The Citizen Alternative Budget

2023 Issue

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1.0 Introduction

The Institute of Economic Affairs (IEA-Kenya) is pleased to present the Citizen's Alternative Budget 2023/2024.

The Citizen's Alternative Budget contains budget proposals from the public and private sector stakeholders, who attended the IEA annual pre-budget hearings that took place on 18th and 19th January, 2023 virtually. The proposals submitted were consolidated and synthesized by the IEA according to the various Medium Terms Expenditure Framework (MTEF) sectors, largely based on their feasibility, whether they make economic sense and whether they are in line with the national priorities of the government. Furthermore, this alternative budget takes cognizance of the budget policy statement 2023/2024 as a pre-budget statement that sets the macroeconomic framework through which the government will prepare the forthcoming budget and the National Treasury notices on the guidelines on budget proposal submissions for the fiscal budget for the financial year 2023/2024.

The Alternative Budget seeks to influence government decisions and help civil society develop viable alternatives to government policy. Equally, it provides a complementary avenue for deepening participatory budgeting, given the legal basis for public participation in government planning and budgeting processes. As the country embrace devolved system of government, it is envisaged that, through the IEA pre-budget hearings and Citizen Alternative Budget, there is likely to be an increased civil society engagement in county government planning and budgeting.

2.0 Background

2.1 Economic Performance

After strong recovery in 2021 from the effects of COVID-19 pandemic, the overall economic growth has assumed a decline registering a growth of 4.7% in the third quarter of 2021 compared to 11.0% in the second quarter of 2021. This is demonstrated in figure 1.

Table 1: Sectors contributions to Real GDP Growth

	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Primary Industry	0.9	0.02	1.4	0.7	0.5	-0.3	-0.7
Industry	3.9	9.1	8.3	5	4.4	4.5	3.4
Services	3.2	14.9	11.4	9.1	9.1	7.5	6.1
Real GDP	**2.7**	**11**	**9.3**	**7.4**	**6.7**	**5.2**	**4.7**

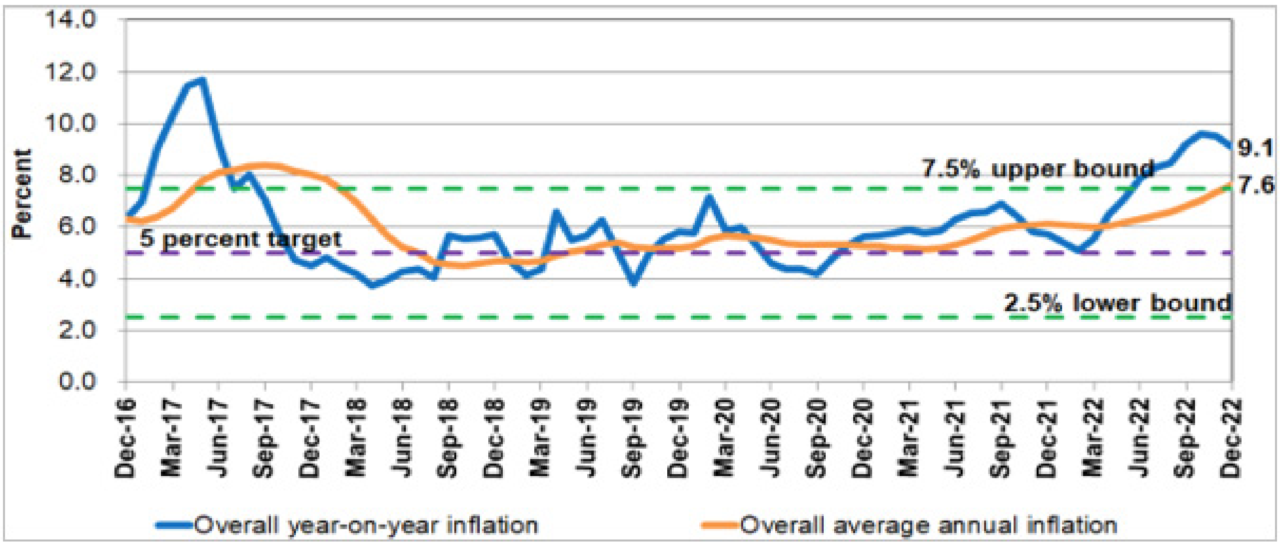
Source of Data: Kenya National Bureau of Statistics

Agriculture sector performed poorly; registering a contracted growth of below 1.4% since the fourth quarter of 2021. The slowdown in performance of the sector is mainly attributed to unfavourable weather conditions that prevailed in first three quarters of 2022. The performance of the industry sector slowed down to a growth of 3.4% in the third quarter of 2022 compared to a growth of 8.3% in the same period in 2021. This was mainly on account of normalization of activities in the manufacturing, electricity and water supply and construction sub-sector after the strong recovery in 2021. The Services sector remained strong in the third quarter of 2022 after a strong recovery in 2021 from the effects of COVID-19 pandemic. The sector growth slowed down to 6.1% in the third quarter of 2022 compared to a growth of 11.4% in the third quarter of 2021. This performance was largely characterized by substantial growths in accommodation and food services, wholesale, and retail trade, professional, administrative and support services and education sub-sectors.

Inflation

By December 2022, trends in the year-on-year inflation as well as overall average annual inflation are above the 7.5% upper bound of the policy target range.

Figure 2: Inflation Rate



Source of Data: Kenya National Bureau of Statistics

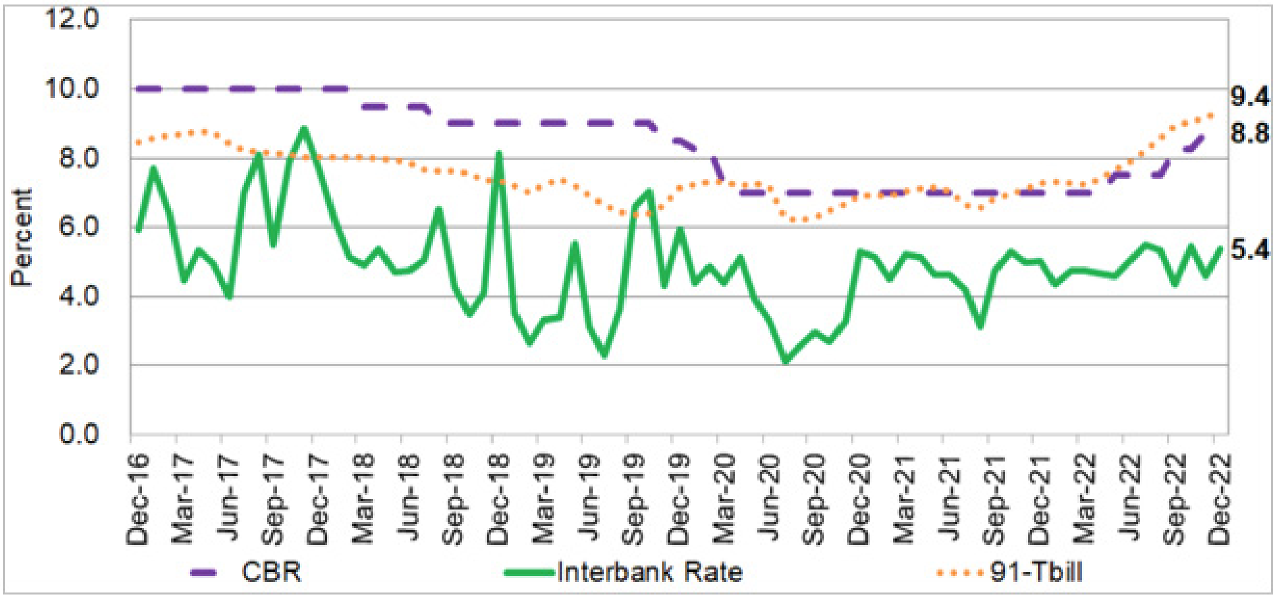
Several factors, domestically, dry weather conditions and supply constraints are the cause of rise of key food items while externally rise in prices of wheat, edible oil can be traced to Russia-Ukraine conflict and supply challenges in South East Asia respectively. Food inflation constitutes over 50% of overall inflation. Similarly fuel prices, another important component of overall inflation has been on the rise, in part due to delayed payment of fuel subsidy to operators. Due to its unsustainability, the government is in the process of scaling down the fuel subsidy programme. The new administration has rolled out other measures, specifically fertilizer subsidy programme intended towards improving food production.

Interest rates and Private Sector Credit

By the end of September 2022, the Monetary Policy Committee (MPC) of the Central Bank of Kenya resolved to raise Central Bank Rate (CBR) from 7.5%% to 8.25%, thus increasing cost of borrowing. By December 2022, the CBR was 8.8%. This stance to tighten monetary policy was adopted in order to curb inflationary pressures and other global risks. It consequently led to increase in the 91 Treasury Bill to 9.4% On the downside, while the overall annual growth for the private sector credit improved to a growth of 12.5% in the 12 months to December 2022 compared to a growth of 8.6% in the year to December 2021, it has been declining in the recent months suggesting the adverse effects from increase in the cost of credit.

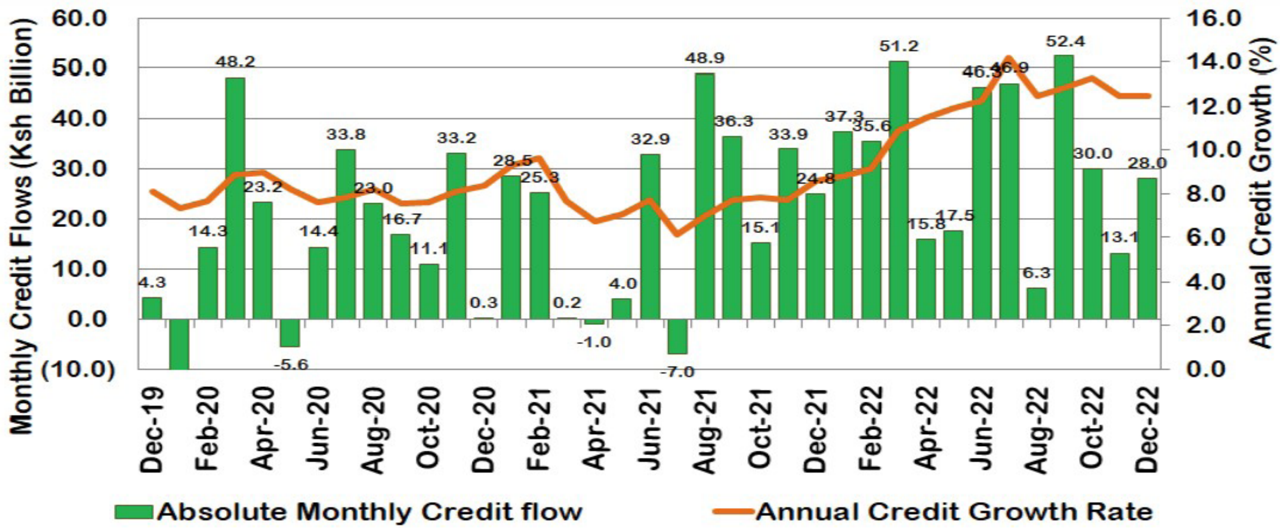
Chart 3: Interest rates and Private Sector Credit

(a) Short-Term Interest Rates



Source of Data: Central Bank of Kenya

(b) Private Sector Credit



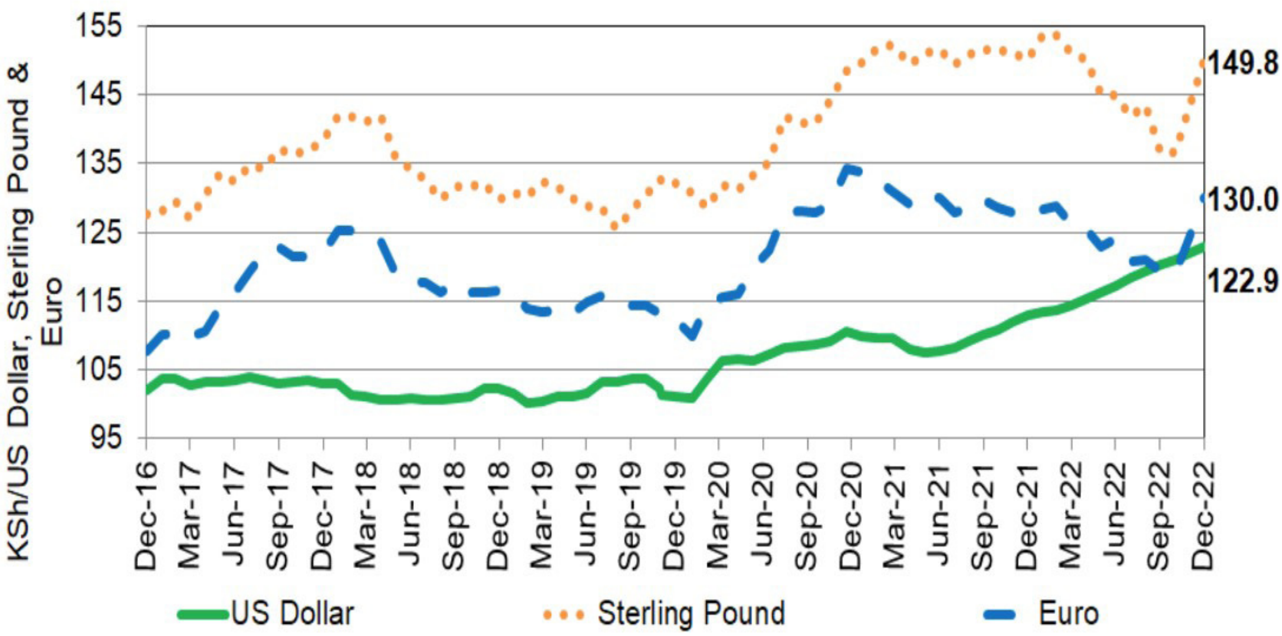
Source of Data: Central Bank of Kenya

Exchange Rates

Global financial markets volatility and increased demand for the USA dollar and other international currencies due to high import bills resulted in the steady depreciation of Kenyan shilling. Due to the strong dollar, the exchange rate to the Kenya shilling like with all world currencies has weakened to exchange at Ksh. 122.9 in December 2022 compared to Ksh. 112.9 in December 2021. Against the Euro, the Kenya shilling also weakened to Ksh. 130.0 from Ksh. 127.6 over the same period.

Commercial banks holdings decreased to USD 3,859.2 million in November 2022 from USD 4,196.8 million in November 2021. The official reserves held by the Central Bank in November 2022 represented 4.2 months of import cover as compared to the 5.6 months of import cover in November 2021.

Figure 2: Kenya Shilling Exchange Rate



Source of Data: Central Bank of Kenya

Poor performance of the shilling is correlated with reduced activities in the capital markets which slowed down in December 2022 compared to December 2021 due to the outflow of investors as advanced economies tightened their monetary policy amid recession fears. The NSE 20 Share Index declined to 1,676 points in December 2022 compared to 1,903 points in December 2021 while Market capitalization declined to Ksh. 1,986 billion from Ksh. 2,593 billion over the same period.

2.2 Fiscal Policy

The Budget Policy Statement 2023 notes that the fiscal framework for 2023/24 will prioritize curbing expenditure and enhancing mobilization of revenues in order to slow down growth of public debt without undermining service delivery. This fiscal consolidation plan has now become a common and recurring priority in every BPS for the last decade. The following section interrogates the BPS proposed fiscal framework and provides key messages for consideration by the National Treasury and the legislature.

Figure 2: Kenya Shilling Exchange Rate

	Budget Est. 2022/23	2022/23 Suppl. 1	Performance-Q2 of FY 2022/23			2023/24
			Target	Prel. Actual	Gap	BPS
Total Revenue	2,462.4	2,528.8	1,158.2	1,147.1	-11.1	2,894.9
Ordinary Revenue	2,141.6	2,192	1,028.1	985	-43.1	2,571.2
Ministerial AiA	320.8	336.8	130.1	162.1	32	323.8
Grants	33.3	31.4	5.6	4.3	-1.3	48.1
Total Revenue Incl. of Grants	2,495.7	2,560.2	1,163.8	1,151.4	-12.4	2,943
Total Expenditure and net lending	3,358.6	3,394	1,449	1,468.8	19.8	3,663.1
Recurrent	2,271	2,349.9	1,014.6	1,121.4	106.8	2,459.3
Development	676.6	605.8	234.7	206.3	-28.4	769.3
County Transfer	407	436.3	197.7	141.1	-56.6	429.6
Contingency Fund	4	2	2	0	-2	5
Budget deficit incl. of grants	-862.9	-833.8	-285.2	-317.4	-32.2	-720.1
Deficit as a Share of GDP (%)	-6.2	-5.7	-2.0	-2.2		-4.4

Source: BPS 2023 and Second Quarterly Economic and Budgetary Review 2022/23

On revenue, the BPS projects to collect Ksh 2,894.9 billion (17.8% of GDP) in 2023/24, up from revised estimates of Ksh 2,528.8 billion. As the main contributor to total revenue, ordinary revenue is expected to increase to Ksh 2,571.2 billion (15.8% of GDP) from revised estimate of Ksh 2,192 (15.1% of GDP) in 2022/23. The BPS notes various measures (new and on-going) that the government seeks to undertake, in order to scale up revenue collection in 2023/24 and in the medium term. These measures are a combination of both tax administrative and tax policy reforms. To further strengthen revenue mobilization efforts, it is noted in the BPS that the government will finalize the development of the National Tax Policy and the Medium-Term Revenue Strategy (MTRS) for the period 2023/24-2026/27.

Table 2 shows the gap between actual revenue collection to the target of Ksh 11.1 billion by half year of 2022/23. This is attributed to over performance in ministerial AiA collection by Ksh 32 billion. By all means, revenue performance seems to be largely on track, albeit by a big gap in relation to ordinary revenue of Ksh 43.1 billion. Similarly, by end of March 2023, KRA reports that revenue collected was 1,554 billion, translating into a performance of 95.1% against original budget target and 93.4% on Supplementary Estimates target. Revenue performance in the last quarter of 2022/23 however faces risks owing to rise in cost-of-living pressures and political disruptions to economic activity.

For financial year 2023/24, KRA anticipates to on-board VAT registered taxpayers and enhance compliance through roll out of electronic Tax Invoice Management System (eTIMS). Effective implementation of this tax administration measure is as a result expected to close the VAT collection gap and realize increase in VAT collection by Ksh 400[1]. It is important to however note how successful and promptly the 40% of the targeted 113,239 tax payers is brought on the eTIMS, will determine the extent to which the targeted collection will be realized.

Corporate income tax as per KRA Corporate plan is envisaged to increase through reduction of potential gap from 32% to 30%. Details including timelines of how this will be accomplished are not reflected in the BPS and thus this impedes scrutiny.

The other proposed measures that seek to leverage technology, including integration of KRA tax system with the Telcos, mapping rental properties and customs and Border Control to enhance revenue per unit may boost revenue collection barring implementation uptake and hiccups. The same is true in the realization of tax base expansion in the informal sector by targeting MSMEs.

The following are IEA Kenya's observations on revenue projections for 2023/24 and in the medium term:

- The extent to which the projected revenue performance will be met or missed is in part dependent on how effective the implementation of revenue enhancement initiatives will be undertaken.
- Evidence reveals that revenue performance correlates with increased economic activities. Therefore, public investment in enablers towards improving economic performance backed by the Bottom-up Economic Transformation Agenda are critical.
- There is need for concerted efforts towards surveillance and sealing revenue leakages in order to safeguard whatever amount of revenue is generated.
- The BPS points out challenges hampering tax compliance and proposed mitigation measures, largely related to use of technology for increased monitoring of production and payments by taxpayers. Important as these measures maybe, evidence shows that improved service delivery and accountability as a major driver of increased compliance rate by taxpayers.

As for the expenditure side, the fiscal policy focus is similar to previous financial years. The focus is to curtail and rationalize spending for a growth friendly fiscal consolidation plan. The BPS projects total expenditure as a share of GDP to decline to 22.5% of GDP in 2023/23 from 24% and 23.4% respectively as per the original budget estimates and the supplementary estimates respectively. This is envisaged on the back of multiple efforts and strategies as follows.

Rise in public debt servicing and pensions obligation, major drivers of mandatory expenditure exert heavy pressure on the budget, invariably limiting resources available for provision of services. For the latter, the BPS reiterates government continuation with the implementation of the Super Annuation Scheme for all civil servants below the age of 45 years that was rolled out in January 2021. However, debt servicing and in particular interest payment component will continue to drive mandatory expenditure in 2023/24 and in the medium. This calls for the need to consider use of public private partnership as an alternative source of financing of development project in line with the implementation of the 38-month IMF Programme. Equally, the government needs to focus investment on new projects whose appraisal shows clear evidence of generating returns sufficient to cover cost.

[1]https://www.pd.co.ke/news/taxman-dumps-etr-in-search-of-extra-sh400b-172167/

The rising wage bill is the other Achilles heel for the government, a driver for the growth in recurrent expenditure. Surprisingly the BPS 2023 does not mention explicitly, any strategy on how the new government administration will control wage bill. Already the restructuring and re-organization of the new government as evident in the first supplementary budget for 2022/23 contributed to increased additional growth of the budget.

The need to sustain efforts to improve efficiency in spending and ensure value for money is reiterated in the BPS as another strategy of curtailing spending. On the face of it, this is quite commendable, combined strategies towards elimination of non-priority expenditures and consumption subsidies. Legislative scrutiny and citizen oversight is critical in ensuring the government follows through on this plan.

3.0 Taxation Proposals

The budget is prepared against a backdrop of pressing economic challenges we have been facing as a country:

1. Occasioned by Russia-Ukraine conflict- disruption on global supply chain;
2. Higher-than expected inflation worldwide triggered by higher global oil and food prices;
3. Climate change has produced a severe crisis- Food insecurity, poverty, inequality and socio-conflicts
4. Limited access to foreign finance

These factors affect budgeting environment in the year. The Government should factor in these disruptions and provide mitigating measures consistent with the economic growth projections. Globally, the economy grew by 3.2% in 2022, and is projected to decline to 2.7% in 2023. Advanced Economies growth is forecast at 1%, Euro Area growth is projected to come in at 0.5%, China's economy is forecast to grow 4.4% and Emerging Market growth is forecast at 2.9% in 2023 and Sub-Saharan Africa growth is projected to be 3.7%.

The Kenyan economy has demonstrated some kind of resilience and recovery from COVID-19 shocks, the growth declined from 7.5 percent in 2021 to 5.3 percent in 2022 and is projected to recover to around 6.1 percent in 2023 and the medium-term reinforced by Government's Bottom-up approach, inclusive growth, getting export markets. The 7.5% growth in 2021 was mainly supported by the recovery in the service and industry sector. The service sector contributed 5.4 percentage points to GDP while the industry sector contributed 1.1 percentage points to GDP growth. In the FY 2023/24 and the Medium-Term Budget, emphasis will be on aggressive revenue mobilization including policy measures to bring on board additional revenue while containing growth in expenditures. The focus during the Medium-Term Fiscal Framework will be on:

1. Real GDP growth above 6.0 percent over the medium-term.
2. Inflation being maintained within the range of ±2.5% of the target 5% after the current shocks are resolved.
3. Protecting competitiveness so that interest rate and exchange rate are stable and predictable over the medium-term.
4. Gradual improvement in revenue collection to over 18.0 percent of the GDP over the medium-term; and
5. Gradual reduction in expenditures to about 22.7% of GDP over the Medium-Term in line with the fiscal consolidation policy.

The Bottom-Up Economic Transformation Agenda will seek to increase investments in at least five sectors envisaged to have the largest impact on the economy as well as on household welfare. These include Agriculture; Micro, Small and Medium Enterprise (MSME); Housing and Settlement; Healthcare; and Digital Superhighway and Creative Industry The National Treasury should take into consideration the following proposals for the fiscal year 2023/2024;

3.1 Tax Imperatives for Corporates in 2023-24

The year 2023 is pivotal for corporates to continue their growth trajectory. However, reforms and developments in the tax space will impact on the corporate's financial performance. The following is a snapshot of recent, or proposed amendments that could impact these entities:

No.	Tax	Descriptions & Implications
1.	Taxation of Gains from Financial derivatives at 15%	• Regulations for taxing financial derivatives to be ready by January 2023. This is expected to cover the nature of financial derivatives subject to tax, due date and how to remit. • This targets non-residents; however, they often resist any local taxes on their foreign residents
2.	Capital Gains Tax from 5% - 15% on transfer of land and on shares in companies not listed	• This is expected to impact Kenyan real estate investments, private equity deals. This will increase the share of tax deductibles
3.	Re-introduction of fees on mobile to bank transactions	• An addition of a tax burden of 20% excise duty. This will affect corporates given that most have digitalized & adopted e-ecommerce.
4.	VAT of 16% on online services	• Impacts on e-books, streaming services, and videoconferencing
5.	Voluntary Tax Disclosure Programme which ends in 2023,	• corporates should take advantage for tax liabilities for periods 1st July 2015 to 30th June 2020. Corporates who'll declare and pay their tax liabilities within the year will enjoy 25% remission of penalties and interests

3.2 General Taxation proposal

No.	Thematic Area	Issue of Concern	Recommendations
1.	Fiscal Consolidation and Austerity Measures Government has restrained emerging expenditure pressures but also safeguarded against contracting economic activity and will be proposing a rationalization of the budget to reduce the fiscal deficit to 5.8% of GDP in the FY 2022/23 budget from 6.2% of GDP in the approved budget.	• The Government has proposed the suspension of expenditures in some recurrent areas such as domestic and foreign travels, communication, printing, training, hospitality, fuel, purchase of furniture, purchase of motor vehicles, refurbishments and routine maintenance. • Suspending these activities, may ground government and private sector, local tourism and auxiliary sectors dependant on government leading to unemployment	• Consider scaling down rather than absolute suspension of some of these "non-priority" expenditures such as training since there is need for the Government to continuously capacity strengthen its new and existing officials. • Suspending these activities, may ground government and private sector, local tourism and auxiliary sectors dependant on government leading to unemployment

No.	Thematic Area	Issue of Concern	Recommendations
2.	The Subsidy question: Subsidizing Production vs Consumption Debate	• Production subsidy: This type of subsidy is provided in order to encourage the production of a product. In order for manufacturers to increase their production output, the government compensates for some of its parts in order to lessen their expenses while increasing their output. As a result, production and consumption grow, but the price remains the same. The drawback of such an incentive is that it may promote overproduction. • Consumption subsidy: This happens when the government offsets the costs of food, education, healthcare, and water.	The new administration has given a policy direction to substitute consumption subsidies with production subsidies, for instance, subsidies that touch on fuel have been removed. This has led to increase in the cost of production among other negative consequences. Literature provides different perspectives on the implications and advantages of subsidies including: **Advantages:** • Lowering prices and controlling inflation. • Preventing the long-term decline of industries • A greater supply of goods. **Disadvantages of Subsidies** • Shortage of supply • Difficulty in measuring success • Higher taxes
3.	Informal Sector vs Access to Credit	Link access to government credit for existing businesses with the tax returns	Link the persons or businesses pursuing subsequent loans (higher amounts than first timers) to tax returns to confirm the credit worthiness of a business to also include taxes paid to the revenue authority. This will lead to more informal businesses seeking government funding to remit some taxes and hence expand the tax burden and help in reducing budget deficit.
4.	Cost of Electricity	Reduce the cost of power hence reducing the cost of doing business/ manufacturing making locally produced goods competitive	Zero rate – residential
5.	Value Added Tax (Electronic Tax Invoice) Regulations, 2020	Value Added Tax (Electronic Tax Invoice) Regulations, 2020	Allow taxpayers to claim the cost of TIMS machines. To support taxpayers in the uptake of the machines and smooth implementation of these Regulations
6.	Youth owned enterprises	To lower inequality through fiscal redistribution	• Reduce the rate of income tax for youth owned enterprises. • Help the youth create self-employment and help fight unemployment/underemployment. • Implement a progressive income tax structure to ensure that the higher the income earned by an individual, the higher their tax liability.

3.3 Proposal on domestic Taxes for FY 2023/24

Table 1: Summary of Budget Proposals on Domestic Taxes for FY 2023/24

Issue of Concern/ Clause	Current Situation	Proposal	Justification	Expected Outcome
Arbitrary, Multiple & Duplicated Fees and Charges by National Government Agencies	Multiple levies, fees and Charges imposed by several national ministries and Agencies under their laws. e.g. Import levy on nuts and oil imposed under the Crops (Oil and Nuts) Regulations 2019 under the Agriculture and Food Act	Require all Government ministries and their agencies to submit any fees, levies and charges during the national budget process through the National Treasury.	The fees, levies and charges being introduced by various ministries and agencies at different periods has increased the level of unpredictability for businesses which undermines effective planning. The cost of taxation has also increased in the country due to taxation being imposed through the National Treasury under the tax laws and by numerous national agencies. This is in addition to the county taxes. The levies, fees and charges have resulted in high administration and production costs for companies to ensure compliance.	Predictable business environment. Ensure a coordinated well-planned structure at the national level for engaging businesses in taxation formulation. Reduction in the cost of doing business. Provide visibility of all taxes imposed by the national government to ensure compliance. Thus, increasing national revenue.
			It has also affected meaningful public participation due to multiplicity of agencies and their requirements. Businesses are spending too much time following up on the same and lose out on focusing on their core work. This has also increased administrative costs for businesses. The fees, levies and charges continue to increase the tax burden in addition to national taxes under laws such as excise, value added tax, etc. Unfortunately, some of the levies are being imposed without consideration of the regulatory burden on the industry. There is a need for coordination of fees and levies under the Act.	

Issue of Concern/ Clause	Current Situation	Proposal	Justification	Expected Outcome
			It has created uncertainty and unpredictability in the market which significantly hinders local manufacturing competitiveness against imported finished products.	
Reduce IDF on Industrial Machinery and spare parts from 3.5% to 1.5%	Industrial machinery of Chapters 84 & 85 and spare parts are charged an import declaration fee at a rate of 3.5%. This increases the cost of imported industrial machinery and thus increases the cost of investments in the country, especially for SMEs.	Include industrial machinery of Chapters 84 & 85 and spare parts in Section 7: (2A) of the Miscellaneous Fees and Levies Act. This will reduce IDF from 3.5% to 1.5%	Industrial machinery is a critical tool for manufacturing. Kenya is the only country in the EAC Region that charges IDF on Industrial Machinery this puts manufacturers in Kenya at a cost disadvantage.	Reduction on investment cost including SMEs. The long-term impact will be more taxes to government inform PAYE, Excise, corporate tax among other taxes on products thereof produced. Enhanced competitiveness. Growth of the current companies. Job creation.
Reduce RDL on Industrial Machinery and spare parts from 2% to 1.5%	Industrial machinery of Chapters 84 & 85 and spare parts are charged a Railway Development Levy at a rate of 2%. This increases the cost of imported industrial machinery and thus increases the cost of investments in the country, especially for SMEs.	Include industrial machinery of Chapters 84 & 85 and spare parts in Section 8 (2A) of the Miscellaneous Fees and Levies Act. This will reduce RDL from 2% to 1.5%	Industrial machinery is a critical tool for manufacturing The RDL rate in Kenya is higher compared to that in other EAC countries such as Tanzania which charges RDL fee at 1.5%. This discourages local investments.	
Offset of VAT credits arising out of the old VAT refund formula	Lack of provisions under Section 17 (5) to allow for refund of excess tax arising from zero rated supplies adjusted/ assessed using the formula before 17th June 2019 under Legal Notice No. 86 published in the Kenya Gazette Supplement No. 84 dated 17th June 2019. Although the change of the VAT formula to the current one addresses the current refund concerns, the law does not provide for how those with outstanding refunds from the old formula will be refunded.	Amend the VAT Regulations 2017 & VAT Act 2013 – to recognize refund/ offset of tax arising from the VAT formula and facilitate outstanding payment through retrospective provisions by: Introducing provisions to allow for refund of excess tax arising from zero rated supplies adjusted/ assessed using the formula before 17th June 2019 under Legal Notice No. 86 published in the Kenya Gazette Supplement No. 84 dated 17th June 2019. The amendments should read as follows:	This will put in place provisions to recognize refunds that may arise from an old Formula. This will include retrospective provisions allowing for payments of prior claims from the date of the commencement of the application of the formula under the Value Added Tax Regulations, 2017 to the date of the new Formula which commenced in June 2019. This will address outstanding Refunds Arising from the previous VAT Formula under Regulation 8 (2) of the Value Added Tax Regulations, 2017.	Enhanced cashflows for manufacturers. Companies will redirect cash to investments and core business activities. Reduction in the cost of money will lead to more profit and increased tax revenue for the government. Circulation and velocity of funds moving promptly through the supply chain will be a catalyst to economic activity.

Issue of Concern/ Clause	Current Situation	Proposal	Justification	Expected Outcome
		Amend Section 17 (5) to introduce new sub-section (e) and provision to read as follows: (f) such excess arose from the formula before 17th June 2019 under Regulation 8 (2) of the Value Added Tax Regulations, 2017 and. (g) such excess arose from the formula before 17th June 2019 under Regulation 8 (2) of the Value Added Tax Regulations, 2017 may be applied against any tax payable under this Act or any other written law, or is due for refund pursuant to section 47(4) of the Tax Procedures Act, 2015; and "Provided further that, notwithstanding Section 17(5)(f), a registered person who prior to the commencement of Section 17(5) (e) and (f), has a credit arising from the formula under Regulation 8 (2) of the Value Added Tax Regulations, 2017, may make an application for a refund of the excess tax from the commencement date of the Regulations.		
Delay/ Non-payment of verified refunds.	Section 17 (5) (a) of the VAT Act provides for excess amounts to be paid to the registered person by the Commissioner where such excess arises from making zero rated supplies.	Amend the PFM Act 2012 to provide for the establishment of a Tax Refund Fund to read as follows: (1) There is established a fund to be known as the Tax Refund Fund which shall be administered by the Cabinet Secretary of matters relating to Finance.	The payment of refunds in the country has faced a lot of delays and affected the liquidity of businesses, especially for manufacturers. The delays have been attributed to the process of reversing back the money once it has been paid into the national consolidated fund.	Enhanced cashflows for manufacturers for investments, sustaining growth and job creation.

Issue of Concern/ Clause	Current Situation	Proposal	Justification	Expected Outcome
	Even though the claims are verified and are correctly reflected in the I tax system under the credit adjustment voucher (CAV), they remain unpaid to manufacturers. There is a need for urgent direct refund payments to manufacturers.	(2) There shall be paid into the Fund 1% of monthly tax- (a) Collected from any tax law including, the Tax Procedures Act, Income Tax Act, Excise Duty Act, Value Added Tax, and Miscellaneous Fees and Levies Act; and (b) for purposes of payment of refunds arising from excess and/or erroneous payment of tax under any tax law including, the Tax Procedures Act, Income Tax Act, Excise Duty Act, Value Added Tax, and Miscellaneous Fees and Levies Act. (3) Payment from the Fund shall be made without undue delay to cover all amounts owed by Government payable as refunds. (4) Not later than three months after the end of each financial year, the National Treasury shall prepare and submit to the Auditor-General financial statements for that year in respect of the Tax Refund Fund. (4) The Cabinet Secretary may by notice in the Gazette provide for the mode of administration of the Fund established under sub-section (1).	The Government has acknowledged the challenges of refunds and has over the years addressed backlogs of refunds owed to manufacturers. However, the issue continues to recur and there is need for a sustainable solution. This proposal seeks to address this issue sustainably by having the amounts of refund paid promptly by the Kenya Revenue Authority	

Issue of Concern/ Clause	Current Situation	Proposal	Justification	Expected Outcome
		or (1) Enact a dedicated Tax Refund Bill 2019 to provide for refunds of Tax under powers given to the Cabinet Secretary of the National Treasury under Section 24 (3) of The Public Finance Management. **Increase monthly budgetary allocation** for monies dedicated towards tax refunds from the current Ksh. 1.7 billion to about Ksh. 5.5 billion		
Paragraph 24(3) (d) of the Second Schedule of the Income Tax Act on IDA	The law does not allow one to claim IDA if they were to buy an existing warehouse for the purpose of housing its manufacturing facilities	Amend paragraph 24(3)(d) to the Second Schedule of the Income Tax Act CAP 470 by: deleting sub paragraph ii and inserting thereon "the person who purchases the building shall be deemed to have incurred capital expenditure on the construction thereof equal to the lesser of the price paid for the property and the current market valuation"	Current definition only talks about construction. Definition should be broadened to allow an investor in manufacturing to buy a building/ warehouse that is already constructed. The buying the building is incurring actual expenditure.	Incentivize new investments.

4.0 Sector Proposals

4.1 Health Sector

Problem Statement

Both health spending per capita and the share of public expenditure in overall health spending increased between 2000 and 2018, from US$ 20.5 to US$ 88.4 and from 28.6% to 42.1%, respectively. The share of public health spending in overall government expenditure also increased from around 7% in 2000 to 9% in 2018. However, out-of-pocket spending remains substantial, accounting for 23.6% of total health expenditure in 2018. Despite these developments, access to quality health services has been hampered by under investments in specific health areas for instance mental health, community health services, human resource for health and in addressing systemic challenges that cause leakage of health resources.

This calls for adequate appropriation towards investment in preventive/promotive health, completion and full operationalization of Kenya Vision 2030 flagship projects towards realization of UHC and reduction of catastrophic spending on health.

Health sector context in the financial year 2023/2024

Guiding Framework:

The Vision 2030, the third Medium Term Plan, the Big 4 Agenda, Post COVID-19 Economic Recovery Strategy (PC-ERS), Health Sector Policy Framework 2014 -2030, Health Sector Strategic Plan 2018 -2023 are all aimed at achieving Universal Health Coverage (UHC) aspirations.

Vision 2030 Projects:

There has been considerable progress toward realizing milestones aimed at promoting alternative medicine, infrastructural development for specialized health services and e-health. Specifically, development of the Traditional and Alternative Medicine Bill; data canter set up and operationalization of the 350 Mama Margaret Uhuru Hospital a level 6 hospital at KNH; and construction of a biosafety laboratory, isolation centre and chronic diseases management structure at MTRH. The sector has prioritized refining of existing regulatory guidelines to allow registration of natural health products of acceptable varying standards of processing thus promoting Locally Derived Natural Health Products; implementation of the ICT master plan, and constructing and equipping a fully-fledged 300 bed private wing, 2,000 accommodation units and conference facilities for health tourism essentially modernizing Kenyatta National Hospital and developing Cancer Management Centre, constructing a children hospital and modernization of infrastructure and hospital equipment to modernize Moi Teaching and Referral Hospital.

The MTP III identifies these key achievements in the period including completion and commissioning of Kenyatta University Referral, Research and Teaching Hospital (KUTRRH) and Othaya Level 6 Hospital; equipping of Mother and Child Unit at KNH; construction and equipping of Biosafety Laboratory (BSL II) and Isolation Centre/Wards at Moi Teaching and Referral Hospital (MTRH); construction of the Integrated Molecular Imaging Centre (IMIC) at KUTRRH to facilitate early diagnosis and monitoring treatment of cancer; construction works of three (3) cancer treatment centres in Nakuru, Mombasa and Garissa were completed; and construction of East Africa's Centre of Excellence (East African Kidney Institute) as a Medical Tourism Centre.

Emerging/prevailing conditions:

- Uneven economic recovery, the general election and emergence of new COVID-19 variants
- Infrastructure and human capacities gap which hinders achievement of sectoral goal;
- Inadequate legal and policy framework to regulate the Sector;
- Inadequate funding;
- Climate change issues;
- Huge pending bills which form a first charge on the allocations to the Sector crowding out the development resources
- Reducing health budget absorption
    - "Over the period 2019/2020 – 2021/2022, the budgetary allocation for the sector increased from KSh.119.2 billion in 2019/20 FY to KSh.120.8 billion in 2020/21 FY and to KSh.130.4 billion in 2021/22 FY. The actual expenditure for the period was KSh.107.3 billion, KSh.105.7 billion and KSh.110.1 billion for 2019/20, 2020/21 and 2021/2022 financial years respectively, translating to absorption rates of 90% in 2019/20 FY, 87% in 2020/21 FY and 84% in 2021/22 FY." HSWGR 2022/23-2024/25
- Sector reorganization: The Executive Order No. 1/2023 reorganizes the Sector into two State Departments namely; the State Department for Medical Services and State Department for Health Standards and Professional Management.

FY 2023/24 Proposals:

1. Develop Equitable Financing Mechanisms

a. Implement the National Health Insurance Scheme as a means of financing curative and rehabilitative services - the government health system to concentrate on prevention, research, and policy;

b. Accreditation (NHIF) of all health facilities as a policy intervention

c. Seal revenue loss loopholes as a result of poor follow up on NHIF reimbursements; 65% of NHIF reimbursement to private sector vs 20% to public sector

d. Increase resources to underserved or disadvantaged areas; this will address existing inequalities in health financing

e. Scale up the Output Based Approach System for other health services; promote access, quality control & value for money

f. Review the Public Finance Management Act to allow disbursement of funds as grants directly to health facilities;

g. Empower health facility boards to manage and supervise resources generated locally and those allocated from the Central Government; This will empower the governance of health facility and turnaround time in decision making

h. Ringfencing of health resources: reinstate Level 5 conditional grant; funds for devolved health services;

2. Medical Tourism:

a. Positioning the country as a destination for specialized health and medical services will promote investment and growth in the sector;

b. Training and retaining specialized expertise

3. Delink MOH from Service Delivery:

The Ministry of Health continues to be both a health regulator as well as a service provider. Role separation is possible by establishing a Health Service Commission which is separate from the Ministry of Health. The Health Service Commission will be mandated with Service delivery, without subverting devolution while the Ministry of Health will provide guidance on policies, standards and guidelines.

This will re-engineer human resource for health by:

- Improving management of the existing health work force by putting in place attraction, retention and motivational mechanism;
- Putting in place systems to measure performance and competence of health work force;
- Facilitation of national capacity development; allocate resources for continuing, on job and specialized training to prevent "claw back" on county resources for health.

4. Mental health:

The Mental Health Investment Case established that the total economic burden on account of mental health conditions in the Kenyan economy was KES 62.2 billion (US$571.8 million), an equivalent loss of 0.6% of the GDP in 2020. Investing in mental health will accrue productivity gains and social value of health worth KES 161.6 billion over a ten-year period.

Priority actions in MTP IV should prioritize increased mental health funding for implementation of key mental health policy documents, curative, rehabilitative preventive and promotive mental health services. Additionally:

- Conduct a baseline survey for MH prevalence; data informs planning and resource allocation;
- Review of the KEML 2019 and PHC order tools to allow PHC facilities to order and dispense mental health drugs; this will promote access to services at community level, compliance to treatment and promote independent living.
- Invest in e-health for mental health, community mental health services and promote effective mental health integration into PHC, to bridge gaps in availability of skilled mental health workforce that severely limits access to affordable, quality mental health care in Kenya;
- Align infrastructure and services offered to WHO Quality Rights standards, promoting quality care and respect of rights for persons with mental health conditions;
- Social health protection-NHIF; inclusivity for persons with lived mental health experience as a result of increased vulnerability

5. Increased investments for NCDs

Establishment and equipping centres for treatment of non-communicable diseases (Cancer, Cardio-vascular, Diabetes and Renal disease) in collaboration with county governments, private sector and development partners.

NCDs accounted for 43.5% of hospital deaths in 2020/21, compared to 35.4% in 2017 and are estimated to reduce household incomes by 28.6%. Despite this, the funding for NCDs is limited with a 94% funding gap from the estimated KES 377 billion needed as per the costed National NCD Strategic Plan 2021/22 - 2025/26.

6. Realization of Vision 2030 projects:

- Enhance KEMSA procurement system to avoid delays currently witnessed;
- Allow MEDs to compete for supply of medical supplies and equipment to health facilities;
- Establish fully fledged low – cost diagnostic centres and provide adequate screening and treatment facilities for persons with chronic or terminal conditions, including cancer, diabetes and kidney failure in every county.

4.2 Social Protection and recreation sector

Introduction

In Kenya, women spend an average of 5 hours on unpaid care and domestic work compared to an average of 1 hour among men[2]. It is therefore a huge contributor of social inequalities and poverty. The impacts of unpaid care work can be seen in labour force participation, wage gap, leadership and decision making. Kenya's development priorities focus more on public investment and physical infrastructure[3]. Social infrastructure relates to education, health provision (Universal health coverage). Physical infrastructure focuses on the physical assets, such as the provision of water, affordable energy, time and labour-saving equipment among others. The Kenyan government recognizes that development of physical infrastructure creates employment for women and reduces the drudgery that is associated with time spent on unpaid care work thereby enabling women to enter labour market and for girls to spend more time in school[4]. The government is currently at the early stages of developing a policy on unpaid care and domestic work which seeks to provide policy direction on recognizing, reducing and redistributing unpaid care work for women and girls. This is poised to make Kenya reap economic benefits in the care economy whose value is estimated by the International Labour Organization (ILO) to be 10–39% of GDP. The Kenya National Bureau of Statistics (KNBS) also commissioned a Time Use Survey in 2021 which seeks to among others measure paid and unpaid care work.

Social Protection Sector budget proposals

- **Labour and skills promotion:** Most interventions in the Labour and skills promotion focus on foreign domestic care services. Through the National Employment Agency and National Industrial Training Agency (NITA), Kenya has built sufficient capacity for skilling local domestic workforce. **Recommendation:** The sector should use available expertise in government agencies in the sector to grow the local domestic services market. The demand for quality domestic care services is an opportunity to create employment in the social services sectors. Improved skills of local workers will encourage higher wages for them a departure from the mostly exploitative environments they currently work in. Respective Labour agencies should also look into the issue of low wages, and work conditions of domestic workers.
- The National Safety Net Programme lacks inflation adjustment for most cash transfer programmes. **Recommendation:** National Treasury adjusts the current cash tranters for OVC, elderly persons and PWD for inflation.
- The Universal Child Benefit programme has potential to improve the care for children of 0-3 years. It is the only non-health government programme that specifically targets this age. The target of 8,700 children in FY/ 2023/24 is however very low compared to the number of children in that age category. Recommendation: Scale up the UCB programme to reach 80,000 new born.
- **Issue:** The targeted number of protective spaces GBVRCs, Police care Centres and Old persons home is low compared to the number of survivors of Sexual and Gender Based Violence and old persons in need of protection, care and justice in Kenya. **Recommendation**: Establishment of GBVRCs, Police care centres in half of the counties by 2026.

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[2] Oxfam 2021

[3] Kenya's report on progress made on implementing the Beijing Plan of Action. 2019

[4] Ibid

4.3 Education Sector

Introduction

Kenya has committed to provision of free and compulsory basic education through ratification of multiple international protocols. Among these protocols are the United Nations Universal Declaration of Human Rights that proclaims the right of all persons to education, the Convention on the Rights of the Child, the UN's Agenda 2030 and Africa's Agenda 2063. Besides the international protocols, Kenya is also implementing her own Vision 2030, of which education is a key pillar. Since 2010, basic education is a constitutional right enshrined in articles 43 (1) (f) and 53 (1) (b), of Kenya's Constitution. The constitution places the obligation of providing education as a human right on the state, which aligns well with the fact that education is a public good.

Situational analysis

In her quest to ensure access to quality education for every child in the country, the government of Kenya has implemented a series of reforms in the sector in the last 20 years. The key reforms include free primary education, free day secondary education, universal transition from primary to secondary school, and most importantly curriculum reforms that have culminated in the implementation of the new, competency-based curriculum (CBC). The first cohort of the CBC learners has completed the primary cycle and transited into junior secondary school. The transition, however, is proving to be a hard nut to crack for the Ministry of Education, and causing distress to learners, parents and the entire education system. More than a month into the transition, children in public schools are yet to start learning while those in private schools continue with lessons, owing to a myriad of factors.

The Teachers Service Commission is still fumbling with the criteria of identifying primary school teachers to be posted to junior secondary school (JSS), even as it emerges that some learning areas may have no qualified teacher in the system to teach them. It seems to be realizing only too late that the intern teachers they posted, a maximum of two to schools that have over 100 grade seven learners was a drop in the ocean. The Ministry on its part has not sent the capitation intended to support the learners in the primary schools where the junior secondary school is domiciled and most schools are yet to receive books due to the government's failure to pay publishers on time. The fact that junior secondary is domiciled in primary school seems to underscore an absolute failure to plan for the transition to junior secondary school given that the CBC framework does not even have the word "domicile". Matters are made worse by the many discordant voices within and from outside the sector that are causing harmful inertia in the education system.

Problem statement

Successful transition to the CBC and indeed to any new system requires three fundamental ingredients:

- Focus on the overall goal;
- Clear agency; and
- Fidelity to the plan.`

These three ingredients are lacking in the process of transitioning from the old system of education to CBC. For instance, what is the overall goal of the reforms in education? It is to enhance equitable access to quality education. This is broken down into the following six guiding principles as captured in the CBC framework:

1. **Opportunity** – emphasis on equal access to education for all;
2. **Excellence** – nurturing every learner to excel in the areas of their greatest interest;
3. **Diversity and inclusion** – design the learning environment to respect & value the diversity of learners and ensure learners appreciate Kenya's diversity;
4. **Differentiated curriculum and learning** – allow the teacher to adapt the curriculum to suit individual learners;

5. **Parental empowerment and engagement** – provide opportunities for the schools to empower parents to contribute to learning outcomes for their children; and
6. **Community service learning** – promote experiential learning.

What is happening in the JSS is the antithesis of the principles upon which CBC is premised, especially the first principle, as only the minority learners in private schools are learning while the majority of children attending public schools remain in limbo.

The lack of clear agency has occasioned the following undesirable situations:

- Funding is scattered & not optimised;
- Funding is delayed, sometimes not disbursed due to squabbles over mandate;
- Activities are uncoordinated, poorly sequenced & poorly executed;
- Activities are often delinked from the overarching goal;
- Unsatisfactory and/or delayed outputs; and
- Ultimate failure looms at the end of the transition process!

As the first year of JSS runs without learning, it is not known whether the current school heads managing JSS will continue to do so in the future or not. It is not known if the domiciling will come to an end soon or will be the permanent situation. It is not known either, who has the overall mandate of coordinating the transition process and troubleshooting the emerging challenges. In such circumstances, the current managers of the JSS are unable to plan and cannot be fully responsible for what happens to the learners currently under their care. Great danger of total collapse larks.

With the Presidential Working Party on Education Reforms yet to complete its assignment and everyone else seemingly resigned to the fact that the Party may alter the plan as originally conceived, a state of inertia has engulfed the sector. It is important to insist on sticking to the plan as conceived and designed during the curriculum development process. Shifting the plan mid-way is a keen to shifting goal posts with implications to the overall objective of the education reforms in the first place.

Overall, the upcoming budget must factor in more resources and align those already allocated to the sector to prioritize responding to these concerns. These are the core exigencies facing the education sector in the country now. They have implications for the success or failure of the sector and with it the society for many years to come. In spite of any other pressing needs, these must take precedence.

1. Sector budget proposal

In view of this exigency, we propose the following budget changes:

No.	Proposal	Justification
1.	Establishment & operationalization of the National Education Board as provided for by the Basic Education Act 2013 – enhance its mandate to oversee the CBC implementation.	It is public knowledge that the transition from the 8-4-4 system of education to the 2-6-6-3 system is experiencing many challenges. The government set up the PWPER to address these challenges and it is almost concluding its assignment. But even it comes up with those recommendations, there will be need for a structure to implement them and respond to emerging challenges. It is reasonable to expect that challenges will keep emerging until the pioneer CBC class graduates from university. The most appropriate structure to discharge this mandate is the National Education Board, which is already provided for in the Basic Education Act. We recommend allocation of resources for its establishment and facilitation to discharge its lawful mandate and oversee the successful transition to CBC.
2.	Establishment & staffing of junior secondary school that is distinct from the current primary & secondary schools.	Kenyans have through a comprehensive process developed a new curriculum, which seeks to enhance equitable access to quality education for all. The switch to this new curriculum is underway. But its success requires fidelity to the vision and appropriate and timely investment in infrastructure to transform schools to deliver on the promise. The current domiciling of junior secondary in primary schools is not in accordance to the CBC framework. The framework does not have the term "domiciling". It envisions primary, junior secondary and senior secondary schools. We understand the crisis that forced the domiciling to arise. But it must be an interim measure. Therefore, in this budget, we recommend allocation of resources to expand the reach and capacity of the sub-county secondary schools across the country to take up the functions of junior secondary, while the county, extra-county and national schools become the senior schools. The investments must be made now.
3.	Implementation of a secondary schools' equalisation program to narrow the quality gap between the big & small public secondary schools.	For over 10 years, the government has implemented a national schools' upgrading program with an average annual budget of KES300 million. What this has done is to widen the gap between the well-funded national schools that educate 3% of the children in the country and the very poorly funded sub-county schools, educating over 65% of the children, mostly from poor households. This makes mockery of any claims of equity in our education system, the lack of which has grave implications for equity in the broader society. We recommend narrowing the quality, staffing and facilities' gaps between the two levels of secondary schools. This should be done by funding and implementing a sub-county schools' upgrading program.

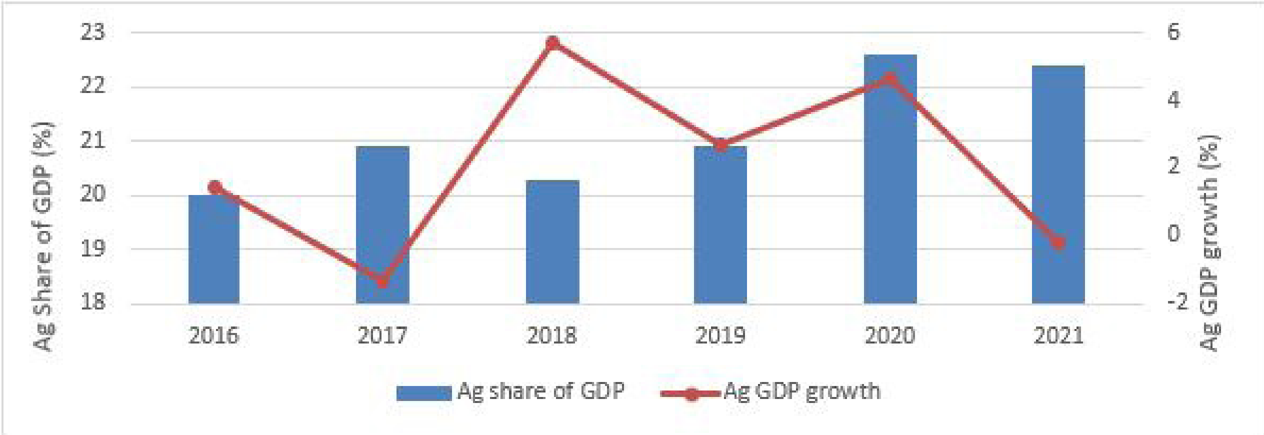
4.4 Agriculture Sector

Introduction

Agriculture remains a critical sector of the country's economy, contributing 23 per cent to the Gross Domestic Product (GDP) in 2020 (KNBS, 2022). Figure 1 shows that the contribution of agriculture was stable for the past two years, despite the negative growth of the sector during the same period. This reinforces the fact that the sector has remained significant to the country's economy, which has been affected by successive shocks in the past three years[5].

[5] is estimated that the agriculture sector employs about 60 per cent of the population through the informal sector and 12 per cent through the formal sector (KNBS, 2020). Over 80% of the population, especially those living in rural areas, derives their livelihoods mainly from agricultural activities (FAO, 2018).

Figure 1 Agriculture contribution to GDP



Source: KNBS, 2022

The agriculture sector experienced a number of shocks in the past year. The most significant was the persistent drought experienced in more than half of the country. The supply chain shock from the pandemic, and the Russian war exacerbated the costs of inputs especially fertilizer which doubled in price. Furthermore, food inflation has led to high food prices at a time when economic activity has slowed down. This has increased pressure on households as most of their income is now committed to food purchases.

The Kenya Kwanza government has prioritized the agriculture sector and food security as one of its five pillars. The key objectives under the proposal by the administration are to raise agricultural productivity, address cost of inputs and enhance access to agricultural inputs, reduce reliance on food imports to attain food security, and enhance investments in agriculture. Already, the administration has made key policy changes towards these objectives, including enhancing the fertilizer subsidy program and implementing duty waivers to allow for the importation of maize to lower the cost of fertilizer and food, respectively.

The medium-term growth target for the sector is not expected to change in the MTP sector plan underdevelopment. The sector targets an annual growth rate of 6%. As shown in Figure 1, agricultural GDP growth has been very volatile due to the shocks experienced over the past five years. A recession was experienced in 2017 due to drought in 2017, and unfavourable weather in 2019, and drought, the effects of the pandemic on global value chains in 2021. This was already prolonged into 2022 and exacerbated by the Russian war in Ukraine. As such, the growth forecast for 2022 continues to be pessimistic. Furthermore, long-term challenges, such as low agricultural productivity and high production costs, uncompetitive Ness of domestic agricultural production have persisted and must be addressed if the sector goals are to be achieved.

Sector budget proposal

No.	Proposal	Justification
1.	Invest in Climate Smart Agriculture and build resilience against shocks	The ongoing drought and high input prices have devastated many of the enterprises in the sector. Anecdotal evidence suggests that smallholder livestock farmers have been edged out of production due to the high costs of feeds. Crop farmers are likely to get lower margins as due to the rising costs of inputs and the unreliability of rainfall. Investments in the budget should prioritize building farmers' resilience to cope with market and climate-related shocks. The investments include investments in agricultural research to develop and promote climate-smart technologies and practices and support farmers to ensure their adoption.
2.	Incentivise smallholder irrigation	One of the opportunities to help farmers cope with unreliable rainfall patterns and drought is to increase the area under irrigation. We propose that the government provide investment incentives for small and micro-irrigation schemes and water harvesting and management practices for smallholder farmers. Such incentives include tax breaks for equipment, and organizations doing asset financing to farmers to access these systems to reduce the cost of accessing inputs and credit.
3.	Revamp extension and advisory services	Extension and advisory systems play a critical role in agricultural transformation. Following the collapse of public extension systems, the national government should enhance policies that support a pluralistic extension and advisory system and incentivize stakeholders to participate in bridging knowledge gaps. This could start by developing models that can deliver such services and build the capacity of stakeholders including county governments
4.	Operationalise the WRS and commodities exchange	The management of the Warehouse Receipt System has been moved to the Ministry of Trade, where they will be managed together with the commodities exchange under one Ministry. The operationalization of the two systems remains critical to enhancing formal trade in agriculture as well as unlocking financing options in the sector.
5	Enhance the competitiveness of agricultural value chains	The livestock industry's challenge remains the high costs of inputs, low proportion of value-added products, growing informality of its markets, competition from imports and food safety and standards. This clearly shows that the public investments in a stable regulatory environment can spur growth that incentives livestock farmers. The promotion of small stock such as poultry is likely to have a high impact on women and youth given the resources requirements that
6.	Enhance public investments in fisheries	There is need for continued investment in aquaculture and build on the success of programs started in the last five years that resulted in higher production of fish in areas that no fish production existed. Further, exploiting opportunities in value addition such as providing raw material for livestock feed and stimulating productivity at reduced cost will help grow the industry.

5.0 Conclusion

Kenya's economic growth assumed a decline registering a growth of 4.7% in the third quarter of 2021 compared to 11.0% in the second quarter of 2021 after a strong recovery in 2021 from the effects of COVID-19. This decline is associated with Russia-Ukraine Ukraine conflict, persistent supply chain disruption and drought effects.

The BPS 2023 raises the need to address most of these constrains across all the sector with the aim of bolstering the economy which actually forms the basis for the Kenya Kwanza Government Bottom – up transformation agenda. The agenda is geared toward economic turnaround and inclusive growth across at least five sectors of the economy which will have an impact in the economy and at the household level.

These proposals are therefore intended for consideration by the Treasury and the various sectors with a view that they will contribute to maintaining Kenya in its current economic growth and in contributing to wealth creation and poverty reduction and also for public education to the members of public.

Annexes

Annex 1: Sector Proposals – Contributors

	Presentation	Area of Submission
	Corporate Sector	
1.	Mr. Job Wanjohi Kenya Association of Manufacturers (KAM)	Manufacturing Sector
2.	Mr. Elias Wakhisi Institute of Certified Public Accountants of Kenya (ICPAK)	Financial Sector
3.	Dr. Timothy Njagi Tegemeo Institute of Agricultural & Policy Development	Agriculture
4.	Dr. Emmanuel Manyasa Usawa Agenda	Education
	Social Sector	
5.	Mr. George Orido Tone Theatre Productions	Art and Culture
6.	Ms Anita Otieno The Eastern Arica Child Rights Network (EACRN)	Children
7.	Mr. Josiah Kiarie Research Monitoring & Evaluation Officer, Collaborative Centre for Gender Development (CCGD)	Social Protection
8.	Ms Jemimah Muthoni Ms Health Rights Advocacy Forum (HERAF)	Health

Abbreviations and Acronyms

AiA	Appropriation in Aid
BPS	Budget Policy Statement
BSL	Biosafety Laboratory
CAV	Credit Adjustment Voucher
CBC	Competency-Based Curriculum
CBK	Central Bank of Kenya
CBR	Central Bank Rate
ETIMS	Electronic Tax Invoice Management System
GBVRCs	Gender-Based Violence and Recovery Centre
GDP	Gross Domestic Product
ICT	Information and communication technology
IDA	Investment Deduction Allowance
IDF	Import Declaration Fees
IEA	Institute of Economic Affairs
ILO	International Labour Organization
IMF	International Monetray Fund
IMIC	Integrated Molecular Imaging Centre
JSS	Junior Secondary School
KEML	Kenya Essential Medicines List
KEMSA	Kenya Medical Supplies Authority
KNBS	Kenya National Bureau of Statistics
KNH	Kenyatta National Hospital
KRA	Kenya Revenue Authority
KUTRRH	Kenyatta University Referral, Research and Teaching Hospital
MOH	Ministry of Health
MPC	Monetary Policy Committee
MSMEs.	Micro, Small and Medium Enterprise
MTEF	Medium Terms Expenditure Framework
MTP	Medium Term Plan
MTRH.	Moi Teaching and Referral Hospital
MTRS	Medium-Term Revenue Strategy
NCD	Non Communicable Diseases
NHIF	National Hospital Insurance Fund
NITA	National Industrial Training Agency (NITA
OVC	Orphans and Vulnerable Children
PC-ERS	Post COVID-19 Economic Recovery Strategy
PHC	Primary Health Care
PWDs	Person With Disabilities
RDL	Rural Development Levy
UCB	Universal Child Benefit
UHC	Universal Health Coverage
USA	United State of America
VAT	Value Added Tax
WHO	World Health Organization,

NOTES

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Made by different Stakeholders from the corporate and social sector on
18th and 19th January 2023