



THE NATIONAL TREASURY AND PLANNING

**THE BUDGET SUMMARY FOR THE FISCAL YEAR 2020/21 AND THE SUPPORTING
INFORMATION**

April 30, 2020

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THE BUDGET SUMMARY FOR THE FISCAL YEAR 2020/21 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 2020/21 Budget. This Budget Summary includes:

- i. Policy framework for the FY 2020/21 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 2020/21 Budget;
- iv. An explanation of how the fiscal responsibility principles and the financial objectives over the Medium Term are being met;
- v. A memorandum by the Cabinet Secretary on the resolutions adopted by the National Assembly on the 2020 Budget Policy Statement;
- vi. Information regarding loans, guarantees and other liabilities;
- vii. Revenue allocations to County Governments from the National Government's share in terms of Article 202 of the Constitution, including conditional and unconditional transfers;
- viii. Estimates of revenue and expenditure for State Corporations for the FY ending 30th June, 2021; and
- ix. All estimated revenue by broad economic classification.

II. POLICY FRAMEWORK FOR THE FY 2020/21 BUDGET AND THE MEDIUM TERM

Policy Framework underpinning the FY 2020/21 Budget

Global Growth Outlook

3. The FY 2020/21 budget is prepared against a backdrop of a contracting global economy with severe economic disruptions occasioned by the Covid-19 pandemic. The pandemic has devastated many countries causing interruptions to global production, supply chains, trade flows, volatility in financial markets and tightening of global financial market conditions. Consequently, global growth is projected to contract by -3.0 percent in 2020, from the earlier projection of 3.3 percent in January 2020. This contraction is worse than the 2008-2009 global financial crisis. On the positive side, the global economy is expected to rebound strongly in 2021 to grow by 5.8 percent assuming the pandemic is fully contained in the second half of 2020. Advanced economies have also faced widespread outbreaks occasioning a revision of their 2020 growth outlook from 1.6 percent in January 2020 to negative 6.1 percent in April 2020 and a rebound to 4.5 percent in 2021.

4. Emerging and developing economies are projected to contract by -1.0 percent in 2020, a downward revision from a projected growth of 4.4 percent in January 2020 occasioned by the Covid-19 pandemic, severe external demand shock, tightening conditions in the global financial markets and significant decline in commodity prices. These economies are expected to bounce back in 2021 and grow by 6.6 percent.

5. Amidst the global turbulence, African economies have not been spared. With Africa's increased interconnectedness with the rest of the world, Covid-19 Pandemic poses a new blow to Africa's economies. Consequently, Sub-Saharan's economic growth is projected to contract by -1.6 percent in 2020 from a January projection of 3.5 percent. Like the rest of the world, these economies are projected to rebound strongly to grow at 4.1 percent in 2021.

Domestic Economic Growth

6. Kenya's economy remained strong and resilient prior to Covid-19 pandemic, despite the challenging global environment. In 2019, the economy grew by 5.4 per cent from a growth of 6.3 per cent in 2018. The slower growth in 2019 was partly due to slow agricultural activities following suppressed long rains in key agricultural zones. The growth of agricultural activities slowed down to 3.6 percent in 2019 compared to 6.0 percent in 2018 and was more pronounced in production of crops that declined to 3.8 percent from 7.2 percent and fishing and aquaculture that declined to 1.8 percent from 8.4 percent over the same period. On the other hand, improvements were

recorded in the farming of sorghum, millet, rice and potatoes as well as increased delivery of milk to processors during the twelve months to December 2019.

7. The manufacturing sector was equally suppressed with its performance declining to 3.2 percent in 2019 from 4.3 percent in 2018: Major declines were recorded in the production of wood and wood products, sugar, electrical equipment and cement. On the positive side, enhanced manufacturing of motor vehicles, trailers, plastics, animal and vegetable fats and oils and pharmaceutical products supported the performance of the sector. Credit advanced to enterprises involved in manufacturing increased by 9.3 percent to Ksh 366.9 billion in 2019 reflecting improved activities in the sector.

8. The service sector activities provided significant support to growth in 2019 especially accommodation and restaurant that expanded by 10.3 percent, information and communication that grew by 9.0 percent, transport and storage that grew by 7.8 percent, financial and insurance that grew by 6.6 percent and wholesale and retail trade that grew by 6.6 percent in the twelve months to December 2019. Additionally, electricity and water supply sector recorded a growth of 7.0 percent while construction sector grew by 6.4 percent in the twelve months to December 2019.

9. The outbreak of the Covid-19 pandemic in the world has had a significant negative impact on the Kenyan economy in 2020. This followed the closure of borders by world economies impacting on trade, tourism, agriculture, manufacturing and other related sectors. With the confirmation of the first case in Kenya on March 12, 2020, trade (both imports and exports) and tourist arrivals fell dramatically, partly due to containment measures announced by the Government. While the extent of the adverse effects of the pandemic is still evolving, preliminary analysis shows that most sectors of the economy including tourism, manufacturing, wholesale and retail, will significantly suffer. Agricultural sector has further been affected by the low global demand for agricultural products especially horticulture, tea and coffee, desert locust invasion among others. Further, the reduction in imports of raw materials and intermediate goods from China and other countries has significantly impacted the manufacturing sector. Revenue performance for FY 2019/20 has also been impacted negatively by the low import-related taxes. At the same time, other domestic taxes have shrunk due to declining incomes and depressed consumption as the Government enhanced Covid-19 containment measures including the restricted movements into and out of the most affected counties and night time curfew.

10. Against this backdrop, the projected growth for 2020 has been revised downwards to 2.5 percent from the baseline of 3.0 percent (in early April 2020) and initial projection of 6.1 percent in the 2020 Budget Policy Statement. In tandem with the global predictions, Kenya's economy is expected to rebound subsequently from a projected growth of 2.5 percent in 2020 to grow by 5.8 percent in 2021 and 2022, 6.2 percent in 2023 and 6.5 percent by 2024. This growth will be driven by the services sector, the industry sector as well as the primary sector. In terms of fiscal years,

real GDP growth is projected at 4.0 percent in FY 2019/20, 4.2 percent in FY 2020/21, 5.8 percent in FY 2021/22, 6.0 percent in FY 2022/23 and 6.4 percent in FY 2023/24 (**Table 1 and Annex Table 1**).

11. The growth outlook for the FY 2020/21 and the medium term is supported by a stable macroeconomic environment with inflation expected to remain within the Government target range, after world economies recover from the Covid-19 pandemic. Further, it is expected that Government investments in the “Big Four” Agenda will strengthen growth. Private consumption as well as ongoing public and private investments are expected to support domestic growth. As the world borders that were initially closed due to the spread of Covid -19 pandemic open, Kenya will take advantage to expand its export base.

Table 1: Updated Macroeconomic Framework

	2017/18	2018/19	2019/20			2020/21		2021/22		2022/23		2023/24	
	Act	Act	Printed Estimates	Supp I Budget	Supp II Budget	BPS20	Budget	BPS20	PROJ.	BPS20	PROJ.	BPS20	PROJ.
	Annual percentage change												
National Account and Prices													
Real GDP	5.6	5.9	6.2	5.8	4.0	6.2	4.2	6.3	5.8	6.6	6.0	6.8	6.4
GDP Deflator	6.7	3.2	6.5	5.3	5.4	5.6	6.2	5.4	5.4	5.3	5.4	5.4	5.5
CPI Index (eop)	5.1	5.0	5.2	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI Index (avg)	5.2	4.9	5.3	5.1	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Terms of Trade (-deterioration)	0.8	0.6	0.4	-1.6	2.6	0.8	4.2	1.1	1.1	0.3	0.5	0.4	0.6
	Percentage of GDP												
Investment and saving													
Investment	18.4	17.7	24.4	19.7	15.7	21.4	21.6	22.1	22.1	22.4	23.1	22.6	24.6
Gross National Savings	13.7	13.6	19.8	15.2	11.4	16.6	16.5	17.8	17.0	19.6	19.1	21.2	22.0
Central Government Budget													
Total revenue	17.9	18.3	19.7	20.1	18.6	18.3	16.6	18.5	17.0	18.4	16.9	18.4	17.1
Total expenditure and net lending	25.2	26.2	26.0	27.8	27.1	23.6	24.2	22.8	23.1	21.9	22.5	21.8	21.6
Overall Fiscal balance excl. grants	-7.3	-7.9	-6.3	-7.6	-8.6	-5.3	-7.6	-4.2	-6.1	-3.5	-5.6	-3.3	-4.5
Overall Fiscal balance, incl. grants, cash basis	-7.4	-7.8	-6.0	-6.3	-8.2	-4.9	-7.3	-3.9	-5.7	-3.1	-5.3	-3.0	-4.2
Nominal debt (eop), net of deposits	52.7	57.0	54.1	54.3	58.7	56.1	60.5	53.9	60.0	51.0	59.0	48.3	56.7
External sector													
Current external balance, incl. official transfers	-4.7	-4.1	-4.6	-4.5	-4.2	-4.7	-5.1	-4.3	-5.1	-2.9	-4.0	-1.3	-2.6
Gross reserves in months of imports	6.3	6.4	7.1	6.4	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

12. The macroeconomic outlook is faced with risks from both external and domestic sources. Risks from global sources are on the downside and relate to the devastating impacts of the Covid-19 pandemic; the disruptions of economic and financial markets globally; weaker external demand as most economies are projected to contract. Domestically, the economy will face significant

headwinds from disruption of trade, reduced tourist arrivals, reduced investment flows, restricted movement of people and goods due to Covid-19 containment measures and the disruptions of social norms. Equally, desert locusts continue to pose great challenge to food and fodder security in the country. On the positive side, the timely onset of long rains in the first quarter of 2020 and the forecast of above normal long rains in key agricultural zones during the year will support agricultural activities. The Government continues to monitor the developments while putting in place policy measures to safeguard against the adverse impact to the economy and to safeguard macroeconomic stability.

Fiscal Policy Framework for FY 2020/21 and the Medium Term

13. The fiscal framework underpinning the FY 2020/21 budget and the medium term is in line with the fiscal consolidation plan that aims to gradually reduce the fiscal deficit from 7.8 percent of GDP in FY 2018/19 to 7.3 percent of GDP in FY 2020/21 and 4.2 percent of GDP over the medium term. This will in turn reduce the stock of public debt and create enough fiscal space to fund priority expenditures under the “Big Four” Agenda over the medium term. The fiscal consolidation plan is supported by revenue mobilization and rationalization of low priority recurrent expenditure while protecting capital expenditure.

14. **Fiscal Impact of Covid-19 in FY 2019/20:** Execution of budget for FY 2019/20 has progressed well despite the challenges of reduced revenue collection. In the nine months to 31st March 2020, revenue collection was below target by Ksh 211.9 billion (out of which Ksh 132.3 billion was due to ordinary revenue shortfall and Ksh 79.6 billion in ministerial A-i-A shortfall). The impact of the current Covid-19 pandemic is projected to further worsen revenue collection in the remaining quarter of FY 2019/20 and the projection for FY 2020/21. In particular, import-related taxes such as import duty, VAT on imports, import declaration fees and railway development levy will be negatively affected due to lower imports and closure of trade among countries while other domestic taxes will be affected due to declines in incomes and depressed consumption.

15. To cushion Kenyans against the Covid-19 pandemic and increase liquidity in the economy, the Government has put in place various measures such as reduction in corporate income tax rate and personal income (PAYE) top tax rate from 30 percent to 25 percent, 100 percent tax relief to those earning below Ksh 24,000 per month, reduction in VAT rate from 16 percent to 14 percent and reduction in turnover tax rate from 3 percent to 1 percent among others. These measures will reduce income tax and VAT collections. Overall, it is projected that in the FY 2019/20 the pandemic will directly lead to a revenue loss of about Ksh 79.4 billion and indirectly through the incentives by Ksh 53.7 billion and this will widen the fiscal deficit in FY 2019/20 and in the medium term.

Budget Framework for FY 2020/21

16. Following the various measures put in place by the Government to deal with the impact of the Covid-19 pandemic, the fiscal framework for FY 2019/20 - 2020/21 budget and the medium term has been revised to take into account the existing shortfalls in revenues as at end March 2020 as well as the negative impact on revenue due to the pandemic and the impact of the reduced tax rates under PAYE, Corporate tax and VAT. In this respect, revenue collection for FY 2020/21 is projected to decline to 16.6 percent of GDP down from 18.3 percent of GDP in FY 2018/19. Expenditures have also been revised downwards to provide more resources for interventions related to the Covid-19 pandemic and reduce non priority expenditures during this period.

Revenue and Expenditure Projections

17. The FY 2020/21 budget targets revenue collection including Appropriation-in-Aid (AIA) of Ksh 1,870.5 billion (16.6 percent of GDP) with ordinary revenues projected at Ksh 1,621.4 billion (14.4 percent of GDP). On the other hand, total expenditure and net lending are projected at Ksh 2,729.8 billion (24.2 percent of GDP) while recurrent expenditures will amount to Ksh 1,805.2 billion (16.0 percent of GDP).

Development and Net Lending

18. Ministerial development expenditures including foreign financed projects and allocation to contingencies fund but excluding conditional transfers to the County Governments are projected at Ksh 554.7 billion in the FY 2020/21. Most of the outlays are expected to support critical infrastructure. Part of the development budget will be funded by project loans (Ksh 241.6 billion) and project grants (Ksh 33.1 billion) from development partners, external borrowing while the balance will be financed through domestic resources.

Deficit Financing

19. Reflecting the projected expenditures and revenues, the fiscal deficit, including grants, in the FY 2020/21, is projected at Ksh 823.2 billion (7.3 percent of GDP). The deficit is expected to decline to Ksh 722.9 billion (5.7 percent of GDP) in the FY 2021/22 and to Ksh 662.7 billion (4.2 percent of GDP) in the FY 2023/24. This will maintain fiscal consolidation over the medium term so as to stabilize growth in public debt.

20. The fiscal deficit in FY 2020/21 will be financed by net external financing of Ksh 349.7 billion (3.1 percent of GDP), net domestic borrowing of Ksh 486.2 billion (4.3 percent of GDP) and other net domestic repayments of Ksh 12.6 billion.

21. **Medium Term Fiscal Framework:** Over the medium term, driven by continued reforms, revenue collection is expected at 17.1 percent of GDP by 2023/24 as shown in **Table 2 and Annex Tables 2 (a-d)**. Overall expenditures will decline gradually to 21.6 percent of GDP in the FY 2023/24. With these shifts in the projected expenditures and revenues, the fiscal deficit inclusive of grants is expected to gradually decline to 4.2 percent in the FY 2023/24.

22. **Tax and revenue reforms:** In the recent past revenue mobilization as a share of GDP has been declining but the Government implemented tax policy measures through the tax amendment law to reverse the trend over the medium term. The Government also moved to strengthen tax administration so as to seal loopholes and safeguard revenue base. Save for Covid-19 pandemic, these measures are expected to yield positive results and therefore reverse the trend. These measures will also broaden the tax base and further improve revenue administration into the medium term.

23. **Expenditure Priorities for the FY 2020/21 and the Medium-Term Budget:** Expenditure priorities in the budget for FY 2020/21 and the medium term are aligned to programmes under the “Big Four” Agenda. Specifically, the planned expenditures prioritized employment creation; youth empowerment; enhancing manufacturing activities; rolling out of Universal Health Coverage (UHC); improving food security and nutrition; and easing availability and affordability of houses through construction of affordable houses and spending through the enablers. The outbreak of Covid-19 has necessitated inclusion of spending requirements not initially anticipated in the FY 2019/20 budget.

24. **Deficit Financing:** External creditors (multilateral, bilateral and commercial lenders) and domestic market through the issuance of debt securities (T-Bills and T-Bonds) have remained the main sources of deficit financing to the Government. As such, in the FY 2020/21 and over the medium term, the Government will continue to diversify these sources by maximizing on official external sources for loans on concessional terms.

25. Further, debt and debt service obligations will be evaluated from an economic security perspective to inform public expenditure policy and in line with the Medium Term Debt Management Strategy. Additionally, the Government is working on re-profiling its debt portfolio by replacing expensive commercial debt with relatively cheaper funds from alternative sources. Moreover, the fiscal consolidation that the Government is pursuing, will progressively reduce the debt service over the medium term. The reduction in fiscal deficits will be reinforced by better selection of public investment projects underpinned by prudent pricings and costs containment.

26. Domestically, the designed borrowing plan is anchored in the medium term debt management strategy to ensure public debt sustainability without crowding out the private sector. Additionally, the Government is supporting the development of the domestic debt market by

implementing various financial reforms in the domestic debt market aimed at deepening it and improving efficiency to reduce debt yields and make credit affordable to all sectors.

Table 2: Medium Term Fiscal Framework

FINANCIAL YEAR (FY)	FY 2018/19	FY 2019/20			FY 2020/21		FY 2021/22	FY 2022/23	FY 2023/24	FY 2018/19	FY 2019/20			FY 2020/21		FY 2021/22	FY 2022/23	FY 2023/24
	Prel	Budget	Supp I Budget	Supp II Budget	BPS	Budget	Projections			Prel	Budget	Supp I Budget	Supp II Budget	BPS	Budget	Projections		
	Ksh Billions									Share of GDP								
1.0 TOTAL EXPENDITURE AND NET LENDING	2,433.7	2,796.0	2,874.2	2,767.0	2,748.2	2,729.8	2,908.1	3,153.8	3,401.2	26.2	26.0	27.8	27.1	23.6	24.2	23.1	22.5	21.6
1.1 Recurrent Expenditures (1.2+1.3)	1,531.1	1,760.3	1,760.0	1,765.9	1,781.0	1,805.2	1,895.4	2,067.9	2,265.1	16.5	16.4	17.0	17.3	15.3	16.0	15.1	14.7	14.4
1.2 Ministerial Recurrent Expenditures	1,084.6	1,210.3	1,209.9	1,241.3	1,206.3	1,202.2	1,270.0	1,338.0	1,429.9	11.7	11.2	11.7	12.2	10.4	10.7	10.1	9.5	9.1
o/w Wages and Salaries	417.5	483.5	487.6	476.6	483.7	481.7	541.3	573.8	591.0	4.5	4.5	4.7	4.7	4.2	4.3	4.3	4.1	3.8
Govt Contribution to civil service pensions	-	10.3	4.8	-	10.3	10.3	21.6	22.9	24.3	-	0.1	0.0	-	0.1	0.1	0.2	0.2	0.2
1.3 Interest Payments and Pensions	446.5	550.1	550.1	524.7	574.7	603.0	625.4	729.9	835.1	4.8	5.1	5.3	5.1	4.9	5.3	5.0	5.2	5.3
1.4 Ministerial Development Expenditures	539.4	651.7	730.2	668.1	587.3	549.7	623.3	687.1	730.0	5.8	6.1	7.1	6.6	5.0	4.9	5.0	4.9	4.6
o/w Domestically Financed	314.0	395.9	448.2	442.9	341.0	299.1	341.7	374.4	412.5	3.4	3.7	4.3	4.3	2.9	2.7	2.7	2.7	2.6
Foreign Financed	225.4	255.8	281.9	225.2	246.3	250.6	281.6	312.7	317.6	2.4	2.4	2.7	2.2	2.1	2.2	2.2	2.2	2.0
1.5 Net Lending	2.5	0.6	0.6	0.6	-	-	-	-	-	0.0	0.0	0.0	0.0	-	-	-	-	-
1.6 Contingencies Fund	-	5.0	5.0	-	5.0	5.0	5.0	5.0	5.0	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0
1.7 County Allocation	360.7	378.3	378.3	332.4	375.0	369.9	384.5	393.7	401.2	3.9	3.5	3.7	3.3	3.2	3.3	3.1	2.8	2.5
o/w Equitable Share	314.0	316.5	316.5	286.5	316.5	316.5	325.7	334.8	341.2	3.4	2.9	3.1	2.8	2.7	2.8	2.6	2.4	2.2
2.0 TOTAL REVENUES	1,701.7	2,115.9	2,084.2	1,892.8	2,134.1	1,870.5	2,139.1	2,367.8	2,691.6	18.3	19.7	20.1	18.6	18.3	16.6	17.0	16.9	17.1
2.1 Ordinary Revenues	1,499.8	1,877.2	1,843.8	1,643.4	1,856.7	1,621.4	1,871.7	2,077.8	2,363.3	16.1	17.4	17.8	16.1	16.0	14.4	14.9	14.8	15.0
2.2 Ministerial AiA	201.9	238.7	240.4	249.4	277.4	249.1	267.4	290.0	328.3	2.2	2.2	2.3	2.4	2.4	2.2	2.1	2.1	2.1
3.0 GRANTS	19.7	38.8	41.8	34.5	42.8	36.1	46.1	46.9	46.9	0.2	0.4	0.4	0.3	0.4	0.3	0.4	0.3	0.3
3.1 AMISOM and Other Programme grants	4.3	5.0	4.0	11.7	4.9	3.0	2.5	-	-	0.0	0.0	0.0	0.1	0.0	0.0	0.0	-	-
3.2 Project grants	15.4	33.8	37.8	22.8	37.9	33.1	43.6	46.9	46.9	0.2	0.3	0.4	0.2	0.3	0.3	0.3	0.3	0.3
4.0 Adjustments to cash basis	-	-	90.7							-	-	0.9	-	-	-	-	-	-
5.0 DEFICIT	(712.3)	(641.3)	(657.4)	(839.8)	(571.2)	(823.2)	(722.9)	(739.0)	(662.7)	(7.7)	(6.0)	(6.3)	(8.2)	(4.9)	(7.3)	(5.7)	(5.3)	(4.2)
6.0 Discrepancy	8.7	(0.0)	-	-	-	-	-	-	-	0.1	(0.0)	-	-	-	-	-	-	-
7.0 FINANCING	721.1	641.3	657.4	839.8	571.2	823.2	722.9	739.0	662.7	7.8	6.0	6.3	8.2	4.9	7.3	5.7	5.3	4.2
7.1 External Commercial Financing	373.7	213.1	213.1	6.2	0.3	6.2	-	-	-	4.0	2.0	2.1	0.1	0.0	0.1	-	-	-
7.2 Project Loans	222.3	247.6	269.8	219.0	242.9	241.6	273.5	302.0	307.6	2.4	2.3	2.6	2.1	2.1	2.1	2.2	2.2	2.0
7.3 Semi concessional Loans					124.1	124.1	124.3	105.6	113.6	-	-	-	-	1.1	1.1	1.0	0.8	0.7
7.4 Programme and other concessional Loans	84.8	2.0	2.0	246.2	152.0	152.0	152.8	134.6	139.9	0.9	0.0	0.0	2.4	1.3	1.3	1.2	1.0	0.9
O/W Programme Loans	8.2	2.0	2.0	96.2	2.0	2.0	3.5	3.5	3.5	0.1	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
Rapid Credit Facility from IMF	-	-	-	74.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DPO (WB & ADB) and Other Concessional Loans	76.6	-	-	150.0	150.0	150.0	149.3	131.1	136.4	0.8	-	-	1.5	1.3	1.3	1.2	0.9	0.9
7.5 Foreign Repayments	(266.2)	(131.4)	(131.4)	(121.5)	(174.1)	(174.1)	(231.3)	(248.7)	(459.9)	(2.9)	(1.2)	(1.3)	(1.2)	(1.5)	(1.5)	(1.8)	(1.8)	(2.9)
7.6 Domestic Financing other than borrowing	2.9	3.2	3.2	152.1	3.2	(12.6)	3.3	3.3	3.3	0.0	0.0	0.0	1.5	0.0	(0.1)	0.0	0.0	0.0
7.7 Domestic Borrowing	303.7	306.8	300.7	337.8	222.9	486.2	400.2	442.1	558.1	3.3	2.8	2.9	3.3	1.9	4.3	3.2	3.1	3.5
Nominal GDP (Fiscal Year)	9,303.1	10,765.7	10,355.4	10,196.6	11,636.9	11,275.8	12,575.9	14,043.6	15,759.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

NB. Ministerial Expenditures includes revised ceilings for Judiciary and Parliament

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

27. 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 resolutions on the FY 2019/20 Budget, FY 2019/20 Supplementary Estimates No.1 and the 2020 Budget Policy Statement.

A. STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS BY THE NATIONAL ASSEMBLY ON THE 2019/20 BUDGET

28. **Resolution 1: Ksh 4.6 billion allocated to the Ministry of Health for roll-out of Universal Health Coverage to the 43 Counties be released only upon provision of a summative report on the progress of Universal Health Care rollout in the 4 pilot Counties.**

Action taken: The Ministry of Health has indicated that the summative report on the progress of Universal Health Coverage rollout to the 4 pilot Counties was finalized and submitted to the National Assembly.

29. **Resolution 2: National Treasury comes up with a framework for the completion of stalled projects by October 1, 2019.**

Action taken: The National Treasury will continue to prioritize and allocate resources for completion of stalled projects when the fiscal environment improves. In the FY 2020/21 Budget, we have allocated Ksh 218 million for completion of stalled government buildings and ESP markets.

30. **Resolution 3: House considers amending the Public Finance Management Act, 2012 to put sanctions and penalize any Ministry, Department or Agency that fails to settle outstanding commitments, or that commits the Government when there are inadequate provisions.**

Action taken: Parliament to consider necessary amendments to the Public Finance Management Act, 2012. However, the Public Procurement and Disposal Act, 2015 already requires that no entity shall commit the Government where there is no budgetary provision.

31. **Resolution 4: State Department for Early Learning and Basic Education conducts an infrastructural audit in all public schools within the next three months to identify infrastructural gaps and prepare a plan of action aimed at ensuring that the distribution of**

the funds is equitable and priority accorded to schools located in rural areas. Further the State Department should submit quarterly reports on how infrastructural funds have been utilized.

Action taken: The State Department of Early Learning and Basic Education allocated **Ksh 1.8 billion** during the FY2019/20 budget to upgrade secondary schools to national schools and improve primary and secondary schools' infrastructure. During the financial year **Ksh 1.1 billion** had been disbursed to various schools and the balance was rationalized during Supplementary II due to non-performance of revenue collection. To ensure equitability, the State Department funds school infrastructure development in all the Sub-Counties across the Country. Due to the current public health situation in the Country, the State Department will be advised to comply with this requirement in the FY 2020/21.

32. Resolution 5: *The State Department for Vocational and Technical Training, the Ministry of Interior and Coordination of National Government and the National Government Constituency Development Fund (NGCDF) management initiate modalities within the next three months to ensure that stalled Technical Training Institutes (TTIs) projects are completed.*

Action taken: The State Department for Vocational and Technical Training, the Ministry of Interior and Coordination of National Government and the National Government Constituency Development Fund (NGCDF) management were unable to fund stalled TTIs due to the constrained fiscal space. The stalled projects will be prioritized for completion over the Medium-Term.

33. Resolution 6: *Funds earmarked for relief food be budgeted under the Ministry of Devolution to ensure adequate and timely planning and distribution of the requisite money and relief food to Kenyans in need throughout the year.*

Action taken: All funds earmarked for relief food and humanitarian assistance in the FY 2019/20 have been budgeted under the Ministry of Devolution and ASAL development.

34. Resolution 7: *Beginning FY 2019/20, the Controller of Budget report includes non-financial performance reports in the Quarterly Budget Implementation Reports to facilitate proper oversight by Parliament and the County Assemblies as per the Constitutional requirements.*

Action taken: The Office of the Controller of Budget to report on the compliance with the resolution to include non-financial performance reports in the Quarterly Budget Implementation Reports from FY 2020/21.

35. Resolution 8: *The responsible Cabinet Secretary ensure that regulations on the Cherry Revolving Fund under the State Department for Cooperatives as well as the Ajira*

Fund under the State Department for ICT are developed and fast tracked in order to ensure proper operationalization of the Funds, and are submitted to Parliament for consideration before the end of the 1st quarter of the FY 1920/20.

Action taken: The Coffee Cherry Fund Regulations have been finalized and have been submitted to Parliament for approval. The operationalization of the Ajira Fund has been suspended and consequently the State Department for Information, Communication and Technology has not prepared the Regulations.

36. **Resolution 9: State Department for Sports prepares and submits its planned activities and expenditure plans which will be funded by the proceeds from the Sports, Arts and Social Development Fund for pre-budget scrutiny by relevant committee in the next budget process.**

Action taken: The State Department for Sports is expected to submit its planned activities and expenditures funded from the proceeds of the Sports, Arts and Social Development Fund to the relevant Committees of Parliament during discussions on the FY 2020/21 Budget.

37. **Resolution 10: Starting July 1, 2019, the National Tree Planting Campaign Project be implemented by way of inter-sectorial approach, and undertaken by institutions with the technical know-how such as the Kenya Forest Service, through community forest associations, Kenya Water Towers Agency, and the Kenya Forestry research Institute instead of being a project exclusive to the headquarters of the Ministry of Environment and Forestry.**

Action taken: As resolved, the allocation to National Tree Planting Campaign Project amounting to Ksh 1 billion was distributed to the key technical agencies that is Kenya Forest Service (Ksh 775 million) Kenya Forestry Research Institute (Ksh 75 million) Kenya Water Towers Agency (Ksh 50 million) and Headquarters (Ksh 100 million).

38. **Resolution 11: The Cross-Country Bulk Water and Sanitation Programme be rolled out in a manner that promotes equitable distribution of water resources throughout the Country.**

Action taken: When submitting the FY 2019/20 Budget, Cross-Country Bulk Water and Sanitation Programme had an allocation of **Ksh 3 billion** distributed in three projects covering a few Counties. As resolved by the National Assembly, this amount was reduced to **Ksh 2 billion** and collapsed as a transfer to address the issue of equitable distribution.

39. **Resolution 12: The National Treasury considers providing for resources in the FY 2019/20 financial year to rehabilitate roads that were recently washed away by flood across the Country.**

Action taken: The National Treasury allocated Ksh 60.3 billion in the FY 2019/20 Supplementary Estimates No.2 for rehabilitation of roads. In the FY 2020/21 Budget Ksh 31.5 billion has been allocated for rehabilitation of roads across the Country including those washed away by floods.

40. **Resolution 13: *The Parliamentary Service Commission Budgets for retired Speakers as per the Retirement Benefits (Deputy President and Designated State Officers) Act, 2015 commencing July, 2019 akin to other arms of Government which also incorporate budgeting for respective offices contemplated in the Act.***

Action taken: The Parliamentary Service Commission has already implemented the resolution and budgeted for retired Speakers as per the Retirement Benefits (Deputy President and Designated State Officers) Act, 2015 commencing July, 2019.

41. **Resolution 14: *Both Bus Rapid Transit and Diesel Multiple Units be domiciled in the State Department for Transport and that the Kenya National Shipping Line remains in the State Department for Shipping and Maritime Affairs for ease of coordination and management.***

Action taken: Organization structure of the Executive including assignment of function is the mandate of the Presidency. In view of this, the National Treasury has prepared the FY 2019/20 Supplementary Estimates and the FY 2020/21 Budget in accordance to the Executive Order No.6 of 2019 on the re-organization of Government.

B. STATUS OF IMPLEMENTATION OF THE RESOLUTIONS OF THE NATIONAL ASSEMBLY ON THE 2019/20 SUPPLEMENTARY ESTIMATES NO.1

42. During the approval of the FY 2019/20 Supplementary Estimates No.1, the National Assembly made the following resolutions which we have addressed as indicated in the subsequent paragraphs.

43. **Resolution 1: *That each financial year, upon approval of the annual estimates, the Cabinet Secretary for National Treasury ensures that the National Treasury uploads the approved Budget into Integrated Financial Management Information System(IFMIS) in accordance with the PFM Regulations(2015), within seven day of the enactment of the Appropriations Act so as to ease implementation of annual work plans, procurement plans and clearance of pending bills and that a status report to be submitted to National Assembly every quarter.***

Action taken: That after the approval of the Appropriation Act for FY 2019/20 Supplementary Estimates No.1, the Cabinet Secretary/National Treasury & Planning approved uploading of the Budget Estimates and the Estimates were uploaded accordingly in the IFMIS. Further, the National

Treasury submits to the National Assembly Quarterly Economic and Budget Report every quarter. This report provides the status of the budget implementation for the financial year.

44. Resolution 2: *That the Cabinet Secretary for the National Treasury institutionalizes the Street Children Rehabilitation Trust Fund and released Ksh 153.9 million held in suspense account to enable the Trust Fund to execute its mandate and thereafter submit status report on this resolution to the National Assembly by February.*

Action taken; Pursuant to Section 45(1) and (2) of the Public Finance Management Act, 2012, the National Treasury advised the State Department to surrender the unspent balances to the Exchequer and request the National Treasury for additional funding to cater for their expenses. The National Treasury is waiting for response from the State Department. The request will be considered in the context of the FY2020/21 Budget.

45. Resolution 3: *That the approval of payment of Ksh 1.16 billion to Loiyangalani – Suswa Transmission Line under Lake Turkana wind power project be deferred awaiting the findings of the special forensic audit, the recommendation of the relevant Committee and decision of the House.*

Action taken: The Office of Auditor General has completed the audit as recommended by Parliament. However, the Auditor General is not in place to sign the audit. The National Treasury has however proposed a provision of Ksh 1.16 billion in the FY 2019/20 Supplementary Estimates No. 2 for consideration and approval by the National Assembly.

46. Resolution 4: *That the National Treasury should not effect, through the IFMIS and/or through Treasury Circulars, any reduction in the approved Budget of Judiciary, Parliament and/ or any Ministries, State Departments and Agencies before approval by the House as doing so is illegal.*

Action taken: The National Treasury appreciates the said policy resolution in future budgets. However, given that the Country is facing the challenge of the Corona virus (Covid-19) which is being experienced across the globe, there is slowdown in economic growth leading to under performance of the revenue. Further, there is need to provide resources to counter the effects of the Covid-19.

47. In this regard, the National Treasury has rationalized the FY 2019/20 Budget Estimates for the Executive, Parliament and Judiciary to address the emerging issues of Covid-19 and low revenue performance for consideration and approval by the National Assembly.

IV. HIGHLIGHTS OF THE FY 2020/21 BUDGET

48. The FY 2020/21 will continue with the implementation of the “Big Four” Agenda. Thus, 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 other critical sectors such as education, infrastructure, energy and social protection will remain protected so as to achieve the targeted objectives.

49. We also intend to initiate expenditure policy reforms to create further fiscal space to cater for the economic recovery initiatives to mitigate against the impact of the Covid-19 pandemic.

50. The overall total gross expenditures in the FY 2020/21 budget is as indicated in **Table 3** below:

Table 3: Summary of Budget Estimates for FY 2020/21

FY 2020/21 SUMMARY OF BUDGET ESTIMATES		
Item Description	FY 2019/2020(Supplementary Estimates No. 1)	FY 2020/2021 Estimates
1.0 National Government Budget Estimates	2,006,964,144,131	1,804,989,353,363
Executive	1,947,872,783,131	1,751,744,803,763
Parliament	39,889,291,000	35,193,650,000
Judiciary	19,202,070,000	18,050,899,600
2.0 Consolidated Services Fund	805,779,795,289	927,593,191,519
3.0 County Allocation(Sharable Revenue)	316,500,000,000	316,500,000,000
Total	3,129,243,939,420	3,049,082,544,882

51. The allocation to the Executive comprise Ksh 1,167.4 billion for the Recurrent Budget and Ksh 584.3 billion for Development Budget. The allocation to County Governments of Ksh 316.5 billion excludes Conditional Grants amounting to Ksh 53.4 billion.

52. The Highlights of FY 2020/21 Budget are as indicated in the subsequent paragraphs:

a. “Big Four” Agenda Allocations

53. Ksh 127.3 billion has been allocated in the FY 2020/21 Budget to implement “Big Four” Agenda under all clusters, both for drivers and enablers as indicated in **Table 4** below;

Table 4: “Big Four” Agenda Allocations for the FY 2020/21

ITEM DESCRIPTION		Amount(Ksh.)
		FY 2020/21 Budget
1.0 UNIVERSAL HEALTHCARE		50,265,805,271
	1152 Ministry of Energy	637,000,000
	1095 State Department for Public Works	109,300,000
	1091 State Department for Infrastructure	1,014,325,000
	1109 Ministry of Water, Sanitation & Irrigation	759,000,000
	1122 State Department for Information Communication Technology	409,290,271
	1081 Ministry of Health	47,336,890,000
2.0 MANUFACTURING		18,191,131,000
	ENABLERS	
	1152 Ministry of Energy	2,664,000,000
	1095 State Department for Public Works	61,500,000
	1109 Ministry of Water, Sanitation & Irrigation	524,000,000
	1091 State Department for Infrastructure	756,000,000
	1122 State Department for Information Communication Technology	35,000,000
	1192 State Department for Mining	30,000,000
	1175 State Department for Industrialization	6,500,831,000
	1092 State Department for Transport	6,129,800,000
	1065 State Department for University Education	1,490,000,000
	1222 State Department for Regional and Northern Corridor Development	312,000,000
3.0 FOOD SECURITY		52,071,093,120
	ENABLERS	
	1152 Ministry of Energy	
	1109 Ministry of Water, Sanitation & Irrigation	10,734,598,120
	1091 State Department for Infrastructure	2,285,675,000
	1169 State Department for Crop Development & Agricultural Research	29,281,970,000
	1162 State Department for Livestock	2,595,200,000
	1166 State Department for Fisheries, Aquaculture & the Blue Economy	3,277,200,000
	1222 State Department for Regional and Northern Corridor Development	815,450,000
	1071 The National Treasury	500,000,000
	1112 Ministry of Lands and Physical Planning	2,581,000,000
4.0 AFFORDABLE HOUSING		6,757,200,000
	ENABLERS	
	1152 Ministry of Energy	
	1095 State Department for Public Works	29,200,000
	1109 Ministry of Water, Sanitation & Irrigation	1,294,000,000
	1091 State Department for Infrastructure	705,000,000
	1071 The National Treasury	4,200,000,000
	1094 State Department for Housing & Urban Development	529,000,000
GRAND TOTAL		127,285,229,391

b. Allocations under key Thematic Areas

54. Allocations in the FY2020/21 Budget broadly remain within the approved 2020 BPS ceilings, with variations on account of expenditure rationalization to reflect the revised Fiscal Framework. **Table 5** below details the key allocations in thematic areas:

Table 5: Allocations under key Thematic Areas in the FY 2020/21 Budget

Thematic Areas	Amount (Ksh million)
1. Agriculture and Food Security	36,586
National Value Chain Support Programme	1,542
Cotton Industry Revitalization	240
Livestock & Crop Insurance Scheme	595
Livestock Production (Big Four Interventions)	270
Food Security and Crop Diversification Project	1,000
Kenya Cereal Enhancement Programme	4,185
Small Scale Irrigation and Value Addition Project	1,475
Drought Resilience and Sustainable Livelihood Programme	1,073
Kenya Climate Smart Agriculture Project	10,590
National Agricultural & Rural Inclusivity Project	5,511
Agricultural Sector Development Support Programme II	949
Climate Smart Agricultural Productivity Project	339
Fall Army Worm Mitigation	425
Establishment of Liquid Nitrogen Plants - KAGRC	200
Sustainable Tse Tse and Trypanosomiasis Free Areas in Kenya - KENTTEC	220
Aquaculture Technology Development and Innovation Transfers	430
Development of Blue Economy Initiatives	383
Rehabilitation of Fish Landing Sites in Lake Victoria	222
Aquaculture Business Development Project	1,807
Construction of Shimoni Mariculture Centre	435
Regional Pastoral Livelihood Resilience project	1,297
Livestock Value Chain Support Project	142
Modernize Foot & Mouth Disease Laboratory for GMP standards	176
Processing and Registration of Title deeds	2,011
Digitization of Land Registries	570
Agricultural Loans (Agricultural Finance Corporation)	500
2. Transport	36,672
Standard Gauge Railway: Nairobi to Naivasha (Phase II)	18,094

Mombasa Port Development Project(Donor)	5,000
LAPSSET Project	7,250
Insurance for ferries for Likoni channe	328
Dongo Kundu Special Economic Zone	3,000
Naivasha Special Economic Zone (Textile Park)	3,000
3. Roads	181,415
Construction of Roads and Bridges	86,948
Rehabilitation of Roads	31,591
Maintenance of Roads	61,876
Design of Roads and Bridges	1,000
4. Energy	70,507
Geothermal generation	9,319
Power Transmission and Distribution	48,448
Alternative Energy Technologies	3,666
Electrification of Public Institutions	6,841
Transformers for Constituencies	900
Development of Nuclear Energy	814
Coal Exploration and Mining	519
5. Housing & Urban Development and Public Works	16,237
Kenya Affordable Housing Project (Kenya Mortgage Refinance Company)	4,200
Construction of Housing Units for National Police & Kenya Prison	540
Maintenance of Government Pool Houses	1,018
Kenya Urban Programme (KenUP)	7,566
Construction of Affordable Housing Units	529
Construction of Markets (Gikomba, Githurai, Chaka, Kamkunji, Dagoreti)	1,160
Nairobi Metropolitan Services Improvement Project (NAMSIP)	560
Construction of Vision 2030 Flagship & ESP Markets	110
Construction of County Headquarters	300
Construction of Foot Bridges	146
Construction & Completion of Stalled Government Buildings	108
6. Information, Communication and Technology	11,193
Rehabilitation of NOFBI II Expansion Cable	404
Construction of Konza Complex Phase I B	500
Konza Technopolis Masterplan Consultancy - MDP2	580
Horizontal Infrastructure Phase I - Engineer, Procure, Construct and Finance (EPCF) for KONZA	6,300
Konza data Center & Smart City Facilities	100
Government Shared Services	2,100

Digital Literacy Programme (School Laptop Project)	800
Connectivity to Health Facilities (Big Four)	409
7. National Security	171,262
National Intelligence Service	39,051
Defence	112,482
Leasing of Police Motor Vehicles (In both NT & Interior)	10,699
National Communication and Surveillance System	1,500
Police Modernization Programme	1,000
National Integrated Identity Management System	500
Group Personal Insurance (NPS & Prisons)	2,295
Medical Insurance (NPS & Prisons)	3,400
Equipping of the National Forensic Laboratory	335
8. Educational Sector	201,236
Free Day Secondary Education (Including NHIF for Students)	59,422
Free Primary Education	13,401
School Feeding Programme	1,856
Recruitment of Teachers	2,000
Digital Literacy Programme & Competency Based Curriculum	800
Primary and Secondary Infrastructure	2,040
Construction and Equipping TTIs and Vocational Training Centers	6,268
Subsidy to KNEC for Examination Fees Waiver	4,023
Higher Education Loans Board	16,857
University Education	93,746
National Research Fund	823
9. Health Sector	102,292
Kenyatta National Hospital	13,973
Moi Referral and Teaching Hospital	9,644
Kenya Medical Training Centre	6,789
Cover for the Elderly and Severely Disabled	1,873
Rollout of Universal Health Coverage	12,625
Universal Health Coverage Coordination & Management	4,867
Free Maternity Health Care	4,098
Transforming Health Systems for UHC	5,291
Health Sector Support for Universal Health Coverage	4,000
Rural Health Centers & Dispensaries - Removal of user Fees	900
Conditional Grant to level 5 Hospitals	4,326
Global Fund (HIV, Malaria, TB)	19,438
Cancer Centers (Regional, Kisii, MTRH, KNH)	1,268
Vaccines and Immunizations	1,400

Managed Equipment Services	6,205
Integrated Molecular Imaging Centre (KUTRRH)	583
Kenya COVID-19 Emergency Response Project	2,660
Procurement of Equipment at the National Blood Transfusion Services	600
Procurement of Family Planning & Reproductive Health Commodities	863
KNH Burns and Pediatrics Center	888
10. Manufacturing and Industrialization	6,806
Development of SEZ Textile Park Naivasha	118
Development of Leather Industrial Park - Kenanie	237
Development of Athi River Textile Hub. EPZA	296
Industrial Research Laboratories – KIRDI	689
Kenya Industry and Entrepreneurship Project	1,405
Modernization of RIVATEX	843
Development of Various Small and Medium Enterprises (SMEs) in Kenya	800
Kenya Youth Empowerment and Opportunities Project	715
Constituency Industrial Development Centers	281
Provision of Finances to SMEs in the manufacturing sector KIE	712
Dairy Processing (Powdered Milk)	500
Coffee Industry Revitalization	210
11. Social Protection and Affirmative Action	32,966
Cash Transfer to Elderly Persons	16,673
Cash Transfer to Orphans and Vulnerable Children	7,931
Cash Transfers to Persons with Severe Disability	1,190
Hunger Safety Net Programme	4,383
Kenya Social and Economic Inclusion Project	2,589
National Development Fund for Persons With Disabilities (PWDs)	200
12. Equity, Poverty Reduction, Women and Youth Empowerment	53,667
Kenya Youth Empowerment Project	2,237
National Youth Service (NYS)	9,462
Youth Enterprise Development Fund	359
Youth Employment and Enterprise (Uwezo Fund)	82
Women Enterprise Fund	150
National Government Affirmative Action Fund	2,130
National Government Constituency Development Fund	32,715
Equalization Fund	6,532
13. Sports Culture, Recreation and Tourism	20,437
Sports, Arts and Social Development Fund	14,000
Refurbishment of Regional Stadia	136
Tourism Promotion Fund (TPF)	2,500

Tourism Fund	3,801
14. Environmental Protection, Water & Natural Resources	99,506
Forests and Water Towers Conservation	10,659
Meteorological Service	1,627
Environment Management and Protection	3,214
Water Resources Management	10,878
Water and Sewerage Infrastructure Development	43,730
Water Storage and Flood Control	9,384
Irrigation and Land Reclamation	9,895
Water Harvesting and Storage for Irrigation	1,318
Wildlife Conservation and Management	8,802
TOTAL	1,040,781

V. ADHERENCE TO FISCAL RESPONSIBILITY PRINCIPLES

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

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

56. The National Government's allocation to development expenditures has been above 30 per cent of its total expenditures. In the FY 2020/21, the allocation to development in the budget is 32.6 percent of the total expenditures meeting the set threshold. We will ensure that this requirement is adhered to even over the Medium-Term.

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

57. The National Government has over the years strictly adhered to the requirement. However due to the measures taken to fight COVID-19 pandemic that have significantly reduced the revenues projection for FY 2020/21, the National Government share of wages and benefits to revenues in the FY 2020/21 is projected at 36.9 percent. This is expected to reduce over the medium term following the National Conference of the Public Sector Wage Bill and ensure that the national government's expenditure on wages and benefits 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.

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

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

59. The PFM Act requires that the public debt and obligations be maintained at sustainable levels. Kenya's debt ratios compared with internationally recognized threshold continues to show that debt levels remain sustainable. In addition, the Government's fiscal consolidation programme as outlined in the approved 2020 BPS aims at ensuring stronger debt sustainability position going forward.

60. The external debt sustainability indicators illustrate that Kenya`s debt carrying capacity remains strong, however due to the estimated negative impact of COVID-19 on growth projections, domestic revenue mobilization and exports over the medium term, the risk to debt distress has increased from moderate to high. This risk profile is expected to be short term as the world economies are expected to emerge from the COVID-19 pandemic and in turn enable the demand for our exports and tourism sector to recover, coupled with recovery of domestic consumption and finally improving our growth prospects. In addition, the Government will adhere to its fiscal consolidation plan as well as implement liability management strategy aimed at re-profiling short term commercial loans by replacing them with long dated maturities. This strategy will significantly improve the debt sustainability ratios.

e. Fiscal risks shall be managed prudently

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

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

62. On the principle of maintaining a reasonable degree of predictability with respect to the level of tax rates and tax bases, the Government continues to carry out tax reforms through modernizing and simplifying tax laws. In order to lock in predictability and enhance compliance with tax system, the Government through the Finance Act, 2018, amended the Income Tax Act, Excise Duty Act, VAT Act and the Tax Procedures Act. However, in order to cushion Kenyans from the negative impacts of the Covid-19 pandemic, the Government recently reduced the personal and corporate income tax, the VAT tax rates to 25 percent and 14 percent respectively.

VI. MEMORANDUM ON THE RESOLUTIONS ADOPTED BY THE NATIONAL ASSEMBLY ON THE 2020 BUDGET POLICY STATEMENT

(a) Introduction

63. Section 25(8) of the Public Finance Management (PFM) Act, 2012 prescribes that the Cabinet Secretary for The National Treasury shall take into account resolutions passed by Parliament in finalizing the budget for a given financial year. The National Assembly approved the 2020 Budget Policy Statement (BPS) and the Medium Term Debt Management Strategy for the FY 2020/21 on 5th March, 2020.

64. Section 38(1) (iii) of the PFM Act, 2012 requires the Cabinet Secretary to prepare a memorandum explaining how the resolutions adopted on the BPS have been taken into account. In this regard, the following Section provides a brief to Parliament on the extent to which the resolutions of the House on the 2020 BPS have been taken into account and the reasons thereof.

(b) Resolutions by the National Assembly on the 2020 BPS

65. **Resolution 1: *Before the Budget Estimates for FY 2020/21 are submitted to the House, the National Treasury should resubmit the macroeconomic and fiscal framework with adequate information on debt, clearly indicating the amount of concessional, semi-concessional and commercial loans, as well as clearly outlining the country's borrowing strategy. This information should be accompanied by a list of specific projects that will benefit from these funds and realign what they submit to the medium term debt strategy.***

Action taken: The Macro and Fiscal Framework underpinning the Budget for FY 2020/21 – FY 2023/24 is attached here as Annexes Table 1 and Table 2 (a –d). The Budget Estimates for FY 2020/21 provides adequate information on debt. It provides the borrowing strategy to finance the fiscal deficit through 40 percent net domestic borrowing and 60 percent net external borrowing over the same period. It also provides guidance on how to refinance maturing public debt and funding of the annual fiscal deficits during the period 2020/21-2022/23 while at the same time minimizing costs and risks of overall public debt.

66. **Resolution 2: *By 30th April 2020 when the budget estimates are submitted to the House, the National Treasury develops a criteria for identifying and isolating core priority programmes (Big Four) in the FY 2020/21 budget in order to shield them from expenditure cuts. In addition, a monitoring and evaluation framework and accountability matrix shall be provided clearly identifying the total resource requirements.***

67. **Action taken:** Expenditures related to the 'Big Four' Plan have been clearly identified and isolated in the FY 2020/21 Budget under specific Heads. The Government has developed a

comprehensive Monitoring and Evaluation framework for 'Big Four' Plan through the Presidential Delivery Unit (PDU) which monitors and evaluates the implementation of 'Big Four' projects. This is coordinated by the National Development Implementation Technical Committee (NDITC).

68. Resolution 3: *User Fees (fines and forfeitures) collected by the Judiciary for services rendered shall be retained and applied by the institution in order to enable operationalization of the Judiciary Fund in line with Article 173 of the Constitution, similar to other government institutions that generate and retain AIA revenues.*

Action taken; The National Treasury, wishes to clarify that this resolution is contrary to Government Policy which seeks to convert user fees retained by MDAs (Appropriation In Aid) to revenue due to the exchequer. This policy has been implemented before in the State Department of Immigration and lately in the Ministry of Foreign Affairs. The importance of this policy is to ensure visibility of all national resources, eliminate conflict of interest and to let the Exchequer cushion the relevant MDAs whenever shortfalls arise in the collection of these fees.

In addition, the bulk of the fees collected by the Judiciary are fines and forfeitures, which are fees not intended to defray any court or administration expenses but are legal impositions and penalties required and demanded by law. It is important to remit these fines and forfeitures to the exchequer to avoid any conflict of interest. The Judiciary should retain only fees charged on services they offer in order to defray administration expenses.

Further, the resources proposed for retention is part of the national resource that have already been shared by the National Government (Executive, Parliament, Judiciary and the County Governments). The proposal will introduce a financing gap. The national Treasury is however committed to operationalizing the Judiciary Fund and is currently jointly with the Judiciary finalizing the draft regulations to operationalize the Fund.

69. Resolution 4: *To enforce commitment control, the Ministries, Departments and Agencies shall submit a quarterly projection of details of commitments by sub-programme/project to the National Treasury. The Treasury shall then align its cash releases to those specific commitments.*

Action taken: The National Treasury has critically reviewed this requirement and agreed that there is need to ensure Ministries, Departments and Agencies provide adequate information on the project commitments they are undertaking to ensure accountability. Going forward, details of commitments by sub-programme/project will be submitted by the MDAs to the National Treasury to guide the cash releases from The National Treasury.

70. **Resolution 5: Pending Bills that have been determined as legally payable and above Ksh 500 million, shall be settled through a long-term instrument including and where necessary, use of debt swaps for intergovernmental bills.**

Action taken: The National Treasury is committed to settling of all verified and payable pending bills. In view of this, we have allocated **Ksh 13.1 billion** for settling of payable pending Bills as well as **Ksh 60 billion** for pending bills for roads in the FY 2019/20 Supplementary Estimates No.2. MDAs will be required to prioritize payment of pending bills as a first charge on the FY 2020/21 Budget.

71. **Resolution 6: In order to enhance transparency and accountability, as from 1st July 2020, the net exchequer issues shall be published on the website of the National Treasury by vote, programme and project at the end of each month.**

Action taken: The National Treasury has critically assessed this requirement and will work in conjunction with the Controller of Budget to expedite publication of this information.

Resolution 7: Adequate funds be provided for full operationalization of institutions of public finance, in particular, recent institutions created through various pieces of legislation.

Action taken: The funding for new institutions shall be prioritized and allocated resources by the respective Ministries, Departments and Agencies in the FY 2020/21 Budget and over the Medium-Term.

72. **Resolution 8: On the expenditure reduction efforts, the policy of cutting the budget by a certain percentage across the board has been determined as being an ineffective way of expenditure control. Rather, there ought to be critical reforms in expenditure that will isolate wasteful expenditure and ensure only key expenditure needs are funded.**

Action taken: The National Treasury, while implementing expenditure rationalization is guided by a critical review of expenditures including relevance of such expenditures on the mandate of the MDA to determine non-core expenditure areas. We also consider the absorption status of expenditure items and projects and project likely expenditure levels.

73. **Resolution 9: By 30th April, 2020 when the Budget Estimates are submitted, it should clearly indicate projects that will be funded through the Sports Funds and the funds be directly applied to these projects.**

Action taken: The State Department for Sports is expected to submit the details of projects and activities to be funded by the Sports, Arts and Social Development Fund to the relevant Parliamentary Committee for discussion.

74. **Resolution 10: *The process of filling a vacant constitutional, statutory, or any critical senior leadership position in the public financial and budgetary sectors including the Audit Office be expedited before the incumbent leaves office. This will guarantee continuity and performance of critical roles provided for under the Constitution and Statutes.***

76. **Action taken:** Public Service Commission will ensure that the process of filling vacant Constitutional and statutory or any critical senior leadership position in the Public financial and budgetary sector be expedited before the incumbent leaves office to guarantee continuity and performance of critical roles provided for under the Constitution and Statutes.

75. **Resolution 11: *To support the ongoing reduction in the fiscal deficit, the borrowing strategy shall entail a reliable net domestic borrowing target for FY 2020/21 and the medium term. The commercial debt borrowing target shall be consistent with debt ceiling and the National Treasury shall ensure that external debt service costs do not breach internationally accepted debt service to exports ration threshold in the medium term.***

Action taken: The National Treasury continues to pursue fiscal consolidation and maintain macroeconomic stability so as to reduce the overall cost of debt on the economy and safeguard debt sustainability.

The 2020 Medium-Term Debt Management Strategy provides guidance on how to refinance maturing public debt and funding of the annual fiscal deficits during the period 2020/21-2022/23 while at the same time minimizing costs and risks of overall public debt. The strategy is to finance fiscal deficits through 40 percent net domestic borrowing and 60 percent net external borrowing over the same period.

Financial Resolutions by the National Assembly on the 2020 BPS

76. **Resolution i: *The Ceilings of each arm of Government for FY 2020/21 be capped as follows: Parliament – Ksh 39.14 billion; Judiciary – Ksh 19.05 billion; and Executive – Ksh 1,778.13 billion.***

Action taken: The fiscal framework that informed the 2020 BPS has been revised in light of the COVID-19 pandemic. Revenue projections have been reviewed downwards due to the impact of the pandemic on the economy. Expenditure projections have also been reviewed to prioritize on interventions aimed at addressing the spread of the pandemic and its impact on the economy. In view of this, the revised expenditures are as follows: Parliament – Ksh 35.2 billion; Judiciary– Ksh 18.05 billion; and Executive – Ksh 1,751.7 billion.

Parliament and Judiciary have been requested to adjust their ceilings to the revised expenditure levels.

77. Resolution ii: Ksh 3 billion is allocated for strategic response to public initiatives.

Action taken: In view of the Covid-19 pandemic, the revenue projections for FY 2020/21 have been revised downwards. Consequently, we have rationalized expenditures to align with the revised Fiscal Framework. Regardless of this, the National Treasury will provide Ksh 1 billion for the implementation of these initiatives in the FY 2020/21 Budget through a Supplementary Budget once the initiatives and the relevant MDAs are determined through Public Participation.

78. Resolution iii: *The financing gap of Ksh 7 billion is funded through re-prioritization and re-alignment within the Executives approved ceilings.*

Action taken: In light of the downward revision in revenues, demand for additional expenditures to address the spread of COVID-19 and its impact on the economy, there is no fiscal space to accommodate the additional expenditures.

79. Resolution iv: *In effecting the approved ceilings for each arm of Government, the National Treasury should take into consideration the summary of recommendations as indicated in Schedule 2 & 3.*

Action taken: In light of the downward revision in revenues, demand for additional expenditures to address the spread of COVID-19 and its impact on the economy, there is no fiscal space to accommodate additional expenditures.

80. Resolution v: *County Governments be allocated Ksh 369.868 billion for FY 2020/21 distributed as follows:*

(a) County Government Equitable Share of Ksh 316.5 billion

(b) Conditional allocation from the National Governments equitable share as follows:

- **Leasing of Medical Equipment – Ksh 6.205 billion**
- **Compensation for User fees foregone –Ksh 900 million**
- **Level 5 Hospitals – Ksh 4.326 billion**
- **Construction of County Headquarters – Ksh 300 million**
- **Rehabilitation of Village Polytechnics – Ksh 2 billion**
- **Allocation from Fuel Levy Fund – Ksh 9.433 billion**
- **Allocation from Loans and Grants – Ksh 30.204 billion.**

(c) Before finalization of the Division of revenue Bill (DorB), the transfer of functions of the Nairobi County to the National Government shall be reflected in the allocations provided.

Action taken: County Governments have been allocated Ksh 369.868 billion for FY 2020/21 distributed as follows:

(a) County Government Equitable Share of Ksh 316.5 billion

(b) Conditional allocation from the National Governments equitable share as follows:

- Leasing of Medical Equipment – Ksh 6.205 billion
- Compensation for User fees foregone –Ksh 900 million
- Level 5 Hospitals – Ksh 4.326 billion
- Construction of County Headquarters – Ksh 300 million
- Rehabilitation of Village Polytechnics – Ksh 2 billion
- Allocation from Fuel Levy Fund – Ksh 9.433 billion
- Allocation from Loans and Grants – Ksh 30.204 billion.

(c) The National Treasury shall ensure the transfer of functions of the Nairobi County to the National Government shall be reflected in the allocations provided for in the County Allocation of Revenue Bill, 2020. The above actions are included in the FY 2019/20 Supplementary II Budget submitted to Parliament.

81. Resolution vi: *The allocation to the Equalization Fund of Ksh 6.53 billion be as provided in the Budget Policy Statement.*

Action Taken: We have allocated Ksh 6.53 billion in the FY 2020/21 Budget for the Equalization Fund.

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

82. The National Treasury proposed that County Governments be allocated Ksh 6.5 billion from the Equalization Fund in FY 2020/21 to finance development projects in the marginalized areas. The National Assembly, however allocated Ksh 6.78 billion to the Equalization Fund in FY 2020/21. Accordingly, cumulative allocations to the Equalization Fund since its introduction amount to Ksh 43.8 billion since FY 2013/14 to FY 2020/21. Failure to allocate in some years is attributable mainly to: i) delay in approval of the initial Policy setting out the criteria to identify marginalized areas; ii) delay in approval of the PFM (Equalization Fund) Guidelines, 2015; and, iii) lapse of the Equalization Fund Appropriations Act, 2017. Nevertheless, allocations in FYs 2015/16 and 2016/17 were enhanced to make up for the shortfalls.

83. As at 30th June, 2019, the National Treasury had cumulatively disbursed Ksh 10.3 billion to National Government agencies implementing Equalization Fund projects countrywide. The disbursement is equivalent to 83.4 percent of the total expenditure of Ksh 12.4 billion approved by National Assembly under the first Marginalization Policy. Out of the total disbursed funds of Ksh 10.3 billion from the Equalization Fund to implementing agencies, the agencies have been able to spend a cumulative of Ksh 7 billion or 68% of the funds disbursed to them. This expenditure comprises of Ksh 121.6 million for administrative expenses and Ksh 6.9 billion as development expenditure.

84. Article 221(2) of the Constitution requires the National Treasury to submit estimates of expenditure from the Equalization Fund for FY 2020/2021. Since projects to be financed under the second Policy have not been identified, the National Treasury has not yet prepared the required estimates.

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

85. In FY 2020/21, the National Treasury proposes that County Governments be allocated an equitable share of revenue raised nationally of Ksh 316.5 billion. The Counties' FY 2019/20 equitable revenue share allocation of Ksh 316.5 billion (as per the Division of Revenue Act, 2019, and the County Allocation of Revenue Act, 2019), was retained for the FY 2020/21. This was necessitated by the prolonged shortfalls in ordinary revenue vis-à-vis the estimates, the fact that the National Government continues to solely bare the shortfalls in revenue in any given FY and a proposal by the National Treasury that all the increment in revenues be earmarked for Consolidated Fund Services (CFS), as discussed in the 2020 Budget Policy Statement (BPS). This proposal, has been approved by Parliament. Since the annual Division of Revenue Act is prepared using revenue estimates, any shortfalls in actual revenue undermine the base for computing equitable shares for both levels of Government.

86. In addition to the equitable share of revenue raised nationally, the National Treasury proposes that County Governments receive additional conditional allocations amounting to Ksh 53.4 billion. This reflects a decrease of Ksh 8.2 billion. This decreased has been occasioned by decrease of donor funded additional conditional allocations compared with the funding in financial year 2019/20. This comprises: i) additional conditional allocations from the National Government of Ksh 13.7 billion; ii) 15 percent of collections from the Road Maintenance (Fuel) Levy Fund, amounting to Ksh 9.4 billion; and, iii) conditional allocation from proceeds of external loans and grants amounting to Ksh 30.2 billion. Each conditional allocation is distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula.

87. The 2020 BPS and the Division of Revenue Bill (DoRB), 2020 submitted by the National Treasury to Parliament contains the vertical division of revenue summarized in **Table 6**.

88. Horizontal distribution of County Governments' equitable revenue share allocation for FY 2020/21 is based on the second basis of the revenue allocation criteria approved by Parliament in accordance with Article 217 of the Constitution. The criteria uses six parameters with specific weight, namely: population (45 percent), land area (8 percent), poverty (18 percent), a basic equal share (26 percent), fiscal responsibility (2 percent) and development factor (1 percent).

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

and, County public works, utilities and ancillary services. In this regard and in order to ensure that resources necessary for performance of the four functions are transferred as contemplated under Article 187 of the Constitution, it will be necessary to amend the Division of Revenue Bill 2020 and the County Allocation of Revenue Bill 2020 once ascended into law.

Table 6: Total County Allocations for FY 2020/21

Type/Level of allocation	Amount in Ksh.	Percentage (%) of 2016/17 audited and approved Revenue i.e. Ksh 1,357,698 Million
A. Total Sharable Revenue	1,856,700,000,000	
B. National Government*	1,533,668,000,000	
Of which:		
1. <i>Leasing of Medical Equipment</i>	6,205,000,000	
2. <i>Compensation for user fees forgone</i>	900,000,000	
3. <i>Level 5 hospitals</i>	4,326,000,000	
4. <i>Supplement for construction of county headquarters</i>	300,000,000	
5. <i>Rehabilitation of Youth Polytechnics</i>	2,000,000,000	
C. Equalization Fund	6,788,490,000	0.50%
D. County equitable share	316,500,000,000	23.31%
Memo items		
1. County equitable share	316,500,000,000	
2. Additional conditional allocations(National Government share of Revenue) of which;	13,731,000,000	
2.1. <i>Leasing of Medical Equipment</i>	6,205,000,000	
2.2 <i>Compensation for user fees forgone</i>	900,000,000	
2.3 <i>Level 5 hospitals</i>	4,326,000,000	
2.4 <i>Supplement for construction of county headquarters</i>	300,000,000	
2.5 <i>Rehabilitation of Youth Polytechnics</i>	2,000,000,000	
3. Allocation from Fuel Levy Fund (15%)	9,433,265,625	
4. Conditional allocations (Loans & grants) of which:	30,204,347,510	
4.1 <i>IDA-Kenya Devolution Support Program (KDSP) (Level 1)</i>	<i>2,115,000,000</i>	
4.2 <i>IDA-Transforming Health Systems for Universal Care Project</i>	<i>4,345,375,741</i>	
4.3 <i>DANIDA-Universal Healthcare For Devolved System Program</i>	<i>900,000,000</i>	

4.4 IDA-National Agriculture & Rural Inclusive Growth Project (NARIGP)	4,261,646,438	
4.5 EU-Instruments for Devolution Advice and Support (IDEAS)	216,014,391	
4.6 IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	7,119,726,782	
4.7 World Bank- Kenya Urban Support Program(KUSP)- UDG	6,366,000,000	
4.8 IDA- Water and Sanitation Development Project (WSDP)	3,400,000,000	
4.9 Sweden Agriculture Sector Development Programme II (ASDP II)	652,584,158	
5.0 EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	528,000,000	
5.1 Drought Resilience Programme in Northern Kenya	300,000,000	
Total County Allocations= (1+2+3+4)	369,868,613,135	27.24%

**The National Government share includes Ksh 4,300 million which is a special grant to the National Health Insurance Fund (NHIF) for free maternal health care, to be disbursed as a reimbursement to County Governments.*

IX. OTHER BUDGET DOCUMENTS AND INFORMATION

104. The following information and documents have been prepared to accompany the FY 2020/21 budget estimates: highlights of the 2020 Medium Term Debt Management Strategy (MTDS), domestic and external loan redemption and interest, list of guaranteed loans, revenues for guaranteed loans repayment interest, a list of Semi-Autonomous Government Agencies receiving funds from the exchequer as well as public pensions and Public Service Superannuation Scheme. The details are given as follows:

A. Highlights of the 2020 Medium Term Debt Management Strategy

105. The 2020 MTDS covering the period FY2020/21- FY2022/23 will implement the government's desired composition of the debt portfolio. The 2020 MTDS provides guidance on how to refinance maturing public debt and funding of the annual fiscal deficits during the period 2020/21-2022/23 while at the same time minimizing costs and risks of overall public debt

106. The strategy is to finance fiscal deficits through 40 percent net domestic borrowing and 60 percent net external borrowing over the same period. The strategy will be achieved through 72 percent gross borrowing from of domestic debt market and 28 per cent from external sources over the medium term. Gross external borrowing on concessional and semi-concessional terms is projected at 15 percent and 13 percent respectively. The focus of the 2020 debt management strategy is to fund the fiscal deficits while at the same time reducing refinancing risk by lengthening the maturity of existing securities. In particular, it is aimed at accessing more concessional funding to minimize the carrying cost of debt.

107. Government will continue to pursue fiscal consolidation and maintain macroeconomic stability so as to reduce the overall cost of debt on the economy and safeguard debt sustainability. Any adverse shock on the macroeconomic variables, such as exchange rate or interest rates, will directly translate to deterioration of the debt position and debt service burden and hence fiscal instability.

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

108. Total outstanding loans by the National Government to State Corporations, Government Agencies, and other organizations as at June 30th, 2019 stood at Ksh 809.9 billion (**Table 7**).

Table 7: Statement of Outstanding Loans to State Corporations and Other Agencies as at 30th June, 2019

	TO WHOM LENT	Amount Lent	Amount Repaid/ Written Off	Amount Outstanding
		Kshs	Kshs	Kshs
1	Agricultural Finance Corporation	562,294,453	87,175,290	475,119,163
2	Agricultural Settlement Fund and Central Land Board.	126,326,880	47,253,828	79,073,052
3	Agro-chemical & food Company Ltd	2,941,884,000	95,000,000	2,846,884,000
4	Athi Water Services Board	39,599,586,946	481,217,885	39,118,369,061
5	Catering Levy Trustee/Kenya Utalii College	140,000,000	13,000,000	127,000,000
6	Coast Water Service Board	12,241,117,290	-	12,241,117,290
7	Co-operative Bank of Kenya Ltd	658,861,548	256,710,212	402,151,336
8	East African Sugar Industries Limited, Muhoroni	177,123,100	-	177,123,100
9	Eldoret Municipal Council	1,058,673,824	708,673,824	350,000,000
10	Equity Bank Ltd	872,782,214	451,449,408	421,332,807
11	Faulu Kenya Deposit Taking Micro-Finance Ltd.	235,568,667	98,153,611	137,415,056
12	Halal Meat Products	27,701,420	-	27,701,420
13	IDB Capital Limited	1,555,675,500	-	1,555,675,500
14	Industrial and Commercial Dev. Corporation	1,254,936,119	883,087,559	371,848,560
15	Kenya Airports Authority	4,251,876,908	1,173,498,805	3,078,378,104
16	Kenya Civil Aviation Authority	2,087,092,807	376,578,106	1,710,514,701
17	Kenya Electricity Generating Co. Ltd.	129,416,615,900	22,271,014,444	107,145,601,456
18	Kenya Meat Commission	940,241,100	-	940,241,100
19	Kenya Power and Lighting Co. Limited	73,713,141,269	9,375,373,658	64,337,767,610
20	Kenya Railways Corporation	473,210,691,342	-	473,210,691,342
21	Kenya Tourist Development Corporation	48,000,000	-	48,000,000
22	Kenya Urban Transport Various Towns	40,706,140	-	40,706,140
23	Kenya Women Finance Trust Deposit Taking Micro-Finance Ltd.	241,334,333	100,555,971	140,778,362
24	Kenyatta University	10,857,620,656	-	10,857,620,656
25	Kilifi Mariakani Water & Sewerage Co. Ltd	1,059,644,328	-	1,059,644,328
26	Kwale Water & Sewerage Co. Ltd	2,051,265,560	-	2,051,265,560
27	K-Rep Bank Kenya	250,000,000	215,004,019	34,995,981
28	Lake Basin Development Authority (LBDA)	2,000,000,000	-	2,000,000,000
29	Lake Victoria North Water Services Board	7,593,445,499	-	7,593,445,499
30	Lake Victoria South Water Services Board	13,121,785,606	-	13,121,785,606
31	Local Government Loans Authority	7,688,792,480	94,518,760	7,594,273,720

32	Malindi Water, Sewerage & Sanitation Co. Ltd	1,058,633,217	-	1,058,633,217
33	Miwani Outgrowers Mills Limited	6,600,000	-	6,600,000
34	Miwani Sugar Company (1989) Limited	16,000,020	-	16,000,020
35	Miwani Sugar Mills Limited	78,088,180	-	78,088,180
36	Moi University	250,000,000	18,750,000	231,250,000
37	Mombasa Pipeline Board	63,400,000	40,435,020	22,964,980
38	Mombasa Water & Sanitation Co. Ltd	1,798,411,538	-	1,798,411,538
39	Mumias Outgrowers Company Limited	43,208,440	26,691,040	16,517,400
40	Mumias Sugar Company Limited	3,000,000,000	-	3,000,000,000
41	Nairobi City Council	123,109,580	20,775,820	102,333,760
42	National Irrigation Board	2,262,036,544	-	2,262,036,544
43	National Water Conservation and Pipeline Corporation	2,460,874,897	-	2,460,874,897
44	Northern Water Services Board	5,389,000,000	-	5,389,000,000
45	Nyeri Water and Sewerage Company	1,159,592,738	504,170,757	655,421,981
46	Nzoia Sugar Company Limited	482,139,360	23,629,260	458,510,100
47	Rafiki Deposit Taking Micro-Finance Ltd.	111,352,583	46,396,910	64,955,674
48	Rift Valley Water Services Board	4,834,529,796	16,800,000	4,817,729,796
49	Rural Electrification Authority	13,649,158,450	-	13,649,158,450
50	SMEP Deposit Taking Micro-Finance Ltd.	128,435,306	49,398,195	79,037,111
51	South Nyanza Sugar Company Limited	253,317,120	54,289,700	199,027,420
52	Tana Water Services Board	7,543,116,143	-	7,543,116,143
53	Tanathi Water Services Board	9,713,565,506	-	9,713,565,506
54	Tavevo Water & Sewerage Co. Ltd	1,506,555,390	-	1,506,555,390
55	Uchumi Supermarkets Limited	1,200,000,000	-	1,200,000,000
56	Water Resource Management	362,612,300	-	362,612,300
	Total	847,518,522,997	37,529,602,080	809,988,920,916

C. Investment Revenue Estimates for FY 2020/2021

109. In the FY 2020/21, the National Treasury has budgeted for investment revenue of Ksh 39.2 billion as shown in **Table 8** below:

Table 8: Projected Investment Revenue Estimates – FY 2020/2021

	Printed Estimates FY 2019/2020	Actual Revenue Receipts - FY2019/2020 (As at 31st March, 2020)	Projected Investment Revenue Estimates - FY2020/2021
Loan Redemption	4,323,208,688	2,989,349,986	4,824,900,886
Interest Receipts	2,133,380,120	1,609,328,048	1,813,567,279
Other Profits & Dividends	28,013,215,301	26,986,494,086	28,567,655,534
Dividends From CBK	1,500,000,000	4,000,000,000	4,000,000,000
Surplus Funds	4,985,000,000	-	-
Directors Fees	29,478,000	13,335,187	31,691,640
TOTAL	40,984,282,109	35,598,507,309	39,237,815,341

D. Other Tables

110. The rest of the Tables in this document are as follows:
- i. Table 9: Internal interest payments from the Consolidated Fund
 - ii. Table 10: Summary of Interest on Internal Debt
 - iii. Table 11: Internal debt redemption from the Consolidated Fund
 - iv. Table 12: External debt redemption from the Consolidated Fund
 - v. Table 13: External Debt Interest Payments from the Consolidated fund
 - vi. Table 14: List of Publicly Guaranteed Debt

Table 9: Internal Interest Payments from the Consolidated Fund

242000 - INTEREST ON INTERNAL DEBT									
SUB- HEAD DESCRIPTION	REVIS ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES	PRINTED ESTIMATES
TREASURY ISSUE No.	PRINCIPAL	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
002000203	FXD1/2017/2	31,806,400,000.00	2019/09	2YRS	1,847,792,808	-	-	-	-
002000220	MAB1/2017/3	150,050,000.00	2020/04	3YRS	15,005,000	-	-	-	-
002000209	FXD1/2010/10	19,394,150,000.00	2020/04	10YRS	2,327,298,000	-	-	-	-
002000204	FXD1/2015/5	30,956,050,000.00	2020/06	5YRS	4,084,031,677	-	-	-	-
002000220	MAB2/2017/3	891,350,000.00	2020/09	3YRS	75,955,000	63,567,500	-	-	-
002000209	FXD2/2010/10	33,387,900,000.00	2020/10	10YRS	3,107,411,853	1,553,705,927	-	-	-
002000204	FXD2/2015/5	30,673,850,000.00	2020/11	5YRS	4,269,799,920	2,134,899,960	-	-	-
002000203	FXD1/2019/2	31,120,850,000.00	2021/01	2YRS	3,330,242,159	3,330,242,159	-	-	-
002000204	FXD1/2016/5	19,545,570,000.00	2021/04	5YRS	2,801,662,004	2,801,662,004	-	-	-
002000204	FXD2/2016/5	24,395,300,000.00	2021/07	5YRS	3,432,174,757	3,432,174,757	1,716,087,379	-	-
002000204	FXD3/2016/5	23,051,050,000.00	2021/09	5YRS	3,022,453,676	3,022,453,676	1,511,226,838	-	-
002000212	FXD1/2007/15	3,654,600,000.00	2022/03	15YRS	529,917,000	529,917,000	529,917,000	-	-
002000212	SFX1/2007/15	6,000,000,000.00	2022/05	15YRS	870,000,000	870,000,000	870,000,000	-	-
002000209	FXD1/2012/10	35,273,700,000.00	2022/06	10YRS	4,481,523,585	4,481,523,585	4,481,523,585	-	-
002000212	FXD2/2007/15	32,682,600,000.00	2022/06	15YRS	4,412,151,000	4,412,151,000	4,412,151,000	-	-
002000204	FXD1/2017/5	29,599,150,000.00	2022/08	5YRS	3,689,534,048	3,689,534,048	3,689,534,048	1,844,767,024	-
002000204	FXD2/2017/5	20,712,100,000.00	2022/10	5YRS	2,592,533,557	2,592,533,557	2,592,533,557	1,296,266,779	-
002000212	FXD3/2007/15	32,958,100,000.00	2022/11	15YRS	4,119,762,500	4,119,762,500	4,119,762,500	2,059,881,250	-
002000212	FXD1/2008/15	34,789,800,000.00	2023/03	15YRS	4,348,725,000	4,348,725,000	4,348,725,000	4,348,725,000	-
002000204	FXD1/2008/5	30,795,550,000.00	2023/03	5YRS	3,787,544,695	3,787,544,695	3,787,544,695	3,787,544,695	-
002000209	FXD1/2013/10	39,248,200,000.00	2023/06	10YRS	4,855,394,822	4,855,394,822	4,855,394,822	4,855,394,822	-
002000204	FXD1/2019/5	65,359,500,000.00	2024/02	5YRS	2,327,182,740	7,388,237,880	7,388,237,880	7,388,237,880	7,388,237,880
002000209	FXD1/2014/10	35,852,150,000.00	2024/01	10YRS	4,366,791,870	4,366,791,870	4,366,791,870	4,366,791,870	4,366,791,870
002000204	FXD2/2019/5	39,201,400,000.00	2024/05	5YRS	4,261,976,208	4,261,976,208	4,261,976,208	4,261,976,208	4,261,976,208
002000212	FXD1/2009/15	31,952,450,000.00	2024/10	15YRS	3,994,056,250	3,994,056,250	3,994,056,250	3,994,056,250	3,994,056,250
002000204	FXD3/2019/5	28,485,250,000.00	2024/12	5YRS	1,636,762,465	3,273,524,930	3,273,524,930	3,273,524,930	3,273,524,930
002000212	FXD1/2010/15	27,693,900,000.00	2025/03	15YRS	2,838,624,750	2,838,624,750	2,838,624,750	2,838,624,750	2,838,624,750
002000212	FXD2/2010/15	13,513,100,000.00	2025/12	15YRS	1,216,179,000	1,216,179,000	1,216,179,000	1,216,179,000	1,216,179,000
002000209	FXD1/2016/10	18,306,450,000.00	2026/08	10YRS	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,016	2,753,107,016
002000209	FXD1/2017/10	35,174,400,000.00	2027/07	10YRS	4,560,712,704	4,560,712,704	4,560,712,704	4,560,712,704	4,560,712,704
002000212	FXD1/2012/15	48,937,100,000.00	2027/09	15YRS	4,181,688,500	5,383,081,000	5,383,081,000	5,383,081,000	5,383,081,000
002000212	FXD1/2013/15	42,138,450,000.00	2028/02	15YRS	4,740,575,625	4,740,575,625	4,740,575,625	4,740,575,625	4,740,575,625
002000212	FXD2/2013/15	39,876,600,000.00	2028/02	15YRS	5,866,924,500	5,866,924,500	5,866,924,500	5,866,924,500	5,866,924,500
002000212	FXD1/2008/20	38,145,100,000.00	2028/06	15YRS	5,244,951,250	5,244,951,250	5,244,951,250	5,244,951,250	5,244,951,250
002000209	FXD1/2018/10	40,584,600,000.00	2028/08	10YRS	5,148,562,356	5,148,562,356	5,148,562,356	5,148,562,356	5,148,562,356
002000209	FDX2/2018/10	32,767,150,000.00	2028/12	10YRS	4,096,549,093	4,096,549,093	4,096,549,093	4,096,549,093	4,096,549,093
002000209	FXD1/2019/10	52,044,000,000.00	2029/02	10YRS	4,079,713,752	6,473,232,720	6,473,232,720	6,473,232,720	6,473,232,720
002000209	FXD3/2019/10	45,005,050,000.00	2029/08	10YRS	2,591,615,804	5,183,231,609	5,183,231,609	5,183,231,609	5,183,231,609
002000209	FXD4/2019/10	36,426,550,000.00	2029/11	10YRS	2,236,590,170	4,473,180,340	4,473,180,340	4,473,180,340	4,473,180,340
002000209	FXD2/2019/10	51,326,720,000.00	2029/04	10YRS	6,313,186,560	6,313,186,560	6,313,186,560	6,313,186,560	6,313,186,560
002000213	FXD1/2011/20	9,365,800,000.00	2031/05	20YRS	936,580,000	936,580,000	936,580,000	936,580,000	936,580,000
002000213	FXD1/2012/20	44,581,650,000.00	2032/11	20YRS	5,349,798,000	5,349,798,000	5,349,798,000	5,349,798,000	5,349,798,000
002000212	FXD1/2018/15	49,254,850,000.00	2033/05	15YRS	5,057,561,713	8,442,306,400	8,442,306,400	8,442,306,400	8,442,306,400
002000212	FXD2/2018/15	29,064,350,000.00	2033/10	15YRS	3,705,704,625	3,705,704,625	3,705,704,625	3,705,704,625	3,705,704,625
002000212	FXD1/2019/15	30,566,695,238.50	2034/01	15YRS	3,929,954,191	3,929,954,191	3,929,954,191	3,929,954,191	3,929,954,191
002000212	FXD2/2019/15	42,447,300,000.00	2034/04	15YRS	5,405,239,182	8,350,976,300	8,350,976,300	8,350,976,300	8,350,976,300
002000212	FXD3/2019/15	50,552,950,000.00	2034/07	15YRS	3,119,117,015	6,238,234,030	6,238,234,030	6,238,234,030	6,238,234,030

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

242000 -Interest on Internal Debt										
TREASURY BON	ISSUE No.	PRINCIPAL	DUE YR.	TENOR	REVISED ESTIMATES 2019/2020 Kshs	PRINTED ESTIMATES 2020/2021 Kshs	PRINTED ESTIMATES 2021/2022 Kshs	PRINTED ESTIMATES 2022/2023 Kshs	PRINTED ESTIMATES 2023/2024 Kshs	
	002000212	FXD1/2020/15	5,151,250,000.00	2035/02	15YRS	-	657,093,450	657,093,450	657,093,450	657,093,450
	002000214	FXD1/2010/25	20,192,500,000.00	2035/05	25YRS	2,271,656,250	2,271,656,250	2,271,656,250	2,271,656,250	2,271,656,250
	002000213	FXD1/2016/20	12,761,200,000.00	2036/09	20YRS	1,786,568,000	1,786,568,000	1,786,568,000	1,786,568,000	1,786,568,000
	002000213	FXD1/2018/20	31,536,840,000.00	2038/03	20YRS	3,070,603,800	4,162,862,880	4,162,862,880	4,162,862,880	4,162,862,880
	002000213	FXD2/2018/20	15,846,650,000.00	2038/07	20YRS	2,091,757,800	2,091,757,800	2,091,757,800	2,091,757,800	2,091,757,800
	002000213	FXD1/2019/20	14,541,900,000.00	2039/03	20YRS	935,989,394	1,871,978,787	1,871,978,787	1,871,978,787	1,871,978,787
	002000213	FXD2/2019/20	9,022,760,000.00	2039/03	20YRS	1,161,499,895	1,161,499,895	1,161,499,895	1,161,499,895	1,161,499,895
	002000215	SDB1/2011/30	28,144,700,000.00	2041/01	30YRS	3,377,364,000	3,377,364,000	3,377,364,000	3,377,364,000	3,377,364,000
	002000214	FXD1/2018/25	42,783,020,000.00	2043/05	25YRS	690,448,400	5,732,924,680	5,732,924,680	5,732,924,680	5,732,924,680
	002000208	IFB2/2010/9	15,874,483,887	2019/08	9YRS	952,469,033				
	002000207	IFB1/2011/12	14,399,102,964	2019/09	8YRS	1,727,892,981				
	002000204	IFB1/2015/9	8,666,244,750.00	2020/12	5YRS	953,286,923	476,643,461	-	-	-
	002000211	IFB1/2009/12	7,868,365,500.00	2021/02	12YRS	983,545,688	983,545,688			
	002000211	IFB1/2015/12	20,442,069,304.00	2021/03	12YRS	2,248,627,623	2,248,627,623	-	-	-
	002000208	IFB1/2016/9	8,249,902,200.00	2021/05	9YRS	1,031,237,775	1,031,237,775			
	002000207	IFB1/2013/12	12,388,366,473.72	2021/09	8YRS	1,399,226,577	1,399,226,577	699,613,289	-	-
	002000211	IFB2/2009/12	5,388,325,000.00	2021/11	12YRS	646,599,000	646,599,000	646,599,000		
	002000209	IFB1/2017/12	2,866,080,000.00	2022/02	10YRS	343,929,600	343,929,600	343,929,600	-	-
	002000211	IFB1/2014/12	11,062,042,230.72	2022/10	12YRS	1,216,824,645	1,216,824,645	1,216,824,645	608,412,323	-
	002000206	IFB1/2017/7	20,734,725,000.00	2022/11	7YRS	2,591,840,625	2,591,840,625	2,591,840,625	1,295,920,313	
	002000204	IFB1/2015/9	7,362,807,645.05	2022/12	7YRS	809,908,841	809,908,841	809,908,841	404,954,420	-
	002000208	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	
	002000207	IFB1/2011/12	10,283,098,969.87	2023/09	12YRS	1,233,971,876	1,233,971,876	1,233,971,876	1,233,971,876	616,985,938
	002000209	IFB1/2017/12	5,158,944,000.00	2024/02	12YRS	644,868,000	644,868,000	644,868,000	644,868,000	644,868,000
	002000211	IFB1/2015/12	20,199,547,781.00	2024/03	12YRS	2,149,486,411	2,149,486,411	2,149,486,411	2,149,486,411	2,149,486,411
	002000206	IFB1/2017/7	20,734,725,000.00	2024/11	7YRS	2,591,840,625	2,591,840,625	2,591,840,625	2,591,840,625	2,591,840,625
	002000204	IFB1/2015/9	9,090,497,604.95	2024/12	9YRS	999,954,737	999,954,737	999,954,737	999,954,737	999,954,737
	002000208	IFB1/2016/9	19,803,383,982.98	2025/05	9YRS	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,998	2,475,422,998
	002000207	IFB1/2013/12	15,205,108,388.28	2025/09	12YRS	1,672,561,923	1,672,561,923	1,672,561,923	1,672,561,923	1,672,561,923
	002000211	IFB1/2014/12	15,420,546,720.28	2026/10	12YRS	1,696,260,139	1,696,260,139	1,696,260,139	1,696,260,139	1,696,260,139
	002000211	IFB1/2015/12	11,209,345,142.61	2027/03	12YRS	1,233,027,966	1,233,027,966	1,233,027,966	1,233,027,966	1,233,027,966
	002000212	IFB1/2018/15	16,473,920,000.00	2028/01	15YRS	2,059,240,000	2,059,240,000	2,059,240,000	2,059,240,000	2,059,240,000
	002000209	IFB1/2018/20	18,393,650,000.00	2028/11	10YRS	2,198,041,175	2,198,041,175	2,198,041,175	2,198,041,175	2,198,041,175
	002000209	IFB1/2017/12	6,305,376,000.00	2029/02	12YRS	1,146,432,000	1,146,432,000	1,146,432,000	1,146,432,000	1,146,432,000
	002000212	IFB1/2016/15	40,029,650,000.00	2031/10	15YRS	4,803,558,000	4,803,558,000	4,803,558,000	4,803,558,000	4,803,558,000
	002000212	IFB1/2018/15	24,710,880,000.00	2033/01	15YRS	3,088,860,000	3,088,860,000	3,088,860,000	3,088,860,000	3,088,860,000
	002000209	IFB1/2018/20	9,196,825,000.00	2033/10	15YRS	1,182,435,790	1,182,435,790	1,182,435,790	1,182,435,790	1,182,435,790
	002000221	IFB1/2019/16	71,028,550,000.00	2035/10	16YRS	4,172,927,313	8,345,854,625	8,345,854,625	8,345,854,625	8,345,854,625
	002000209	IFB1/2018/20	9,196,825,000.00	2038/10	20YRS	2,850,261,560	2,850,261,560	2,850,261,560	2,850,261,560	2,850,261,560
	002000214	IFB1/2019/25	16,828,650,000.00	2044/02	25YRS	2,053,095,300	2,053,095,300	2,053,095,300	2,053,095,300	2,053,095,300
	002000218	May-June Issue	80,000,000,000.00	various	various	-	22,860,300,000	21,317,520,000	31,976,280,000	42,635,040,000
	002000219	NEW LOANS	-	-	-	-	11,776,660,492	41,756,472,210	66,087,195,145	93,082,765,883
		SUB - TOTAL			Kshs	231,535,380,285	287,511,493,815	297,397,465,932	309,665,699,069	325,169,938,017

Table 10: Summary of Interest on Internal Debt

CONSOLIDATED FUND SERVICES							
(1) R50 PUBLIC DEBT							
242000 - INTEREST ON INTERNAL							
SUB-HEAD	ITEM	DESCRIPTION	REVISED ESTIMATES 2019/20 Kshs	PRINTED ESTIMATES 2020/2021 Kshs	PRINTED ESTIMATES 2021/2022 Kshs	PRINTED ESTIMATES 2022/2023 Kshs	PRINTED ESTIMATES 2023/2024 Kshs
OTHER LOANS:							
002000401	2420102	Pre - 1997 Gov't Overdraft Debt	683,512,671	666,862,671	650,212,671	633,562,671	616,912,671
002000403	2420102	Tax Reserve Certificate					
002000407	2420102	Short Term Borrowing (T. Bills Interest)	63,084,490,371	67,662,134,736	63,491,037,263	63,397,848,788	66,488,055,583
002000404	2420102	Miscellaneous (Advertising)	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
002000405	2420102	SDR- Allocation Charges	-	-	-	-	-
002000402	2420102	Government Overdraft- Interest Charges	3,438,946,880	5,821,310,000	5,821,310,000	5,821,310,000	5,821,310,000
002000408	2420102	Commissions to CBK	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
		SUB - TOTAL	70,276,949,921	77,220,307,407	73,032,559,933	72,922,721,458	75,996,278,253
		TOTAL INTEREST ON BONDS & OTHER LOANS	301,812,330,207	364,731,801,222	370,430,025,865	382,588,420,527	385,661,977,322
	2420000	GRAND TOTAL INTERNAL DEBT - INTEREST	301,812,330,207	364,731,801,222	370,430,025,865	382,588,420,527	385,661,977,322
<i>Note:</i>							
1. Net domestic financing has been assumed at Kshs 222.86 billion in the fiscal year 2020/21							
2. Of the Kshs 222.86 bn net domestic borrowing ,100% is assumed to be through bonds							
3. Interest rates will be stable between 7.00% p.a-8.00% p.a , 8.00 - 9.00% p.a and 9.00% p.a- 10.5% p.a - for 91 days,182 days and 364 days.							
4. The usage of the overdraft at CBK will fluctuate within the year but close at zero at end June 2020. Interest will be charged at the CBR rate and the facility will be utilized at 50 % of the set ceiling .							

Table 11: Internal Debt Redemption from the Consolidated Fund

CONSOLIDATED FUND										
INTERNAL DEBT REDEMPTION										
SUB- HEAD	ITEM	DESCRIPTION	ISSUE No.	DUE YR.	TENOR	REVISED	PRINTED	PRINTED	PRINTED	PRINTED
						ESTIMATES 2019/2020	ESTIMATES 2020/2021	ESTIMATES 2021/2022	ESTIMATES 2022/2023	ESTIMATES 2023/2024
						Kshs	Kshs	Kshs	Kshs	Kshs
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			
002000213	5210201	MAB1/2017/3		2020/09	3YRS		183,000,000			
002000213	5210201	MAB1/2017/3		2020/09	3YRS		197,000,000			
002000213	5210201	MAB1/2017/3		2020/09	3YRS		263,600,000			
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			
002000204	5210201	IFB1/2015/09		2020/12	5YRS		5,709,387,750			
002000204	5210201	IFB1/2015/09		2020/12	5YRS		509,202,750			
002000204	5210201	IFB1/2015/09		2020/12	5YRS		1,625,415,750			
002000209	5210201	IFB1/2015/09		2020/12	5YRS		822,238,500			
002000203	5210201	FXD1/2019/2		2021/01	2YRS		23,708,850,000			
002000203	5210201	FXD1/2019/2		2021/01	2YRS		7,412,000,000			
002000211	5210201	IFB1/2009/12		2021/02	12YRS		7,868,365,500			
002000211	5210201	IFB1/2015/12		2021/03	12YRS		9,876,461,424			
002000211	5210201	IFB1/2015/12		2021/03	12YRS		10,565,607,880			
002000204	5210201	FXD1/2016/05		2021/04	5YRS		19,544,200,000			
002000204	5210201	IFB1/2016/09		2021/05	5YRS		8,249,902,200			
002000204	5210201	FXD2/2016/5		2021/07	5YRS			24,395,300,000		
002000207	5210201	IFB1/2013/12		2021/09	8YRS			5,494,159,495		
002000207	5210201	IFB1/2013/12		2021/09	8YRS			6,894,206,979		
002000204	5210201	FXD3/2016/5		2021/09	5YRS			23,051,050,000		
002000211	5210201	IFB2/2009/12		2021/11	12YRS			5,388,325,000		
002000211	5210201	IFB1/2017/12		2022/02	12YRS			1,258,160,000		
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	SFX1/2007/12		2022/05	15YRS			6,000,000,000		
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		
002000204	5210201	FXD1/2017/5		2022/08	5YRS				12,109,150,000	
002000204	5210201	FXD1/2017/5		2022/08	5YRS				17,490,000,000	
002000211	5210201	IFB1/2014/12		2022/10	12YRS				4,992,243,486	
002000211	5210201	IFB1/2014/12		2022/10	12YRS				496,781,595	
002000211	5210201	IFB1/2014/12		2022/10	12YRS				2,209,998,429	
002000211	5210201	IFB1/2014/12		2022/10	12YRS				3,363,018,721	
002000204	5210201	FXD1/2017/5		2022/10	5YRS				13,492,100,000	
002000204	5210201	FXD2/2017/5		2022/10	5YRS				7,220,000,000	
002000212	5210201	FXD3/2007/15		2022/11	15YRS				7,841,100,000	
002000212	5210201	FXD3/2007/15		2022/11	15YRS				14,927,900,000	
002000212	5210201	FXD3/2007/15		2022/11	15YRS				10,189,100,000	
002000206	5210201	IFB1/2017/7		2022/11	7YRS				20,734,725,000	
002000206	5210201	IFB1/2015/9		2022/12	7YRS				766,621,692	
002000206	5210201	IFB1/2015/9		2022/12	7YRS				474,759,907	
002000206	5210201	IFB1/2015/9		2022/12	7YRS				798,225,421	
002000206	5210201	IFB1/2015/9		2022/12	7YRS				5,323,200,625	
002000212	5210201	FXD1/2008/15		2023/03	15YRS				7,380,900,000	
002000212	5210201	FXD1/2008/15		2023/03	15YRS				2,692,550,000	
002000212	5210201	FXD1/2008/15		2023/03	15YRS				4,695,250,000	
002000212	5210201	FXD1/2008/15		2023/03	15YRS				20,021,100,000	
002000204	5210201	FXD1/2008/5		2023/03	5YRS				23,055,800,000	
002000204	5210201	FXD1/2008/5		2023/03	5YRS				7,739,750,000	
002000206	5210201	IFB1/2016/9		2023/05	7YRS				8,249,913,817	
002000209	5210201	FXD1/2013/10		2023/06	10YRS				4,737,700,000	
002000209	5210201	FXD1/2013/10		2023/06	10YRS				11,909,050,000	
002000209	5210201	FXD1/2013/10		2023/06	10YRS				521,700,000	
002000209	5210201	FXD1/2013/10		2023/06	10YRS				9,958,400,000	
002000209	5210201	FXD1/2013/10		2023/06	10YRS				12,121,350,000	
002000211	5210201	IFB1/2011/12		2023/09	12YRS					10,283,098,164
002000209	5210201	FXD1/2014/10		2024/01	10YRS					35,852,150,000
002000204	5210201	FXD1/2019/5		2024/02	5YRS					65,359,500,000

Table 11: Internal Debt Redemption from the Consolidated Fund (Cont'd)

CONSOLIDATED FUND										
INTERNAL DEBT REDEMPTION										
SUB-					REVISED	PRINTED	PRINTED	PRINTED	PRINTED	
					ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	
HEAD	ITEM	DESCRIPTION			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
		ISSUE No.	DUE YR.	TENOR	Kshs	Kshs	Kshs	Kshs	Kshs	
002000211	5210201	IFB1/2017/12	2024/02	12YRS					5,158,944,000	
002000211	5210201	IFB1/2015/12	2024/03	12YRS					20,199,547,781	
002000204	5210201	FXD2/2019/05	2024/05	5YRS					39,201,400,000	
002000219	5210201	NEW LOANS				-	-		80,000,000,000	
SUB TOTAL					Kshs	112,580,235,723	160,844,731,754	145,700,021,474	235,512,388,693	256,054,639,945
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	
002000407	5210201	Redemption of Treasury Bills - Shortfall			100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000	
002000403	5210201	Tax Reserve Certificate			300,000	300,000	300,000	300,000	300,000	
SUB TOTAL					101,110,300,000	101,110,300,000	101,110,300,000	101,110,300,000	101,110,300,000	
GRAND TOTAL INTERNAL DEBT					Kshs	213,690,535,723	261,955,031,754	246,810,321,474	336,622,688,693	357,164,939,945

Table 12: External Debt Redemption from the Consolidated Fund

CONSOLIDATED FUND SERVICES						
(1) 1002 - PUBLIC DEBT						
5510600 - EXTERNAL DEBT REDEMPTION						
HEAD	CREDITOR	PRINTED ESTIMATES 2019/2020	REVISED ESTIMATES 2019/2020	PRINTED ESTIMATES 2020/2021	PRINTED ESTIMATES 2021/2022	PRINTED ESTIMATES 2022/2023
		Kshs	Kshs	Kshs	Kshs	Kshs
501	GERMANY	2,399,676,377	2,399,676,377	3,031,606,300	3,929,826,234	4,803,876,107
502	ITALY	6,355,045,641	6,355,045,641	11,352,399,456	18,636,935,195	17,226,891,883
503	JAPAN	5,271,076,030	5,271,076,030	4,699,800,675	5,305,630,502	5,986,009,188
504	IDA	14,795,175,869	14,795,175,869	17,576,054,729	22,103,201,787	30,290,917,881
505	ADB/ADF	4,625,937,678	4,625,937,678	5,662,338,763	7,064,189,966	7,979,408,363
506	U.S.A.	529,658,620	529,658,620	420,416,585	214,963,443	218,748,176
507	DENMARK	213,229,730	213,229,730	163,030,199	98,761,144	98,761,144
508	NETHERLANDS	260,657,265	260,657,265	55,132,488	-	-
509	OPEC	746,405,559	746,405,559	731,311,871	752,637,306	648,903,418
510	BADEA	272,667,408	272,667,408	290,274,244	401,527,643	1,368,814,135
511	FRANCE	9,048,206,219	9,048,206,219	7,266,593,263	7,933,047,197	9,740,868,604
512	EIB	1,964,786,918	1,964,786,918	1,684,175,134	2,183,847,192	2,789,510,292
513	SAUDI FUND	109,295,164	109,295,164	83,787,968	83,787,968	83,787,968
514	AUSTRIA - BAWAG	-	-	32,514,545	86,405,435	86,405,435
515	SWITZERLAND	-	-	-	-	-
512	EEC	234,470,404	234,470,404	240,298,978	242,573,253	245,227,345
517	BELGIUM	1,933,434,665	1,933,434,665	1,881,931,248	1,958,041,230	1,960,751,357
518	FINLAND	283,518,300	283,518,300	287,840,230	287,840,230	287,840,230
519	GOVERNMENT OF CHINA	156,340,537	156,340,537	-	-	-
536	EXIM BANK OF CHINA	33,569,929,658	23,035,566,696	43,266,932,229	70,024,787,989	73,917,972,115
537	CHINA DEVELOPMENT BANK	17,560,916,730	17,560,916,730	18,762,973,950	18,762,973,950	13,553,489,418
520	SPAIN	2,068,261,494	2,068,261,494	5,775,658,382	5,668,362,241	5,484,498,545
521	KUWAIT	243,727,743	243,727,743	204,090,831	204,090,831	204,090,831
522	EXIM BANK OF KOREA	180,188,469	180,188,469	170,441,114	170,441,114	170,441,114
523	CANADA	113,693,440	113,693,440	-	-	-
524	SWEDEN	-	-	-	-	-
525	UNITED KINGDOM	62,488,495	62,488,495	-	-	-
526	IFAD	457,550,974	457,550,974	517,169,294	816,260,598	896,110,517
527	NORDIC DEVELOPMENT FUND	61,968,307	61,968,307	62,912,947	62,912,947	62,912,947
530	EXIM BANK OF INDIA	616,910,448	616,910,448	647,506,552	808,755,066	808,755,066
531	STANDARD BANK -BVR	818,274,568	818,274,568	830,748,279	830,748,279	415,374,140
532	DEBUT INTERNATIONAL SVRNG	-	-	-	-	-
534	ISRAEL	-	629,193,863	656,777,797	656,777,797	656,777,797
538	ABU DHABI	140,181,969	140,181,969	147,134,305	147,134,305	147,134,305
539	CITI BANK SYND	-	-	-	-	-
540	TDB SYND	26,288,797,499	26,288,797,499	53,138,600,099	53,138,600,101	44,860,817,475
541	POLAND	-	-	-	17,576,492	41,810,528
	AFREXIM BANK	-	-	-	-	-
535	AFREXIM BANK	-	-	-	16,799,956,928	32,575,045,530
NEW LOANS-REDEMBTIONS		131,382,472,179	121,477,303,081	179,640,452,458	239,392,594,362	257,611,951,853

Table 13: External Debt Interest Payments from the Consolidated Fund

CONSOLIDATED FUND SERVICES						
(1) 1002- PUBLIC DEBT						
2410100 - INTEREST ON EXTERNAL DEBT						
HEAD	CREDITOR	PRINTED	REVISED	PRINTED	PRINTED	PRINTED
		ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES	ESTIMATES
		2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
		Kshs	Kshs	Kshs	Kshs	Kshs
501	GERMANY	625,191,528	625,191,528	619,556,800	754,508,813	901,696,787
502	ITALY	2,663,011,543	2,663,011,543	2,546,645,874	2,449,349,559	2,148,131,524
503	JAPAN	571,347,535	571,347,535	619,713,696	746,372,402	779,555,771
504	IDA	6,388,766,963	6,388,766,963	8,905,548,297	9,785,786,796	10,512,199,551
505	ADB/ADF	3,543,214,182	3,543,214,182	3,672,611,767	4,494,814,172	5,134,605,034
506	U.S.A	60,059,699	60,059,699	46,453,851	34,880,710	28,403,597
516	NEW LOANS/1	40,384,750,000	441,000,000	29,378,126,462	45,800,419,412	57,527,278,131
508	NETHERLANDS	6,045,664	6,045,664	689,157	-	-
509	OPEC	81,292,785	81,292,785	76,901,176	91,984,696	121,769,512
510	BADEA	56,569,625	56,569,625	57,499,888	74,140,651	86,324,098
511	FRANCE	1,560,544,540	4,560,544,540	1,416,239,868	1,494,702,328	1,723,780,861
512	EIB	1,581,299,622	1,581,299,622	456,071,799	460,600,328	495,583,903
513	SAUDI FUND	25,257,265	25,257,265	31,953,274	40,350,243	50,925,123
514	AUSTRIA	27,212,913	27,212,913	20,337,105	20,833,646	20,385,634
515	SWITZERLAND	-	-	-	-	-
512	EEC	18,857,578	18,857,578	16,742,039	14,325,743	11,893,907
517	BELGIUM	99,389,503	99,389,503	114,608,502	110,675,454	98,380,517
518	FINLAND	-	20,571,214	-	-	-
519	CHINA	-	24,374,014	-	-	-
536	EXIM BANK OF CHINA	37,845,014,895	37,845,014,895	29,886,568,140	29,330,662,128	28,717,984,458
537	CHINA DEVELOPMENT BANK	4,788,408,687	4,788,408,687	3,166,414,821	1,890,344,465	613,696,141
520	SPAIN	242,829,114	242,829,114	404,594,185	334,461,368	294,566,345
521	KUWAIT	58,881,035	58,881,035	52,564,715	81,565,303	114,554,664
522	EXIM BANK OF KOREA	28,020,070	28,020,070	29,792,243	30,155,626	32,601,202
523	CANADA	2,923,721	2,923,721	-	-	-
524	SWEDEN	-	-	-	-	-
525	UNITED KINGDOM	457,894	915,788	-	-	-
526	IFAD	153,906,952	153,906,952	175,401,335	188,260,219	207,066,967
527	NORDIC DEVELOPMENT FUND	21,030,494	21,030,494	20,879,234	20,407,387	19,935,540
530	EXIM BANK OF INDIA	212,290,627	212,290,627	188,609,503	183,091,096	168,665,497
531	STANDARD BANK -BVR	58,129,884	58,129,884	40,758,010	22,648,851	4,539,693
532	DEBUT INTERNATIONAL SVRNG BOND (USD 2.75 BN)	14,530,725,000	14,530,725,000	15,175,934,813	15,175,934,813	15,175,934,813
542	2018 INTERNATIONAL SVRNG BOND (USD 2.0 BN)	16,607,591,250	16,607,591,250	17,107,417,425	17,107,417,425	17,107,417,425
543	2019 INTERNATIONAL SVRNG BOND (USD 1.2 BN)	-	10,094,898,240	10,595,561,760	10,595,561,760	10,595,561,760
544	2019 INTERNATIONAL SVRNG BOND (USD 900 MN)	-	7,729,932,160	6,953,337,405	6,953,337,405	6,953,337,405
534	ISRAEL	342,033,119	342,033,119	234,946,617	241,879,253	218,125,792
538	ABU DHABI	20,161,690	20,161,690	17,135,159	22,320,889	32,353,332
539		1,263,042,820	1,263,042,820	-	-	-
540	TDB SYND	17,052,353,482	17,052,353,482	22,630,103,478	18,231,106,858	14,001,010,604
541	POLAND	20,628,806	20,628,806	24,468,602	38,037,699	51,861,619
535	AFREXIM BANK	-	-	-	-	-
		150,941,240,483	131,867,724,005	154,684,186,999	166,820,937,495	173,950,127,206

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

Agency	Year	Purpose of the loan	Creditor	Jun-15	Jun-16	Jun-17	Jun- 18	Jun-19
Nairobi City County	1985	Umoja II Housing Project	USA	-	-	-	-	-
Kenya Broadcasting Corporation	1989	KBC Modernization Project	Japan	2,404	2,224	1,386	1,035	357
Telkom Kenya Ltd	1990	Purchase of Microwave Telephone System	Canada	375	-	-	-	-
Tana and Athi River Development Authority	1990	Tana Delta Irrigation Project	Japan	1,172	1,156	811	673	279
East African Portland Cement	1990	Cement Plant Rehabilitation Project	Japan	1,457	1,438	1,008	836	346
KenGen Ltd	1995	Mombasa Diesel Generating Power Project	Japan	3,393	3,767	3,325	2,923	2,421
	1997	Sondu Miriu Hydropower Project	Japan	3,372	3,827	3,422	3,099	2,727
	2004	Sondu Miriu Hydropower Project II	Japan	8,005	9,534	8,753	8,404	8,207
	2007	Sondu Miriu Hydropower Project – Sang’oro Power Plant	Japan	3,416	4,218	3,972	3,827	3,760
	2010	Olkaria Unit 4 & 5 Geothermal Power Project	Japan	44	55	51	51	19,389
	2010	Rehabilitation and Expansion of the Hydropower Plant Kindaruma	Germany		3,514	3,302	2,970	2,607
	2011	Rehabilitation and Upgrade of the Geothermal Plant Olkaria	Germany		4,656	4,875	4,510	3,924

Agency	Year	Purpose of the loan	Creditor	Jun-15	Jun-16	Jun-17	Jun- 18	Jun-19
Kenya Ports Authority	2007	Mombasa Port Modernization Project	Japan	15,856	22,099	21,211	23,808	23,903
Kenya Railways	2008	Kenya Railways Concessioning	IDA	4,439	4,044	4,667	4,547	4,603
Kenya Ports Authority	2016	Kenya Port Development Project Phase 2	Japan			614	6,333	10,158
Kenya Airways	2017	Kenya Airways	Various Banks	0	0	77,784	75,787	76,724
Kenya Farmers Association	2005	Revival of KFA	Local banks	Unutilized	Unutilized	Unutilized		Unutilized
National Cereals & Produce Board (GSM-102)	2009	Importation of maize under GSM-102	USA	Unutilized	Unutilized	Unutilized		Unutilized
Total				43,933	60,530	135,179	138,803	159,405

E. Annexes

111. The following are annexes to this report:

- Annex Table 1, Annex Table 2(a-d) on Macro and Fiscal Framework for the FY 2016/17 – FY 2023/24
- Annex on Breakdown of Estimates of Revenues and Expenditure for State Corporations of the Government of Kenya for the Financial Year ending 30th June 2021.
- Annex on Estimates of Revenues, Grants and Loans that captures the Revenues estimates by broad economic classification.
- Annex on Comparison of Expenditures by Vote and Programmes, 2020/21

THE NATIONAL TREASURY AND PLANNING
APRIL 30, 2020

Annex Table 1: Updated Macroeconomic Indicators

	2017/18	2018/19	2019/20			2020/21		2021/22		2022/23		2023/24	
	Prel. Act	Prel. Act	Printed Estimates	Supp I Budget	Supp II Budget	BPS'20	Budget	BPS'20	PROJ.	BPS'20	PROJ.	BPS'20	PROJ.
<i>annual percentage change, unless otherwise indicated</i>													
National Account and Prices													
Real GDP	5.6	5.9	6.2	5.8	4.0	6.2	4.2	6.3	5.8	6.6	6.0	6.8	6.4
GDP deflator	6.7	3.2	6.5	5.3	5.4	5.6	6.2	5.4	5.4	5.3	5.4	5.4	5.5
CPI Index (eop)	5.1	5.0	5.2	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CPI Index (avg)	5.2	4.9	5.3	5.1	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Terms of trade (-deterioration)	0.8	0.6	0.4	-1.6	2.6	0.8	4.2	1.1	1.1	0.3	0.5	0.4	0.6
Money and Credit (end of period)													
Net domestic assets	9.3	4.7	12.0	15.0	12.8	16.8	14.8	6.5	5.3	15.4	14.4	15.9	15.7
Net domestic credit to the Government	15.3	19.5	14.0	14.0	15.7	9.1	19.6	6.8	13.5	5.6	13.1	13.2	14.6
Credit to the rest of the economy	4.3	4.3	11.5	9.9	7.1	13.6	7.5	13.1	9.4	15.9	12.2	14.2	13.3
Broad Money, M3 (percent change)	11.1	9.2	13.2	11.1	9.6	12.1	10.6	12.1	11.5	12.5	11.7	12.6	12.2
Reserve money (percent change)	7.4	2.5	12.5	6.6	5.2	7.6	6.1	7.6	7.0	8.0	7.2	8.1	7.7
<i>in percentage of GDP, unless otherwise indicated</i>													
Investment and Saving													
Investment	18.4	17.7	24.4	19.7	15.7	21.4	21.6	22.1	22.1	22.4	23.1	22.6	24.6
Central Government	5.5	5.9	6.1	5.8	6.7	5.3	5.0	5.1	5.2	5.3	5.1	4.9	4.8
Other	12.9	11.8	18.3	13.8	9.0	16.1	16.6	17.1	16.9	17.2	18.0	17.6	19.8
Gross National Saving	13.7	13.6	19.8	15.2	11.4	16.6	16.5	17.8	17.0	19.6	19.1	21.2	22.0
Central Government	1.8	1.8	3.4	1.6	1.3	3.0	0.5	3.7	2.0	4.4	2.2	4.0	2.8
Other	12.0	11.8	16.4	13.6	10.1	13.6	16.0	14.1	14.9	15.1	16.9	17.3	19.2
Central Government Budget													
Total revenue	17.9	18.3	19.7	20.1	18.6	18.3	16.6	18.5	17.0	18.4	16.9	18.4	17.1
Total expenditure and net lending	25.2	26.2	26.0	27.8	27.1	23.6	24.2	22.8	23.1	21.9	22.5	21.8	21.6
Overall Fiscal balance excl. grants	-7.3	-7.9	-6.3	-7.6	-8.6	-5.3	-7.6	-4.2	-6.1	-3.5	-5.6	-3.3	-4.5
Overall Fiscal balance, incl. grants, cash basis	-7.4	-7.8	-6.0	-6.3	-8.2	-4.9	-7.3	-3.9	-5.7	-3.1	-5.3	-3.0	-4.2
Primary budget balance	-3.2	-3.6	-1.8	-3.0	-4.0	-1.0	-3.0	0.3	-1.8	0.8	-1.2	1.0	0.0
Net domestic borrowing	3.2	3.3	2.8	2.9	3.3	1.9	4.3	1.4	3.2	1.1	3.1	2.4	3.5
Total external support (grant & loans)	2.4	2.6	3.7	3.0	2.5	2.5	2.5	2.5	2.5	2.4	2.5	2.1	2.2
External Sector													
Exports value, goods and services	14.6	14.1	15.3	14.5	13.4	13.8	12.7	13.4	12.2	13.3	11.9	13.2	11.6
Imports value, goods and services	22.6	21.2	22.5	21.9	20.2	20.9	20.3	19.9	19.7	18.2	18.2	16.4	16.5
Current external balance, including official transfers	-4.7	-4.1	-4.6	-4.5	-4.2	-4.7	-5.1	-4.3	-5.1	-2.9	-4.0	-1.3	-2.6
Gross reserves in months of next yr's imports	5.6	4.9	6.2	4.5	4.9	4.3	4.5	5.8	5.8	5.9	5.9	5.9	5.9
Gross reserves in months of this yr's imports	6.3	6.4	7.1	6.4	6.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Public debt													
Nominal debt (eop), net of deposits	52.7	57.0	54.1	54.3	58.7	56.1	60.5	53.9	60.0	51.0	59.0	48.3	56.7
Domestic (gross)	29.1	29.9	28.3	29.8	30.6	28.4	32.0	26.8	31.9	24.9	31.7	24.5	31.8
Domestic (net)	22.6	24.5	23.5	22.0	25.7	24.1	27.5	22.9	27.9	21.4	28.1	21.4	28.6
External	30.1	32.5	30.6	32.3	33.1	32.0	33.0	31.0	32.1	29.6	30.9	26.9	28.2
Memorandum Items:													
Nominal GDP (in Ksh Billion)	8,518	9,303	10,766	9,348	10,197	11,637	11,276	13,044	12,576	14,674	14,044	16,527	15,760
Nominal GDP (in US\$ Million)	83,212	90,881	104,748	91,323	99,742	115,217	110,672	130,124	123,799	145,788	137,058	163,349	153,041
<i>Source: National Treasury</i>													
Notes: BPS = Budget Policy Statement; BROP = Budget Review & Outlook Paper; SGR = Standard Gauge Railway													

Annex Table 2c: Fiscal Framework for FY 2016/17 – FY 2020/21 (Ksh billions)

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20			FY 2020/21	
	Act	Act	Act	Budget	SUPP I	SUPP II	BPS	Budget
TOTAL REVENUE	1,439.6	1,522.9	1,701.7	2,115.9	2,084.2	1,892.8	2,134.1	1,870.5
Ordinary revenue	1,306.6	1,365.1	1,499.8	1,877.2	1,843.8	1,643.4	1,856.7	1,621.4
Import Duty	89.9	93.7	106.9	135.4	128.2	93.4	126.5	106.8
Excise Taxes	165.5	167.8	194.3	242.2	261.6	201.2	258.0	241.4
Income Tax	625.1	640.5	685.3	884.4	804.5	736.3	862.3	685.0
VAT	339.0	357.1	414.1	496.0	464.5	412.6	496.4	481.6
Investment income & Mop up	28.9	23.9	26.8	34.5	100.5	125.8	31.0	28.6
Other Revenue	58.2	82.0	72.3	84.6	84.5	74.0	82.5	78.1
Ministerial Appropriation in Aid	133.0	157.8	201.9	238.7	240.4	249.4	277.4	249.1
Grants	27.0	27.6	19.7	38.8	41.8	34.5	42.8	36.1
TOTAL EXPENDITURE	2,111.9	2,146.8	2,433.7	2,796.0	2,874.2	2,767.0	2,748.2	2,729.8
Recurrent Expenditure	1,165.0	1,349.9	1,531.1	1,760.3	1,760.0	1,765.9	1,781.0	1,805.2
Interest Payments	271.2	323.9	375.7	441.5	441.5	433.7	456.0	484.3
Pensions & Other CFS	64.0	65.1	70.8	108.6	108.6	91.0	118.7	118.7
Contribution to Civil Ser Pension	-	-	-	10.3	4.8	-	10.3	10.3
Wages & Salaries	336.6	388.9	417.5	483.5	487.6	476.6	483.7	481.7
Defense and NSIS	130.2	126.1	135.3	142.2	142.1	142.1	145.3	145.3
Others	304.5	336.0	384.0	411.6	412.3	446.4	393.8	391.6
Ministerial Recurrent AIA ¹	58.5	109.9	147.8	162.6	163.2	176.1	173.2	173.4
Development	641.8	469.7	541.9	657.3	735.8	668.7	592.3	554.7
Domestically Financed (Gross)	393.0	266.2	314.0	400.9	453.2	442.9	346.0	304.1
o/w Domestically Financed (Net) ^{1,2}	359.2	229.2	269.2	333.8	385.0	378.5	276.8	254.2
Ministerial Development AIA	33.9	37.0	44.8	67.2	68.3	64.3	69.2	49.9
Foreign Financed	246.4	201.0	225.4	255.8	281.9	225.2	246.3	250.6
Net Lending	2.4	2.5	2.5	0.6	0.6	0.6	-	-
County Transfer ³	305.0	327.3	360.7	378.3	378.3	332.4	375.0	369.9
BALANCE INCLUSIVE OF GRANTS	(645.4)	(596.3)	(712.3)	(641.3)	(748.1)	(839.8)	(571.2)	(823.2)
Adjustments to cash basis	(14.2)	(34.7)	-	-	90.7	-	-	-
BALANCE INCLUSIVE OF GRANTS	(659.5)	(631.0)	(712.3)	(641.3)	(657.4)	(839.8)	(571.2)	(823.2)
Discrepancy	35.4	(2.3)	5.8	-	0.0	0.0	-	-
TOTAL FINANCING	694.9	628.7	718.2	641.3	657.4	839.8	571.2	823.2
NET FOREIGN FINANCING	385.7	355.0	414.5	331.3	353.5	349.9	345.2	349.7
Disbursements	421.7	493.3	680.8	462.7	484.8	471.4	519.3	523.9
Commercial Financing	186.3	304.0	373.7	213.1	213.1	6.2	0.3	6.2
Semi concessional & Other Loans	-	-	-	-	-	-	124.1	124.1
Project Loans	228.6	180.8	222.3	247.6	269.8	219.0	242.9	241.6
Programme & Other Concessional Loans	6.8	8.5	84.8	2.0	2.0	246.2	152.0	152.0
O/W Programme Loans	-	-	8.2	2.0	2.0	96.2	2.0	2.0
Rapid Credit Facility from IMF	-	-	-	-	-	74.4	-	-
DPO (WB & ADB) and Other Concessio	-	-	76.6	-	150.0	150.0	150.0	150.0
Debt repayment - Principal	(35.9)	(138.4)	(266.2)	(131.4)	(131.4)	(121.5)	(174.1)	(174.1)
Other Domestic Financing	2.3	2.6	2.9	3.2	3.2	152.1	3.2	(12.6)
NET DOMESTIC FINANCING	309.2	273.7	303.7	306.8	300.7	337.8	222.9	486.2
Nominal GDP	7,658	8,518	9,303	10,766	10,355	10,197	11,637	11,276
NOTES								
1. Excludes Conditional Transfers to County Governments								
2. Includes the allocation to Contingencies Fund								
3. Includes conditional Transfers from National Government								

Annex Table 2d: Fiscal Framework for FY 2016/17 – FY 2020/21 (Percent of GDP)

	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20			FY 2020/21	
	Act	Act	Act	Budget	SUPP I	Revised Budget	BPS	Budget
TOTAL REVENUE	18.8	17.9	18.3	19.7	20.1	18.6	18.3	16.6
Ordinary revenue	17.1	16.0	16.1	17.4	17.8	16.1	16.0	14.4
Import Duty	1.2	1.1	1.1	1.3	1.2	0.9	1.1	0.9
Excise Taxes	2.2	2.0	2.1	2.3	2.5	2.0	2.2	2.1
Income Tax	8.2	7.5	7.4	8.2	7.8	7.2	7.4	6.1
VAT	4.4	4.2	4.5	4.6	4.5	4.0	4.3	4.3
Investment income & Mop up	0.4	0.3	0.3	0.3	1.0	1.2	0.3	0.3
Other Revenue	0.8	1.0	0.8	0.8	0.8	0.7	0.7	0.7
Ministerial Appropriation in Aid	1.7	1.9	2.2	2.2	2.3	2.4	2.4	2.2
Grants	0.4	0.3	0.2	0.4	0.4	0.3	0.4	0.3
TOTAL EXPENDITURE	27.6	25.2	26.2	26.0	27.8	27.1	23.6	24.2
Recurrent Expenditure	15.2	15.8	16.5	16.4	17.0	17.3	15.3	16.0
Interest Payments	3.5	3.8	4.0	4.1	4.3	4.3	3.9	4.3
Pensions & Other CFS	0.8	0.8	0.8	1.0	1.0	0.9	1.0	1.1
Contribution to Civil Ser Pension	-	-	-	0.1	0.0	-	0.1	0.1
Wages & Salaries	4.4	4.6	4.5	4.5	4.7	4.7	4.2	4.3
Defense and NSIS	1.7	1.5	1.5	1.3	1.4	1.4	1.2	1.3
Others	4.0	3.9	4.1	3.8	4.0	4.4	3.4	3.5
Ministerial Recurrent AIA ¹	0.8	1.3	1.6	1.5	1.6	1.7	1.5	1.5
Development	8.4	5.5	5.8	6.1	7.1	6.6	5.1	4.9
Domestically Financed (Gross)	5.1	3.1	3.4	3.7	4.4	4.3	3.0	2.7
o/w Domestically Financed (Net) ^{1,2}	4.7	2.7	2.9	3.1	3.7	3.7	2.4	2.3
Ministerial Development AIA	0.4	0.4	0.5	0.6	0.7	0.6	0.6	0.4
Foreign Financed ¹	3.2	2.4	2.4	2.4	2.7	2.2	2.1	2.2
Net Lending	0.0	0.0	0.0	0.0	0.0	0.0	-	-
County Transfer ³	4.0	3.8	3.9	3.5	3.7	3.3	3.2	3.3
BALANCE INCLUSIVE OF GRANTS	(8.4)	(7.0)	(7.7)	(6.0)	(7.2)	(8.2)	(4.9)	(7.3)
Adjustments to cash basis	(0.2)	(0.4)	-	-	0.9	-	-	-
BALANCE INCLUSIVE OF GRANTS (Cash Basis)	(8.6)	(7.4)	(7.7)	(6.0)	(6.3)	(8.2)	(4.9)	(7.3)
Discrepancy	0.5	(0.0)	0.1	-	0.0	0.0	-	-
TOTAL FINANCING	9.1	7.4	7.7	6.0	6.3	8.2	4.9	7.3
NET FOREIGN FINANCING	5.0	4.2	4.5	3.1	3.4	3.4	3.0	3.1
Disbursements	5.5	5.8	7.3	4.3	4.7	4.6	4.5	4.6
Commercial Financing	2.4	3.6	4.0	2.0	2.1	0.1	0.0	0.1
SemiConcessional Loans	-	-	-	-	-	-	1.1	1.1
Project Loans AIA	3.0	2.1	2.4	2.3	2.6	2.1	2.1	2.1
Programme & Other Concessional Loans	0.1	0.1	0.9	0.0	0.0	2.4	1.3	1.3
O/W Programme Loans	-	-	0.1	0.0	0.0	0.9	0.0	0.0
Development Policy Operations - WB	-	-	0.8	-	1.4	1.5	1.3	1.3
Debt repayment - Principal	(0.5)	(1.6)	(2.9)	(1.2)	(1.3)	(1.2)	(1.5)	(1.5)
	0.0	0.0	0.0	0.0	0.0	1.5	0.0	(0.1)
NET DOMESTIC FINANCING	4.0	3.2	3.3	2.8	2.9	3.3	1.9	4.3
Nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NOTES								
1. Excludes Conditional Transfers to County Governments								
2. Includes the allocation to Contingencies Fund								
3. Includes conditional Transfers from National Government								