



Institute of  
Economic Affairs  
**FACT SHEET**

**KENYA'S BUDGET, 2023/24**

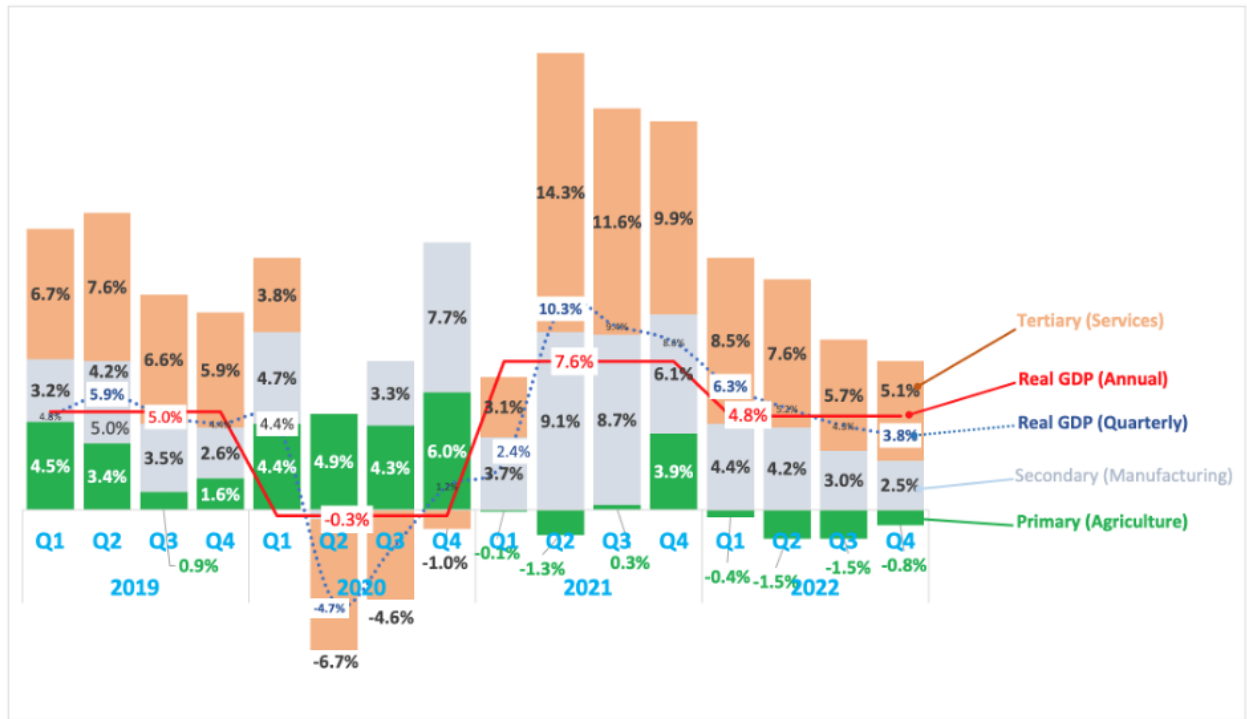
Budget Overview

What is the overall estimated budget for 2023/24 and how will it be financed?

Table 1: Budget Outturn

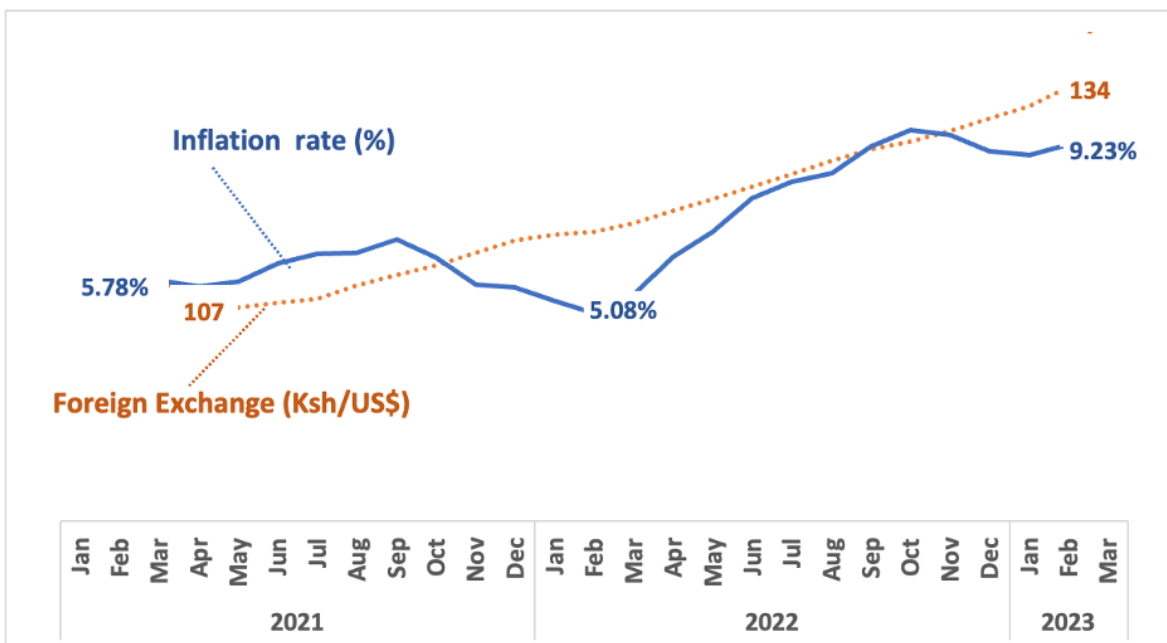
	Revised 2022/23	Estimates 2023/24	% change
	(Ksh billion)	(Ksh billion)	
<b>Revenue</b>			
<b>Total Revenue and Grants</b>	<b>2,560</b>	<b>2,936</b>	<b>14.7%</b>
<b>Total Revenue</b>	<b>2,529</b>	<b>2,894</b>	<b>14.4%</b>
Ordinary Revenue	2,192	2,571	17.3%
A.I.A	337	323	-4.2%
<b>Grants</b>	<b>31</b>	<b>42</b>	<b>34.4%</b>
<b>Expenditure</b>			
<b>Total Discretionary expenditure</b>			
National Executive	2,044	2,164	5.9%
<i>of which: Equalization Fund</i>	7.9	7.9	0.0%
<i>Contingency Fund</i>	2.0	2.8	40.0%
Parliament	51	40	-20.3%
Judiciary	22	23	4.4%
County Governments	400	385	-3.5%
<b>Non Discretionary expenditure</b>			
<b>Consolidated Fund Service (CFS): Total</b>	<b>1,553</b>	<b>1,836</b>	<b>18.2%</b>
<i>of which: Interest</i>	676	775	14.7%
<i>Redemption</i>	685	850	24.1%
<i>Pension &amp; Others</i>	192	211	9.9%
<b>Total GoK Expenditure</b>	<b>4,069</b>	<b>4,449</b>	<b>9.3%</b>
<b>Total deficit</b>	<b>-1,509</b>	<b>-1,514</b>	<b>0.3%</b>
<b>Financing</b>	<b>1,509</b>	<b>1,514</b>	<b>0.3%</b>
of which Commercial financing	110	270	145.5%
Project Loans	187	272	45.3%
Programme Loans & Other Concessional Loans	275	65	-76.2%

What is the Macroeconomic Environment underpinning the FY 2023/24 budget?  
 Figure 1(a): Quarterly GDP Growth Rates by Sectors



Source: Kenya National Bureau of Statistics (KNBS)

Figure 1(b): Monthly Foreign Exchange Rate and Inflation Rates



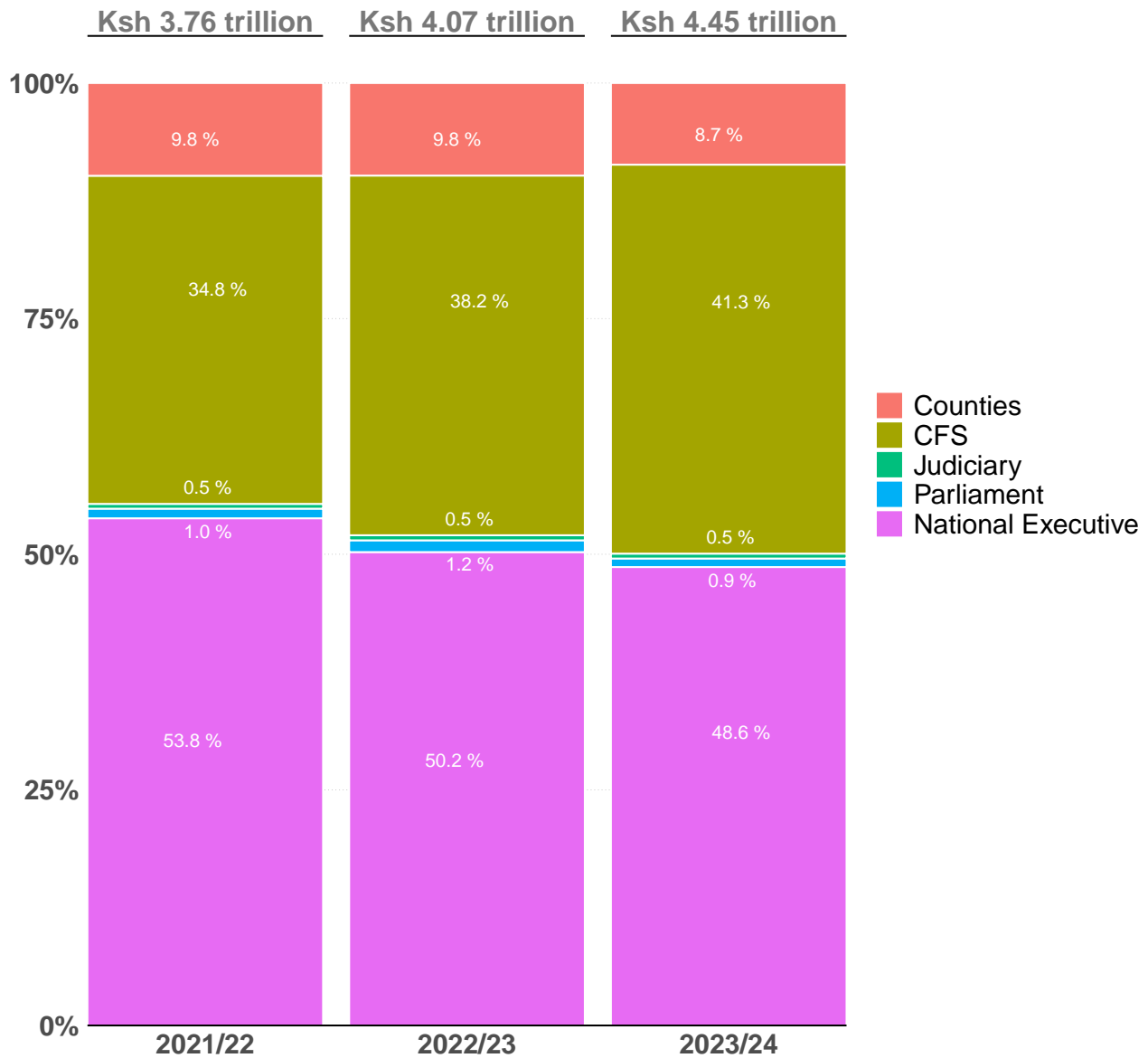
Source: Kenya National Bureau of Statistics (KNBS)

- The Kenya shilling has continued to depreciate against the dollar
- Inflation rate has continued to increase surpassing the 7.5% upper bound from August 2022

What are the trends in the distribution of the overall budget in 2023/24 and how does it compare with the previous years?

**Figure 2: Trends in Budget Allocation (2021/22 - 2023/24)**

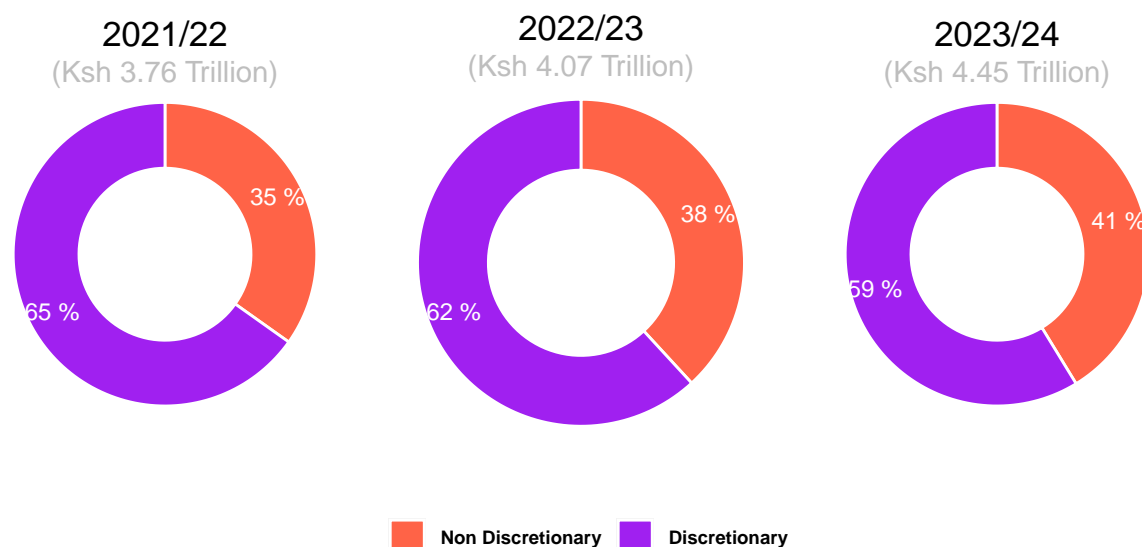
*Top figures indicate the total gross allocation for the respective years. The percentages indicate the proportion of the budget allocations across the years*



- The current budget allocation for 2023/24 is Ksh 4.45 trillion, having risen from Ksh 3.76 trillion in 2021/22, approximately Ksh 230 billion annually

What share of the budget constitutes mandatory spending and what does this mean for budget flexibility since 2021/22?

Figure 3: Discretionary versus Non Discretionary Budget Allocation



Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary

**NB:** Non discretionary expenditure is composed of mandatory expenditure items and includes all the CFS items

- Out of the total budget of Ksh 3.76 Trillion in 2021/22, the non discretionary allocation was 35%,
- On the other hand, of the total budget of Ksh 3.79 trillion in 2023/24, the non discretionary allocation was 41%,
- It can be concluded that the proportion of the budget for non discretionary allocation has increased by 6 percentage points, hence reducing the flexibility of the budget

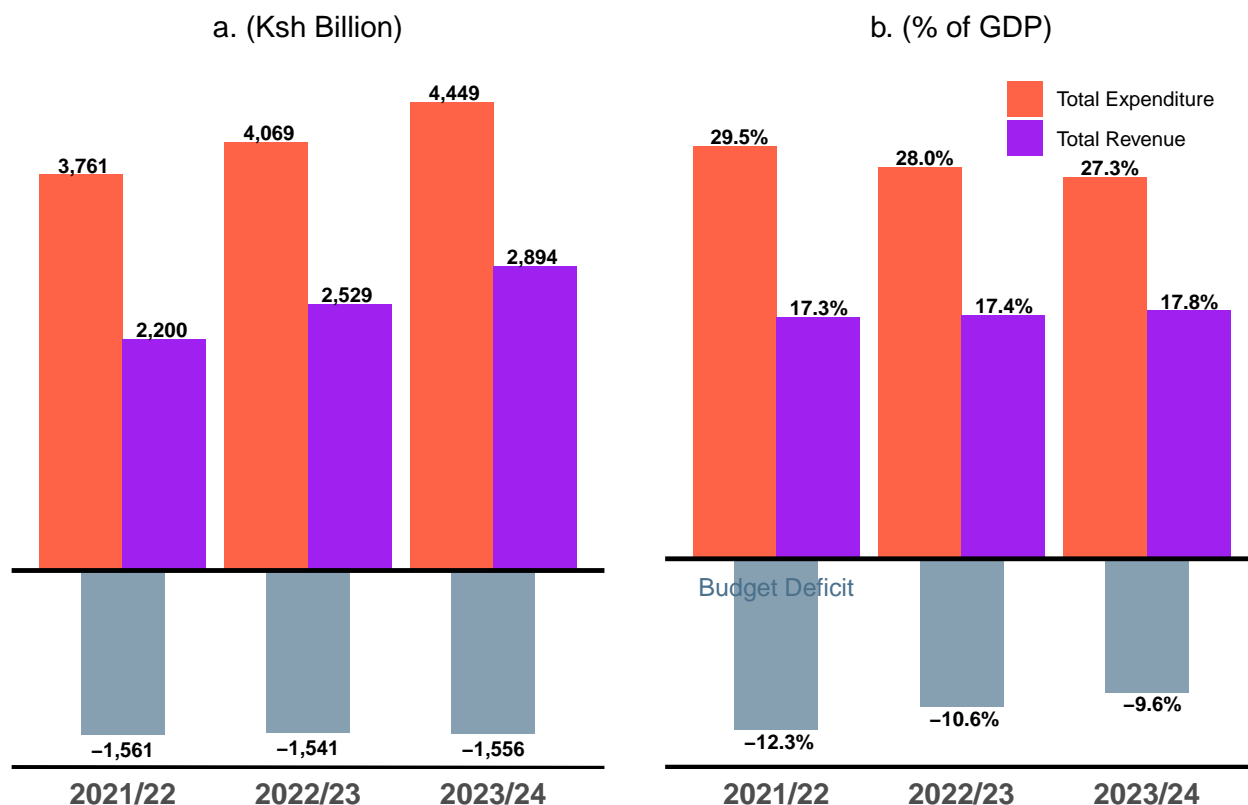
Table 2: What is the size of the budget relative to the size of the economy?

Description	2021/22	2022/23	2023/24
Total Budget (Ksh Billion)	3,761	4,069	4,449
Total Budget (Ksh Billion), adjusted for inflation	2,938	2,999	3,071
Total Budget per capita (Ksh)	80,020	84,428	90,344
Total Budget per capita (Ksh), adjusted for inflation	62,511	62,216	62,365
Total Budget (as a share of GDP)	29.5%	28.0%	27.3%
Total Revenue (Ksh Billion)	2,200	2,529	2,894
Total Revenue (Ksh Billion), adjusted for inflation	1,718	1,864	1,997
Total Revenue per capita (Ksh)	46,804	52,465	58,753
Total Revenue per capita (Ksh), adjusted for inflation	36,563	38,662	40,558
Total Revenue (as a share of GDP)	17.3%	17.4%	17.8%

Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary

Are the trends in budget deficits in line with fiscal consolidation plan?

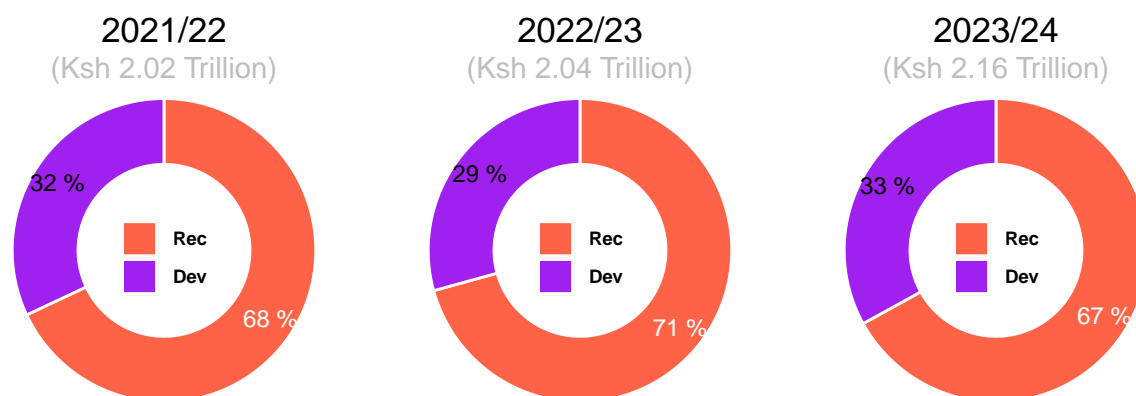
Figure 4(a): Total Expenditure versus Total Revenue



Source: The National Treasury and Economic Planning / Budget Estimates and Budget Summary

Over the medium term the budget deficits are estimated to reduce to - 9.6% of GDP in 2023/24 from -12.3% in 2021/22. Although, the direction is positive, the deficit gap is still large ( it is still far below the medium term target of -3%) and not aligned to fiscal consolidation plan.

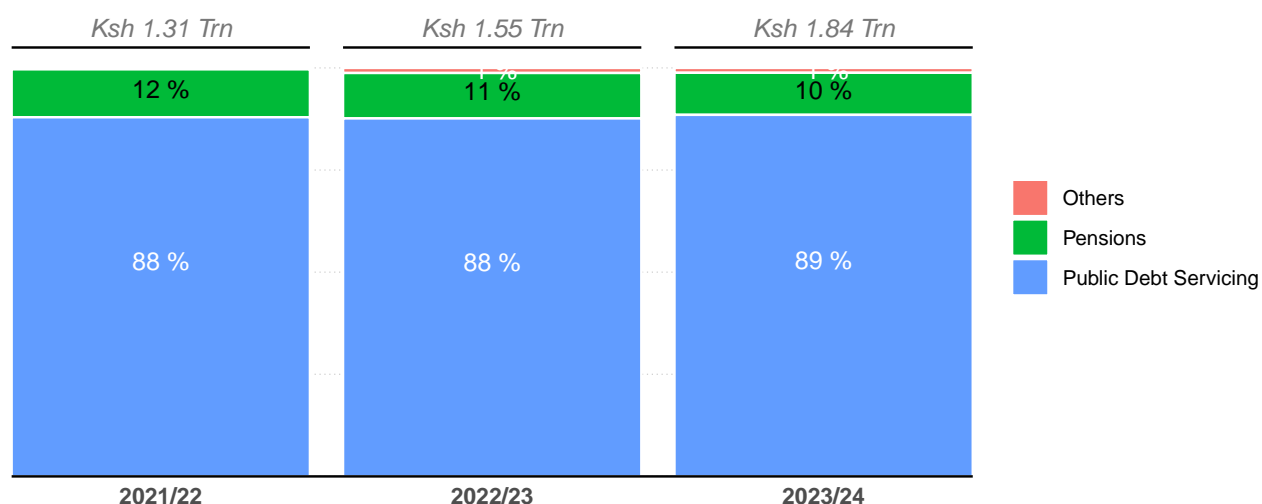
Figure 4(b): Is the expenditure mix between Recurrent:Development compliant with the fiscal responsibility principle of 70:30?



Source: The National Treasury / Budget Estimates

## How significant are the debt servicing charges?

Figure 5(a): Consolidated Fund Services (CFS)

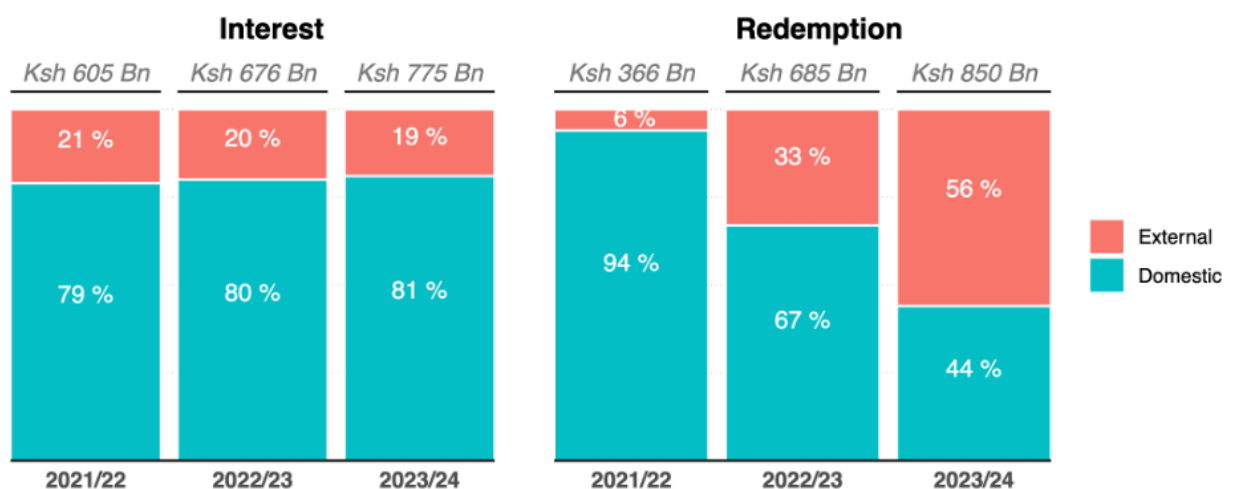


Source: The National Treasury / Budget Estimates

**NB:** Whereas, pensions have been reducing as a share of total CFS, they have been increasing nominally; from Ksh 153 billion in 2021/22 to Ksh 189 billion in 2023/24

Debt servicing constitutes the largest proportion of the CFS, it is on the increase both as a share of total CFS but also nominally; from Ksh 1.15 trillion in 2021/22 to Ksh 1.63 trillion in 2023/24, this works out to approximately, Ksh 158 billion annually

Figure 5(b): Composition of Public Debt Servicing



Source: The National Treasury / Budget Estimates

Table 3: Trends in the share of Debt Servicing to Total Revenue, in 2023/24

Description	2021/22	2022/23	2023/24
% Debt Servicing to Total Revenue	59.5%	61.4%	63.5%
% Public Debt to GDP	82.3%	82.6%	82.6%

## How much revenue is being raised from domestic taxes and other non tax sources?

**Table 4: Trends in Total Revenue, Ordinary Revenues and Appropriation in Aid (A.I.A)**

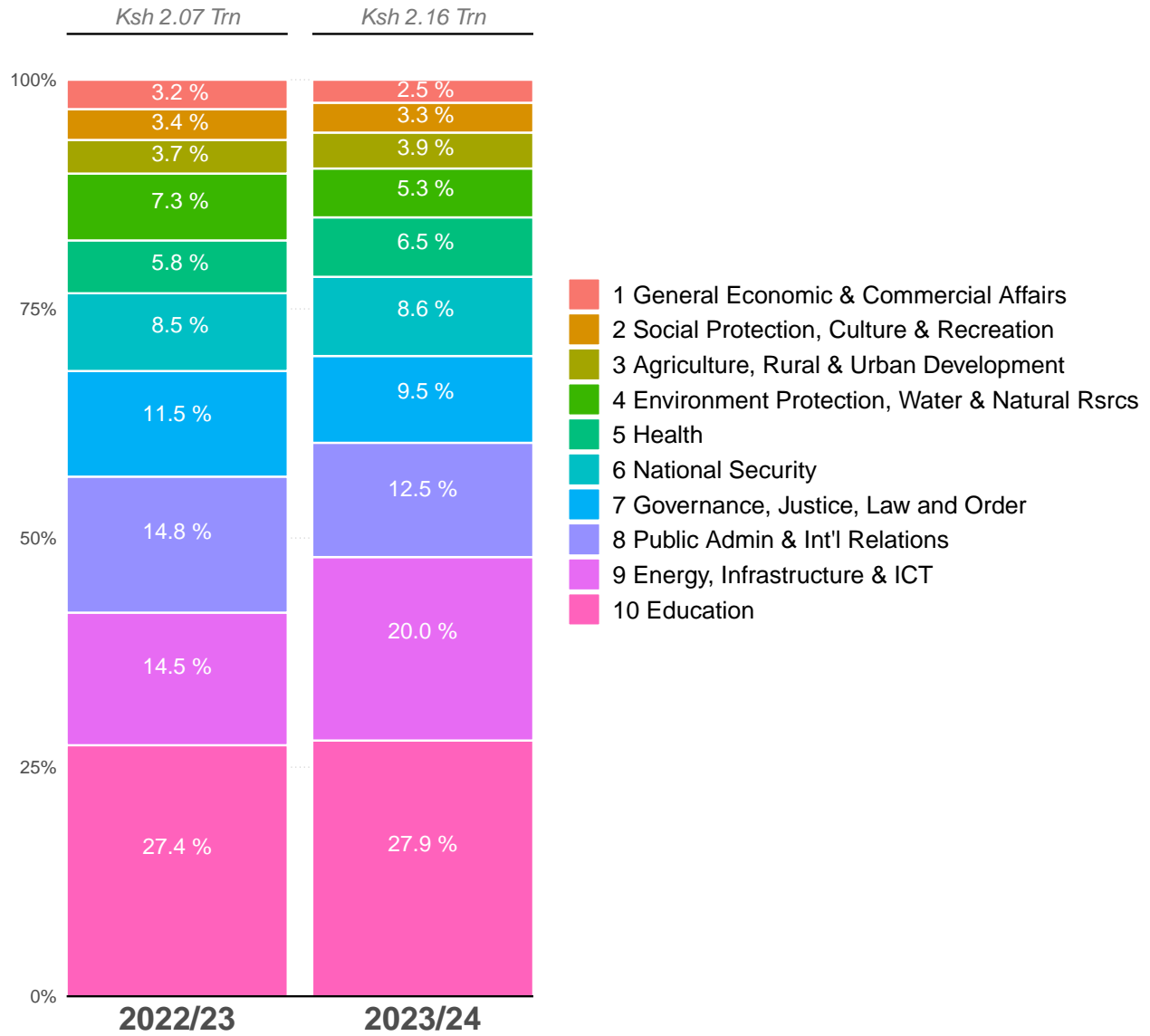
Description	2020/21	2021/22	2022/23	2023/24
Total Revenue (Ksh Billion)	1,804	2,200	2,529	2,894
Total Revenue to GDP (%)	15.9%	17.3%	17.4%	17.8%
Ordinary Revenue to GDP (%)	13.7%	15.1%	15.1%	15.8%
A.I.A to GDP (%)	2.1%	2.2%	2.3%	2%

**Figure 6: Decomposition of the Ordinary Revenue**



Source: The National Treasury | Budget Estimates

**Figure 7(a): How are sector priorities for 2023/24 different from 2022/23**



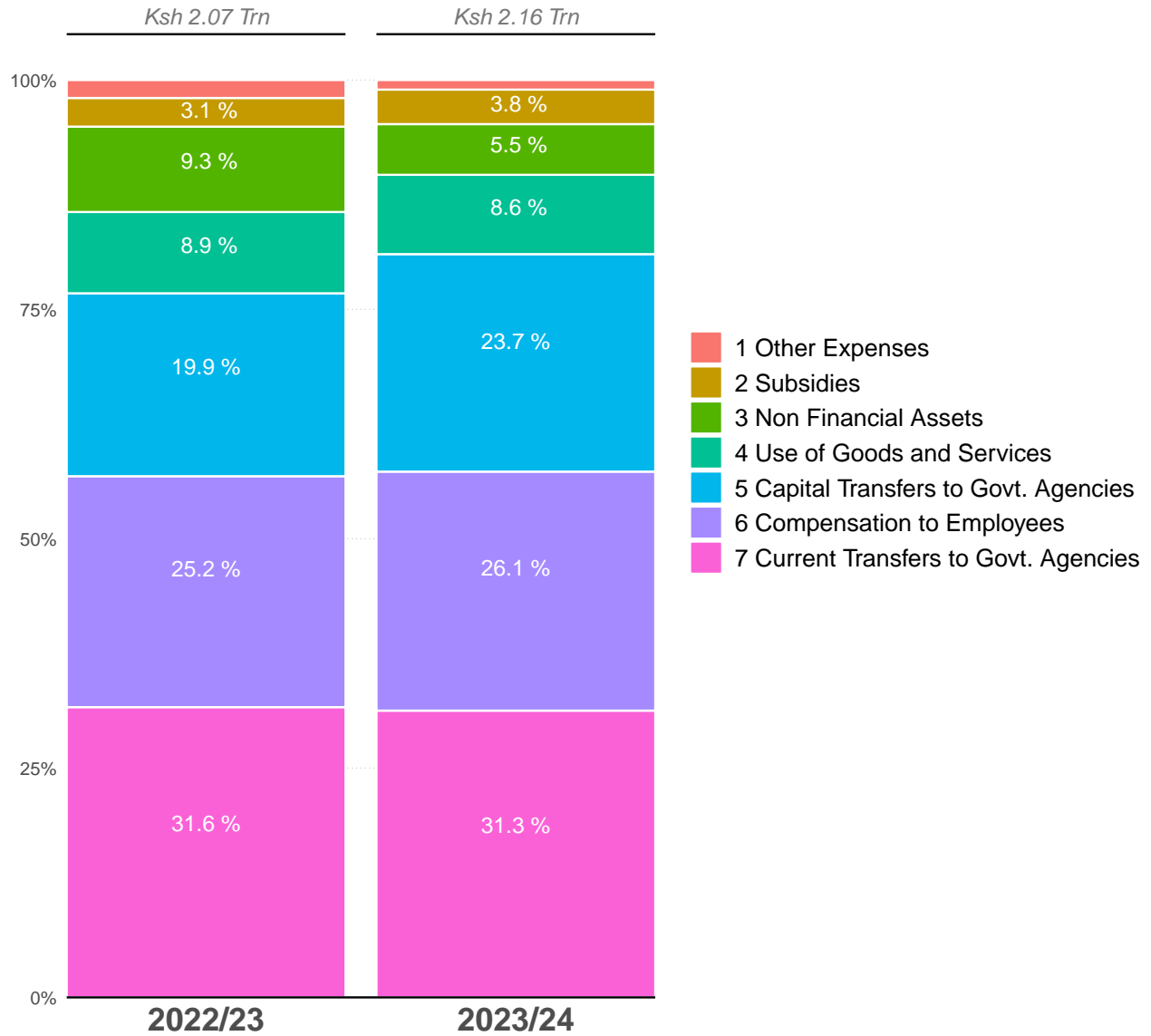
Source: The National Treasury and Economic Planning / Budget Estimates and Budget Summary

**NB:** The sector allocation is across the executive and hence excludes National Parliament and Judiciary



How are funds going to be distributed in 2023/24?

Figure 7(b): Distribution of the Budget Allocations by Economic Classification



Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary

NB: The sector allocation is across the executive and hence National Parliament and Judiciary

---

**Table 5: Reorganisation of Ministries, Departments and Agencies (MDAs)**

*Changes in the names of MDAs between the previous budget of 2022/23 and the new budget of 2023/24*

Previous departments	New departments
1011 The Presidency	1011 Office of the President 1012 Office of the Deputy President 1013 Office of the Prime Cabinet Secretary 1014 State Department for Parliamentary Affairs 1015 State Department for Performance & Delivery Mngt 1016 State Department for Cabinet Affairs
1021 State Department of Interior & Citizen Services	1025 National Police Service 1026 State Department for Internal Security & National Admin.
1081 Ministry of Health	1082 State Department for Medical Services 1083 State Department for Public Health & Professional Stds
1107 Ministry of Water and Sanitation	1109 State Department for Water & Sanitation
1092 State Department for Transport	1091 State Department for Roads
1214 State Department for Youth	1135 State Department for Youth Affairs and the Arts 1053 State Department for Diaspora Affairs 1176 State Department for Micro, Small & Medium Enterprises Dvlpt 1177 State Department for Investment Promotion 1331 State Department for Environment & Climate Change

*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

## Breakdown of the Allocations by MDAs

Figure 8(a) General Economic & Commercial Affairs, (2023/24)

(Proportional distribution of the allocations across the sectoral departments)



Source: The National Treasury and Economic Planning / Budget Estimates and Budget Summary.

### Top 10 priority sector programmes in 2023/24, (Ksh billion)

Programme	2022/23	2023/24	Change
1 Digitization and Financial Inclusion for MSMEs	NA	10.75	NA
2 Accelerated ASAL Development	16.05	8.93	-7.12
3 Investment Development and Promotion	NA	8.09	NA
4 Tourism Product Development and Diversification	8.57	7.85	-0.72
5 Integrated Regional Development	6.67	4.20	-2.47
6 Standards and Quality Infrastructure & Research	NA	3.01	NA
7 Cooperative Development and Management	22.71	2.14	-20.58
8 General Administration, Planning and Support Services	0.82	1.93	1.11
9 Industrial Promotion and Development	NA	1.43	NA
10 Product and Market Development for MSMEs	NA	1.12	NA

NB: NA = Not applicable because the programme didn't exist

New programmes include; *Digitization and Financial Inclusion for MSMEs, Investment Development and Promotion, Standards and Quality Infrastructure & Research and Industrial Promotion and Development*

**Figure 8(b) Social Protection, Culture & Recreation, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



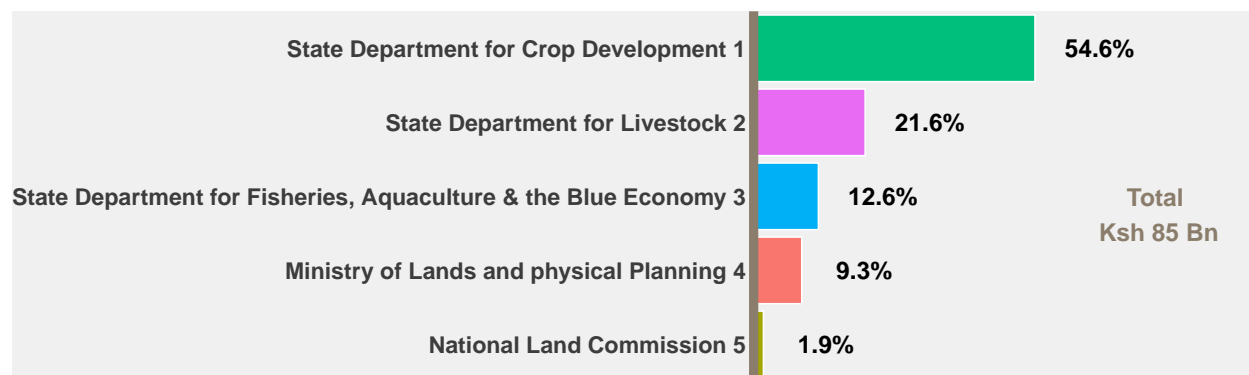
*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 National Social Safety Net	33.34	31.09	-2.25
2 Sports	17.21	17.76	0.55
3 Social Development and Children Services	5.06	4.61	-0.45
4 Manpower Development, Industrial Skills & Productivity Management	2.05	3.13	1.09
5 Community Development	2.19	3.04	0.85
6 Culture/ Heritage	2.21	2.52	0.31
7 Gender Empowerment	1.48	1.52	0.03
8 The Arts	0.37	1.50	1.13
9 Labour, Employment and Safety Services	0.78	1.32	0.53
10 Youth Development Services	1.65	1.21	-0.44

**Figure 8(c) Agriculture, Rural & Urban Development, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



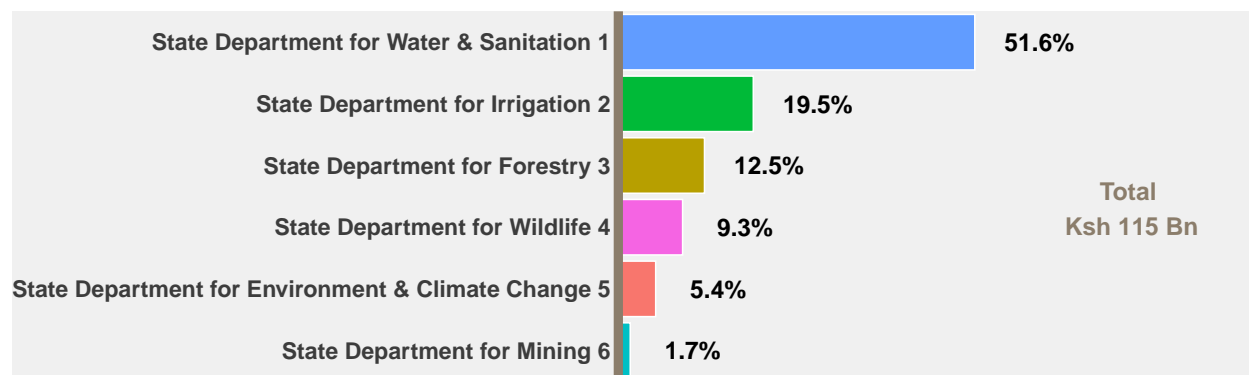
*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 Crop Development and Management	38.78	31.08	-7.70
2 Livestock Resources Management and Development	7.96	18.35	10.40
3 Fisheries Development and Management	5.34	9.10	3.76
4 General Administration Planning and Support Services	9.09	7.85	-1.23
5 Agricultural Research & Development	5.75	5.77	0.02
6 Land Policy and Planning	4.37	5.70	1.33
7 Land Administration and Management	1.47	1.60	0.14
8 Agribusiness and Information Management	1.55	1.60	0.05
9 General Administration, Planning and Support Services	0.25	1.53	1.28
10 Development and Coordination of the Blue Economy	1.42	1.30	-0.13

**Figure 8(d) Environment Protection, Water & Natural Rsrcs, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



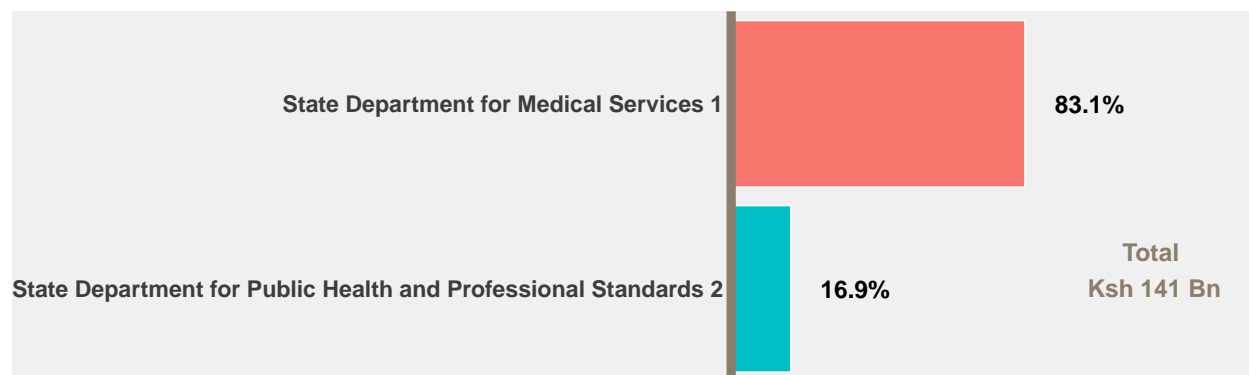
*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 Water and Sewerage Infrastructure Development	35.43	44.21	8.78
2 Irrigation and Land Reclamation	8.06	18.88	10.82
3 Forests Management and Water Towers Conservation	10.65	14.53	3.88
4 Water Resources Management	11.68	14.48	2.80
5 Wildlife Conservation and Management	8.37	10.73	2.36
6 Environment Management and Protection	2.57	3.84	1.26
7 Water Harvesting and Storage for Irrigation	1.97	1.96	-0.01
8 General Administration, Planning and Support Services	1.91	1.70	-0.21
9 Meteorological Services	1.38	1.52	0.14
10 Water Storage and Flood Control	5.05	1.51	-3.54

### Figure 8(e) Health, (2023/24)

(Proportional distribution of the allocations across the sectoral departments)



Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary

NOTE: In 2023/24, the Ministry of Health was split into two state departments: State Department for Public Health and Professional Standards and State Department for Medical Services.

### Top 10 priority sector programmes in 2023/24, (Ksh billion)

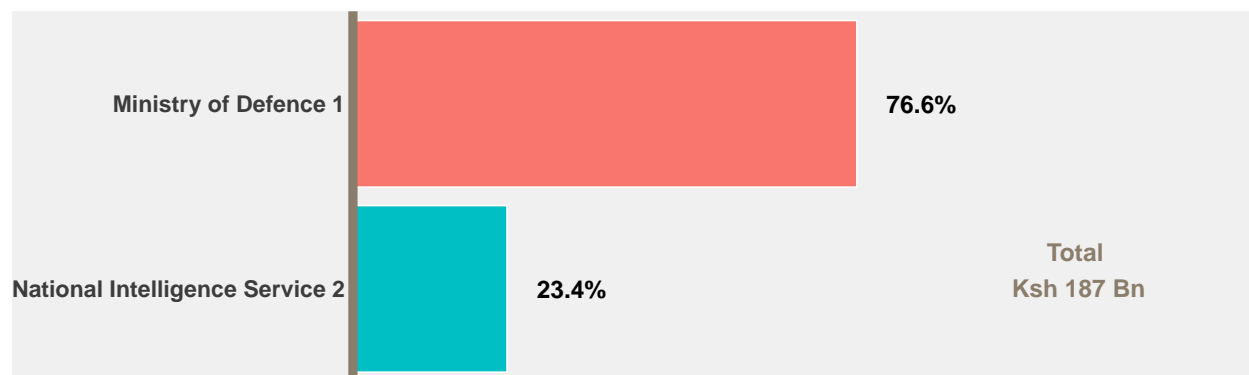
Programme	2022/23	2023/24	Change
1 National Referral & Specialized Services	51.32	62.60	11.28
2 General Administration	NA	28.69	NA
3 Curative & Reproductive Maternal New Born Child Adolescent Health RMNCAH	NA	21.02	NA
4 Health resources development and Innovation	NA	14.07	NA
5 Preventive and Promotive Health Services	NA	7.27	NA
6 Health Research and Innovations	NA	4.91	NA
7 Health Policy, Standards and Regulations	22.76	1.80	-20.96
8 General Administration, Planning & Support Services	8.79	NA	NA
9 Health Research and Development	10.48	NA	NA
10 Preventive, Promotive& Reproductive Health	20.43	NA	NA

NB: NA = Not applicable because the programme didn't exist

New programmes include; *Digitization and Financial Inclusion for MSMEs, Investment Development and Promotion, Standards and Quality Infrastructure & Research and Industrial Promotion and Development*

**Figure 8(f) National Security, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

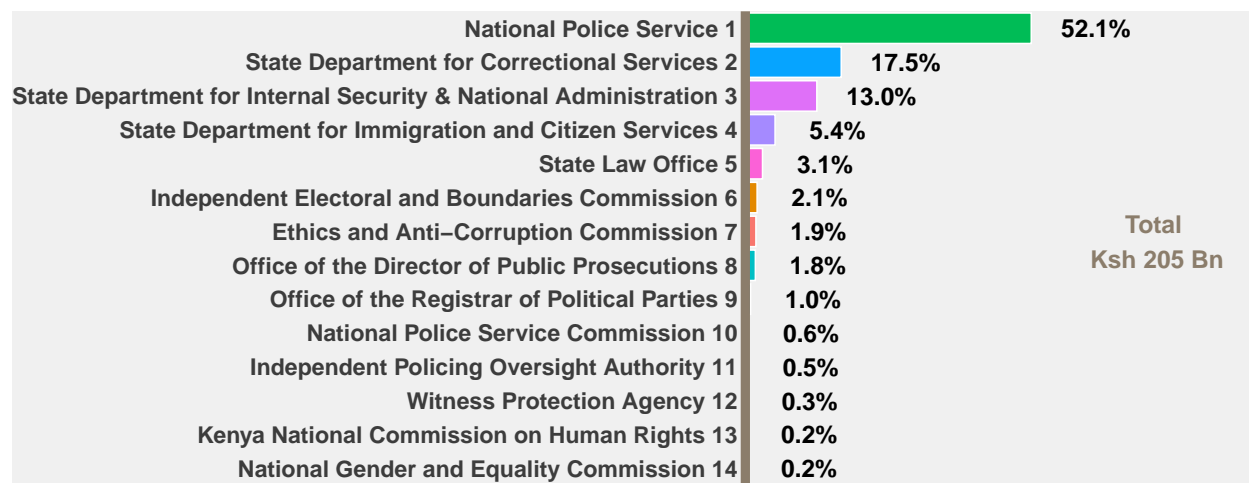
**Top 5 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 Defence	134.92	139.80	4.87
2 National Security Intelligence	37.13	43.80	6.67
3 General Administration, Planning and Support Services	2.30	2.60	0.29
4 Civil Aid	1.00	0.50	-0.50
5 National Space Management	0.22	0.35	0.13



**Figure 8(g) Governance, Justice, Law and Order, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



Source: *The National Treasury and Economic Planning / Budget Estimates and Budget Summary*

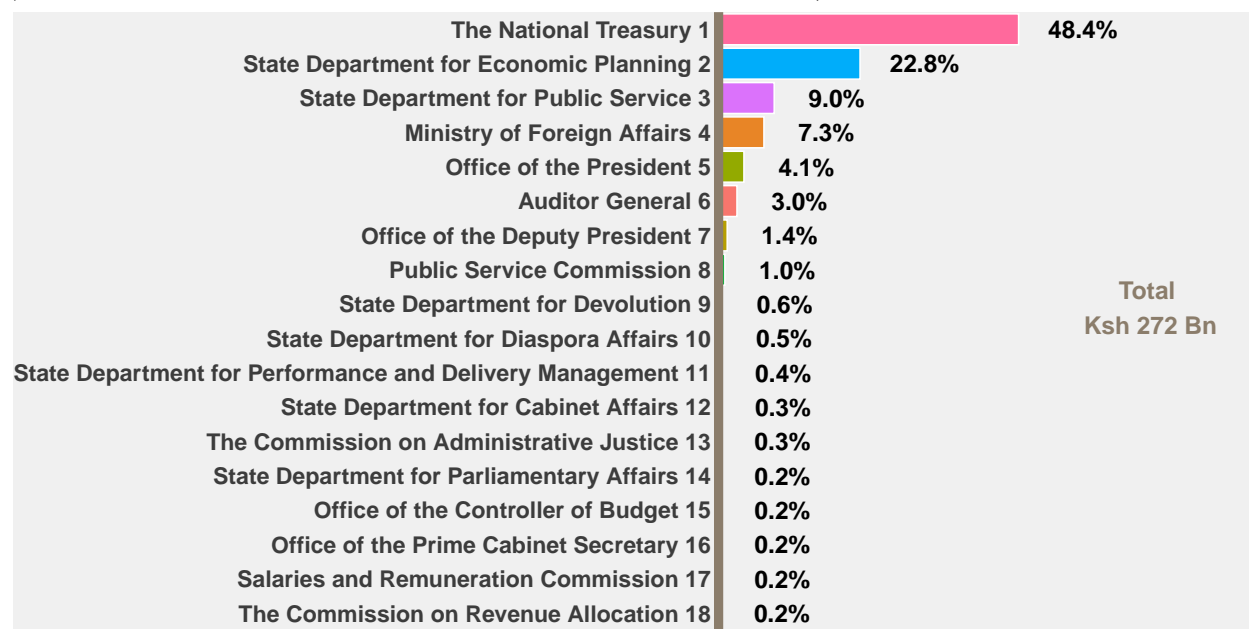
NOTE: National Police Service is among the new state departments that were created in 2023/24

**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 Policing Services	105.73	106.86	1.13
2 Prison Services	30.90	32.82	1.92
3 General Administration and Support Services	26.99	25.52	-1.47
4 Population Management Services	4.75	5.99	1.24
5 Migration & Citizen Services	0.93	4.52	3.59
6 Management of Electoral Processes	20.07	4.11	-15.96
7 Ethics and Anti-Corruption	3.50	3.95	0.45
8 Public Prosecution Services	3.87	3.74	-0.12
9 Legal Services	2.54	2.97	0.43
10 Probation & After Care Services	2.01	2.46	0.45

**Figure 8(h) Public Admin & Int'l Relations, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 General Administration Planning and Support Services	68.14	84.02	15.87
2 Economic Policy and National Planning	49.67	55.91	6.24
3 Public Financial Management	52.10	43.25	-8.86
4 Foreign Relation and Diplomacy	3.79	16.42	12.63
5 National Youth Service	12.94	13.20	0.26
6 Public Service Transformation	9.45	10.39	0.94
7 Economic and Financial Policy Formulation and Management	4.21	9.29	5.09
8 Audit Services	6.87	7.99	1.12
9 State House Affairs	9.15	6.80	-2.35
10 National Statistical Information Services	1.56	5.12	3.56

**Figure 8(i) Energy, Infrastructure & ICT, (2023/24)**

*(Proportional distribution of the allocations across the sectoral departments)*



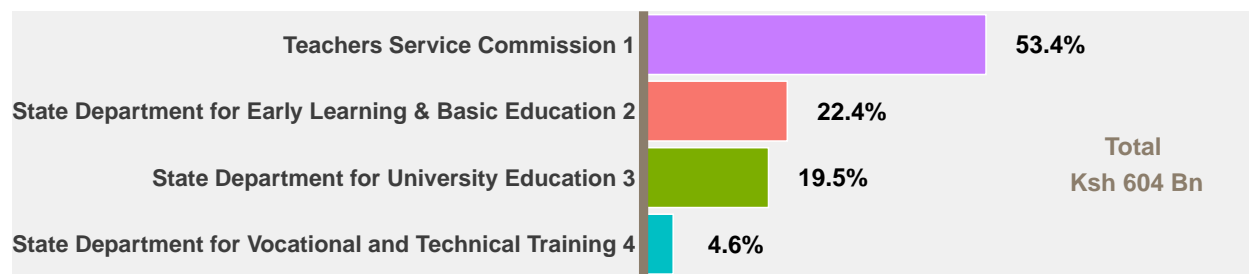
*Source: The National Treasury and Economic Planning | Budget Estimates and Budget Summary*

**Top 10 priority sector programmes in 2023/24, (Ksh billion)**

Programme	2022/23	2023/24	Change
1 Road Transport	185.00	245.51	60.51
2 Power Transmission and Distribution	40.64	44.60	3.96
3 Rail Transport	1.89	39.78	37.89
4 Housing Development and Human Settlement	9.44	16.19	6.75
5 ICT Infrastructure Development	11.50	15.95	4.45
6 Power Generation	12.61	13.35	0.74
7 Urban and Metropolitan Development	3.74	10.19	6.45
8 Air Transport	8.99	10.03	1.04
9 Information And Communication Services	5.15	6.05	0.90
10 Road Safety	0.76	4.16	3.39

### Figure 8(j) Education, (2023/24)

(Proportional distribution of the allocations across the sectoral departments)



Source: The National Treasury and Economic Planning / Budget Estimates and Budget Summary

### Top 10 priority sector programmes in 2023/24, (Ksh billion)

Programme	2022/23	2023/24	Change
1 Teacher Resource Management	296.34	313.88	17.54
2 University Education	106.89	116.66	9.77
3 Secondary Education	95.31	93.37	-1.94
4 Primary Education	25.71	30.58	4.88
5 Technical Vocational Education and Training	22.89	27.58	4.69
6 General Administration, Planning and Support Services	13.27	14.70	1.43
7 Quality Assurance and Standards	4.01	5.12	1.11
8 Governance and Standards	1.16	1.31	0.15
9 Research, Science, Technology and Innovation	1.03	0.75	-0.28
10 Youth Training and Development	0.04	0.06	0.01