

HIGHLIGHTS OF THE 2014/15 BUDGET –The “Mwananchi” Guide

BUDGET FRAMEWORK

- Economic growth of 5.8% is projected for 2014, rising to 6.4% in 2015, supported by investment in energy, transport, and agriculture.
- Inflation to remain within the upper limit target of 7.5% in 2014.
- A budget deficit of 7.4 % of GDP is projected for 2014/15, declining to 5.0% by 2016/17.
- Net Public debt to GDP ratio to decline from .52.1% at the end of June 2014 to 49.8% in 2016/17.
- Ordinary revenue for 2014/15 expected to be 25.5% of GDP, up from expected 24.6% in 2013/14.
- National government expenditure on travel, hospitality, advertisement, transfers to semi-autonomous agencies, and other administrative payments to declines as a share of total spending.

IMPROVING COMPETITIVENESS, ACCELERATING GROWTH

- Ksh. 116.7bn allocated to on-going and new roads to be constructed through annuity payment programme (under PPP).
- Ksh. 19.4bn Allocated for Standard Gauge Rail.
- Ksh. 3.5bn for the Urban Commuter Rail System to ensure completion of the line linking the JKIA to Central Railway Station.
- Ksh. 43.6bn to Energy.
- Ksh. 1.3bn for enhancing security at the JKIA.
- Ksh 1.65 bn to upgrade Kisumu and Isiolo airports, and start construction of 3 new airports in Mandera, Malindi and Suneka.
- Additional Ksh. 9.5bn for expansion and construction of irrigation infrastructure.
- Ksh. 3.1bn to the ICT sector.
- Ksh 21.99bn for enhancing internal security.

IRRIGATION FOR IMPROVED FOOD SECURITY



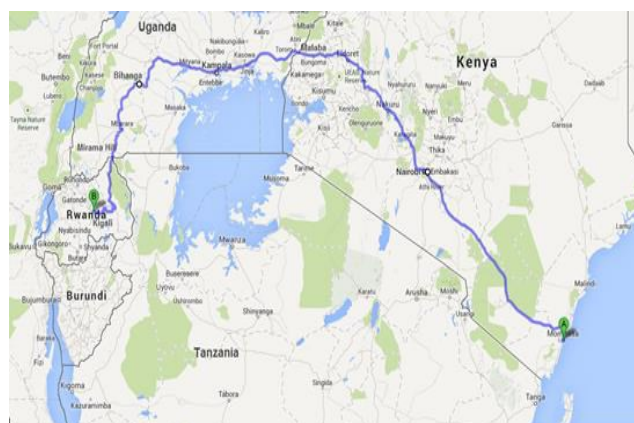
- Kshs **9.5bn** set aside for on-going irrigation project countrywide and transformation of agriculture from subsistence to productive commercial farming.

WORKING TOWARDS REDUCING THE COST OF POWER



- Kshs 10.0 bn set aside for Geothermal Development., in addition to other investments undertaken by the private sector.

LINKING THE E.AFRICAN REGION TO ENHANCE TRADE



- To enhance Trade in the East African region, each of the member states will meet the cost of constructing a Standard Gauge Rail under the on-going regional infrastructure corporation

STANDARD GAUGE RAILWAY



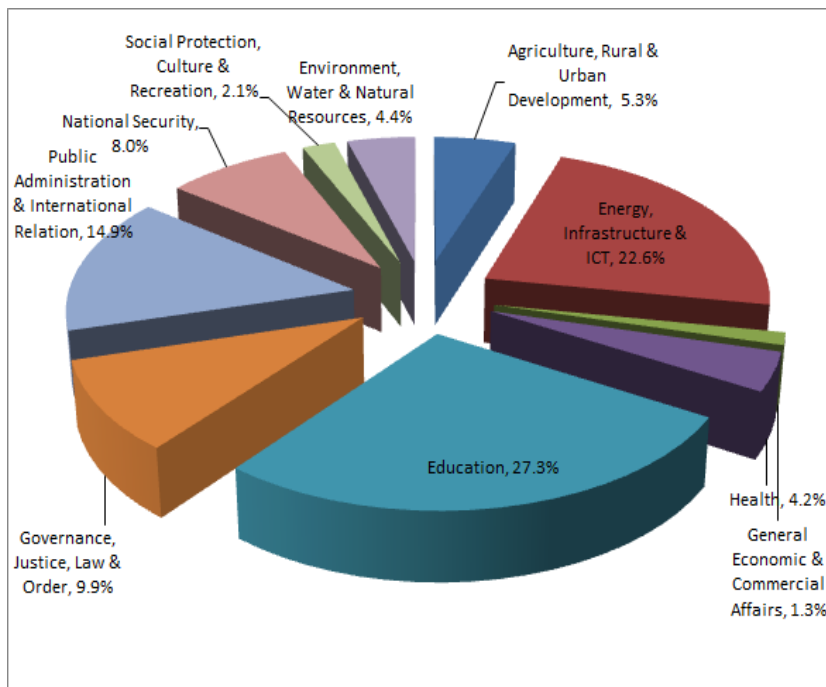
- Kshs 19.4 bn set aside for Standard Gauge Rail to begin construction of the Mombasa-Nairobi segment



SPENDING PLANS FOR 2014/15

- KSh. 294.55 bn for enhancing access and transforming education system including free primary and secondary education and teachers salaries
- KSh.125.0 bn for transport and logistics
- Ksh. 49.15 bn for equity, poverty reduction and social protection for vulnerable groups
- Ksh. 33.5 bn for constitutional Implementation and related reforms
- Ksh. 28.99 bn enhanced security for investment, growth and employment
- KSh. 17.5 bn for food security and agriculture
- Ksh. 10.5 bn for quality and accessible health care services for all Kenyans
- Ksh. 8.8 bn for enhancing women and youth empowerment
- Ksh. 2.36 bn for on-going economic stimulus projects

HOW MUCH IS GOING TO BE SPENT?



Note: Shares as percent of total Ministerial Expenditure allocation

YOUTH EMPLOYMENT AND EMPOWERMENT



Ksh. 8.1 bn has been allocated towards youth employment and to initiate the process of re-engineering the NYS as a vehicle for transforming and empowering the youth .

DIGITALIZING REGISTRIES

The Government is leveraging on information, communication & technology by allocating the following:

- Ksh 1.1bn for Kenya National Electronic Window System
- Ksh 0.8bn for roll out of IFMIS
- Ksh. 0.6bn for National Digital Services
- Ksh. 0.6bn for Digital migration.

CUSHIONING THE POOR AND VULNERABLE-SOCIAL SAFETY NETS

To address the plight of the less disadvantage in society, combat poverty, and promote equity, the social protection safety net in form of cash transfer has been enhanced to bring the beneficiaries to close to 1 million. In addition, an allocation for the Equalization Fund, Constituency Development Fund (CDF), and Affirmative Action for Social Development has been set aside as follows:

- Ksh. 27.97 bn for CDF;
- Ksh. 7.2bn for orphans and vulnerable children;
- Ksh. 4.9 bn for elder persons;
- Ksh. 3.4 bn for Equalization Fund;
- Ksh. 2.03 bn for Affirmative Action for Social Development;



The National Treasury

BUDGET 2014/15 HIGHLIGHTS

PRO-POOR SPENDING

- KSh. 13.5bn allocated for free primary education
- KSh. 28.2bn for free secondary education
- KSh. 3.0bn for leasing of health equipments
- KSh. 165.6bn for teachers salaries
- KSh. 8.1bn towards youth employment and to initiate the process of reengineering the NYS

WORKING WITH COUNTIES TO EQUIP HOSPITALS WITH MODERN HEALTH EQUIPMENTS

Ksh. 10.5bn allocated for free access to primary health care in dispensaries, maternal health care, leasing medical equipment, and internship programme as follows:

- Ksh. 4.0bn for free access to maternal health
- Ksh 3.0bn for leasing of health care equipment
- Ksh 2.0bn for doctors/clinical officers/nurses internship programme

PRO-GROWTH SPENDING

- Ksh. 116.7 bn for road sector
- Ksh. 43.6 bn for energy sector
- Ksh. 53.3 bn for agriculture services and Ksh.1.0 bn for agribusiness fund
- Ksh. 9.5 bn for expansion and construction of irrigation projects country wide
- Ksh. 3.5 bn for construction of commuter rail in Nairobi and its environs

BOLD STEP TOWARDS FULL FREE SCHOOLING AND E-LEARNING



Government is committed to moving towards 'fully' free primary and secondary education:

- Ksh. 17.4bn proposed for deployment of laptops to schools, development of digital content, building capacity of teachers & rolling out computer laboratory for class 4 to class 8 in all schools throughout the country.
- Ksh. 28.2bn for free day secondary education to raise capitation per child from Ksh 10,265 to Ksh 13,652
- Ksh. 13.5bn for free primary education to raise capitation per child from Ksh 1,020 to Ksh 1,356
- Ksh. 7.2bn for technical training institutes
- Ksh.55bn for university education

SUPPORTING DEVOLUTION & REGIONAL DEVELOPMENT

- KSh. 226.7 bn for County Government
- KSh. 33.4 bn for regional development, of which:
 - Ksh 27.97 bn for CDF
 - Ksh 2.03 bn for Affirmative Action for Social Development
 - Ksh 3.4 bn for the Equalization Fund



IMPROVING OUR BUSINESS ENVIRONMENT TO ATTRACT INVESTMENTS

The budget for 2014/15 is expected to accelerate economic growth to double digits envisioned in the vision 2030. This level of growth will be supported by increased production in agriculture, continued investments in infrastructure, expansion of activities in other sectors of the economy such as building and construction, manufacturing, retail and wholesale and financial intermediation, among others.

A significant amount has been set aside to boost security for investment, growth and employment.

In order to create jobs the Government has committed Ksh.3 bn for the development of textile and leather sectors. The Government is addressing challenges

affecting the textile and clothing industry in the country by spearheading a raft of new measures aimed at boosting local textile and leather production and attracting investments in the sector. The textile and leather sectors have potential to create close to 800,000 jobs in the next 3 years and we must take advantage of the global market through AGOA to aggressively grow the textile sector.



MODERNIZING OUR POLICE SERVICES

The Government will be leasing Helicopters to boost surveillance within our borders to enhance security

- Ksh. 6.7bn for lease financing new and serviced motor vehicles, and aircraft
- Ksh 3.5bn for Police Equipment



The Government is committed to enhancing security for Investment, Growth and Employment:

- Ksh. 3.3bn for enhanced security operations
- Ksh. 2.9bn for recruitment of 10,000 police/Aps
- Ksh 6.1bn for AMISDM
- Ksh. 1.79bn for Anti-Poaching
- Ksh. 1.8bn for Control and Command centre
- Ksh. 1.6bn for Police Medical Insurance Scheme

The Government will be launching the 1st phase of regular Police and Administration Police housing in Nairobi and this will be rolled out to other parts of the country:

- Kshs 1.3bn set aside for regular Police and Administration Police houses.

