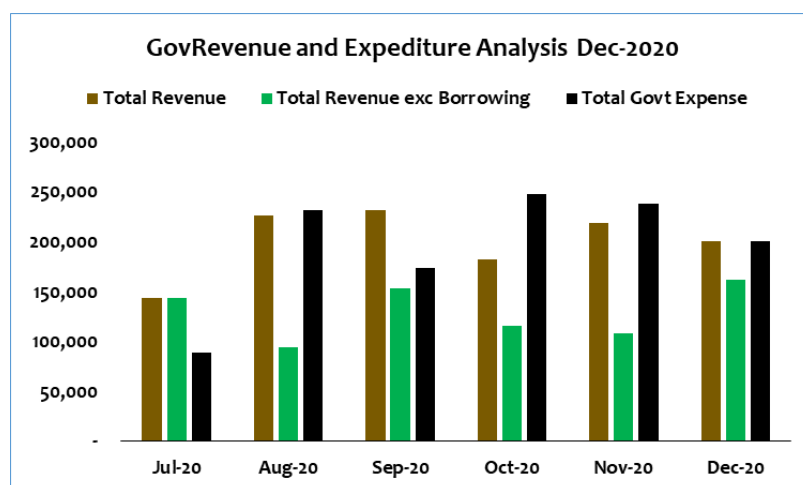


A. ACTUAL REVENUES AND NET EXCHEQUER ISSUES AS AT

- There was month on month increase in revenues excluding borrowing compared to the earlier months of the fiscal year.
- As of end of December 2020, revenue excluding total borrowings lagged total expenditures by 34.1% due to low collection on tax revenues.
- On overall, December saw a decline in revenue collection and expenditure payment.



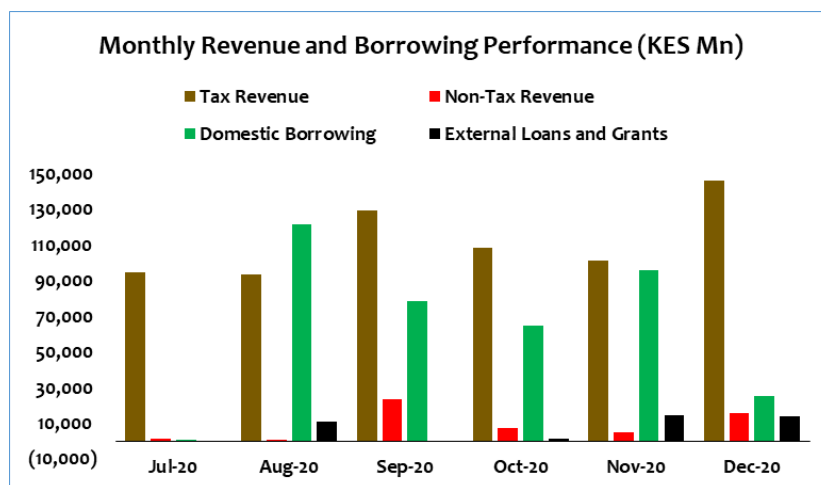
B. REVENUE EXCHEQUER ISSUES

i. Total Revenue Exchequer Issues

- Treasury's Revenues and Exchequer issues for the month on December 2020. Revenue and collection stand at 42.5% with a collection of KES 1,203.12Bn of the KES 2,830.43Bn budget and 85.0% of six months target of KES 1,4115.21Bn.
- Total December collections declined on lower net domestic and external borrowing which decline by 73.7% and 7.2% respectively.

Revenue Exchequer Issues (KES Mn) December 2020	Original Estimates	Proportionate Estimate	Actual Receipts	Receipts to Original Estimates	Receipts to Proportional Estimates
Opening Balance	-	-	48,028.92		
Tax Revenue	1,567,632.12	783,816.06	673,605.36	43.0%	85.9%
Non-Tax Revenue	66,134.72	33,067.36	52,900.78	80.0%	160.0%
Domestic Borrowing	786,648.15	393,324.07	385,765.27	49.0%	98.1%
External Loans and Grants	373,196.54	186,598.27	39,775.64	10.7%	21.3%
Other Domestic Financing	36,816.50	18,408.25	3,041.59	8.3%	16.5%
Total Revenue	2,830,428.03	1,415,214.01	1,203,117.56	42.5%	85.0%

Revenue Exchequer Issues (KES Mn)	Dec-19	Nov-20	Dec-20	y-y %Δ	m-m %Δ
Tax Revenue	150,865.33	101,357.42	145,871.57	-3.3%	43.9%
Non-Tax Revenue	28,853.88	5,082.71	15,871.37	-45.0%	212.3%
Domestic Borrowing	36,375.20	95,731.37	25,209.58	-30.7%	-73.7%
External Loans and Grants	3,092.63	14,586.42	13,529.59	337.5%	-7.2%
Total Revenue	223,970.23	218,872.85	200,482.11	-10.5%	-8.4%



ii. Tax Revenues

- As of end of December 2020, tax revenues stood at KES 673.61Bn, lagging 43.0% behind original estimates. Collections stood at 85.9% of proportion estimates.
- December collections improved by 43.9% m-m to KES 145.87Bn compared to a collection of KES 101.36Bn in November 2020. The December 2020 performance was due to stringent collection measures especially on Customs and Border Points, with PAYE performing at 99.8% for the month.

iii. Total Domestic Debt

- Domestic debt stood at KES 385.76Bn, performing at 49.0% to the full year target and at 98.1% proportionally.
- The slowdown was due to a low demand boosted by heavy maturities which eased net borrowing needs in December.

iv. External Loans and Grants

- Treasury is less aggressive in external borrowing in first half of the fiscal year. We expect an uptick on external borrowing in second half of the fiscal year.

C. RECURRENT, CFS, DEVELOPMENT AND COUNTRY EXCHEQUER ISSUES

i. Total Exchequer Issues

- Total Exchequer issue stood at KES 1,180.711Bn, a 41.7% performance against fiscal budget and lagging 6months target at 83.4%.
- December 2020 payment stood at KES 200.42Bn, which was 15.6% lower compared to KES 237.55Bn in November and 13.8% lower y-y against KES 232.50Bn in December 2019.
- The lower payment in December was due to under payment in recurrent expenses, public debt and CFS. This was aided by the postponement of c.KES 32.90Bn amounts due to G20 countries.

ii. Recurrent Expenditure

- December recurrent expenditure was 17.4% higher compared to November with heavy payout in key departments including Education, Treasury, Interior and Health.

iii. Development Expenditure

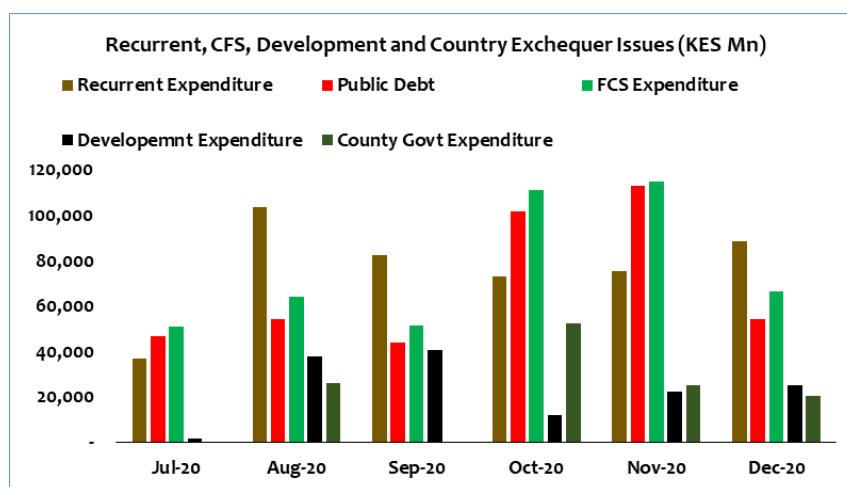
- Development expenditure lagged the annual estimates by 39.2% while falling behind the six months allocation by 21.7%. Month on month, the expenses increased by 13.4% pushed up Energy and Infrastructure investments.

iv. County Government Expenditure

- County government saw monthly payout decline by 19.2% indicating of a longer delay in suppliers' payments.

Recurrent, CFS, Development and Country Exchequer Issues (KES Mn)	Original Estimates	Proportional Estimate	Total Cash Released	Cash Released to Original Estimates	Cash Released to Proportional Estimates
Recurrent Exchequer Issues	1,062,992.25	531,496.12	459,741.97	43.2%	86.5%
Public Debt	904,703.67	452,351.84	413,507.94	45.7%	91.4%
FCS Exchequer Issues	1,028,064.06	514,032.03	457,661.19	44.5%	89.0%
Development Exchequer Issues	355,724.97	177,862.48	139,352.56	39.2%	78.3%
Total Issues to National Government	2,446,781.27	1,223,390.64	1,056,755.72	43.2%	86.4%
Total Issues to County Government	383,646.75	191,823.38	123,955.98	32.3%	64.6%
Total Exchequer Issue	2,830,428.03	1,415,214.01	1,180,711.69	41.7%	83.4%

Recurrent, CFS, Development and Country Exchequer Issues (KES Mn)	Dec-19	Nov-20	Dec-20	y-y %Δ	m-m %Δ
Recurrent Expenditure	90,558.93	75,425.30	88,563.86	-2.2%	17.4%
Public Debt	73,818.43	112,924.29	54,298.03	-26.4%	-51.9%
FCS Expenditure	86,120.54	114,709.01	66,291.66	-23.0%	-42.2%
Development Expenditure	21,987.76	22,239.61	25,224.38	14.7%	13.4%
National Govt Expenditure	198,667.23	212,373.92	180,079.89	-9.4%	-15.2%
County Govt Expenditure	33,830.16	25,180.48	20,337.29	-39.9%	-19.2%
Total Govt Expense	232,497.40	237,554.40	200,417.19	-13.8%	-15.6%



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