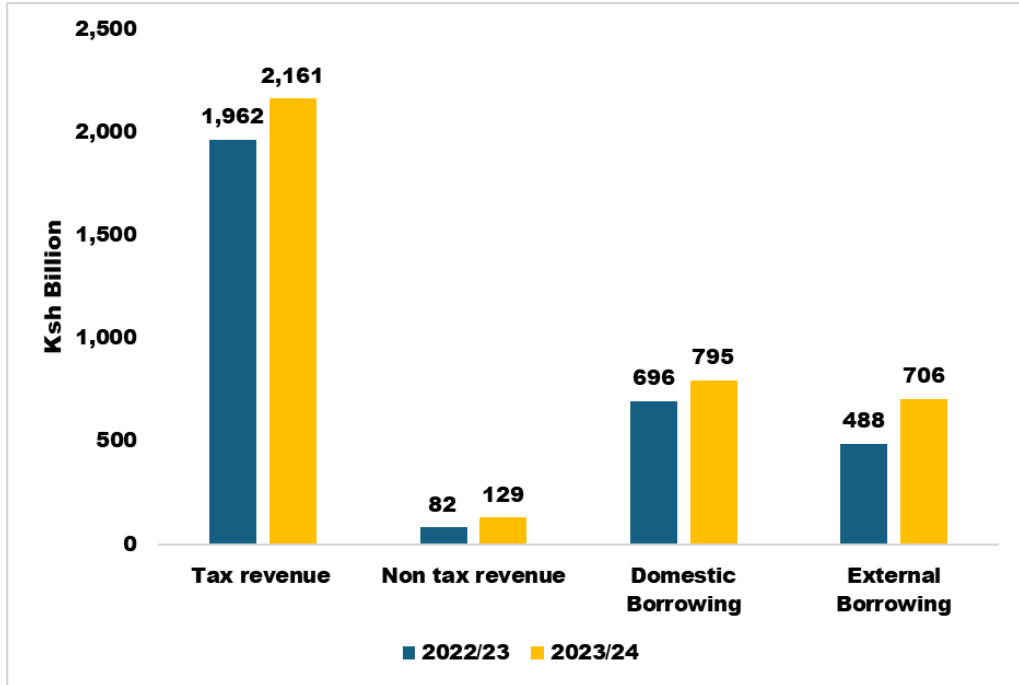


# FY 23/24 Annual Budget Performance

Revenue shortfalls, less money for counties and a jump in borrowing and debt service

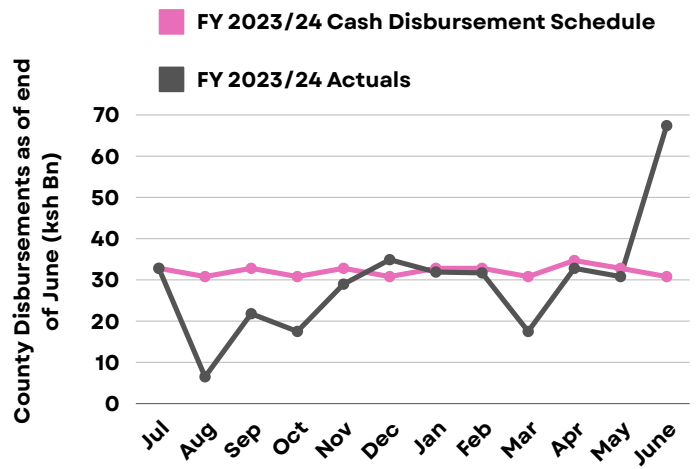
Total revenue collection for the FY 2023/24 (tax and non-tax) has increased by 12% compared to last year

- Tax revenues were 96 percent of the revised target and increased by 2 percent compared to last year.
- Non-tax revenues have performed beyond expectations. Although they were just 62 percent of the revised target this year, NTRs reached 125 percent of the revised target last year.
- External borrowing increased by 45 percent compared to last year while domestic borrowing increased by 14 percent. The increase in external borrowing exposes the country to exchange rate risk.

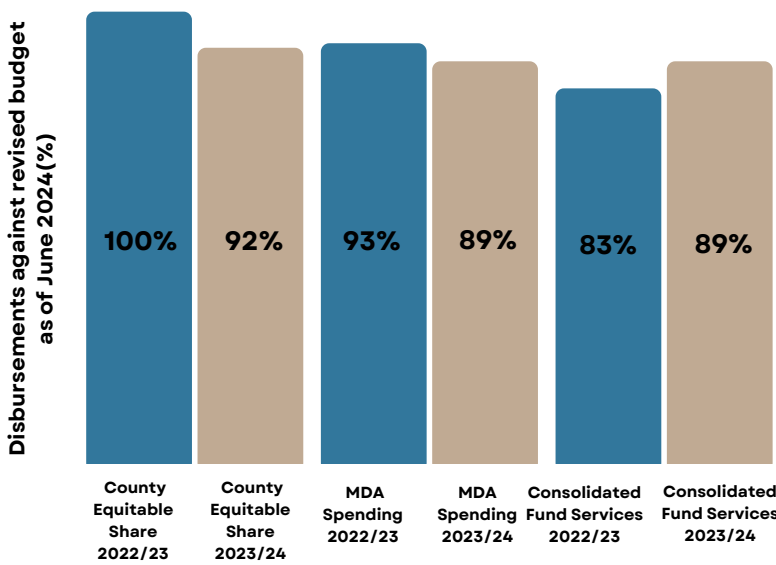


Counties did not receive 30.8 Billion of their equitable share disbursement for the FY 2023/24

- Disbursements falling to less than a third of the scheduled amount in August and more than double the scheduled amount in June.
- National Treasury disbursed Ksh 67.4 billion in June, the largest monthly disbursement in FY 2024/25, but still fell short of the annual equitable share target.



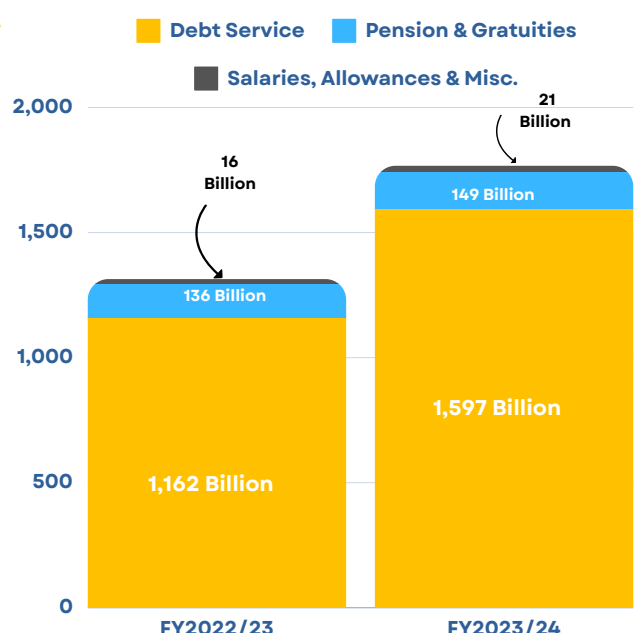
- Counties and MDA spending against target have dropped while Consolidated Fund expenditure against target has risen compared to last year



- The National Treasury did not disburse 8 percent of the equitable share amount to the counties in FY 2023/24. This will likely affect spending in the counties.
- Notably, this money has been rolled over to the FY 2024/25 budget. The counties are therefore expected to receive Ksh 410.95 billion for the FY 2024/25.

Debt service is consistently the largest share of CFS and has increased by 37 percent compared to FY 2022/23

Debt service increased from 59 percent of tax revenue in FY 2022/23 to 74 percent in FY 2023/24. This implies that only 26 percent of the tax revenue was left for the rest of the government spending, both recurrent and development



Source: Exchequer Release Gazette Notice issued on 19th July 2024