**. These allocations are supporting the following interventions;

- (i) Enhancing Food and Nutrition Security to all Kenyans by 2022**

58. Under this cluster, the objective is to ensure all citizens enjoy food security and improved nutrition by 2022. In the FY 2018/19, **Ksh 43.1 billion** has been allocated for the driver and the enabler MDAs.

- (ii) Providing Universal Health Coverage and Guaranteeing Quality and Affordable Healthcare to all Kenyans**

59. Under this cluster, the MDAs will be implementing identified interventions as an enabler with the objective of expanding Universal Health Coverage. In the FY 2018/19, we have allocated **Ksh 44.6 billion** (including donor funded).

- (iii) Provision of Affordable and Decent Housing for all Kenyans**

60. Under this cluster, we intend to provide decent and affordable housing by constructing at least five hundred thousand affordable housing units by 2022. In the FY 2018/19, we have allocated **Ksh 6.5 billion** for both driver and the enabler MDAs.

- (iv) Supporting value addition and raising the manufacturing sector share of GDP to 15 percent by 2022**

61. Under this cluster, the objective is to increase the share of manufacturing sector to GDP to 15 percent by 2022. In the FY 2018/19, we have allocated **Ksh 3.1 billion**.

- **Allocations under key Thematic Areas**

62. The sectoral allocations in the FY2018/19 Budget broadly remain within the approved 2018 BPS, with slight variations to reflect the final donor commitments and additional approvals to programmes. The following are the key allocations in thematic areas:

Thematic Area	Details of Allocations
Food Security and Agriculture:	KSh 17.9 billion has been allocated for on-going irrigation projects countrywide and transformation of agriculture from subsistence to productive commercial farming.
Infrastructure, Transport and Logistics	Funding of priority investments in infrastructure development has been significantly enhanced to KSh. 271.6 billion
Industrialization and Manufacturing	To promote the industrialization and manufacturing which is a key driver of the “Big Four” Agenda, the sector has been allocated a total of KSh. 7.4 billion
Environment Protection, Flood Control and Water Harvesting	To enhance and sustain measures to control floods and harvest rain water, we have allocated a total of KSh. 60.4 billion.
Enhanced Security for Investment, Growth and Employment	Security is necessary for encouraging investment, accelerating economic growth and creating more jobs for our youth. To this end, we have allocated a total of KSh. 53.5 billion
Enhancing Access and Transforming the Educational System through e-Teaching and e-Learning	A total of KSh 194.9 billion has been allocated in basic, tertiary and higher education
Quality and Accessible Health Care Services for all Kenyans	To provide quality and accessible health care, we have allocated KSh. 44.6 billion to priority programmes
Equity, Poverty Reduction and Social Protection for Vulnerable Groups	To address the plight of the less disadvantaged in society, combat poverty, and promote equity, the social protection safety net programme has been enhanced. Including allocations to the Equalization Fund, National Government Constituency Development Fund, and Affirmative Action for Social Development, a total of KSh. 51.8 billion has been set aside.
Equity, Poverty Reduction and Social Protection for Vulnerable Groups	To address the plight of the less disadvantaged in society, combat poverty, and promote equity, the social protection safety net programme has been enhanced. Including allocations to the

Thematic Area	Details of Allocations
	Equalization Fund, National Government Constituency Development Fund, and Affirmative Action for Social Development, a total of KSh. 52.8 billion has been set aside
Enhancing Women and Youth Empowerment	KSh 1.1 billion has been allocated towards women and youth empowerment programmes
Leveraging on Information, Communication and Technology	KSh. 21.7 billion has been set aside for this purpose

63. The highlights of the major expenditure areas are provided in the following table.

ENABLERS: OTHER KEY EXPENDITURE HIGHLIGHTS IN FY2018/19

	KSh. Million
Food Security and Agriculture	17,573
Bura Irrigation Project;	1,300
Mwea Irrigation Project;	1,600
National Expanded Irrigation Programme;	2,400
Fertilizer subsidy	4,300
Strategic Food Reserve;	1,420
Kenya Cereal Enhancement Programme;	1,888
Crop insurance	300
Crop diversification	907
issuance of title deeds	1,500
Small Scale Irrigation and Value	1,459
Mechanization of Agricultural development	500
Fall Army Worm Mitigation	300
Infrastructure, Transport and Logistics	271,643
Roads	112,985
Ongoing Road Construction (Domestically Financed)	78,796
Foreign Financed Roads	34,189
Rail	74,400
Standard Gauge Railway - Nairobi - Naivasha (Phase II)	74,400
Ports	12,900
Expansion of Malini, Isiolo and Lokichogio Airports and Kabunde, Kakamega;	1,400
Mombasa Port Development Project (Donor)	2,700
LAPSSET Project	8,800
Affordable Housing & Urban Development	24,400
Construction of Affordable Housing Units	1,000
Construction of Social Housing Units	2,000
Construction of Housing Units for Police and Kenya Prison.	1,400
Civil Servant Housing Scheme Fund	1,500
Kisumu Urban Project	2,500
Nairobi Metropolitan Services Improvement Project	4,300
Kenya Urban Programme	11,700
Public Works	1,600
Construction and Completion of Stalled Government Building	1,000
Construction of 5 County Headquarters.	400
Construction of Foot Bridges	200
Energy	45,358
Geothermal Development	11,900
LPG Distribution and Infrastructure Programme	2,000
Exploration and Distribution of Oil and Gas	2,400
Rural Electrification Programme	5,100
Last Mile Connectivity	3,190
National Street lighting Programme	1,000
Electrification of Public Facilities	560
Connectivity Subsidy	1,500
Transformers in Constituencies	800
Substation Installations	1,000
Eastern Electricity Highway Project (Ethiopia- Kenya Interconnector)	9,608
Loiyangalani - Suswa transmission line	3,200
Nairobi 220KV Ring	3,100

ENABLERS: OTHER KEY EXPENDITURE HIGHLIGHTS IN FY2018/19 (Cont.)

	KSh. Million
Industrialization and Extractive Industry	3,064
Leather Industrial Park Development Kenanie and Kajiado Leather factory	1,000
Textile Development EPZA hub	400
Modernization of RIVATEX	1,434
Modernization of New KCC	230
Environment Management and Protection, Flood Control and Water Harvesting	60,419
Water Resource Management	5,986
Water and Sewerage Infrastructure Development	31,221
Environment Management and Protection	2,858
Meteorological Services	2,156
Integrated Regional Development	7,400
Forests and Water Towers Conservation	10,797
Enhanced Security for Investment, Growth and Employment	53,530
Lease Financing of Police Motor Vehicles	9,200
Enhanced security operations	8,997
Police Modernization Programme	8,300
Police and Prison Officers Medical Insurance Scheme	4,786
Group Life Insurance for Police	1,747
Securitization of Borders	3,000
Military Modernization	17,500
Enhancing Access and Transforming the Educational System	194,878
Free Day Secondary Education	59,419
Free Primary Education	13,400
Recruitment of Teachers	6,000
Technical Training Institutes	9,700
School Feeding Programme	2,300
Subsidy to KNEC for examinations fee waiver	4,024
Higher Education Loans Board	9,553
University Education	90,483
Quality and Accessible Health Care Services for all Kenyans	44,635
Free Maternal Healthcare	4,300
Lease of medical equipment (Managed Equipment Services)	9,400
Kenya Medical Training Centers	3,600
Kenyatta National Hospital	9,500
Moi Teaching and Referral Hospital	6,200
Kenya Medical Research Institute	1,700
Doctors, Clinical Officers, Nurses internship programme	2,900
Computed Tomography Scanners Equipments	7,035

ENABLERS: OTHER KEY EXPENDITURE HIGHLIGHTS IN FY2018/ KSh. Million

Equity, Poverty Reduction and Social Protection for Vulnerable Groups	52,800
National Government Constituency Fund	32,900
Affirmative Action for Social Development for Women Representatives	2,100
Equalization Fund	4,700
Orphans and Vulnerable Children (OVC)	6,800
Cash Transfer to Elderly Persons	5,100
Cash Transfer to Persons with Severe Disability	1,200
Enhancing Women and Youth Empowerment	1,100
Youth Enterprise Development Fund	300
Youth Employment and Enterprise (Uwezo Fund)	300
Women Enterprise Fund	500
Leveraging on Information, Communication and Technology	21,700
Single Window Support Project;	300
Roll out of IFMIS;	1,200
Development at Konza Technopolis;	7,900
Digital Literacy Programme (School Laptop Project);	11,900
Digital Migration (KBC); and	300
Presidential Digital Talent Programme	100
Constitutional Implementation and Related Reforms	52,297
KSh 18 billion for the Judiciary	17,753
KSh 36 billion for Parliament	34,544
On-going Economic Stimulus Projects	650
Completion of ESP District Headquarters	100
Construction of Vision 2030 Flagship and ESP Markets.	300
Completion of Constituency Industrial Development Centres	250

V. ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

65. In line with the Constitution, the Public Finance Management (PFM) Act, 2012 and the PFM regulations, the management of public finances is guided by: openness and accountability; promotion of an equitable society; equitable sharing of burdens and benefits of the use of resources and public borrowing between present and future generations; prudent and responsible use of public money; responsible financial management and clear fiscal reporting. In this regard, the Government has continued to ensure compliance with the principles of fiscal responsibility 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.*

The National Government's development expenditure as a percent of total budget has been above the 30 percent minimum threshold set out in the PFM law. As a result of the ongoing measures to boost revenue mobilization, development expenditures are projected to pick up to 30.0 percent in FY 2018/19 and 31.0 percent 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.*

The share of wages to the National Government revenues is estimated at 28.7 percent in FY 2017/18, and is projected at 28.8 percent in FY 2018/19 and at 24.8 percent over the medium term. These ratios demonstrate the commitment to the fiscal responsibility principle of ensuring that the national government's expenditure on wages and benefits for its employees is within the 35 percent threshold of the national government equitable share of the revenue as required in the PFM regulations. The Government is also implementing policies and measures to ensure that the public wage bill is sustainable.

- 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.*

The Government has continued to adhere to this principle as all Government's medium - 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*

The Government borrowing level is set in the Medium Term Debt Management Strategy approved by the National Assembly. The strategy aims at ensuring continued public debt sustainability and ensuring that the level of domestic borrowing does not crowd out the private sector given the need to increase private investment to support economic growth. Our debt ratios compared with internationally recognized thresholds continue to show that our debt level remains sustainable. The baseline public debt path remains consistent with the EAC convergence ceiling of 50 percent of GDP in net present value terms.

The external debt sustainability indicators illustrate that Kenya remains within the sustainable bounds. This is attributed to the large portion of debt that is on concessional terms in terms of low costs and long term maturity and the positive outlook in the other macroeconomic indicators. This funding continues to play a key role in the development agenda of the National Government.

e. Fiscal risks shall be managed prudently

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. A detailed Annex on the specific fiscal risks is usually prepared as part of the Budget Policy Statement. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability.

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

On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the Government simplified and modernized the VAT and Tax Appeals Tribunal legislation. A new Excise Tax Act is fully operational and a review of the Income Tax Act is ongoing and will be completed before June 2018. These reforms are intended to lock in the predictability of the taxation regime and enhance compliance with the tax system and ensure stability in tax revenue.

VI. MEMORANDUM ON THE RESOLUTIONS ADOPTED BY THE NATIONAL ASSEMBLY ON THE 2018 BUDGET POLICY STATEMENT

(a) Introduction

66. Section 25(8) of the Public Finance Management (PFM) Act, 2012 prescribes that the Cabinet Secretary for Finance shall take into account resolutions passed by Parliament in finalizing the budget for a given financial year. The National Assembly approved the 2018 Budget Policy Statement (BPS) and the Debt Management Strategy for the FY 2018/19 and the Medium Term on 1st March, 2018.

67. 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, therefore, the following Section provides a brief to Parliament on the extent to which the resolutions of the House on the 2018 BPS have been taken into account and the reasons thereof.

(b) Resolutions by the National Assembly on the 2018 BPS

Resolution 1: Submissions to Parliament must be subjected to a checklist to see if all required information is provided and all relevant laws have been complied with.

68. **Action taken;** The National Treasury has provided a checklist (in accordance to Section 38 of the PFM Act, 2012) of information and documents which have been submitted alongside the medium-term Budget for FY2018/19.

Resolution 2: That the National Treasury comes up with a commitment control policy on how to clear the current pending bills within a hard budget constraint in line with Public Finance Management Act, 2012 and Public Procurement and Asset Disposal Act, 2015.

69. **Action taken:** The National Treasury has from time to time issued guidelines to MDAs requesting them to make settlement of pending bills as their first charge before making new commitments. In the Budget Implementation guidelines for the FY2018/19, we will emphasize on this recommendation and make specific guidelines. In addition, the Government has constituted a Committee to review all the pending bills prior to FY 2015/16 to review and advice on the payable claims. The payable claims will be prioritized for payment in the next medium term budget.

Resolution 3: BPS in future should not be tabled in the House without a list of projects. In addition, the 2018 Budget Estimates for Development should be accompanied by a list of reconcilable projects.

70. **Action taken;** The Public Finance Management Act, 2012 requires the Budget to be submitted by Vote and Programmes. This requirement has been fully complied with but that notwithstanding, the National Treasury has provided the details of projects as requested. Future BPS will also include lists of projects as requested by the Parliament.

Resolution 4: *There is need to amend the Public Finance Management Act, 2012 to ensure that all projects financed through external borrowing are approved by the Legislature.*

71. **Action taken:** The National Treasury has critically reviewed this requirement and noted that there is no need to amend the law for this purpose. All donor-funded projects are part of the Budget that are approved by the Parliament. A list of donor-funded projects in the budget are included in the itemized development budget.

Resolution 5: *That all projects earmarked for funding through commercial borrowing be reflected in the Budget for FY2018/19.*

72. **Action taken:** Commercial borrowing is a source of closing the financing gap in the GOK-financed portion of the Budget. The list of all the projects to be implemented in the FY2018/19 has been provided.

Resolution 6: *That commitments from donors be tied to the budget cycle and should come in at the preparatory stage before the Budget is finalized.*

73. **Action taken:** Donor commitments were received in good time and factored in the FY2018/19 Budget Estimates. However, negotiations with Development Partners are sometimes completed during the fiscal year and these commitments/agreements are subsequently reflected in the Supplementary Budget.

Resolution 7: *That MTP III must be finalized, published and laid in the House before Budget Estimates are submitted.*

74. **Action taken:** The MTP III has been finalized and submitted as required. Preparation of the medium-term Budget for FY2018/19 took into account the policies and programmes outlined in the draft MTP III.

Resolution 8: *That a Delivery Unit be created to review, monitor and in coordination with Parliament ensure that the "Big Four" Plan is structured in such a way that it will achieve its objective.*

75. **Action taken:** The Executive Office of the President will be taking action as the new structure of Government continues to be rolled out. In addition, the State Department for Planning

will take measures to ensure that Central Planning and Monitoring Departments in MDAs are strengthened to supplement the role of monitoring and evaluation of the “Big Four” Plan.

Resolution 9: That BPS financing should be based on the Debt Management Strategy. Once the borrowing plan is approved, it should be binding and any revision in borrowing plan must be resubmitted to the National Assembly.

76. **Action taken:** The FY2018/19 has taken into account the borrowing plan in the 2018 Debt Management Strategy. Any deviation from this plan will be submitted in form of a Supplementary Budget for approval by the National Assembly.

Resolution 10: That the ceilings of each arm of government for FY2018/19 be capped as follows: Parliament Ksh 34.543 billion, Judiciary Ksh 17.783 billion and Executive Ksh 1,643.33 billion.

77. **Action taken:** The National Treasury in liaison with individual MDAs has to a large extent adjusted the ceilings of MDAs based on the recommendations from the Parliament in finalizing the FY 2018/19 Budget. However, it must be noted that it was not feasible to reduce the gross ceilings by 3 percent due to the fact that the gross ceilings contain mandatory expenditures such as salaries and other employee benefits; payment of rents and rates; subscriptions to international organizations; Appropriations - in - Aid, among other items. These were netted out before applying a higher percentage of 5 percent. During the finalization of the budget, submissions by MDAs were also critically reviewed and where necessary, reallocations were made from less productive areas and directed the resultant savings to high priority areas within programmes.

Resolution 11: That reallocations be effected as recommended by Departmental Committees and as per attached Annex on 2018 BPS Ceilings versus Budget Estimates.

78. **Action taken:** The reallocations in schedule 1 were fully compiled.

Resolution 12: That there is critical expenditure amounting to Ksh 37.077 billion which must be included in the ceiling as per Schedule II of the BPS. This is to be financed through a 3 percent reduction in the recurrent expenditure for the Executive Budget to raise Ksh 30 billion, and enhanced revenue of Ksh 7 billion.

79. **Action Taken:** As earlier indicated the budget is submitted at programme level. The recurrent budget has, in this regard, expenditures which include salaries, rent, utilities, international subscriptions, Appropriations in Aid, provision for subsidy to schools, health sector, bursaries, and cash transfers among others. It is not therefore feasible to raise the proposed expenditure cuts. We were nonetheless able to raise Ksh 12.3 billion which was used to enhance the budget for TSC, Constituency Development Fund, State Law Office, National Government Affirmative Action Fund, Universal Health Care, Controller of Budget, and Commission on

Revenue Allocation. It is not feasible to raise additional revenue from the measures proposed, since these were already inbuilt in the projections we made.

Resolution 13: That the National Treasury accelerate the ongoing reforms within the Customs and Border Control to seal revenue leakages, expand compliance measures through iTax system, promote voluntary tax compliance, and devise ways of taxing the highly dynamic digital commerce.

80. **Action Taken:** As earlier mentioned to boost domestic revenue mobilization, the Government will complete the review of the Income Tax Act in order to simplify and modernize it with a view of enhancing revenue collection. In addition, the Government will continue to undertake a combination of policy and administrative reforms to bolster revenue yields. These reforms will include:

- i. Roll out of the Integrated Customs Management System (ICMS) to seal loop holes at the Customs to prevent concealment, undervaluation, mis-declarations and falsifications of import documents;
- ii. Implementation of the Regional Electronic Cargo Tracking (RECTS) to tackle transit diversion;
- iii. Enhance scanning activities to detect concealment;
- iv. Scaling-up on-going and routine activities such as Pre-Verification of Conformity (PVoC), benchmarking and auctions;
- v. Data matching and use of third party data to enhance compliance through integration of iTax with IFMIS ;
- vi. Expansion of tax base by targeting informal sector, pursue non-filers and increase focus on taxation of international transactions and transfer pricing; and
- vii. Enhance investigations, intelligence capacity and KRA capacity to support revenue collection.

Resolution 14: That the allocation to the County Governments be as follows; Equitable Share Ksh 314 billion, Conditional Allocation for leasing Medical Equipment Ksh 9.4 billion, compensation for user fee Ksh 900 million, level five Hospitals Ksh 4.326 billion, Rehabilitation of Youth Polytechnics Ksh 2 billion, Construction of County Headquarters Ksh 605 million, fuel levy (15%) Ksh 8.269 billion, and loans and Grant Ksh 33.242 billion. All totaling to Ksh 372.742 billion.

81. **Action Taken:** This has been provided and included in County Allocation Revenue Bill.

82. The above actions are included in the FY 2018/19 Budget submitted to Parliament.

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

83. The equitable share allocation to the County Governments for FY 2018/19 is Ksh 314 billion. This is arrived at by growing the County Governments' equitable share for 2017/18 of Ksh 302 billion by a growth factor of 4.0 percent. This yields an adjustment of Ksh 12 billion. This growth factor was agreed through consensus following consultations under the Intergovernmental Budget and Economic Council (IBEC). This allocation which represents a 33.6 percent of the latest audited revenues for FY 2013/14 (i.e. Ksh 935.7 billion) is above the constitutional minimum of 15 percent.

84. The growth factor of 4.0 percent is determined after taking into account the fiscal framework that underpins the Budget Policy Statement for FY 2018/19, which reflects a sharp drop in fiscal deficits from 7.2 percent of GDP in FY 2017/18 to 5.7 percent in FY 2018/19, increase in debt service costs, drop in National Government ministerial expenditures and downward adjustment of revenue projections in light of shortfalls in revenue in FY 2017/18. The equitable share of revenue, thus determined, is an unconditional allocation to the County Governments and therefore County Governments are expected to plan, budget, spend, account and report on the funds allocated independently.

85. The Division of Revenue Bill 2018 (DoRB) submitted by the National Treasury to Parliament contained the vertical allocation of revenue as summarized in the **Table 3:**

Table 3: Total County Allocations for the FY 2018/19

Type/level of allocation	FY 2018/19 (Ksh)	Percentage (%) of 2013/14 audited and approved Revenue
A. Total Shareable Revenue	1,743,392,000,000	
B. National Government	1,424,692,000,000	
C. Equalization Fund	4,700,000,000	0.50%
D. County Governments		
1. County Equitable Share	314,000,000,000	33.5
2. Additional Conditional Allocations (National Government Share of Revenue) =(2.1+2.2+2.3+2.4+2.5)	17,231,000,000	
2.1. Leasing of Medical Equipment	9,400,000,000	
2.2 Compensation for user fees forgone	900,000,000	
2.3 Level 5 hospitals	4,326,000,000	
2.4 Supplement for construction of county headquarters	605,000,000	
2.5 Rehabilitation of Youth Polytechnics	2,000,000,000	
3. Allocation from Fuel Levy (15%)	8,269,000,000	
4. Conditional Allocations (Loans and Grants) =(4.1+4.2+4.3+4.4+4.5+4.6+4.7+4.8+4.9+4.10+4.11+4.12)	36,981,384,140	
4.1 IDA-Kenya Devolution Support Program (KDSP) (Level 1 Grant)	2,300,000,000	
4.2 IDA-Kenya Devolution Support Program (KDSP) (Level 2 Grant)	4,000,000,000	
4.3 IDA-Transforming Health Systems for Universal Care Project	3,636,589,847	
4.4 DANIDA-Universal Healthcare For Devolved System Program	1,012,500,000	
4.5 IDA-National Agriculture & Rural Inclusive Growth Project (NARIGP)	2,949,138,423	
4.6 EU-Instruments for Devolution Advice and Support (IDEAS)	1,040,000,000	
4.7 IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	3,039,000,000	
4.8 World Bank- Kenya Urban Support Program(KUSP) - Urban Development Grants	11,464,702,500	
4.9 IDA- Water and Sanitation Development Project (WSDP)	3,800,000,000	
4.10 Sweden Agriculture Sector Development Programme II (ASDP II)	1,005,453,370	
4.11 EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	880,000,000	
4.12 IDA (World Bank) credit: Kenya Urban Support Project(KUSP)- Urban Institutional Grants + Bal C/ff in FY 2017/18	1,854,000,000	
Total County Allocations= (1+2+3+4)	376,481,384,140	40.24%

Source: National Treasury

86. Horizontal distribution of County Governments' equitable revenue share allocation for FY 2018/19 is based on the current formula recommended by the Commission on Revenue Allocation (CRA) and approved by Parliament. The criteria uses six parameters with specific weights, namely: population (45 percent); basic equal share (26 percent); poverty (18 percent); land area (8 percent); fiscal responsibility (2 percent) and development factor (1 percent).

87. In addition to the equitable share, County Governments will receive additional conditional allocations amounting to Ksh 62.48 billion. Each additional conditional allocation is distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula. Accordingly, in FY 2018/19, the Counties will share an estimated Ksh 376.5 billion, which represents an increase of 13 percent over and above projected total transfers for 2017/18 of Ksh 333.3 billion. The additional conditional allocations constitutes of the following:

- a. Ksh 9.4 billion for leasing of Medical Equipment
- b. Ksh 900 million for compensation for user fees forgone
- c. Ksh 4.3 billion for level 5 hospitals
- d. Ksh 605 million to supplement construction of county headquarters
- e. Ksh 2 billion for rehabilitation of Youth Polytechnics
- f. Ksh 36.9 billion conditional allocations from donor loans and grants which comprises of the following:
 - i. Ksh 6.3 billion loan from the World Bank for the Kenya Devolution Support Program (KDSP);
 - ii. 3.6 billion IDA credit to finance the Transforming Health Systems for Universal Care Project;
 - iii. Ksh 1.0 billion from DANIDA for the Universal Healthcare For Devolved System Program;
 - iv. Ksh 2.9 billion IDA credit to finance the National Agriculture & Rural Inclusive Growth Project (NARIGP);
 - v. Ksh 1.04 billion from EU for Instruments for Devolution Advice and Support (IDEAS);
 - vi. Ksh 3.0 billion form the World Bank to finance the Kenya Climate Smart Agriculture Project (KCSAP);
 - vii. Ksh 11.5 billion from the World Bank for the Urban Development Grants under the Kenya Urban Support Program (KUSP);
 - viii. Ksh 3.8 billion World Bank credit to finance the Water and Sanitation Development Project (WSDP).
 - ix. Ksh 1.0 billion from the Government of Sweden for the Agriculture Sector Development Programme II (ASDP II);

- x. Ksh. 880 million from the European Union for the Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER); and
- xi. Ksh. 1.854 billion from the World Bank for the Urban Institutional Grants under the Kenya Urban Support Program (KUSP).

88. An allocation of Ksh. 4.7 billion has been allocated to the Equalization Fund to finance development projects in the marginalized areas. The National Treasury is required under Article 221(2) of the Constitution to submit estimates of expenditure from the Equalization Fund for financial year 2018/19. The National Treasury is, however, not able to prepare and submit to the National Assembly the estimates of revenue and expenditure in respect of the Ksh. 4.7 billion allocated to the Equalization Fund in the financial year 2018/19 since the second generation policy for identifying marginalized areas has not been determined as required under Article 216(4) of the Constitution.

89. The free maternal healthcare allocation of Ksh 4.3 billion which is a special grant to the National Health Insurance Fund (NHIF) for free maternal health care is to be disbursed as a reimbursement to county governments.

VIII. OTHER BUDGET DOCUMENTS AND INFORMATION

90. The following information and documents have been prepared to accompany the FY 2018/19 budget estimates: highlights of the 2018 debt strategy, 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 2018 Medium Term Debt Strategy (MTDS)

91. The MTDS 2018 covering the period FY2018/19 - FY 2019/20 will implement Government's plan on the desired composition of the government debt portfolio.

92. The overall debt strategy is to attain 57:43 ratio of external and domestic borrowing to finance the national government budget.

(i) Domestic Borrowing

93. The 43 percent net domestic borrowing comprises Treasury Bonds and Treasury Bills in the ratio of 70:30. The strategy is taken after considering both cost and risk. The strategy recommends issuance of medium to long term securities to minimize refinancing risk and lengthen the maturity profile of domestic debt.

94. Considering the growth of domestic market and macro-economic environment, issuance of medium term domestic debt will be done through benchmark bonds. Treasury Bills will be used for cash management purposes, while long term financing needs will be met by issuing Treasury Bonds, but achieving this will depend on the demand side constraints.

(ii) External Borrowing

95. The 57 percent net external borrowing comprises of concessional loans (23 percent); semi-concessional loans (12 percent) and commercial loans (22 percent).

96. Official external sources remain the preferred option for the Government to source financing on concessional terms. However, it has been observed that borrowing terms have increasingly hardened, with new loans often contracted on terms very close to the 35 percent grant element threshold.

97. A well-managed external borrowing program will help in reducing the pressures in the domestic debt market. However, the Government will have a view on the targeted level of debt

portfolio composition in terms of the share of external debt taking into account the external factors which may impact the level of debt/GDP ratio. Maintaining a certain volume of presence in international markets will enhance the predictability and credibility of the sovereign, leading to improvement in the borrowing terms.

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

98. Total outstanding loans by the National Government to State Corporations, Government Agencies, and other organizations as at June 30th, 2017 stood at Ksh 793.7 billion (**Table 4a**). The total National Government loan portfolio is an accumulation of loans given by the National Government over years. Out of the total loan amount as at June 30th, 2017, an amount of Ksh 704.4 billion are performing (**Table 4b**) while the balance amounting to Ksh 89.2 billion are non-performing (**Table 4c**).

99. During the year, the total National Government loans disbursed increased from Ksh 588.0 billion to Ksh 811.3 billion. During the year Ksh 17.6 billion was repaid. The increase of Ksh 223.8 billion is attributed to new loans made to Kenya Electricity Generating Company (Kengen) Ltd; Kenya Power & Lighting Company Ltd; Lake Basin Development Authority; IDB Capital; Kenya Railways Corporation; Uchumi Supermarket; Mumias Sugar Co. Ltd; and Athi Water Services Board.

Table 4a: Statement of National Government Loans to State Corporations, Government Agencies and Other Organizations Outstanding as at June 30th, 2017

To Whom Lent	Initial Amount	Loan	Cumulative Amount Repaid	Outstanding Amount
	Ksh		Ksh	Ksh
1 Agricultural Finance Corporation	562,294,453		80,175,290	482,119,163
2 Agricultural Settlement Fund and Central Land Board.	126,326,880		43,300,644	83,026,236
3 Agro-chemical & food Company Ltd	1,202,075,120		95,000,000	1,107,075,120
4 Associated Sugar Factory Ramisi	15,818,960		0	15,818,960
5 Athi Water Services Board	33,479,586,946		481,217,885	32,998,369,061
6 Kenya Utalii College	140,000,000		13,000,000	127,000,000
7 Coast Water Service Board	6,756,217,290		0	6,756,217,290
8 Coffee Board of Kenya	976,332,369		223,822,060	752,510,309
9 Co-operative Bank of Kenya Ltd	658,861,548		182,608,454	476,253,094
10 Cotton Lint and Seed Marketing Board.	23,632,000		1,000,000	22,632,000
11 East African Sugar Industries Limited, Muhoroni	177,123,100		0	177,123,100
12 Eldoret Municipal Council	1,058,673,824		0	1,058,673,824
13 Equity Bank Ltd	872,782,214		383,704,351	489,077,863
14 Faulu Kenya Deposit Taking Micro-Finance Ltd.	200,200,000		19,630,722	180,569,278
15 Halal Meat Products	27,701,420		0	27,701,420
16 IDB Capital Limited	1,555,675,500		0	1,555,675,500
17 Ildamat Farmers' Co-operative Society Ltd	3,000,000		2,300,000	700,000
18 Industrial and Commercial Dev. Corporation	89,230,500		20,000,000	69,230,500
19 Karatina Industrial Estates	470,100		337,240	132,860
20 Kenya Airports Authority	1,820,144,346		695,717,031	1,124,427,315
21 Kenya Airways Ltd	24,224,000,000		0	24,224,000,000
22 Kenya Civil Aviation Authority	2,087,092,807		260,894,509	1,826,198,298
23 Kenya Co-operative Creameries Ltd.	52,607,460		16,356,420	36,251,040
24 Kenya Electricity Generating Co. Ltd.	136,811,192,242		7,518,517,175	129,292,675,067
25 Kenya Fishing Industries Limited	4,217,320		1,408,720	2,808,600
26 Kenya Industrial Estates	426,213,120		2,262,636	423,950,484
27 Kenya Meat Commission	940,241,100		0	940,241,100
28 Kenya National Federation of Co-operatives (K.N.F.C.) Ltd	5,595,600		0	5,595,600
29 Kenya Power and Lighting Co. Limited	61,969,197,828		6,619,857,428	55,349,340,400
30 Kenya Railways Corporation	473,210,691,342		0	473,210,691,342
31 Kenya Toray Mills	2,982,480		0	2,982,480
32 Kenya Tourist Development Corporation	48,000,000		0	48,000,000
33 Kenya Urban Transport Various Towns	40,706,140		0	40,706,140
34 Kenya Women Finance Trust Deposit Taking Micro-Finance Ltd.	205,100,000		20,111,194	184,988,806
35 Kenyatta University	10,857,620,656		0	10,857,620,656
36 K-Rep Bank Kenya	250,000,000		215,004,019	34,995,981

37	Lake Basin Development Authority (LBDA)	1,500,000,000	0	1,500,000,000
38	Lake Victoria North Water Services Board	2,681,445,499	0	2,681,445,499
39	Lake Victoria South Water Services Board	5,734,185,606	0	5,734,185,606
40	Local Government Loans Authority	7,688,792,480	94,518,760	7,594,273,720
41	Meru Central Farmers' Co-operative Union Ltd	188,868,000	550,000	188,318,000
42	Miwani Outgrowers Mills Limited	6,600,000	0	6,600,000
43	Miwani Sugar Company (1989) Limited	16,000,020	0	16,000,020
44	Miwani Sugar Mills Limited	78,088,180	0	78,088,180
45	Moi University	250,000,000	18,750,000	231,250,000
46	Mombasa Pipeline Board	63,400,000	40,435,020	22,964,980
47	Mumias Outgrowers Company Limited	43,208,440	26,691,040	16,517,400
48	Mumias Sugar Company Limited	2,500,000,000	0	2,500,000,000
49	Nairobi City Council	123,109,580	20,775,820	102,333,760
50	National Irrigation Board	2,262,036,544	0	2,262,036,544
51	National Water Conservation and Pipeline Corporation	2,460,874,897	0	2,460,874,897
52	Nyeri Water and Sewerage Company	1,159,592,738	403,336,606	756,256,132
53	Nzoia Sugar Company Limited	182,139,360	23,629,260	158,510,100
54	P.J. Products	2,036,820	0	2,036,820
55	Pyrethrum Board of Kenya	863,368,270	0	863,368,270
56	Rafiki Deposit Taking Micro-Finance Ltd.	94,300,000	9,279,382	85,020,618
57	Rift Valley Water Services Board	1,411,529,796	15,000,000	1,396,529,796
58	Rural Electrification Authority	13,649,158,450	0	13,649,158,450
59	SMEP Deposit Taking Micro-Finance Ltd.	100,400,000	9,879,639	90,520,361
60	South Nyanza Sugar Company Limited	253,317,120	54,289,700	199,027,420
61	Sugar Belt Co-operative Union	22,378,600	387,160	21,991,440
62	Tana Water Services Board	1,854,116,143	0	1,854,116,143
63	Tanathi Water Services Board	4,381,565,506	0	4,381,565,506
64	Transcadia Ltd. (MFG)	1,000,000	400,000	600,000
65	Uchumi Supermarkets Limited	500,000,000	0	500,000,000
66	Uplands Bacon Factory (K) Ltd	26,205,900	0	26,205,900
67	Various African District Councils	6,646,800	5,042,600	1,604,200
68	Various African Farmers	1,550,120	1,489,200	60,920
69	Various Persons Engaged in Agriculture	21,769,320	14,981,540	6,787,780
70	Water Resource Management	362,612,300	0	362,612,300
71	West Suk African District Council	127,640	5,420	122,220
	Total	811,372,028,795	17,635,666,925	793,736,361,870

Table 4b: Active/Performing National Government Loans to State Corporations, Government Agencies and Other Organizations Outstanding as at 30th June 2017

To Whom Lent	Initial Loan Amount	Cumulative Amount Repaid	Outstanding Amount
	Ksh	Ksh	Ksh
1 Agricultural Finance Corporation	562,294,453	80,175,290	482,119,163
2 Agricultural Settlement Fund and Central Land Board.	126,326,880	43,300,644	83,026,236
3 Agro-chemical & food Company Ltd	1,202,075,120	95,000,000	1,107,075,120
4 Kenya Utalii College	140,000,000	13,000,000	127,000,000
5 Co-operative Bank of Kenya Ltd	658,861,548	182,608,454	476,253,094
6 Equity Bank Ltd	872,782,214	383,704,351	489,077,863
7 Faulu Kenya Deposit Taking Micro-Finance Ltd.	200,200,000	19,630,722	180,569,278
8 IDB Capital Limited	1,555,675,500	0	1,555,675,500
9 Kenya Airports Authority	1,820,144,346	695,717,031	1,124,427,315
10 Kenya Civil Aviation Authority	2,087,092,807	260,894,509	1,826,198,298
11 Kenya Electricity Generating Co. Ltd.	136,811,192,242	7,518,517,175	129,292,675,067
12 Kenya Power and Lighting Co. Limited	61,969,197,828	6,619,857,428	55,349,340,400
13 Kenya Railways Corporation	473,210,691,342	0	473,210,691,342
14 Kenya Tourist Development Corporation	48,000,000	0	48,000,000
15 Kenya Women Finance Trust Deposit Taking Micro-Finance Ltd.	205,100,000	20,111,194	184,988,806
16 Kenyatta University	10,857,620,656	0	10,857,620,656
17 K-Rep Bank Kenya	250,000,000	215,004,019	34,995,981
18 Lake Basin Development Authority (LBDA)	1,500,000,000	0	1,500,000,000
19 Local Government Loans Authority	7,688,792,480	94,518,760	7,594,273,720
20 Moi University	250,000,000	18,750,000	231,250,000
21 National Irrigation Board	2,262,036,544	0	2,262,036,544
22 Nyeri Water and Sewerage Company	1,159,592,738	403,336,606	756,256,132
23 Rafiki Deposit Taking Micro-Finance Ltd.	94,300,000	9,279,382	85,020,618
24 Rift Valley Water Services Board	1,411,529,796	15,000,000	1,396,529,796
25 Rural Electrification Authority	13,649,158,450	0	13,649,158,450
26 SMEP Deposit Taking Micro-Finance Ltd.	100,400,000	9,879,639	90,520,361
27 Uchumi Supermarkets Limited	500,000,000	0	500,000,000
Total	721,193,064,944	16,698,285,204	704,494,779,740

Table 4c: In-active/Non-Performing National Government Loans to State Corporations, Government Agencies and Other Organizations Outstanding as at 30th June 2017

To Whom Lent		Initial Loan Amount	Cumulative Amount Repaid	Outstanding Amount
		Ksh	Ksh	Ksh
1	Associated Sugar Factory Ramisi	15,818,960	0	15,818,960
2	Athi Water Services Board	33,479,586,946	481,217,885	32,998,369,061
3	Coast Water Service Board	6,756,217,290	0	6,756,217,290
4	Coffee Board of Kenya	976,332,369	223,822,060	752,510,309
5	Cotton Lint and Seed Marketing Board.	23,632,000	1,000,000	22,632,000
6	East African Sugar Industries Limited, Muhoroni	177,123,100	0	177,123,100
7	Eldoret Municipal Council	1,058,673,824	0	1,058,673,824
8	Halal Meat Products	27,701,420	0	27,701,420
9	Ildamat Farmers' Co-operative Society Ltd	3,000,000	2,300,000	700,000
10	Industrial and Commercial Dev. Corporation	89,230,500	20,000,000	69,230,500
11	Karatina Industrial Estates	470,100	337,240	132,860
12	Kenya Airways Ltd	24,224,000,000	0	24,224,000,000
13	Kenya Co-operative Creameries Ltd.	52,607,460	16,356,420	36,251,040
14	Kenya Fishing Industries Limited	4,217,320	1,408,720	2,808,600
15	Kenya Industrial Estates	426,213,120	2,262,636	423,950,484
16	Kenya Meat Commission	940,241,100	0	940,241,100
17	Kenya National Federation of Co-operatives (K.N.F.C.) Ltd	5,595,600	0	5,595,600
18	Kenya Toray Mills	2,982,480	0	2,982,480
19	Kenya Urban Transport Various Towns	40,706,140	0	40,706,140
20	Lake Victoria North Water Services Board	2,681,445,499	0	2,681,445,499
21	Lake Victoria South Water Services Board	5,734,185,606	0	5,734,185,606
22	Meru Central Farmers' Co-operative Union Ltd	188,868,000	550,000	188,318,000
23	Miwani Outgrowers Mills Limited	6,600,000	0	6,600,000
24	Miwani Sugar Company (1989) Limited	16,000,020	0	16,000,020
25	Miwani Sugar Mills Limited	78,088,180	0	78,088,180
26	Mombasa Pipeline Board	63,400,000	40,435,020	22,964,980
27	Mumias Outgrowers Company Limited	43,208,440	26,691,040	16,517,400
28	Mumias Sugar Company Limited	2,500,000,000	0	2,500,000,000
29	Nairobi City Council	123,109,580	20,775,820	102,333,760
30	National Water Conservation and Pipeline Corporation	2,460,874,897	0	2,460,874,897
31	Nzoia Sugar Company Limited	182,139,360	23,629,260	158,510,100
32	P.J. Products	2,036,820	0	2,036,820
33	Pyrethrum Board of Kenya	863,368,270	0	863,368,270
34	South Nyanza Sugar Company Limited	253,317,120	54,289,700	199,027,420
35	Sugar Belt Co-operative Union	22,378,600	387,160	21,991,440
36	Tana Water Services Board	1,854,116,143	0	1,854,116,143
37	Tanathi Water Services Board	4,381,565,506	0	4,381,565,506

38	Transcadia Ltd. (MFG)	1,000,000	400,000	600,000
39	Uplands Bacon Factory (K) Ltd	26,205,900	0	26,205,900
40	Various African District Councils	6,646,800	5,042,600	1,604,200
41	Various African Farmers	1,550,120	1,489,200	60,920
42	Various Persons Engaged in Agriculture	21,769,320	14,981,540	6,787,780
43	Water Resource Management	362,612,300	0	362,612,300
44	West Suk African District Council	127,640	5,420	122,220
Total		90,178,963,851	937,381,721	89,241,582,130

C. Estimates of Principal, Interest and Other Charges in the FY 2018/2019

100. In the FY 2018/19, the National Treasury has budgeted for loan principal receipts of Ksh 3.9 billion and interest repayment of Ksh 2.2 billion respectively (Table 5).

Table 5: Estimates of Revenue Receipts with respect to National Government Loans to State Corporations, Government Agencies and Other Organizations for the FY 2018/2019

State Corporation, Government Agencies & Other Organizations		Principal		Interest	
		Estimates - FY 2017/18 (Ksh)	Projected Estimates - FY 2018/19 (Ksh)	Estimates - FY 2017/18 (Ksh)	Projected Estimates - FY 2018/19 (Ksh)
1	Agricultural Land Settlement Fund Board	1,000,000	2,635,456	500,000	1,554,467
2	Agro-Chemical & Food Co. Ltd	-	-	150,000,000	150,000,000
3	Agricultural Finance Corporation	20,000,000	35,586,667	-	16,014,300
4	Athi Water Services Board	250,000,000	62,500,000	65,000,000	8,587,500
5	Co-operative Bank of Kenya	10,000,000	10,000,000	1,500,000	1,500,000
6	Equity Bank Ltd	10,000,000	22,581,685	5,000,000	3,500,000
7	KENGEN	932,786,820	885,564,082	722,577,490	737,960,329
8	KP & LC	1,314,348,800	2,033,524,672	482,843,535	960,947,533
9	Kenya Airports Authority	200,231,000	197,305,296	104,379,861	92,974,085
10	Kenya Civil Aviation Authority	48,334,000	48,334,667	24,771,517	52,814,383
11	Nyeri Water & Sewerage Company	50,417,075	50,417,075	18,591,296	17,330,870
12	Lake Victoria South Water Services Board	118,461,539	67,307,692	36,930,384	19,519,230
13	Lake Victoria North Water Services Board	-	19,791,667	-	11,875,000
14	Coast Water Services Board	349,043,940	179,076,433	48,429,846	21,489,172
15	Tanaathi Water Services Board	207,359,576	106,790,181	150,854,092	75,287,078
16	Tana Water Services Board	32,113,931	16,056,965	20,472,631	9,875,033
17	National Irrigation Board	86,157,667	27,798,866	114,025,304	45,868,000
18	Meru Central Farmers' Union	600,000	-	-	-
19	Rift Valley Water Services Board	54,289,608	10,000,000	24,769,633	10,000,000
20	Faulu Kenya Micro-Finance Ltd	39,261,444	39,261,444	12,367,355	8,343,056
21	SMEP Deposit Taking Micro-Finance Ltd	19,689,555	19,759,278	6,202,210	4,198,846
22	Rafiki Deposit Taking Micro-Finance Ltd	18,493,278	18,558,764	5,825,383	3,943,737
23	Kenya Women Finance Trust Ltd	40,222,389	40,222,389	12,670,053	8,547,258
24	Kenya Utalii College	6,000,000	6,000,000	-	-
25	I. C. D. C.	-	26,123,237	20,000,000	11,755,456
27	Kenya Tourist Development Corporation	-	-	4,080,000	4,080,000
	Total	3,808,810,622	3,925,196,516	2,031,790,590	2,277,965,333

The Water Services Boards Projections on loan repayment and interest payable may not be realized due to effect on enactment of Water Act 2016.

D. Public Pensions and Public Service Superannuation Scheme

101. Total public pensions as at June 30th, 2017 stood at Ksh 71.8 billion. Out of the total public pension, Ordinary Pension stood at Ksh 33.8 billion, Commuted Pension stood at Ksh 37.7 billion while the balance amounting to Ksh 262 million were Other Pension (**Table 6**).

102. The total number of retirees is projected to rise from 19,300 in the FY 2017/18, to 19,800 in the FY 2018/19 and further to 20,300 in the FY 2019/20. Consequently, the total pension payments are projected to rise from the estimated Ksh 71.8 billion in the FY 2017/18 to Ksh 86.2 billion in the FY 2018/19 and further to Ksh 104.4 billion in the FY 2019/20.

Table 6: Total Public Pension for the FY 2018/19 and the Medium Term

	Printed Estimates FY 2017/2018 Ksh	Projected FY 2018/2019 Ksh	Projected FY 2019/2020 Ksh	Projected FY 2020/2021 Ksh
ORDINARY PENSION	33,871,027,200.00	40,871,027,200.00	50,171,027,200.00	68,360,279,170.00
COMMUTED PENSION	37,762,000,000.00	45,118,769,050.00	54,055,769,050.00	57,867,228,736.00
OTHER PENSION SCHEMES	262,100,000.00	262,100,000.00	262,100,000.00	262,100,000.00
TOTAL	71,895,127,200.00	86,251,896,250.00	104,488,896,250.00	126,489,607,906.00
ORDINARY PENSION				
2710107 Monthly pension -Civil servants	23,724,864,000.00	26,724,864,000.00	30,724,864,000.00	40,636,397,878.00
2710108 monthly pension- Members of Parliament	247,000,000.00	1,747,000,000.00	1,947,000,000.00	2,717,070,162.00
2710109 Monthly pension-Military	6,345,285,200.00	7,345,285,200.00	10,345,285,200.00	14,570,299,676.00
2710110 Monthly pension-Retired President	74,000,000.00	74,000,000.00	74,000,000.00	74,000,000.00
2710112 Pension Dependants	1,619,422,500.00	2,119,422,500.00	2,669,422,500.00	3,427,881,101.00
2710113 Quarterly Injury - military	37,989,500.00	37,989,500.00	37,989,500.00	37,989,500.00
2710115 Refund exgratia and other services gratuity	123,400.00	123,400.00	123,400.00	123,400.00
2710116 Widows and children- Military	472,321,000.00	852,342,600.00	1,402,342,600.00	2,418,945,453.00
2710117 Widows and children pension- Civil servants	1,350,021,600.00	1,970,000,000.00	2,970,000,000.00	4,477,572,000.00
Total	33,871,027,200.00	40,871,027,200.00	50,171,027,200.00	68,360,279,170.00
COMMUTED PENSION				
2710102 Gratuity- Civil servants	28,906,000,000.00	34,558,000,000.00	39,495,000,000.00	41,839,241,769.00
2710103 Gratuity- Members of Parliament	2,856,000,000.00	1,300,000,000.00	1,300,000,000.00	1,300,000,000.00
2710104 Gratuity- Military	6,000,000,000.00	9,260,769,050.00	13,260,769,050.00	14,727,986,966.00
2710106 Gratuity- Retired Presidents				
Total	37,762,000,000.00	45,118,769,050.00	54,055,769,050.00	57,867,228,735.00
OTHER PENSION SCHEMES				
2720101 Refund of pension to UK Government	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
2720200 Refund of contributions to other pension schemes				
2720201 Refund of contributions to WCPS & other exgratia	112,100,000.00	112,100,000.00	112,100,000.00	112,100,000.00
	262,100,000.00	262,100,000.00	262,100,000.00	262,100,000.00
Grand Total	71,895,127,200.00	86,251,896,250.00	104,488,896,250.00	126,489,607,905.00

Source: The National Treasury

103. Pursuant to the provisions of the Public Service Superannuation Scheme (PSSS) Act 2012, the Government will implement the Superannuation Pension Scheme from October, 2018.

To this effect, the Government has allocated Ksh 15.3 billion to this Scheme in the FY 2018/19, which is projected to rise to Ksh 33.8 billion over the medium term.

E. Other Tables

104. The rest of the Tables in this document are as follows:
- i. Table 7: Internal interest payments from the Consolidated Fund
 - ii. Table 8: Summary of Interest on Internal Debt
 - iii. Table 9: Internal debt redemption from the Consolidated Fund
 - iv. Table 10: External debt redemption from the Consolidated Fund
 - v. Table 11: Interest payments on external debt from the consolidated fund
 - vi. Table 12: List of Publicly Guaranteed Debt

Table 7: Internal Interest Payments from the Consolidated Fund

SUB- HEAD	ITEM	DESCRIPTION				PRINTED	REVISED	PRINTED	PRINTED
						ESTIMATES 2017/2018	ESTIMATES 2017/2018	ESTIMATES 2018/2019	ESTIMATES 2019/2020
TREASURY BONDS :						Kshs	Kshs	Kshs	Kshs
	ISSUE No.	PRINCIPAL	DUE YR.	TENOR					
002000206	2420102	IFB2/2010/9	8,700,000,000.00	2017/08	7YRS	261,000,000	261,000,000		
002000210	2420102	FXD1/2006/11	4,031,400,000.00	2017/09	11YRS	277,158,750	277,158,750		
002000202	2420102	IFB/2013/12	4,776,524,397.00	2017/09	4YRS	262,708,842	262,708,842		
002000202	2420102	IFB/2013/12	5,993,700,741.00	2017/09	4YRS	329,653,541	329,653,541		
002000209	2420102	FXD1/2007/10	9,308,800,000.00	2017/10	10YRS	500,348,000	500,348,000		
002000203	2420102	FXD1/2016/02	20,153,750,000.00	2018/01	2YRS	3,176,231,000	3,176,231,000		
002000209	2420102	FXD1/2008/10	2,992,750,000.00	2018/02	10YRS	321,720,625	321,720,625		
002000203	2420102	IFB1/2010/8	7,131,578,815.00	2018/02	2YRS	695,328,934	695,328,934		
002000204	2420102	FXD1/2013/5	20,240,750,000.00	2018/04	5YRS	2,609,437,490	2,609,437,490		
002000203	2420102	FXD2/2016/2	25,500,450,000.00	2018/05	2YRS	3,065,154,090	3,065,154,090		
002000203	2420102	FXD2/2016/2	4,717,900,000.00	2018/05	2YRS	567,091,580	567,091,580		
002000204	2420102	FXD2/2013/5	12,888,000,000.00	2018/06	5YRS	1,456,988,400	1,456,988,400		
002000204	2420102	FXD2/2013/5	13,452,050,000.00	2018/06	5YRS	1,520,754,253	1,520,754,253		
002000209	2420102	FXD2/2008/10	882,000,000.00	2018/07	10YRS	94,815,000	94,815,000	47,407,500	
002000209	2420102	FXD2/2008/10	12,622,700,000.00	2018/07	10YRS	1,356,940,250	1,356,940,250	678,470,125	
002000211	2420102	FXD1/2006/12	3,900,950,000.00	2018/08	12YRS	546,133,000	546,133,000	273,066,500	
002000209	2420102	FXD3/2008/10	4,151,600,000.00	2018/09	10YRS	446,297,000	446,297,000	223,148,500	
002000209	2420102	FXD3/2008/10	14,723,700,000.00	2018/09	10YRS	-	1,582,797,750	1,582,797,750	
002000209	2420102	FXD3/2008/10	3,252,100,000.00	2018/09	10YRS	-	349,600,750	349,600,750	
002000211	2420102	IFB1/2014/12	1,797,701,804.50	2018/10	12YRS	197,747,198	197,747,198.50	98,873,599.25	
002000211	2420102	IFB1/2014/12	404,102,174.00	2018/10	12YRS	44,451,239	44,451,239.14	22,225,619.57	
002000211	2420102	IFB1/2014/12	4,060,892,083.50	2018/10	12YRS	446,698,129	446,698,129.19	223,349,064.59	
002000211	2420102	IFB1/2014/12	2,735,614,987.00	2018/10	12YRS	300,917,649	300,917,648.57	150,458,824.29	
002000208	2420102	IFB2/2009/12	5,361,889,815.00	2018/11	9YRS	617,400,000	617,400,000	308,700,000	
002000204	2420102	FXD3/2013/5	7,830,150,000.00	2018/11	5YRS	-	841,741,125	841,741,125	
002000204	2420102	FXD3/2013/5	14,937,800,000.00	2018/11	5YRS	1,785,365,856	1,785,365,856	892,682,928	
002000204	2420102	FXD3/2013/5	11,868,900,000.00	2018/11	5YRS	-	1,418,570,928	1,418,570,928	
002000203	2420102	FXD3/2016/2	1,354,000,000.00	2018/12	2YRS	81,240,000	169,371,860	169,371,860	
002000203	2420102	FXD3/2016/2	10,513,650,000.00	2018/12	2YRS	630,819,000	1,315,152,479	1,315,152,479	
002000203	2420102	FXD3/2016/2	13,609,900,000.00	2018/12	2YRS	816,594,000	1,702,462,391	1,702,462,391	
002000209	2420102	FXD1/2009/10	18,537,600,000.00	2019/04	10YRS	-	2,318,868,384	2,318,868,384	
002000209	2420102	FXD1/2009/10	4,009,600,000.00	2019/04	10YRS	-	501,560,864	501,560,864	
002000209	2420102	FXD1/2009/10	4,966,850,000.00	2019/04	10YRS	533,936,375	533,936,375	533,936,375	
002000204	2420102	FXD1/2014/5	17,511,200,000.00	2019/04	5YRS	1,903,467,440	1,903,467,440	1,903,467,440	
002000204	2420102	FXD1/2014/5	8,222,500,000.00	2019/04	5YRS	893,785,750	893,785,750	893,785,750	
002000211	2420102	FXD1/2007/12	4,864,600,000.00	2019/05	12YRS	632,398,000	632,398,000	632,398,000	
002000204	2420102	FXD2/2014/5	13,080,100,000.00	2019/05	5YRS	-	1,560,979,134	1,560,979,134	
002000204	2420102	FXD2/2014/5	2,132,650,000.00	2019/06	5YRS	254,510,451	254,510,451	254,510,451	
002000204	2420102	FXD2/2014/5	7,623,800,000.00	2019/06	5YRS	-	909,824,292	909,824,292	
002000204	2420102	FXD2/2014/5	14,285,600,000.00	2019/06	5YRS	1,704,843,504	1,704,843,504	1,704,843,504	
002000208	2420102	IFB2/2010/9	9,971,550,000.00	2019/08	9YRS	598,293,000	598,293,000	598,293,000	299,146,500.0
002000203	2420102	FXD1/2017/2	11,126,600,000.00	2019/09	2YRS	-	646,399,827	1,292,799,654	646,399,827.0
002000203	2420102	FXD1/2017/2	20,679,800,000.00	2019/09	2YRS	-	1,201,392,981	2,402,785,962	1,201,392,981.0
002000207	2420102	IFB1/2011/12	14,399,102,964.44	2019/09	8YRS	1,702,968,480	1,702,968,480	1,702,968,480	851,484,240.0
002000213	2420102	MAB1/2017/3	150,050,000.00	2020/04	3YRS	-	15,005,000	15,005,000	15,005,000.0
002000209	2420102	FXD1/2010/10	12,052,600,000.00	2020/04	10YRS	964,208,000	964,208,000	964,208,000	964,208,000.0
002000209	2420102	FXD1/2010/10	7,341,550,000.00	2020/04	10YRS	740,537,785	740,537,785	740,537,785	740,537,785.0
002000204	2420102	FXD1/2015/5	5,566,200,000.00	2020/06	5YRS	734,348,766	734,348,766	734,348,766	734,348,766.0
002000204	2420102	FXD1/2015/5	12,461,700,000.00	2020/06	5YRS	1,644,072,081	1,644,072,081	1,644,072,081	1,644,072,081.0
002000204	2420102	FXD1/2015/5	12,928,150,000.00	2020/06	5YRS	1,705,610,830	1,705,610,830	1,705,610,830	1,705,610,829.5
002000213		MAB2/2017/3	247,750,000.00	2020/09	3YRS	-	12,387,500	24,775,000	24,775,000.0
002000209	2420102	FXD2/2010/10	13,847,900,000.00	2020/10	10YRS	1,288,824,053	1,288,824,053	1,288,824,053	1,288,824,053.0
002000209	2420102	FXD2/2010/10	1,111,650,000.00	2020/10	10YRS	103,461,266	103,461,266	103,461,266	103,461,265.5
002000209	2420102	FXD2/2010/10	3,890,350,000.00	2020/10	10YRS	362,074,875	362,074,875	362,074,875	362,074,874.5

Table 7: Internal Interest Payments from the Consolidated Fund (Cont'd)

SUB-HEAD	ITEM	DESCRIPTION	PRINCIPAL	DUE YR.	TENOR	PRINTED	REVISED	PRINTED	PRINTED	PRINTED	PRINTED
						ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
						2017/2018	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
TREASURY BONDS :						Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
002000209	2420102	FXD2/2010/10	5,200,100,000.00	2020/10	10YRS	-	648,452,470	648,452,470	648,452,470.0	324,226,235.00	
002000209	2420102	FXD2/2010/10	9,337,900,000.00	2020/10	10YRS	-	1,164,436,130	1,164,685,530	1,164,685,530.0	582,342,765.00	
002000204	2420102	FXD2/2015/5	30,673,850,000.00	2020/11	5YRS	4,269,799,920	4,269,799,920	4,269,799,920	4,269,799,920.0	2,134,899,960.00	
002000204	2420102	IFB1/2015/9	1,625,415,750.00	2020/12	5YRS	239,797,586	239,797,586	239,797,586	239,797,586.6	119,898,792.80	
002000204	2420102	IFB1/2015/9	822,238,500.00	2020/12	5YRS	121,304,846	121,304,846	121,304,846	121,304,845.9	60,652,422.95	
002000204	2420102	IFB1/2015/9	509,202,750.00	2020/12	5YRS	75,122,682	75,122,682	75,122,682	75,122,681.7	37,561,340.85	
002000204	2420102	IFB1/2015/9	5,709,387,750.00	2020/12	5YRS	421,152,987	421,152,987	421,152,987	421,152,987.4	210,576,493.69	
002000211	2420102	IFB1/2009/12	7,272,770,700.00	2021/02	12YRS	843,325,000	843,325,000	843,325,000	843,325,000.0	843,325,001.00	
002000211	2420102	IFB1/2015/12	10,565,607,880.00	2021/03	12YRS	1,128,673,388	1,128,673,388	1,128,673,388	1,128,673,387.8	1,128,673,388.82	
002000211	2420102	IFB1/2015/12	9,876,461,424.00	2021/03	12YRS	1,128,673,388	1,128,673,388	1,128,673,388	1,128,673,387.8	1,128,673,388.82	
002000204	2420102	FXD 1/2016/5	19,545,570,000.00	2021/04	5YRS	2,801,662,004	2,801,662,004	2,801,662,004	2,801,662,003.8	2,801,662,004.80	
002000208	2420102	SFX1/2007/09	8,249,902,200.00	2021/05	9YRS	1,031,237,775	1,031,237,775	1,031,237,775	1,031,237,775.0	1,031,237,776.00	
002000204	2420102	FXD2/2016/5	24,395,300,000.00	2021/07	5YRS	3,432,174,757	3,432,174,757	3,432,174,757	3,432,174,757.0	1,716,087,378.50	858,043,689.25
002000207	2420102	IFB1/2013/12	5,494,159,494.72	2021/09	8YRS	604,357,544	604,357,544	604,357,544	604,357,544.4	604,357,545.42	302,178,772.71
002000207	2420102	IFB1/2013/12	6,894,206,979.00	2021/09	8YRS	758,362,768	758,362,768	758,362,768	758,362,767.7	758,362,768.69	379,181,384.35
002000204	2420102	FXD3/2016/5	23,051,050,000.00	2021/09	5YRS	3,022,453,676	3,022,453,676	3,022,453,676	3,022,453,676.0	3,022,453,677.00	1,511,226,838
002000211	2420102	IFB2/2009/12	4,749,160,185.00	2021/11	12YRS	547,074,000	547,074,000	547,074,000	547,074,000.0	547,074,001.00	273,537,000.00
002000211	2420102	IFB1/2017/12	1,607,920,000.00	2022/02	10YRS	-	200,990,000	200,990,000	200,990,000.0	200,990,001.00	200,990,001.00
002000211	2420102	IFB1/2017/12	1,258,160,000.00	2022/02	10YRS	-	157,270,000	157,270,000	157,270,000.0	157,270,001.00	157,270,001.00
002000212	2420102	FXD1/2007/15	3,654,600,000.00	2022/03	15YRS	529,917,000	529,917,000	529,917,000	529,917,000.0	529,917,001.00	529,917,001.00
002000212	2420102	SFX1/2007/15	6,000,000,000.00	2022/05	15YRS	870,000,000	870,000,000	870,000,000	870,000,000.0	870,000,001.00	870,000,001.00
002000209	2420102	FXD1/2012/10	443,150,000.00	2022/06	10YRS	56,302,208	56,302,208	56,302,208	56,302,207.5	56,302,208.50	56,302,208.50
002000209	2420102	FXD1/2012/10	11,061,750,000.00	2022/06	10YRS	1,405,395,338	1,405,395,338	1,405,395,338	1,405,395,337.5	1,405,395,338.50	1,405,395,338.50
002000209	2420102	FXD1/2012/10	5,298,850,000.00	2022/06	10YRS	673,218,893	673,218,893	673,218,893	673,218,892.5	673,218,893.50	673,218,893.50
002000209	2420102	FXD1/2012/10	18,469,950,000.00	2022/06	10YRS	2,346,607,148	2,346,607,148	2,346,607,148	2,346,607,147.5	2,346,607,148.50	2,346,607,148.50
002000212	2420102	FXD2/2007/15	7,236,950,000.00	2022/06	15YRS	976,988,250	976,988,250	976,988,250	976,988,250.0	976,988,251.00	976,988,251.00
002000212	2420102	FXD2/2007/15	25,445,650,000.00	2022/06	15YRS	-	3,435,162,750	3,435,162,750	3,435,162,750.0	3,435,162,751.00	3,435,162,751.00
002000204	2420102	FXD1/2017/5	12,109,150,000.00	2022/08	5YRS	-	754,702,774	1,509,405,548	1,509,405,547.5	1,509,405,547.50	1,509,405,547.50
002000204	2420102	FXD1/2017/5	17,490,000,000.00	2022/08	5YRS	-	1,090,064,250	2,180,128,500	2,180,128,500.0	2,180,128,500.00	2,180,128,500.00
002000211	2420102	IFB1/2014/12	4,992,243,486.30	2022/10	12YRS	549,146,783	549,146,783	549,146,783	549,146,783.5	549,146,784.49	549,146,784.49
002000211	2420102	IFB1/2014/12	496,781,594.90	2022/10	12YRS	54,645,975	54,645,975	54,645,975	54,645,975.4	54,645,976.44	54,645,976.44
002000211	2420102	IFB1/2014/12	2,209,998,428.74	2022/10	12YRS	243,099,827	243,099,827	243,099,827	243,099,827.2	243,099,828.16	243,099,828.16
002000211	2420102	IFB1/2014/12	3,363,018,720.78	2022/10	12YRS	369,932,059	369,932,059	369,932,059	369,932,059.2	369,932,060.29	369,932,060.29
002000204	2420102	FXD1/2017/5	13,492,100,000.00	2022/10	5YRS	-	844,403,079	1,688,806,157	1,688,806,157.0	1,688,806,157.00	1,688,806,157.00
002000204	2420102	FXD2/2017/5	7,220,000,000.00	2022/10	5YRS	-	451,863,700	903,727,400	903,727,400.0	903,727,400.00	903,727,400.00
002000212	2420102	FXD3/2007/15	7,841,100,000.00	2022/11	15YRS	980,137,500	980,137,500	980,137,500	980,137,500.0	980,137,501.00	980,137,501.00
002000212	2420102	FXD3/2007/15	14,927,900,000.00	2022/11	15YRS	1,865,987,500	1,865,987,500	1,865,987,500	1,865,987,500.0	1,865,987,501.00	1,865,987,501.00
002000212	2420102	FXD3/2007/15	10,189,100,000.00	2022/11	15YRS	1,273,637,500	1,273,637,500	1,273,637,500	1,273,637,501.00	1,273,637,501.00	1,273,637,501.00
002000206	2420102	IFB1/2017/7	20,734,725,000.00	2022/11	7YRS	-	1,295,295,313	2,590,590,625	2,590,590,625.0	2,590,590,625.00	2,590,590,625.00
002000206	2420102	IFB1/2015/9	766,621,692.03	2022/12	7YRS	113,099,698	113,099,698	113,099,698	113,099,698.2	113,099,699.23	113,099,699.23
002000206	2420102	IFB1/2015/9	474,759,907.00	2022/12	7YRS	70,041,329	70,041,329	70,041,329	70,041,329.1	70,041,330.08	70,041,330.08
002000206	2420102	IFB1/2015/9	798,225,420.67	2022/12	7YRS	117,762,196	117,762,196	117,762,196	117,762,196.3	117,762,197.31	117,762,197.31
002000206	2420102	IFB1/2015/9	5,323,200,625.35	2022/12	7YRS	785,331,788	785,331,788	785,331,788	785,331,789.2	785,331,789.26	785,331,789.26
002000212	2420102	FXD1/2008/15	7,380,900,000.00	2023/03	15YRS	922,612,500	922,612,500	922,612,500	922,612,500.0	922,612,501.00	922,612,501.00
002000212	2420102	FXD1/2008/15	2,692,550,000.00	2023/03	15YRS	-	-	336,568,750	336,568,750.0	336,568,750.00	336,568,750.00
002000212	2420102	FXD1/2008/15	5,695,250,000.00	2023/03	15YRS	-	355,953,125	711,906,250	711,906,250.0	711,906,250.00	711,906,250.00
002000204	2420102	FXD1/2008/5	23,055,800,000.00	2023/03	5YRS	-	-	2,835,632,842	2,835,632,842.0	2,835,632,842.00	2,835,632,842.00
002000206	2420102	IFB1/2016/9	8,249,913,817.02	2023/05	7YRS	1,031,239,227	1,031,239,227	1,031,239,227	1,031,239,227.1	1,031,239,228.13	1,031,239,228.13
002000209	2420102	FXD1/2013/10	4,737,700,000.00	2023/06	10YRS	586,100,867	586,100,867	586,100,867	586,100,867.0	586,100,868.00	586,100,868.00
002000209	2420102	FXD1/2013/10	11,909,050,000.00	2023/06	10YRS	1,473,268,576	1,473,268,576	1,473,268,576	1,473,268,575.5	1,473,268,576.50	1,473,268,576.50
002000209	2420102	FXD1/2013/10	521,700,000.00	2023/06	10YRS	64,539,507	64,539,507	64,539,507	64,539,507.0	64,539,508.00	64,539,508.00
002000209	2420102	FXD1/2013/10	9,958,400,000.00	2023/06	10YRS	1,231,953,664	1,231,953,664	1,231,953,664	1,231,953,664.0	1,231,953,665.00	1,231,953,665.00
002000209	2420102	FXD1/2013/10	12,121,350,000.00	2023/06	10YRS	1,499,532,209	1,499,532,209	1,499,532,209	1,499,532,208.5	1,499,532,209.50	1,499,532,209.50
002000211	2420102	IFB1/2011/12	10,283,098,969.87	2023/09	12YRS	1,216,172,304	1,216,172,304	1,216,172,304	1,216,172,303.8	1,216,172,304.84	1,216,172,304.84

Table 7: Internal Interest Payments from the Consolidated Fund (Cont'd)

SUB-HEAD	ITEM	DESCRIPTION			PRINTED	REVISED	PRINTED	PRINTED	PRINTED	PRINTED	
					ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	
					2017/2018	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	
TREASURY BONDS :											
		ISSUE No.	PRINCIPAL	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
002000211	2420102	IFB1/2017/12	2,894,256,000.00	2024/02	12YRS	-	361,782,000	361,782,000	361,782,000.00	361,782,000.00	361,782,001.00
002000211	2420102	IFB1/2017/12	2,264,688,000.00	2024/02	12YRS	-	283,086,000	283,086,000	283,086,000.00	283,086,001.00	283,086,001.00
002000211	2420102	IFB1/2015/12	10,099,773,890.50	2024/03	12YRS	1,078,910,569	1,078,910,569	1,078,910,569	1,078,910,569.3	1,078,910,570.34	1,078,910,570.34
002000209	2420102	FXD1/2014/10	15,030,150,000.00	2024/01	10YRS	1,830,672,270	1,830,672,270	1,830,672,270	1,830,672,270.00	1,830,672,271.00	1,830,672,271.00
002000209	2420102	FXD1/2014/10	15,587,650,000.00	2024/01	10YRS	1,586,822,770	1,586,822,770	1,586,822,770	1,586,822,770.00	1,586,822,771.00	1,586,822,771.00
002000209	2420102	FXD1/2014/10	5,234,350,000.00	2024/01	10YRS	637,543,830	637,543,830	637,543,830	637,543,830.00	637,543,831.00	637,543,831.00
002000211	2420102	IFB1/2015/12	9,441,011,662.89	2024/03	12YRS	1,078,910,569	1,078,910,569	1,078,910,569	1,078,910,569.3	1,078,910,570.34	1,078,910,570.34
002000212	2420102	FXD1/2009/15	9,420,450,000.00	2024/10	15YRS	1,177,556,250	1,177,556,250	1,177,556,250	1,177,556,250.00	1,177,556,251.00	1,177,556,251.00
002000212	2420102	FXD1/2009/15	11,806,950,000.00	2024/10	15YRS	-	1,551,433,230	1,551,433,230	1,551,433,230.00	1,551,433,231.00	1,551,433,231.00
002000212	2420102	FXD1/2009/15	10,725,050,000.00	2024/10	15YRS	-	1,409,271,570	1,409,271,570	1,409,271,570.00	1,409,271,571.00	1,409,271,571.00
002000206	2420102	IFB1/2017/07	20,724,725,000.00	2024/11	7YRS	-	-	2,590,590,625	2,590,590,625.00	2,590,590,625.00	2,590,590,625.00
002000208	2420102	IFB1/2015/9	794,439,807.97	2024/12	9YRS	117,203,705	117,203,705	117,203,705	117,203,704.9	117,203,705.87	117,203,705.87
002000208	2420102	IFB1/2015/9	5,516,361,624.65	2024/12	9YRS	813,828,830	813,828,830	813,828,830	813,828,830.5	813,828,831.48	813,828,831.48
002000208	2420102	IFB1/2015/9	491,987,343.00	2024/12	9YRS	72,582,893	72,582,893	72,582,893	72,582,892.7	72,582,893.71	72,582,893.71
002000208	2420102	IFB1/2015/9	2,287,708,829.33	2024/12	9YRS	168,752,842	168,752,842	168,752,842	168,752,842.8	168,752,842.80	168,752,842.80
002000212	2420102	FXD1/2010/15	5,000,000,000.00	2025/03	15YRS	-	-	512,500,000	512,500,000.00	512,500,000.00	512,500,000.00
002000212	2420102	FXD1/2010/15	12,129,800,000.00	2025/03	15YRS	1,232,387,680	1,232,387,680	1,232,387,680	1,232,387,680.00	1,232,387,681.00	1,232,387,681.00
002000212	2420102	FXD1/2010/15	10,206,450,000.00	2025/03	15YRS	1,046,161,125	1,046,161,125	1,046,161,125	1,046,161,125.00	1,046,161,126.00	1,046,161,126.00
002000208	2420102	IFB1/2016/09	19,803,383,982.98	2025/05	9YRS	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,997.9	2,475,422,998.87	2,475,422,998.87
002000211	2420102	IFB1/2013/12	8,461,742,280.00	2025/09	12YRS	930,791,651	930,791,651	930,791,651	930,791,650.8	930,791,651.80	930,791,651.80
002000211	2420102	IFB1/2013/12	6,743,366,108.28	2025/09	12YRS	741,770,272	741,770,272	741,770,272	741,770,271.9	741,770,272.91	741,770,272.91
002000212	2420102	FXD2/2010/15	6,183,750,000.00	2025/12	15YRS	556,537,500	556,537,500	556,537,500	556,537,500.00	556,537,501.00	556,537,501.00
002000212	2420102	FXD2/2010/15	7,329,300,000.00	2025/12	15YRS	659,641,500	659,641,500	659,641,500	659,641,500.00	659,641,501.00	659,641,501.00
002000209	2420102	FXD1/2016/10	18,306,450,000.00	2026/08	10YRS	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,015.5	2,753,107,017.00	2,753,107,017.00
002000211	2420102	IFB1/2014/12	6,959,214,430.20	2026/10	12YRS	765,513,587	765,513,587	765,513,587	765,513,587.3	765,513,588.32	765,513,588.32
002000211	2420102	IFB1/2014/12	692,516,231.10	2026/10	12YRS	76,176,785	76,176,785	76,176,785	76,176,785.4	76,176,786.42	76,176,786.42
002000211	2420102	IFB1/2014/12	4,688,066,292.22	2026/10	12YRS	515,687,292	515,687,292	515,687,292	515,687,292.1	515,687,293.14	515,687,293.14
002000211	2420102	IFB1/2014/12	3,080,749,786.76	2026/10	12YRS	338,882,474	338,882,474	338,882,474	338,882,473.3	338,882,475.34	338,882,475.34
002000211	2420102	IFB1/2015/12	5,793,618,229.50	2027/03	12YRS	618,904,543	618,904,543	618,904,543	618,904,542.8	618,904,543.84	618,904,543.84
002000211	2420102	IFB1/2015/12	5,415,726,913.11	2027/03	12YRS	618,904,543	618,904,543	618,904,543	618,904,542.8	618,904,543.84	618,904,543.84
002000209	2420102	FXD1/2017/10	5,172,450,000.00	2027/07	10YRS	-	-	670,659,867	670,659,867.00	670,659,867.00	670,659,867.00
002000209	2420102	FXD1/2017/10	7,014,300,000.00	2027/07	10YRS	-	454,737,069	909,474,138	909,474,138.00	909,474,138.00	909,474,138.00
002000209	2420102	FXD1/2017/10	5,178,850,000.00	2027/07	10YRS	-	335,744,846	671,489,691	671,489,691.00	671,489,691.00	671,489,691.00
002000209	2420102	FXD1/2017/10	6,307,250,000.00	2027/07	10YRS	-	408,899,018	817,798,035	817,798,035.00	817,798,035.00	817,798,035.00
002000209	2420102	FXD1/2017/10	624,700,000.00	2027/07	10YRS	-	40,989,301	80,998,602	80,998,602.00	80,998,602.00	80,998,602.00
002000209	2420102	FXD1/2017/10	5,488,450,000.00	2027/07	10YRS	-	355,816,214	711,632,427	711,632,427.00	711,632,427.00	711,632,427.00
002000209	2420102	FXD1/2017/10	5,388,400,000.00	2027/07	10YRS	-	349,329,972	698,659,944	698,659,944.00	698,659,944.00	698,659,944.00
002000212	2420102	FXD1/2012/15	21,089,450,000.00	2027/09	15YRS	2,319,839,500	2,319,839,500	2,319,839,500	2,319,839,500.00	2,319,839,501.00	2,319,839,501.00
002000212	2420102	FXD1/2012/15	6,004,150,000.00	2027/09	15YRS	660,456,500	660,456,500	660,456,500	660,456,500.00	660,456,501.00	660,456,501.00
002000212	2420102	IFB1/2018/15	1,981,460,000.00	2028/01	15YRS	-	-	1,585,168	1,585,168.00	1,585,168.00	1,585,168.00
002000212	2420102	IFB1/2018/15	14,492,460,000.00	2028/01	15YRS	-	-	11,593,968	11,593,968.00	11,593,968.00	11,593,968.00
002000212	2420102	FXD1/2013/15	5,875,700,000.00	2028/02	15YRS	661,016,250	661,016,250	661,016,250	661,016,250.00	661,016,251.00	661,016,251.00
002000212	2420102	FXD1/2013/15	7,507,100,000.00	2028/02	15YRS	844,548,750	844,548,750	844,548,750	844,548,750.00	844,548,751.00	844,548,751.00
002000212	2420102	FXD1/2013/15	13,172,850,000.00	2028/02	15YRS	1,481,945,625	1,481,945,625	1,481,945,625	1,481,945,625.00	1,481,945,626.00	1,481,945,626.00
002000212	2420102	FXD1/2013/15	9,615,400,000.00	2028/04	15YRS	1,153,848,000	1,153,848,000	1,153,848,000	1,153,848,000.00	1,153,848,001.00	1,153,848,001.00
002000212	2420102	FXD1/2013/15	15,582,800,000.00	2028/02	15YRS	1,505,565,000	1,505,565,000	1,505,565,000	1,505,565,000.00	1,505,565,001.00	1,505,565,001.00
002000212	2420102	FXD2/2013/15	9,186,600,000.00	2028/04	15YRS	-	-	1,102,392,000	1,102,392,000.00	1,102,392,000.00	1,102,392,000.00
002000212	2420102	FXD2/2013/15	17,385,850,000.00	2028/04	15YRS	2,086,302,000	2,086,302,000	2,086,302,000	2,086,302,000.00	2,086,302,001.00	2,086,302,001.00
002000213	2420102	FXD1/2008/20	9,683,350,000.00	2028/06	15YRS	1,331,460,625	1,331,460,625	1,331,460,625	1,331,460,625.00	1,331,460,626.00	1,331,460,626.00
002000213	2420102	FXD1/2008/20	8,100,800,000.00	2028/06	15YRS	1,113,860,000	1,113,860,000	1,113,860,000	1,113,860,000.00	1,113,860,001.00	1,113,860,001.00
002000213	2420102	FXD1/2008/20	10,834,800,000.00	2028/06	20YRS	1,489,785,000	1,489,785,000	1,489,785,000	1,489,785,000.00	1,489,785,001.00	1,489,785,001.00
002000213	2420102	FXD1/2008/20	1,912,250,000.00	2028/06	20YRS	262,934,375	262,934,375	262,934,375	262,934,375.00	262,934,376.00	262,934,376.00
002000213	2420102	FXD1/2008/20	7,613,900,000.00	2028/06	20YRS	1,046,911,250	1,046,911,250	1,046,911,250	1,046,911,250.00	1,046,911,251.00	1,046,911,251.00
002000211	2420102	IFB1/2017/12	3,537,424,000.00	2029/02	12YRS	-	-	442,178,000	442,178,000.00	442,178,001.00	442,178,001.00
002000211	2420102	IFB1/2017/12	2,767,952,000.00	2029/02	12YRS	-	-	345,994,000	345,994,000.00	345,994,001.00	345,994,001.00
002000213	2420102	FXD1/2011/20	8,138,500,000.00	2031/05	20YRS	691,120,000	691,120,000	691,120,000	691,120,000.00	691,120,001.00	691,120,001.00
002000213	2420102	FXD1/2011/20	1,227,300,000.00	2031/05	20YRS	245,460,000	245,460,000	245,460,000	245,460,000.00	245,460,001.00	245,460,001.00
002000212	2420102	IFB1/2016/15	2,633,350,000.00	2031/10	15YRS	316,002,000					

Table 8: Summary of Interest on Internal Debt

SUB-HEAD	ITEM	DESCRIPTION	PRINTED ESTIMATES 2017/18 Kshs	REVISED ESTIMATES 2017/18 Kshs	PRINTED ESTIMATES 2018/19 Kshs	PRINTED ESTIMATES 2019/20 Kshs	PRINTED ESTIMATES 2020/2021 Kshs	PRINTED ESTIMATES 2021/2022 Kshs
OTHER LOANS:								
002000401	2420102	Pre - 1997 Gov't Overdraft Debt	725,206,095	725,206,095	700,162,671	683,512,671	666,862,671	650,212,671
002000403	2420102	Tax Reserve Certificate						
002000407	2420102	Short Term Borrowing (T. Bills Interest)	28,185,341,641	41,485,238,041	81,071,547,639	66,350,691,328	65,122,536,812	65,122,536,812
002000404	2420102	Miscellaneous (Advertising)	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
002000405	2420102	SDR- Allocation Charges	-	-	-	-	-	-
002000402	2420102	Government Overdraft- Interest Charges	2,605,125,000	2,605,125,000	5,210,250,000	5,210,250,000	5,210,250,000	5,210,250,000
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	34,545,672,736	47,845,569,136	90,011,960,309	49,953,509,569	74,029,649,483	74,012,999,483
		TOTAL INTEREST ON BONDS & OTHER LOANS	195,104,147,709	215,242,692,225	285,606,571,454	270,315,400,807	314,014,297,735	347,748,701,421
2420000		GRAND TOTAL INTERNAL DEBT - INTEREST	195,104,147,709	215,242,692,225	285,606,571,454	270,315,400,807	314,014,297,735	347,748,701,421

Note:

1. Net domestic financing has been assumed at Kshs 276.171 billion in the fiscal year 2018/19
2. Of the Kshs 276.171 billion net domestic borrowing , 30% is assumed to be (Kshs 82.85 billion) through bills and 70% (Kshs 193.32 billion) through bonds.
3. Interest rates will be stable between 8.00% p.a-9.64% p.a , 10.268 - 12.32% p.a and 11.135% p.a- 12.69% 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 2019. Interest will be charged at the CBR rate and the facility will be utilized at 100 % of the set ceiling .

Table 9: Internal Debt Redemption from the Consolidated Fund

SUB- HEAD	ITEM	DESCRIPTION	ISSUE No.	DUE YR.	TENOR	PRINTED	REVISED	PRINTED	PRINTED	PRINTED	PRINTED
						ESTIMATES 2017/2018	ESTIMATES 2017/2018	ESTIMATES 2018/2019	ESTIMATES 2019/2020	ESTIMATES 2020/2021	ESTIMATES 2021/2022
						Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
002000208	5210201	IFB2/2010/9	2017/08	7YRS	8,700,000,000	8,700,000,000					
002000210	5210201	FXD1/2006/11	2017/09	11YRS	4,031,400,000	4,031,400,000					
002000211	5210201	IFB1/2013/12	2017/09	4YRS	4,776,524,397	4,776,524,397					
002000211	5210201	IFB1/2013/12	2017/09	4YRS	5,993,700,741	5,993,700,741					
002000209	5210201	FXD1/2007/10	2017/10	10YRS	9,308,800,000	9,308,800,000					
002000203	5210201	FXD1/2016/2	2018/01	2YRS	20,153,750,000	20,153,750,000					
002000209	5210201	FXD1/2008/10	2018/02	10YRS	2,992,750,000	2,992,750,000					
002000211	5210201	IFB1/2010/8	2018/02	6YRS	7,131,578,815	9,186,148,894					
002000204	5210201	FXD1/2013/5	2018/04	5YRS	20,240,750,000	20,240,750,000					
002000203	5210201	FXD2/2016/2	2018/05	2YRS	25,500,450,000	25,500,450,000					
002000203	5210201	FXD2/2016/2	2018/05	2YRS	4,717,900,000	4,717,900,000					
002000204	5210201	FXD2/2013/5	2018/06	5YRS	13,452,050,000	13,452,050,000					
002000204	5210201	FXD2/2013/5	2018/06	5YRS	12,888,000,000	12,888,000,000					
002000209	5210201	FXD2/2008/10	2018/07	10YRS	-	-	12,622,700,000				
002000209	5210201	FXD2/2008/10	2018/07	10YRS	-	-	882,000,000				
002000211	5210201	FXD1/2006/12	2018/08	12YRS	-	-	3,900,950,000				
002000209	5210201	FXD3/2008/10	2018/09	10YRS	-	-	4,151,600,000				
002000209	5210201	FXD3/2008/10	2018/09	10YRS	-	-	3,252,100,000				
002000209	5210201	FXD3/2008/10	2018/09	10YRS	-	-	14,723,700,000				
002000211	5210201	IFB1/2014/12	2018/10	12YRS	-	-	404,102,174				
002000211	5210201	IFB1/2014/12	2018/10	12YRS	-	-	2,735,614,987				
002000211	5210201	IFB1/2014/12	2018/10	12YRS	-	-	1,797,701,805				
002000211	5210201	IFB1/2014/12	2018/10	12YRS	-	-	4,080,892,084				
002000204	5210201	FXD3/2013/5	2018/11	5YRS	-	-	14,937,800,000				
002000204	5210201	FXD3/2013/5	2018/11	5YRS	-	-	11,868,900,000				
002000204	5210201	FXD3/2013/5	2018/11	5YRS	-	-	7,830,150,000				
002000208	5210201	IFB2/2009/12	2018/11	9YRS	-	-	5,361,889,815				
002000203	5210201	FXD3/2016/2	2018/12	2YRS	-	-	10,513,650,000				
002000203	5210201	FXD3/2016/2	2018/12	2YRS	-	-	1,354,000,000				
002000203	5210201	FXD3/2016/2	2018/12	2YRS	-	-	13,609,900,000				
002000209	5210201	FXD1/2009/10	2019/04	10YRS	-	-	4,966,850,000				
002000209	5210201	FXD1/2009/10	2019/04	10YRS	-	-	4,009,600,000				
002000209	5210201	FXD1/2009/10	2019/04	10YRS	-	-	18,537,600,000				
002000204	5210201	FXD1/2014/5	2019/04	5YRS	-	-	17,511,200,000				
002000204	5210201	FXD1/2014/5	2019/04	5YRS	-	-	8,222,500,000				
002000211	5210201	FXD1/2007/12	2019/05	12YRS	-	-	4,864,600,000				
002000204	5210201	FXD2/2014/5	2019/06	5YRS	-	-	13,080,100,000				
002000204	5210201	FXD2/2014/5	2019/06	5YRS	-	-	7,623,800,000				
002000204	5210201	FXD2/2014/5	2019/06	5YRS	-	-	14,285,600,000				
002000204	5210201	FXD2/2014/5	2019/06	5YRS	-	-	2,132,650,000				
002000208	5210201	IFB2/2010/9	2019/08	9YRS	-	-	-	15,874,483,887			
002000203	5210201	FXD1/2017/02	2019/09	2YRS	-	-	-	11,126,600,000			
002000203	5210201	FXD1/2017/02	2019/09	2YRS	-	-	-	20,679,800,000			
002000207	5210201	IFB1/2011/1	2019/09	8YRS	-	-	-	14,399,101,836			
002000213	5210201	MAB1/2017/3	2020/04	3YR	-	-	-	150,050,000			
002000209	5210201	IFB1/2010/10	2020/04	10YRS	-	-	-	12,052,600,000			
002000209	5210201	IFB1/2010/10	2020/04	10YRS	-	-	-	7,341,550,000			
002000204	5210201	FXD1/2015/5	2020/06	5YRS	-	-	-	12,461,700,000			
002000204	5210201	FXD1/2015/5	2020/06	5YRS	-	-	-	5,566,200,000			
002000204	5210201	FXD1/2015/5	2020/06	5YRS	-	-	-	12,928,150,000			
002000213	5210201	MAB1/2017/3	2020/09	3YRS	-	-	-	-	247,750,000		
002000209	5210201	FXD2/2010/10	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		
002000204	5210201	FXD2/2015/5	2020/11	5YRS	-	-	-	-	30,673,850,000		
002000209	5210201	IFB1/2015/09	2020/12	5YRS	-	-	-	-	5,709,387,750		
002000209	5210201	IFB1/2015/09	2020/12	5YRS	-	-	-	-	509,202,750		
002000209	5210201	IFB1/2015/09	2020/12	5YRS	-	-	-	-	1,625,415,750		
002000209	5210201	IFB1/2015/09	2020/12	5YRS	-	-	-	-	822,238,500		
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		
002000209	5210201	IFB1/2016/09	2021/05	5YRS	-	-	-	-	8,249,902,200		
002000209	5210201	FXD2/2016/5	2021/07	5YRS	-	-	-	-	-	24,395,300,000	
002000207	5210201	IFB1/2013/12	2021/09	8YRS	-	-	-	-	-	5,494,159,495	
		IFB1/2013/12	2021/09	8YRS	-	-	-	-	-	6,894,206,979	
		FXD3/2016/5	2021/09	5YRS	-	-	-	-	-	23,051,050,000	
002000211	5210201	IFB2/2009/12	2021/11	12YRS	-	-	-	-	-	4,749,160,185	
002000211	5210201	IFB1/2017/12	2022/02	12YRS	-	-	-	-	-	1,268,160,000	
002000211	5210201	IFB1/2017/12	2022/02	12YRS	-	-	-	-	-	1,607,920,000	
002000212	5210201	FXD1/2007/15	2022/03	15YRS	-	-	-	-	-	3,654,600,000	
002000212	5210201	FXD2/2007/15	2022/06	15YRS	-	-	-	-	-	7,236,950,000	
002000212	5210201	FXD2/2007/15	2022/06	15YRS	-	-	-	-	-	25,445,650,000	
002000209	5210201	FXD1/2012/10	2022/06	10YRS	-	-	-	-	-	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	
002000219	5210201	NEW LOANS			41,000,000,000	-	-	82,000,000,000	82,000,000,000	82,000,000,000	82,000,000,000
SUB TOTAL				Kshs	180,887,653,953	141,942,222,032	209,242,150,864	194,580,235,723	211,080,281,754	221,060,856,659	
002000401	5210201	Pre - 1997 Gov't 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	1,110,000,000
002000407	5210201	Redemption of Treasury Bills - Shortfall			10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
002000403	5210201	Tax Reserve Certificate			300,000	300,000	300,000	300,000	300,000	300,000	300,000
SUB TOTAL					11,110,300,000	11,110,300,000	11,110,300,000	11,110,300,000	11,110,300,000	11,110,300,000	11,110,300,000
GRAND TOTAL INTERNAL DEBT				Kshs	191,997,953,953	153,052,522,032	220,352,450,864	205,690,535,723	222,190,581,754	232,171,156,659	

Table 10: External Debt Redemption from the Consolidated Fund

HEAD	CREDITOR	PRINTED ESTIMATES 2017/2018	REVISED ESTIMATES 2017/2018	PRINTED ESTIMATES 2018/2019	PRINTED ESTIMATES 2019/2020	PRINTED ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
501	GERMANY	925,905,108	925,905,108	2,263,004,461	2,660,426,129	3,252,327,442	4,223,337,958
502	ITALY	1,160,185,125	1,160,185,125	1,846,762,267	6,978,323,909	15,897,733,615	21,521,732,451
503	JAPAN	6,301,879,951	6,301,879,951	5,592,236,490	4,795,491,047	4,628,383,441	5,109,025,158
504	IDA	13,538,264,039	13,538,264,039	14,622,257,608	15,578,629,682	18,241,172,823	23,641,763,760
505	ADB/ADF	1,998,725,849	1,998,725,849	2,083,816,035	3,642,293,181	6,215,702,830	7,449,605,650
506	U.S.A.	722,437,062	722,437,062	608,766,827	541,343,628	409,387,693	208,054,081
507	DENMARK	255,937,678	255,937,678	280,187,816	239,899,387	180,870,064	109,028,027
508	NETHERLANDS	628,078,123	628,078,123	512,702,292	293,988,693	84,646,427	-
509	OPEC	749,574,203	749,574,203	649,179,947	779,331,037	850,981,077	866,457,345
510	BADEA	219,132,874	219,132,874	218,413,888	278,682,831	307,486,147	334,782,984
511	FRANCE	6,058,013,539	6,058,013,539	7,614,576,289	10,303,123,237	12,278,986,338	12,907,255,400
512	EIB	1,179,253,309	276,437,007	305,632,573	262,836,585	265,325,695	266,526,869
513	SAUDI FUND	662,270,303	1,179,253,309	1,301,768,269	2,202,486,432	2,294,620,134	2,582,859,370
514	AUSTRIA - BAWAG	161,895,369	662,270,303	702,173,647	111,820,074	81,785,283	81,211,719
515	SWITZERLAND	74,929,396	161,895,369	94,066,726	-	23,602,654	23,487,215
512	EEC	276,437,007	74,929,396	41,144,496	-	-	-
517	BELGIUM	1,863,602,411	1,863,602,411	2,270,416,088	2,211,315,208	2,166,912,670	2,093,504,559
518	FINLAND	268,609,857	268,609,857	325,330,061	321,669,604	321,669,604	320,096,350
519	GOVERNMENT OF CHINA	159,815,192	159,815,192	165,881,489	170,760,357	324,017,622	238,381,266
536	EXIM BANK OF CHINA	6,071,921,841	6,071,921,841	8,386,131,230	34,795,773,810	46,474,517,273	72,702,188,285
537	CHINA DEVELOPMENT BANK	757,759,136	757,759,136	1,682,998,025	18,270,760,200	18,270,760,200	18,159,893,850
520	SPAIN	1,219,869,193	1,219,869,193	1,574,868,856	1,658,071,963	1,692,809,434	1,566,509,593
521	KUWAIT	262,826,088	262,826,088	204,821,467	246,281,868	246,281,868	247,732,611
522	EXIM BANK OF KOREA	121,001,938	121,001,938	153,050,509	186,414,422	186,414,422	188,499,700
523	CANADA	251,500,064	251,500,064	182,302,767	116,201,675	-	-
524	SWEDEN	66,147,844	66,147,844	36,758,871	-	-	-
525	UNITED KINGDOM	377,819,021	377,819,021	243,123,108	69,692,285	-	-
526	IFAD	418,927,429	418,927,429	414,768,702	487,491,797	537,625,380	865,681,512
527	NORDIC DEVELOPMENT FUN	61,667,333	61,667,333	67,480,499	69,465,220	69,465,220	69,125,472
530	EXIM BANK OF INDIA	-	312,185,412	612,505,485	630,520,352	630,520,352	996,405,845
531	STANDARD BANK -BVR	814,300,292	814,300,292	891,061,563	917,269,256	917,269,256	912,782,983
532	DEBUT INTERNATIONAL SVF	-	-	78,303,258,000	-	-	-
538	ABU DHABI	-	-	139,189,013	143,282,808	143,282,808	143,338,850
539	CITI BANK SYND	79,820,133,750	81,056,133,750	78,737,727,504	12,574,582,020	12,574,582,020	-
540	TDB SYND	312,185,412	-	37,154,170,891	23,883,346,667	23,883,346,667	23,738,423,333
541	POLAND	-	-	-	-	34,230,807	230,657,358
535	AFREXIM BANK	21,285,369,000	21,285,369,000	-	-	-	-
		149,046,374,734	150,282,374,734	250,282,533,758	145,421,575,364	173,486,717,263	201,798,349,554

Table 11: Interest Payments on External Debt from the Consolidated Fund

HEAD	CREDITOR	PRINTED ESTIMATES 2017/2018	REVISED ESTIMATES 2017/2018	PRINTED ESTIMATES 2018/2019	PRINTED ESTIMATES 2019/2020	PRINTED ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
501	GERMANY	258,796,316	258,796,316	408,971,350	969,603,587	1,008,996,318	1,052,955,219
502	ITALY	600,443,151	600,443,151	1,581,238,340	2,135,706,885	2,981,358,809	2,787,962,105
503	JAPAN	652,021,708	652,021,708	537,279,662	561,426,178	675,311,461	735,175,878
504	IDA	5,289,693,289	5,289,693,289	6,273,723,931	7,138,276,856	8,006,171,702	8,590,563,058
505	ADB/ADF	2,087,047,737	2,087,047,737	2,380,164,959	2,845,904,179	3,362,496,746	3,710,013,142
506	U.S.A.	124,316,170	124,316,170	79,492,384	60,777,936	38,549,875	28,604,744
516	NEW LOANS/1	772,000,000	772,000,000	17,922,800,000	39,321,850,000	47,006,850,000	50,195,600,000
508	NETHERLANDS	35,278,070	35,278,070	15,921,972	7,016,642	1,010,537	-
509	OPEC	80,668,032	80,668,032	65,023,176	89,255,263	123,327,385	136,734,555
510	BADEA	56,183,174	56,183,174	48,363,036	68,655,506	90,485,048	98,686,403
511	FRANCE	1,219,255,945	1,219,255,945	1,467,779,379	1,652,398,817	1,867,372,659	1,874,644,365
512	EIB	257,819,508	24,191,844	23,440,104	21,111,813	18,476,817	15,740,381
513	SAUDI FUND	52,633,880	257,819,508	302,608,190	1,860,731,410	578,292,986	531,847,046
514	AUSTRIA	12,287,004	52,633,880	30,513,966	38,799,587	47,227,085	51,840,836
515	SWITZERLAND	7,565,218	12,287,004	22,239,303	18,072,584	13,304,306	9,943,893
512	EEC	24,191,844	7,565,218	205,722	-	-	-
517	BELGIUM	58,781,349	58,781,349	95,504,796	86,262,831	75,249,127	61,439,842
518	FINLAND	9,442,420	9,442,420	664,694	20,418	-	-
536	EXIM BANK OF CHINA	16,035,533,622	16,035,533,622	22,690,660,773	26,400,197,470	27,969,134,621	27,698,457,221
537	CHINA DEVELOPMENT BANK	3,745,575,451	3,745,575,451	3,497,388,381	3,381,420,016	2,483,916,659	1,559,382,863
520	SPAIN	245,020,441	245,020,441	363,064,076	434,300,538	413,063,008	372,736,568
521	KUWAIT	24,313,165	24,313,165	37,803,912	65,231,712	94,815,006	110,898,522
522	EXIM BANK OF KOREA	30,199,429	30,199,429	29,527,069	31,254,914	30,792,212	29,571,758
523	CANADA	7,204,655	7,204,655	2,390,464	890,744	-	-
524	SWEDEN	676,481	676,481	145,486	-	-	-
525	UNITED KINGDOM	6,023,442	6,023,442	2,053,321	510,681	-	-
526	IFAD	114,286,071	114,286,071	143,337,464	167,808,324	181,658,913	202,592,349
527	NORDIC DEVELOPMENT FUN	21,853,361	21,853,361	23,407,298	23,574,759	23,053,769	22,422,575
530	EXIM BANK OF INDIA	11,504,000,430	77,916,891	86,565,419	99,652,169	106,774,929	107,187,538
531	STANDARD BANK -BVR	77,916,891	104,040,433	82,564,897	65,162,425	45,002,885	24,885,379
532	DEBUT INTERNATIONAL	19,409,979,914	19,409,979,914	19,409,979,914	15,231,886,956	15,231,886,956	15,231,886,956
542	SVRNG BOND (USD 2.75 BN) 2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	-	4,750,000,000	15,510,933,794	15,510,933,794	15,510,933,795	15,510,933,796
534	ISRAEL	1,399,796,778	83,230,290	178,433,932	211,997,020	214,888,256	213,584,322
538	ABU DHABI	-	-	11,893,814	23,755,037	35,078,376	37,285,399
539	CITI BANK-SYND	-	19,029,659,130	7,901,052,428	1,487,865,886	371,966,471	-
540	TDB SYND	6,163,999,880	13,135,403,880	13,135,403,880	8,785,806,732	7,269,126,353	5,492,797,131
541	POLAND	-	-	11,860,380	22,362,136	35,835,564	49,332,216
535	AFREXIM BANK	-	1,399,796,778	-	-	-	-
		70,384,804,826	89,819,138,248	114,374,401,663	128,820,481,802	135,912,408,640	136,545,706,059

Table 12: List of Publicly Guaranteed Debt, In Ksh million

Agency	Year	Purpose of the loan	Creditor	Jun-14	Jun-15	Jun-16	Jun-17
Nairobi City County	1985	Umoja II Housing Project	USA	75	-	-	-
Kenya Broadcasting Corporation	1989	KBC Modernization Project	Japan	3,584	2,404	2,224	1,385.68
Telkom Kenya Ltd	1990	Purchase of Microwave Telephone System	Canada	351	375	-	-
Tana and Athi River Development Authority	1990	Tana Delta Irrigation Project	Japan	1,526	1,172	1,156	810.9
East African Portland Cement	1990	Cement Plant Rehabilitation Project	Japan	1,896	1,457	1,438	1,008.0
KenGen Ltd	1995	Mombasa Diesel Generating Power Project	Japan	4,048	3,393	3,767	3,325.24
	1997	Sondu Miriu Hydropower Project	Japan	3,950	3,372	3,827	3,421.77
	2004	Sondu Miriu Hydropower Project II	Japan	8,981	8,005	9,534	8,752.71
	2007	Sondu Miriu Hydropower Project – Sang'oro Power Plant	Japan	3,660	3,416	4,218	3,971.68
	2010	Olkaria Unit 4 and 5 Geothermal Power Project	Japan	42	44	55	51.09
	2010	Rehabilitation and Expansion of the Hydropower Plant Kindaruma	Germany			3,514	3,301.60
	2011	Rehabilitation and Upgrade of the Geothermal Plant Olkaria	Germany			4,656	4,874.96
Kenya Ports Authority	2007	Mombasa Port Modernization Project	Japan	13,167	15,856	22,099	21,211.31
Kenya Railways	2008	Kenya Railways Concessioning	IDA	3,943	4,439	4,044	4,667.03
Kenya Ports Authority	2016	Kenya Port Development Project Phase 2	Japan				613.72

Agency	Year	Purpose of the loan	Creditor	Jun-14	Jun-15	Jun-16	Jun-17
Kenya Airways	2017	Kenya Airways	Exim Bank - USA & various domestic banks	0	0	0	77,783.78
Kenya Farmers Association	2005	Revival of KFA	Local banks	Unutilized	Unutilized	Unutilized	
National Cereals & Produce Board (GSM-102)	2009	Importation of maize under GSM-102	USA	Unutilized	Unutilized	Unutilized	
Total				45,221	43,933	60,530	135,179.55

F. Annexes

105. The following are annexes to this report:

- Annex on Breakdown of Estimates of Revenues and Expenditure for State Corporations of the Government of Kenya for the Financial Year ending 30th June 2019.
- Annex Table 1-3 on Estimates of Revenue Receipts with respect to Investment Income from State Corporations, Government Agencies and Other Organizations for FY 2018/19
- Annex on Estimates of Revenues, Grants and Loans that captures the Revenues estimates by broad economic classification.
- Annex on 2018 BPS Ceilings versus Budget Estimates

THE NATIONAL TREASURY

APRIL 26, 2018

Annex Table 1: Estimates of Revenue Receipts with respect to Investment Income from State Corporations, Government Agencies and Other Organizations for FY 2018/19

Dividends			
State Corporation		Estimates - FY 2017/18 (Ksh)	Projected Estimates - FY 2018/19 (Ksh)
1	Kenya Electricity Generating Co.	-	1,000,000,000
2	Kenya Power Company Limited	500,000,000	300,000,000
3	Kenya Pipeline co. Ltd	500,000,000	300,000,000
4	Kenya Reinsurance Corporation	336,000,000	350,000,000
5	Kenya Commercial Bank	1,600,000,000	2,000,000,000
6	Kenya Airports Authority	150,000,000	130,000,000
7	Kenya Ports Authority	500,000,000	498,000,000
8	Housing Finance Co.	15,000,000	10,000,000
9	National Housing Corp.	23,000,000	25,000,000
10	African Re-Insurance Corporation	15,000,000	15,000,000
11	Safaricom Ltd	13,600,000,000	15,000,000,000
12	CFC Stanbic Holdings	30,000,000	30,000,000
13	African Export Import Bank	3,500,000	50,000,000
14	Kenya Literature Bureau	15,000,000	15,000,000
15	New KCC	20,000,000	20,000,000
16	Nairobi Securities Exchange	3,500,000	3,500,000
17	PTA Reinsurance Company	20,000,000	20,000,000
	Sub-total	17,331,000,000	19,766,500,000
Dividends from CBK			
18	Central Bank of Kenya	-	-
	Total	17,331,000,000	19,766,500,000

Annex Table 2: Estimates of Revenue Receipts with respect to Investment Income from State Corporations, Government Agencies and Other Organizations for FY 2018/19

Surplus Funds From Regulatory Authorities & Other Agencies			
State Corporation		Estimates - FY 2017/18 (Ksh)	Projected Estimates - FY 2018/19 (Ksh)
1	Communication Authority of Kenya	4,200,000,000	2,800,000,000
2	Capital Market Authority	35,000,000	35,000,000
3	Insurance Regulatory Authority	800,000,000	750,000,000
4	Kenya Civil Aviation Authority	100,000,000	
5	Retirement Benefits Authority	136,000,000	25,000,000
6	Public Procurement Oversight Authority	-	15,000,000
7	National Construction Authority	-	40,000,000
8	Kenya Maritime Authority	-	
9	Kenya Bureau of Standards		100,000,000
10	Energy Regulatory Authority	-	20,000,000
	Total	5,271,000,000	3,785,000,000

Annex Table 3: Estimates of Revenue Receipts with respect to Investment Income from State Corporations, Government Agencies and Other Organizations for FY 2018/19

Directors Fees			
State Corporation		Estimates - FY 2017/18 (Ksh Billions)	Projected Estimates - FY 2018/19 (Ksh Billions)
1	Communication Authority of Kenya	800,000	800,000
2	Capital Market Authority	1,000,000	1,000,000
3	Central Bank of Kenya	1,800,000	1,800,000
4	Consolidated Bank of Kenya	500,000	500,000
5	Kenya Deposit Insurance Corporation	630,000	630,000
6	Development Bank of Kenya	400,000	400,000
7	East African Portland Cement	160,000	160,000
8	Electricity Regulatory Board	100,000	100,000
9	Geothermal Dev Corp. Ltd	360,000	360,000
10	Energy Regulatory Commission	570,000	570,000
11	IDB Capital Ltd	160,000	160,000
12	I.C.D.C.	420,000	420,000
13	KENGEN	840,000	840,000
14	KP&LC	1,200,000	1,200,000
15	Kenya Airport Authority	1,000,000	1,000,000
16	Kenya Airways	965,000	965,000
17	Kenya Civil Aviation Authority	500,000	500,000
18	Safaricom Ltd	1,500,000	1,500,000
19	Kenya Commercial Bank	1,560,000	1,560,000
20	Kenya Pipeline Corporation	580,000	580,000
21	Kenya Ports Authority	1,260,000	1,260,000
22	Kenya Petroleum Refineries	500,000	500,000
23	Kenya Electricity Transmission Co.	200,000	200,000
24	Kenya Re-Insurance Corporation	420,000	420,000
25	Kenya Hotel Properties	70,000	70,000
26	Kenya Revenue Authority	1,200,000	1,200,000
27	Moi University	50,000	50,000
28	National Bank Of Kenya	714,000	714,000
29	National Oil Corporation	580,000	580,000
30	Kenya National Assurance 2001 Ltd	1,200,000	1,200,000
31	Privatization Commission	840,000	840,000
32	Rural Electrification Authority	360,000	360,000
33	Telkom Kenya	350,000	350,000

34	Kenya Railways Corporation	350,000	350,000
35	Kenya Seed Co.	100,000	100,000
36	Jomo Kenyatta Foundation	300,000	300,000
37	National Social Security Fund	420,000	420,000
38	Kenya Marine & Fisheries Research	73,000	73,000
Total		24,032,000	24,032,000



GLOBAL BUDGET - CAPITAL & CURRENT
Summary of Expenditure by Vote, Programmes, 2018/2019 Budget Policy Statement Ceilings versus Budget Estimates (KShs) in Million

VOTE CODE TITLE	PROGRAMME CODE AND TITLE	GROSS CURRENT ESTIMATES		GROSS CAPITAL ESTIMATES		GROSS TOTAL ESTIMATES		2018/2019 - KSHS		GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES		GROSS TOTAL ESTIMATES	REMARKS	
		Parliamentary	BPS Ceiling	Parliamentary	BPS Ceiling	2018/2019 - KSHS	Variance	2018/2019 - KSHS	Variance							
1011 The Presidency	Total	7,969	2,821	10,790	7,673	1,109	8,782	(296)	(1,712)	(2,008)						
	0702000 Cabinet Affairs	2,019	2,414	4,433	1,396	714	2,110	(623)	(1,700)	(2,323)					Reduction in donor commitments	
	0703000 Government Advisory Services	3,050	317	3,367	846	-	846	(2,204)	(317)	(2,521)					Re-alignment of votes	
	0704000 State House Affairs	1,955	90	2,045	3,216	305	3,521	1,261	215	1,476						
	0734000 Deputy President Services	945		945	2,215	90	2,305	1,270	90	1,360					Adjustment due to salary shortfall	
1021 State Department for Interior	Total	107,912	16,701	124,613	109,357	15,539	124,895	1,445	(1,162)	282						
	0601000 Policing Services	80,508	10,210	90,718	85,225	9,852	95,077	4,717	(358)	4,359					Adjustment for Shortfall in salaries	
	0602000 Planning, Policy Coordination and Support Service	19,804	4,116	23,920	18,825	4,467	23,292	(979)	351	(628)						
	0603000 Government Printing Services	719	150	869	720	150	870	1	-	1						
	0605000 Population Management Services	6,881	2,225	9,106	4,586	1,070	5,656	(2,295)	(1,155)	(3,450)					Movement to State Department for Immigration	
1023 State Department for Correctional Services	Total	25,303	1,881	27,184	26,066	1,813	27,878	763	(68)	694						
	0602000 Planning, Policy Coordination and Support Service			-	240	-	240	240	-	240						Movement of NACADA from Interior
	0624000 Betting Control, Licensing and Regulation Services	132	10	142	117	-	117	(15)	(10)	(25)					Reduction in provision for ICT	
	0604000 Correctional services	24,778	1,801	26,579	25,251	1,749	27,000	473	(52)	421					Adjustment due to salary shortfall & Reduction in ICT budget	
	0623000 General Administration, Planning and Support Services	393	70	463	458	63	521	65	(7)	58					Movement of Street Families form Asal Development & Reduction in provision for ICT	
1024 State Department for Immigration and Citizen Services	Total	-	-	-	1,885	2,690	4,575	1,885	2,690	4,575						
	0605000 Population Management Services				1,885	2,690	4,575	1,885	2,690	4,575						Transfer of allocation from Interior and implementation of the National Intergrated Identification System
	Total	3,372	7,979	11,351	2,883	9,638	12,521	(489)	1,659	1,170						
	0712000 Devolution Services	900	2,500	3,400	836	1,028	1,864	(64)	(1,472)	(1,536)						
	0732000 General Administration, Planning and Support Services	490	1,028	1,518	342	1,173	1,515	(148)	145	(3)						
1032 State Department for Devolution	0713000 Special Initiatives	379		379	50	-	50	(329)	-	(329)						
	1013000 Integrated Regional Development	1,603	4,451	6,054	1,655	7,437	9,092	52	2,986	3,038					Movement of Regional Development Authorities from Planning and increase in donor commitments	
	Total	682	3,875	4,557	1,035	5,358	6,393	353	1,483	1,836						
	0733000 Accelerated ASAL Development	682	3,875	4,557	1,035	5,358	6,393	353	1,483	1,836					Increase in donor grant; Movement of Street Families to Correctional;	
	Total	94,484	45	94,529	96,079	10,974	107,054	1,595	10,929	12,525					Increase in Donor commitment in Military Modernization Programme (ECA), Non-realization of targeted cuts on non-discretionary expenditures	
1041 Ministry of Defence	0801000 Defence	92,614	45	92,659	94,378	10,974	105,352	1,764	10,929	12,693					Reduction in ICT budgets	
	0802000 Civil Aid	262		262	200	-	200	(62)	-	(62)						
	0803000 General Administration, Planning and Support Services	1,317		1,317	1,301	-	1,301	(16)	-	(16)					Budget Rationalization	
	0805000000 National Space Management	291		291	200	-	200	(91)	-	(91)					Budget Rationalization	
	Total	94,484	45	94,529	96,079	10,974	107,054	1,595	10,929	12,525						

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	0707000 National Statistical Information Services	7,357	1,435	8,792	7,541	1,435	8,975	184		8,975	184	(1)	183	
	0708000 Monitoring and Evaluation Services	125	171	296	124	111	235	(1)		235	(1)	(60)	(61)	
	0709000 General Administration Planning and Support Services	501		501	401		401	(100)		401	(100)		(100)	Reduction in ICT budgets & subscription to International Organizations
1081 Ministry of Health	Total	33,762	41,179	74,941	49,101	40,906	90,007	15,339	(2,733)	15,066	(2,956)	(3,641)	(6,597)	-7487
	0401000 Preventive, Promotive & RMNCAH Services	4,642	11,911	16,553	1,686	8,270	9,956			9,956				
	0402000 National Referral & Specialized Services	15,374	16,453	31,827	22,695	17,510	40,205	7,321	1,057	40,205	1,057	(10)	1,335	Increase in AIA for Referral Hospitals
	0403000 Health Research and Development	5,126	436	5,562	6,470	426	6,897	1,344		6,897	1,344	(10)	1,335	Increase in AIA for KEMRI
	0404000 General Administration, Planning & Support Services	5,681	3,093	8,774	6,891	2,220	9,111	1,210	(873)	9,111	1,210	(873)	337	Recruitment of doctors
	0405000 Health Policy, Standards and Regulations	2,939	9,286	12,225	11,359	12,480	23,839	8,420	3,194	23,839	8,420	3,194	11,614	Provision for level 5 hospitals; provision for piloting Universal Health Care in Counties, Increase in donor Commitments
1091 State Department for Infrastructure	Total	56,769	133,068	189,837	58,364	112,985	171,349	1,595	(20,083)	(18,488)				Reduction in donor commitments ; Non provision of the recommended additional expenditure due to non realization of targeted cuts
	0202000 Road Transport	56,769	133,068	189,837	58,364	112,985	171,349	1,595	(20,083)	(18,488)				
1092 State Department for Transport	Total	9,006	78,038	87,044	10,324	90,425	100,362	1,318	12,387	13,318				
	0201000 General Administration, Planning and Support Services	395	760	1,155	307	1,108	1,415	(88)		1,415	(88)		260	Movement of Lapset Authority to Ministry of EAC
	0203000 Rail Transport	1,188	59,324	59,324	-	74,756	74,369	-	15,432	15,045			15,045	Increase in local AIA and donor commitments
	0204000 Marine Transport	6,990	13,110	14,298	815	12,226	13,041	(373)	(884)	(1,257)			(2,254)	Reduction in Donor commitments
	0205000 Air Transport	433	4,544	11,534	7,245	2,035	9,280	255	(2,509)	(2,254)			1,524	Increase in local AIA
	0216000 Road Safety		300	733	1,957	300	2,257			2,257				
1093 State Department for Shipping and Maritime	Total	316	-	316	1,669	-	1,669	1,353	-	1,353				
	0220000 Shipping and Maritime Affairs	316		316	1,669		1,669	1,353		1,353				Increase in AIA
1096 State Department for Housing, Urban Development and Public Works	Total	3,047	18,798	21,845	3,122	29,101	32,223	75	10,303	10,378				
	0102000 Housing Development and Human Settlement	452	9,040	9,492	479	7,571	8,050	27	(1,469)	(1,442)				Adjustments due to shortfall in salaries
	0103000 Government Buildings	388	1,734	2,122	468	1,564	2,032	80	(170)	(90)				Adjustments due to shortfall in salaries
	0104000 Coastline Infrastructure and Pedestrian Access	81	170	251	105	339	444	24	169	193				
	0105000 Urban and Metropolitan Development	255	7,663	7,918	197	19,435	19,632	(58)		11,772			11,714	Increase in donor commitments for the vote; Reduction in ICT budgets & subscription to International Organizations
	0106000 General Administration Planning and Support Services	590	55	645	612	56	667	22	1	22				
	0218000 Regulation and Development of the Construction Industry	1,281	136	1,417	1,263	136	1,399	(18)		(18)			(18)	Reduction in ICT budgets & subscription to International Organizations
1107 Ministry of Water and Sanitation	Total	4,099	32,027	36,126	4,048	37,207	41,256	(51)	5,180	5,130				Budget Rationalization, Reduction in ICT budgets & subscription to International Organizations
	1001000 General Administration, Planning and Support Services	623	151	774	375	-	375	(248)	(151)	(399)				
	1004000 Water Resources Management	1,498	4,688	6,186	1,221	5,986	7,207	(277)	1,298	1,021				Increase in donor commitments for the vote

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		Parliamentary	BPS Ceiling	2018/2019 - KSHS	2018/2019 - KSHS	2018/2019 - KSHS	2018/2019 - KSHS	2018/2019 - KSHS	2018/2019 - KSHS	Variance	Variance								
1108 Ministry of Environment and Forestry	1017000 Water and Sewerage Infrastructure Development	1,978	27,188	29,166	2,452	31,221	33,674	474	4,033	4,508	Increase in donor commitments for the vote								
	Total	9,727	6,760	16,487	9,964	6,169	16,133	237	(591)	(354)									
	1002000 Environment Management and Protection	1,436	2,766	4,202	1,484	1,375	2,858	48	(1,391)	(1,344)	Adjustment in donor commitments								
	1010000 General Administration, Planning and Support Services	333		333	322		322	(11)		(11)	Reduction in ICT budgets & subscription to International Organizations								
	1012000 Meteorological Services	1,060	1,082	2,142	1,074	1,082	2,156	14	0	14									
	1018000 Forests and Water Towers Conservation	6,898	2,912	9,810	7,085	3,712	10,797	187	800	987	Movement due to re-organization of Government								
1112 Ministry of Lands and Physical Planning	Total	2,331	3,480	5,811	2,690	3,330	6,020	359	(150)	209									
	0101000 Land Policy and Planning	2,331	3,480	5,811	2,690	3,330	6,020	359	(150)	209	Adjustments due to shortfall in salaries; Reduction in ICT budgets & subscription to International Organizations								
1121 Ministry of Information Communications and Technology	Total	3,918	31,447	35,365	4,854	27,047	31,901	936	(4,400)	(3,464)									
	0207000 General Administration Planning and Support Services	537		537	443	-	443	(94)	-	(94)	Budget Rationalization								
	0208000 Information And Communication Services	2,296	428	2,724	2,580	438	3,018	284	10	294	Additional expenditures for Strengthening of KBC								
	0209000 Mass Media Skills Development	196	260	456	207	250	457	11	(10)	1	Salary shortfall for Media Council								
	0210000 ICT Infrastructure Development	311	30,759	31,070	279	23,798	24,077	(32)	(6,961)	(6,993)	Reduction due to decrease in donor commitments								
1132 State Department for Sports	0217000 E-Government Services	578		578	1,345	2,561	3,905	767	2,561	3,327	Consolidation of ICT expenditures from MDAs								
	Total	1,619	600	2,219	1,502	525	2,027	(117)	(75)	(192)									
1134 State Department for Heritage	0901000 Sports	1,619	600	2,219	1,502	525	2,027	(117)	(75)	(192)	Reduction in ICT budgets & subscription to International Organizations								
	Total	2,861	852	3,713	3,057	842	3,899	196	(10)	186									
	0902000 Culture/Heritage	1,315	532	1,847	1,408	467	1,875	93	(65)	28	Inability to realize targeted cuts on non-discretionary expenditures								
	0903000 The Arts	700	20	720	775	75	850	75	55	130	Inability to realize targeted cuts on non-discretionary expenditures								
	0904000 Library Services	679	300	979	688	300	988	9	-	9	Inability to realize targeted cuts on non-discretionary expenditures								
	0905000 General Administration, Planning and Support Services	167		167	186	-	186	19	-	19	Inability to realize targeted cuts on non-discretionary expenditures								
1152 State Department for Energy	Total	2,097	71,018	73,115	2,188	59,887	62,075	91	(11,131)	(11,040)									
	0211000 General Administration Planning and Support Services	323	244	567	344	129	472	21	(115)	(95)	Reduction in donor commitment; Inability to realize targeted cuts on non-discretionary expenditures								
	0212000 Power Generation	891	20,578	21,469	906	12,266	13,172	15	(8,312)	(8,297)	Reduction in donor commitment; Inability to realize targeted cuts on non-discretionary expenditures								
	0213000 Power Transmission and Distribution	754	48,042	48,796	789	46,284	47,073	35	(1,758)	(1,723)	Reduction in donor commitment; Inability to realize targeted cuts on non-discretionary expenditures								

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		GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	GROSS TOTAL ESTIMATES	GROSS CURRENT ESTIMATES	GROSS CAPITAL ESTIMATES	
1162 State Department for Livestock.	0214000 Alternative Energy Technologies	129	2,154	2,283	149	1,208	1,357	20	(946)	Reduction in donor commitment. Inability to realize targeted cuts on non-discretionary expenditures
	Total	6,041	5,289	11,330	1,962	4,297	6,259	(4,079)	(992)	
	0112000 Livestock Resources Management and Development	6,041	5,289	11,330	1,962	4,297	6,259	(4,079)	(992)	Movement of allocations to State Dept. of Agriculture Research
1165 State Department for Crop Development	Total	5,512	10,802	16,314	5,038	20,215	25,254	(474)	9,413	8,940
	0107000 General Administration Planning and Support Services	2,823	571	3,394	2,502	194	2,696	(321)	(377)	Movement of allocations to State Dept. of Agriculture Research
	0108000 Crop Development and Management	2,503	9,134	11,637	2,379	18,562	20,941	(1,24)	9,428	Reduction in ICT budgets & subscription to International Organizations
1166 State Department for Fisheries and Aquaculture	0109000 Agribusiness and Information Management	186	1,097	1,283	158	1,459	1,617	(28)	362	Movement of allocations to State Dept. of Agriculture Research
	Total	1,846	2,014	3,860	607	2,184	2,791	(1,239)	170	(1,069)
	0111000 Fisheries Development and Management	1,444	1,014	2,458	302	1,174	1,476	(1,142)	160	Movement of allocations to State Dept. of Agriculture Research
1167 State Department for Irrigation	0117000 General Administration, Planning and Support Services	176		176	163	-	163	(13)	-	Reduction in ICT budgets & subscription to International Organizations
	0118000 Development and Coordination of the Blue Economy	226	1,000	1,226	142	1,010	1,152	(84)	10	Reduction in ICT budgets & subscription to International Organizations
	Total	942	14,653	15,595	918	17,058	17,976	(24)	2,405	2,381
1168 State Department for Agricultural Research	1014000 Irrigation and Land Reclamation	44	6,725	6,769	766	6,664	7,430	722	(61)	Reduction in donor commitments. Inability to realize targeted cuts on non-discretionary expenditures
	1015000 Water Storage and Flood Control	783	7,928	8,711	45	10,394	10,439	(738)	2,466	Increase in donor commitments
	1016000 General Administration, Planning and Support Services	115		115	107	-	107	(8)	-	Reduction in ICT budgets & subscription to International Organizations
Total	-	-	-	5,086	476	5,562	5,562	5,086	476	5,562
1173 State Department for Cooperatives	0120000 Agricultural Research & Development				5,086	476	5,562	5,086	476	5,562
	Total	356	870	1,226	501	870	1,371	145	-	145
	0304000 Cooperative Development and Management	356	870	1,226	501	870	1,371	145	-	145
1175 State Department for Industry	Total	2,618	7,738	10,356	2,618	7,738	10,356	-	-	-
	0301000 General Administration Planning and Support Services	445	180	625	445	180	625	-	-	-
	0302000 Industrial Development and Investments	1,069	5,094	6,163	1,069	5,094	6,163	-	-	-
1176 State Department for Small and Medium Enterprises	0303000 Standards and Business Incubation	1,103	2,464	3,567	1,103	2,464	3,567	-	-	-
	Total	4,290	8,361	12,651	1,712	1,012	2,724	(2,578)	(7,349)	(9,927)
	0302000 Industrial Development and Investments	1,208	5,674	6,882	5	-	5	(1,203)	(5,674)	(6,877) to confirm
0303000 Standards and Business Incubation	1,128	2,135	3,263	1,110	700	810	(1,018)	(1,435)	(2,453) Increase in donor commitment	
0307000 Trade Development and Promotion	1,954	552	2,506	1,597	312	1,909	(357)	(240)	(597) Reduction in AIA for the vote	

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		Parliamentary	BPS Ceiling	2018/2019 - KSHS	Variance	ES	ES	ES	ES	ES	ES	ES	ES	
1184 State Department for Labor	Total	2,548	2,592	5,140	1,779	510	2,289	(769)	(2,082)	(2,851)				Reduction in ICT budgets & subscription to International Organizations. Inability to realize targeted cuts on non-discretionary expenditures
	0910000 General Administration Planning and Support Services	591		591	667	-	667	76	-	76				Reduction in ICT budgets & subscription to International Organizations. Inability to realize targeted cuts on non-discretionary expenditures
	0906000 Promotion of the Best Labor Practice and Productivity Management	642	150	792	684	151	835	42	1	43				Reduction in ICT budgets & subscription to International Organizations. Inability to realize targeted cuts on non-discretionary expenditures
	0907000 Manpower Development, Employment and Productivity Management	1,315	2,442	3,757	427	359	787	(888)	(2,083)	(2,970)				Movement of NTA to State Department of Post Training
1185 State Department for Social Protection	Total	18,277	13,138	31,865	18,712	12,291	31,003	(15)	(847)	(862)				
	0908000 Social Development and Children Services	2,719	1,503	4,222	3,272	1,002	4,274	553	(501)	52				Reduction in donor commitments
	0909000 National Social Safety Net	15,785	11,635	27,420	15,142	11,289	26,431	(643)	(346)	(989)				Budget Rationalization
	0914000 General Administration, Planning and Support Services	223		223	298	-	298	75	-	75				Increase in AIA. Inability to realize targeted cuts on non-discretionary expenditures
1192 State Department for Mining	Total	1,104	736	1,840	1,104	509	1,613	(0)	(227)	(227)				
	1007000 General Administration Planning and Support Services	715	60	775	706	25	731	(9)	(35)	(44)				Reduction in donor commitments
	1008000 Resources Surveys and Remote Sensing	178	361	539	132	184	316	(46)	(177)	(223)				Reduction in ICT budgets & subscription to International Organizations
	1009000 Mineral Resources Management	211	315	526	265	300	565	54	(15)	39				Reduction in ICT budgets & subscription to International Organizations; Budget rationalization
1193 State Department for Petroleum	Total	264	2,876	3,140	272	3,259	3,530	8	383	390				
	0215000 Exploration and Distribution of Oil and Gas	264	2,876	3,140	272	3,259	3,530	8	383	390				Inability to realize targeted cuts on non-discretionary expenditures
1204 Ministry of Tourism and Wildlife	Total	9,001	3,731	12,732	9,204	3,746	12,950	203	15	218				
	0307000 Trade Development and Promotion				142	-	142	142	-	142				Inability to realize targeted cuts on non-discretionary expenditures
	0306000 Tourism Development and Promotion	2,642	2,620	5,262	2,668	2,620	5,288	26	-	26				Inability to realize targeted cuts on non-discretionary expenditures
	1019000 Wildlife Conservation and Management	6,359	1,111	7,470	6,394	1,126	7,520	35	15	50				Inability to realize targeted cuts on non-discretionary expenditures
1211 State Department for Public Service and Youth	Total	13,136	12,825	25,961	13,443	12,318	25,761	307	(507)	(200)				
	0710000 Public Service Transformation	1,718	2,105	3,823	1,851	1,398	3,249	133	(707)	(574)				Reduction in ICT budgets & subscription to International Organizations. Inability to realize targeted cuts on non-discretionary expenditures
	0709000 General Administration Planning and Support Services	4,029	171	4,200	4,149	-	4,149	120	(171)	(51)				Reduction in ICT budgets & subscription to International Organizations. Inability to realize targeted cuts on non-discretionary expenditures
	0711000 Youth Empowerment	7,389	10,549	17,938	7,442	10,920	18,362	53	371	424				Increase in donor commitments
1212 State Department for Gender	Total	1,616	2,930	4,546	1,857	2,968	4,525	(59)	38	(21)				
	0911000 Community Development		2,130	2,130	-	2,230	2,230	-	100	100				Increase in Affirmative Action Fund

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	0912000 Gender Empowerment	1,365	800	2,165	1,294	738	2,032	(71)	(62)	(133)				Reduction in ICT budgets & subscription to International Organizations
	0913000 General Administration, Planning and Support Services	251		251	263		263	12		12				Inability to realize targeted cuts on non-discretionary expenditures
1221 Ministry of East African Community & Northern Corridor Development	Total	1,534	65	1,599	1,027	65	1,092	(507)	-	(507)				
	0305000 East African Affairs and Regional Integration	1,534	65	1,599	1,027	65	1,092	(507)		(507)				Reduction in ICT budgets & subscription to International Organizations, Movement due to re-organization of Government
1251 Office of The Attorney General and Department of Justice	Total	4,022	1,634	5,656	4,028	1,614	5,642	6	(20)	(14)				
	0606000 Legal Services	1,700	106	1,806	1,812		1,812	112	(106)	6				Reduction in ICT budgets
	0607000 Governance, Legal Training and Constitutional Affairs	1,671	1,450	3,121	1,571	1,548	3,119	(100)	98	(2)				Increase in donor commitments and Budget rationalization
	0609000 General Administration, Planning and Support Services	651	78	729	645	66	711	(6)	(12)	(18)				Reduction in ICT budgets & subscription to International Organizations
1271 Ethics and Anti-Corruption Commission	Total	2,766	120	2,886	2,752	100	2,852	(14)	(20)	(34)				
	0611000 Ethics and Anti-Corruption	2,766	120	2,886	2,752	100	2,852	(14)	(20)	(34)				
1281 National Intelligence Service	Total	27,733	-	27,733	30,711	-	30,711	2,978	-	2,978				
	0804000 National Security Intelligence	27,733		27,733	30,711		30,711	2,978		2,978				Budget rationalization
1291 Office of the Director of Public Prosecutions	Total	2,328	143	2,471	2,312	100	2,412	(16)	(43)	(59)				
	0612000 Public Prosecution Services	2,328	143	2,471	2,312	100	2,412	(16)	(43)	(59)				Budget rationalization
1311 Office of the Registrar of Political Parties	Total	829	-	829	822	-	822	(7)	-	(7)				
	0614000 Registration, Regulation and Funding of Political Parties	829		829	822		822	(7)		(7)				Budget rationalization
1321 Witness Protection Agency	Total	441	-	441	438	-	438	(3)	-	(3)				
	0615000 Witness Protection	441		441	438		438	(3)		(3)				Budget rationalization
2011 Kenya National Commission on Human Rights	Total	420	-	420	392	-	392	(28)	-	(28)				
	0616000 Protection and Promotion of Human Rights	420		420	392		392	(28)		(28)				Budget rationalization
2021 National Land Commission	Total	1,353	300	1,653	1,276	-	1,276	(77)	(300)	(377)				
	0116000 Land Administration and Management	1,353	300	1,653	1,276		1,276	(77)	(300)	(377)				Budget Rationalization, Reduction in ICT budgets & subscription to International Organizations
2031 Independent Electoral and Boundaries Commission	Total	4,439	400	4,839	4,191	43	4,234	(248)	(357)	(605)				
	0617000 Management of Electoral Processes	4,439	400	4,839	3,780	43	3,823	(659)	(357)	(1,016)				Budget Rationalization
	0618000 Delimitation of Electoral Boundaries				410		410	410		410				Budget Re-organization
2061 The Commission on Revenue Allocation	Total	435	-	435	423	-	423	(12)	-	(12)				
	0737000 Inter-Governmental Transfers and Financial Matters	435		435	423		423	(12)		(12)				Budget Rationalization

