

SECRET

The County Allocation of Revenue Bill, 2020



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

County Allocation of Revenue Bill, 2020

A legislative proposal for submission to Parliament

| PAPERS LAID | |
|--------------------|--------------------|
| DATE | 13/02/2020 |
| TABLED BY | <i>[Signature]</i> |
| COMMITTEE | EPIC |
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THE COUNTY ALLOCATION OF REVENUE BILL, 2020

ARRANGEMENT OF CLAUSES

Section

- 1—Short title.
- 2—Interpretation.
- 3— Object and purpose of the Act.
- 4— Equitable allocation of county governments' share of revenue.
- 5— Conditional allocations to County Governments.
- 6— Report on actual transfers.
- 7— Books of accounts to reflect national government transfers.
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- 10— Clarification of revenue sharing formula to apply

FIRST SCHEDULE

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally, Financial Year 2020/21.

SECOND SCHEDULE

Conditional allocations to County Governments from National Government Revenue in Financial Year 2020/21.

THIRD SCHEDULE

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2020/21.

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financial year 2020/21 shall be as set out in Column D of the First Schedule.

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(2) Each county government's allocation under subsection (1) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012.

Conditional allocations to county governments.

5. (1) Conditional allocations from national government revenue to each county government for the financial year 2020/21 shall be as set out in Column H of the Second Schedule, comprising —

- (a) conditional allocations for level 5 hospitals as set out in Column B of the Second Schedule;
- (b) conditional allocations for construction of county headquarters as set out in Column C of the Second Schedule;
- (c) conditional allocations to compensate county health facilities for forgone user fees revenue as set out in Column D of the Second Schedule;
- (d) conditional allocations for leasing of medical equipment as set out in Column E of the Second Schedule;
- (e) conditional allocations from the Road Maintenance Fuel Levy Fund for the repair and maintenance of county roads as set out in Column F of the Second Schedule; and
- (f) conditional allocations for development of youth polytechnics as set out in Column G of the Second Schedule.

(2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2020/21 shall be as set out in Column M of the Third Schedule, comprising of—

- (a) conditional allocations financed by a grant from the World Bank to finance Transforming Healthcare Systems for Universal Care Project (THSUCP) as set out in Column B of the Third Schedule;
- (b) conditional allocations financed by a World Bank credit to finance Agricultural and Rural

- Inclusive Growth Project (NARIGP) as set out in Column C of the Third Schedule;
- (c) conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column D of the Third Schedule
 - (d) conditional allocations financed by a grant from the World Bank for Kenya Devolution Support Programme (KDSP)- level 1 known as KDSP Capacity Building (“level 1”) Grant as set out in Column E of the Third Schedule;
 - (e) conditional allocations amounting to Kshs Six billion, Three Hundred and Sixty Six Million (Kshs 6.366 billion) financed by a loan from the World Bank for Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG) known as KUSP Performance for Results “Window 3” grant as set out in Column F of the Third Schedule which shall be allocated among county government on the basis of a criteria to be determined as follows;
 - (i) The Accounting Officer responsible for the grant, shall carry out or cause to be carried, in accordance with the Intergovernmental agreement between the National Government and each eligible county government, an assessment to determine the eligible county government’s performance score by meeting the Disbursement Linked Indicators for purposes of determining the performance (Window 3) grant allocation for the financial year 2020/21;
 - (ii) The allocation to the eligible county governments shall be on the basis of the criteria comprising of the performance score determined in paragraph (i) and;
 - (iii) The Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of paragraph (ii) above.
 - (f) conditional allocations from a grant by DANIDA to finance Universal Healthcare in Devolved System Program as set out in Column G of the Third Schedule;

- (g) Conditional allocations from an EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column H of the Third Schedule;
- (h) Conditional allocations from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column I of the Third Schedule;
- (i) Conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column J of the Third Schedule;
- (j) Conditional allocations financed by a grant from EU to finance Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) as set out in Column K of the Third Schedule; and
- (k) Conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column L of the Third Schedule.

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(3) (a) Each county government's allocation under subsection (1) (a), (b), (c), (e) and (f) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012;

(b) the allocations transferred under paragraph (a) shall only be accessed by each county government after meeting conditions set by the Cabinet Secretary responsible for that function at the beginning of the financial year; and

(c) the transfers made pursuant to paragraph (a) shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

(4) The county governments' allocations under subsection (1) (d) shall be included in the budget estimates of the national government and shall be

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submitted to Parliament for approval provided that the national government and county governments will have an intergovernmental agreement in line with Article 187 of the Constitution.

(5) (a) A county governments' allocation under subsection (2) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) above shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012, if the Cabinet Secretary and the responsible development partner, have agreed in writing that the funds shall be transferred to the county governments.

(b) The transfers made pursuant to paragraph (a) shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

Report on actual transfers.

6. The National Treasury and Planning shall publish a monthly report on actual transfers of all allocations to county governments.

Books of accounts to reflect national government transfers.

7. (1) Each county treasury shall reflect all transfers by the national government to the county governments in its books of accounts.

(2) The estimates of revenue of each county shall separately reflect the total equitable revenue share under section 4 of this Act and any other conditional allocations from the national government transferred to the County Revenue Fund.

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(3) A county treasury shall as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, 2012 report on actual transfers received by the county government from the national government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury.

Financial
Misconduct.

8. Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act, 2012.

Cabinet Secretary to
make Regulations.

9. The Cabinet Secretary may, with the approval of Parliament make Regulations on—

- (a) any matter in respect of which Regulations require to be made under this Act; and
- (b) any subsidiary or incidental administrative or procedural matter necessary for the proper implementation or administration of this Act.

Clarification of
revenue sharing
formula to apply

10. For the avoidance of doubt the allocation of the equitable share of revenue to the county governments under Section 4 of this Act shall be in accordance with the second determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

*The County Allocation of Revenue Bill, 2020***FIRST SCHEDULE (s. 4(1))****Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial year 2020/21**

| No | County | 2019/2020 | | 2020/2021 | |
|----|-----------------|------------------|-----------------|------------------|-----------------|
| | | Allocation ratio | Equitable Share | Allocation ratio | Equitable Share |
| | | Column A | Column B | Column C | Column D |
| 1 | Baringo | 1.61 | 5,095,650,000 | 1.62 | 5,127,300,000 |
| 2 | Bomet | 1.74 | 5,507,100,000 | 1.74 | 5,507,100,000 |
| 3 | Bungoma | 2.81 | 8,893,650,000 | 2.83 | 8,956,950,000 |
| 4 | Busia | 1.9 | 6,013,500,000 | 1.93 | 6,108,450,000 |
| 5 | Elgeyo Marakwet | 1.22 | 3,861,300,000 | 1.22 | 3,861,300,000 |
| 6 | Embu | 1.36 | 4,304,400,000 | 1.44 | 4,557,600,000 |
| 7 | Garissa | 2.22 | 7,026,300,000 | 2.22 | 7,026,300,000 |
| 8 | Homa bay | 2.13 | 6,741,450,000 | 2.13 | 6,741,450,000 |
| 9 | Isiolo | 1.34 | 4,241,100,000 | 1.32 | 4,177,800,000 |
| 10 | Kajiado | 2.03 | 6,424,950,000 | 2.02 | 6,393,300,000 |
| 11 | Kakamega | 3.29 | 10,412,850,000 | 3.34 | 10,571,100,000 |
| 12 | Kericho | 1.7 | 5,380,500,000 | 1.72 | 5,443,800,000 |
| 13 | Kiambu | 2.98 | 9,431,700,000 | 3.11 | 9,843,150,000 |
| 14 | Kilifi | 3.3 | 10,444,500,000 | 3.35 | 10,602,750,000 |
| 15 | Kirinyaga | 1.34 | 4,241,100,000 | 1.35 | 4,272,750,000 |
| 16 | Kisii | 2.46 | 7,785,900,000 | 2.47 | 7,817,550,000 |
| 17 | Kisumu | 2.16 | 6,836,400,000 | 2.16 | 6,836,400,000 |
| 18 | Kitui | 2.79 | 8,830,350,000 | 2.8 | 8,862,000,000 |
| 19 | Kwale | 2.46 | 7,785,900,000 | 2.42 | 7,659,300,000 |
| 20 | Laikipia | 1.32 | 4,177,800,000 | 1.52 | 4,810,800,000 |
| 21 | Lamu | 0.82 | 2,595,300,000 | 0.87 | 2,753,550,000 |
| 22 | Machakos | 2.45 | 7,754,250,000 | 2.54 | 8,039,100,000 |

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|----|---------------|------------|------------------------|------------|------------------------|
| 23 | Makueni | 2.34 | 7,406,100,000 | 2.3 | 7,279,500,000 |
| 24 | Mandera | 3.23 | 10,222,950,000 | 3.23 | 10,222,950,000 |
| 25 | Marsabit | 2.14 | 6,773,100,000 | 2.17 | 6,868,050,000 |
| 26 | Meru | 2.54 | 8,039,100,000 | 2.56 | 8,102,400,000 |
| 27 | Migori | 2.14 | 6,773,100,000 | 2.17 | 6,868,050,000 |
| 28 | Mombasa | 2.23 | 7,057,950,000 | 2.35 | 7,437,750,000 |
| 29 | Murang'a | 1.99 | 6,298,350,000 | 2.04 | 6,456,600,000 |
| 30 | Nairobi | 5.03 | 15,919,950,000 | 5.04 | 15,951,600,000 |
| 31 | Nakuru | 3.31 | 10,476,150,000 | 3.08 | 9,748,200,000 |
| 32 | Nandi | 1.69 | 5,348,850,000 | 1.7 | 5,380,500,000 |
| 33 | Narok | 2.54 | 8,039,100,000 | 2.25 | 7,121,250,000 |
| 34 | Nyamira | 1.52 | 4,810,800,000 | 1.55 | 4,905,750,000 |
| 35 | Nyandarua | 1.54 | 4,874,100,000 | 1.55 | 4,905,750,000 |
| 36 | Nyeri | 1.71 | 5,412,150,000 | 1.61 | 5,095,650,000 |
| 37 | Samburu | 1.46 | 4,620,900,000 | 1.26 | 3,987,900,000 |
| 38 | Siaya | 1.83 | 5,791,950,000 | 1.85 | 5,855,250,000 |
| 39 | Taita Taveta | 1.34 | 4,241,100,000 | 1.39 | 4,399,350,000 |
| 40 | Tana River | 1.85 | 5,855,250,000 | 1.77 | 5,602,050,000 |
| 41 | Tharaka Nithi | 1.24 | 3,924,600,000 | 1.22 | 3,861,300,000 |
| 42 | Trans Nzoia | 1.82 | 5,760,300,000 | 1.83 | 5,791,950,000 |
| 43 | Turkana | 3.33 | 10,539,450,000 | 3.34 | 10,571,100,000 |
| 44 | Uasin Gishu | 2 | 6,330,000,000 | 1.91 | 6,045,150,000 |
| 45 | Vihiga | 1.47 | 4,652,550,000 | 1.43 | 4,525,950,000 |
| 46 | Wajir | 2.7 | 8,545,500,000 | 2.7 | 8,545,500,000 |
| 47 | West Pokot | 1.58 | 5,000,700,000 | 1.58 | 5,000,700,000 |
| | Total | 100 | 316,500,000,000 | 100 | 316,500,000,000 |

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SECOND SCHEDULE (s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial year 2020/21 (Figures are in Kenya Shillings)

| S/N | County | FY 2020/21 | | | | | | | | Total Conditional Grants from the National Government Revenue |
|-----|-----------------|---------------|-------------|-------------|------------|-------------|-------------|-------------|---------------|---|
| | | Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | |
| 1 | Baringo | 325,886,990 | - | - | 13,191,000 | 132,021,277 | 152,818,903 | 20,494,894 | 318,526,073 | |
| 2 | Bomet | 363,576,140 | - | - | 16,713,356 | 132,021,277 | 164,138,822 | 48,499,894 | 361,373,348 | |
| 3 | Bungoma | 497,074,571 | - | - | 32,837,307 | 132,021,277 | 266,961,417 | 67,849,894 | 499,669,894 | |
| 4 | Busia | 383,252,179 | - | - | 16,934,085 | 132,021,277 | 182,062,027 | 57,199,894 | 388,217,282 | |
| 5 | Elgeyo/Marakwet | 286,153,813 | - | - | 8,788,919 | 132,021,277 | 115,085,841 | 27,904,894 | 283,800,930 | |
| 6 | Embu | 621,463,343 | 301,040,462 | - | 10,724,225 | 132,021,277 | 135,839,025 | 34,249,894 | 613,874,883 | |
| 7 | Garissa | 726,729,514 | 344,739,884 | - | 12,964,636 | 132,021,277 | 209,418,497 | 17,899,894 | 717,044,187 | |
| 8 | Homa Bay | 398,419,701 | - | - | 22,185,346 | 132,021,277 | 200,928,558 | 40,399,894 | 395,535,074 | |
| 9 | Isiolo | 394,854,851 | - | 100,000,000 | 3,472,461 | 132,021,277 | 124,519,106 | 5,344,894 | 365,357,737 | |
| 10 | Kajiado | 347,456,099 | - | - | 16,955,365 | 132,021,277 | 190,551,966 | 28,504,894 | 368,033,501 | |
| 11 | Kakamega | 933,826,966 | 427,283,237 | - | 37,789,290 | 132,021,277 | 315,071,072 | 102,349,894 | 1,014,514,769 | |
| 12 | Kericho | 349,220,748 | - | - | 18,048,789 | 132,021,277 | 162,252,169 | 22,444,894 | 334,767,128 | |
| 13 | Kiambu | 1,045,877,410 | 538,716,763 | - | 34,671,542 | 132,021,277 | 293,374,561 | 61,984,894 | 1,060,769,036 | |
| 14 | Kilifi | 535,740,936 | - | - | 25,969,864 | 132,021,277 | 316,014,398 | 79,999,894 | 554,005,433 | |
| 15 | Kirinyaga | 298,227,971 | - | - | 11,282,570 | 132,021,277 | 127,349,086 | 26,899,894 | 297,552,826 | |
| 16 | Kisii | 838,456,363 | 417,572,254 | - | 26,138,997 | 132,021,277 | 233,001,661 | 70,549,894 | 879,284,082 | |
| 17 | Kisumu | 759,756,337 | 369,017,341 | - | 21,299,489 | 132,021,277 | 203,758,538 | 45,349,894 | 771,446,538 | |
| 18 | Kitui | 471,748,346 | - | - | 22,499,906 | 132,021,277 | 264,131,438 | 92,149,894 | 510,802,514 | |
| 19 | Kwale | 406,504,819 | - | - | 15,209,593 | 132,021,277 | 228,285,028 | 56,299,894 | 431,815,791 | |
| 20 | Laikipia | 292,933,208 | - | - | 9,968,208 | 132,021,277 | 143,385,638 | 18,319,894 | 303,695,016 | |

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|----|--------------------|-----------------------|----------------------|--------------------|--------------------|----------------------|----------------------|----------------------|-----------------------|
| 21 | Lamu | 388,666,287 | - | 50,000,000 | 2,451,034 | 132,021,277 | 82,069,411 | 50,299,894 | 316,841,615 |
| 22 | Machakos | 855,515,142 | 388,583,815 | - | 24,129,039 | 132,021,277 | 239,604,947 | 62,749,894 | 842,088,971 |
| 23 | Makueni | 419,420,376 | - | - | 19,435,760 | 132,021,277 | 216,965,109 | 68,299,894 | 436,722,040 |
| 24 | Mandera | 477,406,462 | - | - | 25,474,920 | 132,021,277 | 304,694,480 | 15,049,894 | 477,240,570 |
| 25 | Marsabit | 368,501,297 | - | - | 6,643,714 | 132,021,277 | 204,701,864 | 10,699,894 | 354,066,748 |
| 26 | Meru | 836,751,165 | 373,872,832 | - | 31,648,428 | 132,021,277 | 241,491,600 | 58,249,894 | 837,284,031 |
| 27 | Migori | 392,845,495 | - | - | 21,655,884 | 132,021,277 | 204,701,864 | 36,439,894 | 394,818,918 |
| 28 | Mombasa | 821,711,679 | 388,439,306 | - | 23,385,934 | 132,021,277 | 221,681,742 | 18,484,894 | 784,013,153 |
| 29 | Muranga | 414,924,838 | - | - | 20,138,691 | 132,021,277 | 192,438,619 | 97,999,894 | 442,598,480 |
| 30 | Nairobi | 693,891,449 | - | - | 79,423,251 | 132,021,277 | 475,436,588 | 16,009,894 | 702,891,009 |
| 31 | Nakuru | 861,915,384 | 373,872,832 | - | 38,723,265 | 132,021,277 | 290,544,581 | 66,289,894 | 901,451,849 |
| 32 | Nandi | 332,911,134 | - | - | 18,086,363 | 132,021,277 | 160,365,516 | 27,919,894 | 338,393,049 |
| 33 | Narok | 366,351,425 | - | - | 20,595,297 | 132,021,277 | 212,248,477 | 16,084,894 | 380,949,944 |
| 34 | Nyamira | 365,351,960 | - | - | 13,175,221 | 132,021,277 | 146,215,617 | 60,409,894 | 351,822,008 |
| 35 | Nyandarua | 453,290,886 | - | 50,000,000 | 12,735,922 | 132,021,277 | 146,215,617 | 30,949,894 | 371,922,709 |
| 36 | Nyeri | 752,037,306 | 407,861,272 | - | 13,701,379 | 132,021,277 | 151,875,577 | 48,949,894 | 754,409,397 |
| 37 | Samburu | 289,182,663 | - | - | 5,235,578 | 132,021,277 | 118,859,147 | 10,549,894 | 266,665,895 |
| 38 | Siaya | 363,250,841 | - | - | 18,194,808 | 132,021,277 | 174,515,414 | 48,199,894 | 372,931,392 |
| 39 | Taita Taveta | 302,852,764 | - | - | 5,296,305 | 132,021,277 | 131,122,392 | 57,634,894 | 326,074,867 |
| 40 | Tana River | 444,976,172 | - | 50,000,000 | 5,682,337 | 132,021,277 | 166,968,802 | 14,674,894 | 369,347,509 |
| 41 | Tharaka Nithi | 403,469,781 | - | 50,000,000 | 8,218,119 | 132,021,277 | 115,085,841 | 60,799,894 | 366,125,130 |
| 42 | Trans Nzoia | 353,144,408 | - | - | 21,304,915 | 132,021,277 | 172,628,761 | 43,909,894 | 369,864,846 |
| 43 | Turkana | 492,062,051 | - | - | 25,634,941 | 132,021,277 | 315,071,072 | 12,709,894 | 485,437,183 |
| 44 | Uasin Gishu | 357,999,358 | - | - | 20,813,065 | 132,021,277 | 180,175,373 | 40,129,894 | 373,139,609 |
| 45 | Vihiga | 323,032,159 | - | - | 12,657,201 | 132,021,277 | 134,895,698 | 69,979,894 | 349,554,070 |
| 46 | Wajir | 418,577,475 | - | - | 15,784,997 | 132,021,277 | 254,698,172 | 14,074,894 | 416,579,339 |
| 47 | West Pokot | 317,642,241 | - | - | 12,128,484 | 132,021,277 | 149,045,597 | 17,749,894 | 310,945,251 |
| | GRAND TOTAL | 23,144,842,500 | 4,326,000,000 | 300,000,000 | 900,000,000 | 6,205,000,000 | 9,433,265,625 | 2,000,000,000 | 23,164,265,625 |

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|--------------|---------------|-------------|-------------|-------------|------------|------------|------------|---------------|------------|-------------|--|---------------|
| Kajiado | 626,033,282 | 203,253,802 | - | 279,821,200 | 45,000,000 | 18,270,000 | - | - | 13,357,272 | | | 559,702,274 |
| Kakamega | 737,368,864 | 50,214,024 | - | 302,964,820 | 45,000,000 | 29,610,000 | - | - | 15,041,144 | 42,632,067 | | 485,462,055 |
| Kericho | 599,580,638 | 95,189,398 | - | 277,000,000 | 45,000,000 | 15,300,000 | - | - | 12,776,994 | | | 445,266,392 |
| Kiambu | 2,381,409,369 | 49,790,789 | 222,340,320 | - | 45,000,000 | 26,820,000 | - | - | 13,436,146 | | | 357,387,255 |
| Kilifi | 1,500,516,666 | 265,111,481 | 198,440,766 | - | 45,000,000 | 29,700,000 | - | 700,000,000 | 14,982,463 | | | 1,253,234,710 |
| Kirinyaga | 521,896,956 | 26,720,000 | 199,748,243 | - | 45,000,000 | 12,060,000 | - | - | 11,509,004 | | | 295,037,247 |
| Kisii | 684,744,542 | 68,638,638 | 198,615,016 | - | 45,000,000 | 22,140,000 | 16,140,145 | - | 14,185,102 | | | 364,718,901 |
| Kisumu | 1,119,577,868 | 57,625,645 | - | 240,035,100 | 45,000,000 | 19,440,000 | 15,626,168 | - | 13,186,151 | 34,868,974 | | 425,782,038 |
| Kitui | 797,515,756 | 38,320,000 | 199,218,200 | - | 45,000,000 | 25,110,000 | - | - | 15,428,645 | | | 323,076,845 |
| Kwale | 982,716,075 | 35,200,000 | 199,640,546 | - | 45,000,000 | 22,140,000 | 15,624,891 | 400,000,000 | 14,732,422 | | | 732,337,859 |
| Laikipia | 305,078,964 | 90,610,649 | - | 236,105,200 | 45,000,000 | 11,880,000 | 15,626,168 | - | 12,916,815 | | | 412,138,832 |
| Lamu | 306,166,757 | 131,761,634 | - | 257,872,086 | 45,000,000 | 7,380,000 | - | - | 11,343,998 | | | 453,357,718 |
| Machakos | 1,379,849,081 | 45,165,352 | - | 279,999,640 | 45,000,000 | 22,050,000 | - | - | 13,746,442 | | | 405,961,434 |
| Makueni | 704,754,514 | 98,890,804 | 198,499,820 | - | 45,000,000 | 21,060,000 | 11,000,000 | - | 14,534,090 | | | 388,984,714 |
| Mandera | 593,513,860 | 300,000,000 | - | 290,090,936 | 45,000,000 | 29,070,000 | - | - | 17,048,048 | | | 681,208,984 |
| Marsabit | 527,605,108 | 99,759,979 | - | 319,933,840 | 45,000,000 | 19,260,000 | 16,140,048 | - | 16,810,792 | 100,000,000 | | 616,904,659 |
| Meru | 532,143,439 | 36,400,000 | 202,802,950 | - | 45,000,000 | 22,860,000 | - | - | 13,550,139 | | | 320,613,089 |
| Migori | 1,065,515,013 | 40,295,580 | 198,500,002 | - | 45,000,000 | 19,260,000 | 15,626,168 | - | 13,703,648 | | | 332,385,398 |
| Mombasa | 1,658,859,269 | 114,569,473 | - | - | 45,000,000 | 20,070,000 | - | 1,100,000,000 | 12,749,975 | | | 1,292,389,448 |
| Murang'a | 520,780,762 | 149,093,840 | 198,485,140 | - | 45,000,000 | 17,910,000 | - | - | 12,746,035 | | | 423,235,015 |
| Nairobi City | 194,699,600 | 60,494,430 | - | - | 45,000,000 | 45,270,000 | - | - | 15,955,893 | | | 166,720,323 |
| Nakuru | 1,591,604,871 | 40,080,000 | 198,441,600 | - | 45,000,000 | 29,790,000 | - | - | 14,171,667 | | | 327,483,267 |
| Nandi | 718,841,621 | 102,150,272 | 197,907,900 | - | 45,000,000 | 15,210,000 | - | - | 12,838,123 | 60,669,094 | | 433,775,389 |
| Narok | 538,812,751 | 104,265,416 | 218,575,646 | - | 45,000,000 | 22,860,000 | - | - | 13,695,490 | | | 404,396,552 |
| Nyamira | 569,692,854 | 278,847,760 | 198,509,110 | - | 45,000,000 | 13,680,000 | - | - | 13,125,036 | | | 549,161,906 |

The County Allocation of Revenue Bill, 2020

| | | | | | | | | | | | | |
|---------------|-----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|-----------------------|
| Nyandarua | 377,541,424 | 163,357,834 | - | 239,157,250 | 45,000,000 | 13,860,000 | 11,000,000 | - | 12,491,573 | | | 484,866,657 |
| Nyeri | 541,842,102 | 28,800,000 | - | 312,177,550 | 45,000,000 | 15,390,000 | - | - | 11,958,572 | | | 413,326,122 |
| Samburu | 538,172,418 | 31,320,789 | 216,145,500 | - | 45,000,000 | 13,140,000 | 15,626,168 | - | 14,496,213 | | | 335,728,670 |
| Siaya | 395,748,123 | 50,199,253 | - | 319,185,080 | 45,000,000 | 16,470,000 | - | - | 12,874,560 | 38,530,664 | | 482,259,557 |
| Taita Taveta | 734,315,201 | 40,679,150 | - | 317,598,320 | 45,000,000 | 12,060,000 | 15,624,929 | 350,000,000 | 13,206,924 | | | 794,169,323 |
| Tana River | 392,033,835 | 138,012,263 | - | 320,630,200 | 45,000,000 | 16,650,000 | 14,727,370 | - | 15,405,911 | | | 550,425,744 |
| Tharaka Nithi | 307,617,021 | 101,448,239 | - | 320,000,850 | 45,000,000 | 11,160,000 | - | - | 12,178,726 | | | 489,787,815 |
| Trans Nzoia | 838,143,691 | 44,386,749 | 199,332,120 | - | 45,000,000 | 16,380,000 | - | - | 13,012,542 | 45,162,927 | | 363,274,338 |
| Turkana | 825,467,592 | 300,000,000 | 216,213,200 | - | 45,000,000 | 29,970,000 | - | - | 18,731,177 | | 200,000,000 | 809,914,377 |
| Uasin Gishu | 1,081,492,860 | 114,973,599 | - | 239,984,700 | 45,000,000 | 18,000,000 | 11,000,000 | - | 12,720,859 | 62,574,758 | | 504,253,916 |
| Vihiga | 804,853,103 | 93,531,471 | 198,457,709 | - | 45,000,000 | 13,230,000 | - | - | 12,316,175 | 25,751,575 | | 388,286,930 |
| Wajir | 715,958,149 | 98,763,532 | - | 320,674,340 | 45,000,000 | 24,300,000 | 15,626,168 | 350,000,000 | 17,532,329 | | | 871,896,369 |
| West Pokot | 399,283,864 | 32,237,369 | - | 320,000,420 | 45,000,000 | 14,220,000 | 11,000,000 | - | 14,224,205 | 65,952,437 | | 502,634,431 |
| Total | 39,089,877,210 | 4,345,375,741 | 4,261,646,438 | 7,119,776,782 | 2,115,000,000 | 900,000,000 | 216,014,391 | 3,400,000,000 | 652,584,158 | 528,000,000 | 300,000,000 | 30,204,347,510 |

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MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the allocation of revenue raised nationally among the county governments for the financial year 2020/21.

Section 1 of the Bill provides for the short title while **Section 2** defines the various terms used in the Bill.

Section 3 of the Bill contains the objects and the purpose of the Bill which is to provide for the allocation of revenue raised nationally and conditional allocations among county governments for the financial year 2019/20 as well as the transfer of the county allocations from the Consolidated Fund to the respective County Revenue Fund.

Section 4 of the Bill deals with the allocation of equitable share of revenue raised nationally to each county government.

Section 5 of the Bill provides for conditional allocations to be made to county governments.

Section 6 of the Bill provides for the publishing of monthly report by the national government, on actual transfers of all allocations to county governments.

Section 7 of the Bill provides for a county treasury to reflect the total allocations from the national government separately in the County Finance Bill and reflect all transfers in the books of accounts.

Section 8 of the Bill deals with what constitutes a financial misconduct.

Section 9 of the Bill mandates the Cabinet Secretary to make regulations for proper implementation of the Act.

Section 10 of the Bill provides for use of the second determination of the basis of the allocation of revenue among counties as approved by Parliament pursuant to Article 217 (7) of the Constitution

Dated on the 5th February, 2020.


Hon (Amb) Ukur Yattani, EGH
Cabinet Secretary for the National Treasury and Planning

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APPENDIX

EXPLANATORY MEMORANDUM TO THE COUNTY ALLOCATON OF REVENUE BILL, 2020

Background

1. This memorandum is prepared in fulfilment of the requirements of Article 218(2) of the Constitution and section 191 of the Public Finance Management Act, 2012, which require that the County Allocation of Revenue Bill tabled in Parliament be accompanied by a memorandum that:

- (a) explains the revenue allocation as proposed by the Bill;
- (b) evaluates the Bill against the criteria set out in Article 203(1) of the Constitution;
- (c) provides a summary of significant deviations from the recommendations of the Commission on Revenue Allocation (CRA) together with the explanation for such deviations;
- (d) explains the extent, if any, of deviation from the recommendations of the Intergovernmental Budget and Economic Council (IBEC); and
- (e) explains any assumptions and formulae used in arriving at the respective shares under the County Allocation of Revenue Bill, 2018.

Explanation of Revenue Allocation as Proposed by the Bill

2. The County Allocation of Revenue Bill, 2020 proposes allocate to County Governments Ksh.369.8 billion in the financial year 2020/21. This allocation includes an equitable share of Ksh. 316.5 billion and additional conditional allocations from the share of national government revenue amounting to Ksh. 13.7 billion.

3. The county governments' equitable share of revenue was allocated among the county governments on the second basis of the revenue allocation criteria approved by Parliament in accordance with Article 217 of the Constitution.

Additional Conditional Allocations to County Governments

4. The Bill proposes to allocate county governments additional conditional allocations amounting to Ksh. 13.7 billion from the national government share of revenue raised nationally in line with Article 202(2) of the Constitution and Ksh. 30.2 billion as conditional allocations financed from loans and grants from development partners as well additional conditional allocation amounting to Ksh. 9.4 billion from the Roads Maintenance Levy Fund. Pursuant to this Article, the National Government proposes to allocate the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:

- **Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 6.205 billion.** This grant which is in its sixth year of implementation, is proposed to increase from Ksh. 6.200 billion in FY 2019/20 to Ksh. 6.205 billion in FY 2020/21 and is intended to facilitate the payment of lease amounts in respect of modern specialised medical equipment in at least two health facilities in each County Government over the medium term. This will facilitate easy access to specialised health care services and significantly reduce the distance that Kenyans travel in search of such services today.
- **Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion.** Level-5 hospitals continue to play a critical role in providing specialised health care services to Kenyans. These hospitals provide specialised health care services to citizens residing within and outside their host County, usually for complicated cases referred from lower level health facilities. In order to compensate them for the costs incurred in rendering services to neighbouring Counties, the national government proposes to allocate Ksh. 4.3 billion in financial year 2020/21 to 11 counties with level 5 hospitals.
- **Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for user fees foregone.** It is the intention of government to sustain the Government policy of not charging user fees in public health facilities. In this regard, and in furtherance of this policy, the National Government has proposed an allocation of Ksh. 900 million in the financial year 2020/21 to compensate county governments for revenue foregone by not charging user fees in the county health facilities. This additional conditional allocation, which is in its sixth year of implementation, will further complement government efforts of not only achieving the Universal Health Coverage, but also sustaining its gains.

- **Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2 billion:** this additional conditional allocation which is in its fourth year of implementation and implemented through the State Department of Vocational and Technical Training, is meant to support county governments in equipping Technical and Vocational Centres and capitation of student fees. The additional conditional allocation aims at enhancing access to quality and relevant vocational skills training.
- **Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 300 Million in five counties:** This conditional allocation is intended to further supplement financing for construction of headquarters by five County Governments that did not inherit adequate offices. The five counties are Isiolo; Lamu; Nyandarua; Tana River and Tharaka Nithi. This marks the fourth year of its implementation whereby the National Government contributes 70 percent of the budget while County Governments contributes 30 percent of the total cost of the projects. This allocation has declined from Ksh. 485 million allocated in FY 2019/20 to a proposed allocation of Ksh. 300 million in FY 2020/21.
- **Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 9.4 billion.** This conditional allocation which is in its sixth year of allocation is proposed to be Ksh. 9.4 billion in FY 2020/21. This allocation is meant to further enhance County Governments' capacity to repair and maintain county roads and is equivalent to 15 percent of the Road Maintenance Fuel Levy Fund. The allocation has increased significantly from Ksh. 8.98 billion allocated to RMLF in FY 2019/20 to the proposed allocation of Ksh. 9.4 billion in FY 2020/21. This is attributed to higher projected revenues from fuel levy in FY 2020/21 compared to projections in FY 2019/20 which when the 15 % is applied, increases allocation to counties.
- **Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 4.3 billion (World Bank credit):** - This conditional allocation through the Ministry of Health is meant to improve delivery, utilization and quality of primary health care services with focus on reproductive, maternal, new-born, child and adolescent health (RMNCAH) at the county level. This additional conditional allocation is proposed to increase from Ksh. 2.99 billion in FY 2019/20 to Ksh. 4.3 billion in the financial year 2020/21. This is attributed to the structure of project implementation and financing as contained in the Project Appraisal Document. This conditional allocation will complement the National Government efforts on attainment of the Universal Health Coverage policy initiative.

- **DANIDA-Universal Healthcare for Devolved System Program of ksh. 900 million:** The project development objective (PDO) of this programme is “to improve utilization and quality of primary health care services with a focus on reproductive, maternal, new-born, child, and adolescent health services. “The Project will achieve this objective by: (a) improving access to and demand for quality Primary Health Care (PHC) services; (b) strengthening institutional capacity in selected key areas to improve utilization and quality of PHC services; and (c) supporting cross-county and intergovernmental collaboration in the recently devolved Kenyan health system.

The conditional allocation to this programme is proposed to decline slightly from an allocation of Ksh. 986 million in FY 2019/20 to an allocation of Ksh. 900 million in FY 2020/21. This is attributed to provisions of the financing agreement which envisages gradual decrease of the amounts allocated to the project in each financial year, for sustainability. The program is expected to close in December, 2020.

- **National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 4.26 billion (World Bank credit):** - this additional conditional allocation is proposed to be allocated Ksh. 4.26 in the financial year 2020/21. This additional conditional allocation is meant to further compliment efforts by National Government to attain food security in the country by facilitating counties to increase agricultural productivity and profitability of targeted rural communities in selected counties, and to provide immediate and effective response in case of crisis or emergency. This additional conditional allocation is proposed to decrease from Ksh. 7.2 billion in FY 2019/20 to Ksh. 4.3 billion in the financial year 2020/21 because the project is at advanced stages of implementation as contained in the Project Appraisal Document (PAD) and the implementation work plans.
- **Kenya Urban Support Program (KUSP) – Urban Development Grant (UDG) additional conditional allocation of Ksh.6.36 billion:-**The purpose of the Grant is to provide support to urban boards and administrators within the participating County Governments for financing infrastructure investments in urban areas. This is a performance based grant where the participating county governments are funded based on the score in the Annual Performance Assessment (APA) _ for achievement of urban planning, infrastructure, and service delivery targets. This additional conditional allocation has declined from Ksh. 11 billion in FY 2019/20 to Ksh. 6.36 billion in the financial year 2020/21. The decrease is attributed to the advanced completion of the programme and its planned activities as outlined in the Project Appraisal Document (PAD) and the project implementation work plans.

- **Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.1 billion.** This is a conditional grant, which is in its second year of implementation, financed by a World Bank credit to support county government’s capacity building under the Kenya Devolution Support Program (KDSP) amounting to Ksh. 2.1 billion. This grant is intended to support capacity building initiatives in the counties in the following areas:
 - Strengthening public financial management (PFM) systems;
 - Strengthening County Human resource management;
 - Improving county planning and Monitoring & Evaluation systems;
 - Civic Education and Public Participation; and,
 - Strengthening Intergovernmental relations.Although the programme was supposed to come to an end upon disbursement of the Ksh. 1.4 billion allocated to it in FY 2019/20; the National Treasury was not able to disburse Ksh. 2.3 billion allocated the programme in FY 2018/19 due to adjustment in the amount to be paid to county governments against one of the Disbursement Linked Indicators (DLI) under the Kenya Devolution Support Program (KDSP). As such and following clarification by the World Bank on the correct allocation, the Exchequer could not disburse the Ksh. 2.3 billion to the Counties as allocated in the CARA, 2018 pending KDSP’s restructuring including increasing the allocation to the aforementioned DLI. In this regard, and upon confirmation on restructuring of the DLI, the National Treasury has proposed to allocate Ksh. 2.1 billion to KDSP Level 1 in FY 2020/21 as part of arrears of Ksh. 2.3 billion allocated but not disbursed in FY 2018/19.
- **EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 216 million:** This grant which is proposed to be allocated Ksh. 216 million in the financial year 2020/21 is in its fourth year of implementation. The grant is meant to support national and county government’s capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level. This additional conditional allocation has declined from an allocation of Ksh. 492 million in FY 2019/20 to the proposed allocation of Ksh. 216 million in the financial year 2020/21. This is attributed to advanced completion rate of the programme and its planned activities as outlined in the Project Appraisal Document (PAD) and the project implementation work plans.
- **IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of ksh. 7.1 billion:** The project development objective (PDO) of this project is “to increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.

KCSAP, which is in its third year of implementation, focuses on increasing agricultural productivity and enhancing resilience to impacts of climate change; reductions in Greenhouse Gas (GHG) emissions will be a co-benefit.

The allocations to this programme has increased significantly from an allocation of 3.6 billion in the financial year 2019/20 to the proposed allocation of Ksh. 7.1 billion in financial year 2020/21. This increase can be attributed to increase in the number of mobilized beneficiary groups from which projects to be funded have been identified and approved by the National Steering committee. This programme which targets both the Vulnerable & Marginalized and Common Interest groups; is bound to build equity and equality among the marginalised persons in the society such as the disabled , women and youths through the empowerment projects.

- **IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of ksh. 3.4 billion:** The Project Development Objective (PDO) of this program, financed by this additional conditional allocation, is to improve water supply and sanitation services in six select counties located in the coastal and north eastern regions of Kenya. This is achieved by investing in water supply and sanitation infrastructure in urban centers in these counties. The project will also improve services by strengthening institutional capacity in areas, such as, reducing Non-Revenue Water (NRW), improving billing and revenue collection systems, and developing medium-term business plans. In addition, the WSDP will establish a results-based financing mechanism at the national level to provide incentives to the Water Services Providers (WSPs) to accelerate access to water supply and sanitation services and improve operational and financial performance.
- **Agricultural Sector Development Support Programme (ASDSP) II- Ksh. 652 million-** ASDSP II, which is in its third year of implementation, is part of the implementation strategy of the Agricultural Policy (AP) for the national and county governments. In line with the AP, the overall goal of ASDSP II is to contribute to “transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security”. The Programme Purpose is “to Develop Sustainable Priority Value Chains (PVCs) for improved income, food and nutrition security”, which will contribute to achievement of the “BIG FOUR” agenda of the Government on food security. This additional conditional allocation has significantly declined from an allocation of Ksh. 7.2 billion in FY 2019/20 to the proposed allocation of Ksh. 652 million in the financial year 2020/21.

This is attributed to the advanced completion rate of the programme which is within the approved programme timelines and as specified in the implementation work plans.

- **EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - Ksh. 528 million:** -The purpose of this additional allocation, which is in its second year of implementation, is to facilitate the implementation of the national climate change action plan and the master plan for the conservation of water catchment areas of Cherangany Hills and Mount Elgon.

The program is being implemented in Cherangany Hills and Mount Elgon ecosystems and includes Lake Victoria and Turkana basins. It is also addressing a number of cross-cutting issues like climate change, gender equality, good governance and human rights and is meant to benefit eleven Counties i.e., Bungoma, Busia, Elgeyo Marakwet, Kakamega, Kisumu, Nandi, Siaya, Trans Nzoia, Uasin Gishu, Vihiga and West Pokot.

This additional conditional allocation has slightly declined from an allocation of Ksh. 880 million in FY 2019/20 to the proposed allocation of Ksh. 528 million in the financial year 2020/21. This is attributed to a delay in start of the project implementation by one year; a delay which was occasioned by the need for assessment of the readiness of beneficiary counties as well as a pending programme restructuring by the EU and the Kenya Government.

- **Drought Resilience Programme in Northern Kenya (DRPNK) - Ksh. 300 million-** This is a project financed by proceeds of a loan and grant from the German Development Bank in Turkana and Marsabit counties. The programme objective is *"to ensure that Drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by expanding and rehabilitating relevant infrastructure."* The expected projects outputs are to ensure: - access to water is improved for humans and livestock; fodder basis is improved; access to market infrastructure is improved; and rural transportation is improved in the two counties.

This programme is in its second year of implementation and the additional conditional allocation towards its financing has slightly declined from an allocation of Ksh. 350 million in FY 2019/20 to the proposed allocation of Ksh. 300 million in FY 2020/21.

Evaluation of the Bill against Article 203(1) of the Constitution

5. **Fiscal Capacity and Efficiency of County Governments:** Fiscal capacity for county governments refers to the potential revenues that can be generated from the tax bases assigned to

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the counties when a standard average level of effort is applied. The second generation formula developed by the Commission on Revenue Allocation for sharing equitable share of Revenue has provided for 2 % weight to fiscal responsibility parameter. This measure takes into account variations in fiscal capacity and efficiency in OSR collection across counties in the sharing of revenue raised nationally.

6. **Developmental needs of the county governments and their ability to perform the functions assigned to them:** Although it is proposed that County Governments' equitable revenue share for FY 2020/21 be retained at Ksh 316.5 billion--- due to the factors such as persistent revenue shortfalls, increased CFS financing, existing funding gap and the proposed contracting of the National Government expenditures---, the National Treasury notes that an opportunity exists for the Counties to finance any planned growth in their expenditures from own-source revenue (OSR).

7. According to the Controller of Budget (CoB), the Counties raised Ksh 40.3 billion in FY 2018/19 from OSR, equivalent to 75% of targeted collections, and a 24% improvement from recorded collections in FY 2017/18. Thus, assuming that Counties maintain this growth trajectory in OSR collections in FY 2019/20 and FY 2020/21, there should be sufficient additional resources to finance all functions assigned and transferred to them as contemplated under Article 203(1) (f) of the Constitution as well as improve service delivery.

8. **Economic Disparities within and among counties and the need to remedy them:** Allocation of the sharable revenue (i.e. equitable share of Ksh. 316.5 billion) among counties is based on the second generation formula approved by Parliament in June, 2016 pursuant to provisions of Article 217 and Section 16 of the Sixth Schedule of the Constitution. The formula takes into account disparities among counties and aims at equitable distribution of resources across counties. The formula takes into account population (45%), land area (8%), poverty (18%), a basic equal share (26%), fiscal responsibility (2%) and Development factor (1 %). Further, it should be noted that Ksh. 6.532 billion has also been set aside for the Equalization Fund in 2020/21 which translates to 0.55 per cent of the last audited revenue accounts of governments, as approved by the National Assembly. This Fund is used to finance development programmes that aim at reducing regional disparities among counties

9. **Stability and Predictability of County Revenue Allocations:** The county governments' equitable share of revenue raised nationally has been protected from budget cuts that may be necessitated by shortfall in revenue raised nationally. According to clause 5 of the DoRB 2020,

any shortfall in revenue raised nationally is to be borne by the National Government, to the extent of the threshold to be determined in regulations by the Cabinet Secretary.

Evaluation of Deviations from the recommendations of the Commission on Revenue Allocation

10. The County Allocation of Revenue Bill, 2020 proposes to retain the allocation to county governments at Ksh. 316.5 billion in financial year 2020/21 from the shareable revenue raised nationally as it were the case in financial 2019/21. The CRA, on the other hand, recommends County Governments' equitable share of revenue of Ksh. 321.74 billion as an unconditional allocation to be shared among county governments on the basis of its proposed third basis formula of revenue sharing. However, this basis has not been approved by Parliament pursuant to Article 217 of the Constitution.

11. The difference in the Commission on Revenue Allocation (CRA) recommendation and the DoRB 2020 proposal emanates from the proposal by the National Treasury that County Governments' equitable revenue share for FY 2020/21 be retained at Ksh 316.5 billion based on the factors listed in paragraph 6 and explained in paragraphs 7 to 12. Key among these factors are persistent revenue shortfalls, increased CFS financing, existing funding gap in financial year 2019/20 and the proposed contraction of the National Government expenditures in financial year 2020/21. On the other hand, CRA has proposed an adjustment to the county equitable share of revenue for financial year 2019/20 of Ksh. 316.5 billion using the actual three-year average development expenditure for each level of government. The 5.7 per cent adjustment is based on the country's three-year (2016-2018) average economic growth. The adjustment by CRA translates to additional allocation of Kshs. 5.24 billion to the counties thus translating to a proposed allocation of equitable share to county governments of Ksh. 321.74 billion in financial year 2020/21.

Table 2 analyses the differences between the CRA recommendations and the National Treasury proposal on the division of revenue between the national and county governments in 2020/21.

Table 2: Comparison of Recommendations of the Commission on Revenue Allocation and the National Treasury on the equitable share of revenue proposed for FY 2020/21 (Figures in Ksh. Millions)

| Expenditure Item | CRA | National Treasury | Variance |
|---|----------------|-------------------|--------------|
| | A | B | C = (A-B) |
| 1. Equitable Revenue Share in FY 2019/20 (Base) | 316,500 | 316,500 | 0 |
| 2. Adjustment for revenue growth in FY 2020/21 | 5,240 | - | 5,240 |
| TOTAL EQUITABLE SHARE OF REVENUE = (1+2) | 321,740 | 316,500 | 5,240 |

Source: National Treasury and Planning

12. **Differences occasioned by additional conditional allocations financed from National government share of revenue amounting to Ksh. 13.7 billion;** - Whereas CRA has not made any additional proposals to fund Counties, the National Treasury has proposed Ksh. 13.7 billion to be financed from the National Government share of revenue.

13. **New conditional transfers for financing of five (5) cities:** - CRA has proposed an allocation of Ksh. 5 billion starting FY 2019/20 to finance five cities in Urban Areas and Cities Act, 2011, namely: Nairobi, Mombasa, Kisumu, Nakuru and Eldoret. These cities are centres of growth and provide unique and critical services to the residents.

The National Treasury and Planning recognizes and appreciates the unique services offered by these cities such as sewerage system, water reticulation, solid waste disposal and storm water drainage and management provided by these cities.

In order to support these cities and other urban areas, the National Treasury and Planning has in the FY 2020/21 provided Ksh. 6.36 billion for Kenya Urban Support Program (KUSP) as an Urban Development Grant (UDG) financed from proceeds of a grant by the World Bank to complement efforts of county governments in carrying out this function. The purpose of this grant is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya. It should be noted that these services are part of the devolved functions and county governments should be encouraged to plan and budget for them. In light of the constrained fiscal framework, the National Treasury may not be able to provide additional resources beyond what has been provided.

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14. Finally, the National Treasury has proposed an allocation amounting to Ksh. 30.2 billion as additional conditional allocations from proceeds of loans and grants by various development partners to finance respective programs and projects in the financial year 2020/21.

Conclusion

15. The proposals contained in the Bill take into account the fiscal framework set out in the BPS for 2020/21 and are intended to ensure fiscal sustainability specifically against the backdrop of escalating pressure on the fiscal framework accessioned by increase in Consolidated Fund Services (CFS).

16. It should, however, be noted that the proposed equitable share allocated to county governments in the Division of Revenue Bill, 2020, at 26.5 per cent of the most recent audited revenue, as approved by the National Assembly, is way above the minimum threshold required under Article 203(2) of the Constitution.

ANNEXES: FRAMEWORKS FOR MANAGING ADDITIONAL CONDITIONAL ALLOCATIONS.

I. Additional Conditional Allocations from the National Revenues

1. Additional Conditional Allocation to supplement financing for Level 5 hospitals

| Allocation to Supplement Financing for Level 5 Hospitals | |
|---|---|
| Ministry/State Department Responsible | Vote: Ministry of Health |
| Accounting officer of National Government Responsible | Principal Secretary, Ministry of Health |
| Responsibilities of the National Government accounting officer | (a) Set conditions for transfers and monitor compliance. (b) Initiate requests for disbursements to County Revenue Funds. (c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation. |
| Conditions | (a) Funds are earmarked for the Level 5 hospital in the receiving County. (b) Hospitals should meet and maintain the norms and standards for Level 5 hospital as set by the Ministry of Health. (c) The level 5 hospital should meet the minimum standards set by Medical Practitioners' and Dentist Board (MPDB) as an internship center for medical doctors. (d) Hospital should routinely report on Hospital Administrative Statistics in the Health Information System (DHIS) (e) Hospitals should provide additional information on referrals from other counties, and specialized medical services provided in standard format. (f) Financial reports including funds flow to the Level 5 facilities (g) Cost Implication of offering of referral services |
| Accounting officer of the County Government responsible | Accounting officer responsible for health in the County government |
| Responsibilities of the County Government accounting officer | (a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2020/21. (b) Ensure hospital prepares an integrated annual work plan that incorporates all income including conditional grants with clear deliverables (c) Supervise operations of the hospital. (d) Ensure quality hospital administrative statistics data in DHIS (e) Prepare financial expenditure reports to County Treasury with copies to The National Treasury and Planning and Ministry of Health |
| Allocation: 2020/21 | KES 4,326,000,000 |
| Purpose of the grant | To sustain service delivery in designated Level 5 hospitals, targeting medical and surgical subspecialties, inter-county referral services and medical training. |

| Allocation criteria | Bed occupancy rate in 2018 and Referrals from outside the county | | |
|-----------------------------|--|----------------|----------------------|
| Allocation by County | | | |
| County | Hospital/s | Occupancy 2015 | Allocation |
| Embu | Embu | 62 | 301,040,462.43 |
| Garissa | Garissa | 71 | 344,739,884.39 |
| Kakamega | Kakamega | 88 | 427,283,236.99 |
| Kiambu | Kiambu/Thika | 85 | 538,716,763.00 |
| Kisii | Kisii | 86 | 417,572,254.34 |
| Kisumu | Kisumu | 76 | 369,017,341.04 |
| Machakos | Machakos | 79 | 383,583,815.03 |
| Meru | Meru | 77 | 373,872,832.37 |
| Mombasa | Mombasa | 80 | 388,439,306.36 |
| Nakuru | Nakuru | 77 | 373,872,832.37 |
| Nyeri | Nyeri | 84 | 407,861,271.68 |
| Grand Total | | 865 | 4,326,000,000 |

Source: Ministry of Health

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2. Additional Conditional allocation to support construction of County headquarters by five (5) counties

| Support construction of County headquarters by five (5) counties | |
|---|---|
| Ministry/State Department Responsible | Ministry of Land, Housing and Urban Development; State Department of Public Works <i>vote D1111</i> |
| Accounting officer of National Government Responsible | Principal Secretary, State Department of Public Works |
| Responsibilities of the National Government accounting officer | Management of implementation of the projects i.e. manage the funds and all technical applications by consultants and contractors towards the construction of the county headquarters. |
| Conditions | a) Each County Government to include in its budget estimates for FY 2019/20 a contribution/counterpart funding as stipulated in the co-financing agreement and that these estimates to be considered for approval by respective County Assemblies; b) Each County Government to ensure that proceeds from the conditional allocation (including both the contribution from the National Government and from the county) is apportioned between construction costs for County Executive headquarters and County Assembly headquarters in the ratio of 61% and 39%, respectively. The above split is based on the approved costs per m ² for constructing 7,000 m ² of County Executive offices and 4,500 m ² of County Assembly offices. |
| Accounting officer of the County Government responsible | Accounting officer responsible for matters relating to public works in the county government |
| Responsibilities of the County Government accounting officer | Facilitate on local logistics and provide regular progress brief on the projects. |
| Allocation: 2020/21 | KES 300,000,000 |
| Purpose of the grant | Purpose of the grant is to support construction of offices by five (5) County Governments which, in 2013/14, did not inherit adequate facilities that could accommodate the new administration. |
| Allocation criteria | Above aggregate allocation shared equally by the five (5) County Governments |
| Allocation by County | |
| Isiolo | 100,000,000 |
| Lamu | 50,000,000 |
| Nyandarua | 50,000,000 |
| Tana River | 50,000,000 |
| Tharaka Nithi | 50,000,000 |
| GRAND TOTAL | 300,000,000 |

Source: State Department of Public Works

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3. Additional Conditional Allocation to support abolishment of user fees in health centers and dispensaries

| Allocation to support abolishment of user fees in health centers and dispensaries | | |
|---|--|-------------------|
| Ministry/State Responsible | Department | Health (Vote 108) |
| Accounting officer of National Government Responsible | Principal Secretary, Ministry of Health | |
| Responsibilities of the National Government accounting officer | (a) Set conditions for transfers and monitor compliance. (b) Initiate requests for disbursement of funds to County Revenue Funds. (c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation. | |
| Conditions | (a) Funds are earmarked for health centers and dispensaries. (b) Health facilities must have a functional Health Management Committee (c) Health facilities must be gazetted under Cap 253 and have MFL codes (d) Health facilities have approved integrated work plans that incorporate all sources of funds, including conditional grants (f) Health facilities report timely in DHIS and financial transactions are captured in IFMIS | |
| Accounting officer of the County Government responsible | Accounting officer responsible for health in the County government | |
| Responsibilities of the County Government accounting officer | (a) Ensure health centers and dispensaries prepare integrated annual work plans that incorporates all sources of income (b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and Planning and MOH (c) Ensure counties capture revenue received from the National Government as a grant in their budget | |
| Allocation: 2020/21 | KES 900,000,000.00 | |
| Purpose of the grant | To compensate public dispensaries and health centers for lost revenue on abolishment of user fees. | |
| Allocation criteria | (a) Sharing among Counties is based on population data from KNBS (2016 projections), and (b) Distribution to recipient health centers and dispensaries in a county is based on outpatient attendance (OPD) workload for 2016/17 as reported routinely in DHIS. | |
| Allocation by County | | |
| County | Population 2016 | Allocation |
| Baringo | 690540 | 13,191,000 |
| Bomet | 874933 | 16,713,356 |
| Bungoma | 1719011 | 32,837,307 |

| | | |
|-----------------|---------|------------|
| Busia | 886488 | 16,934,085 |
| Elgeyo-Marakwet | 460094 | 8,788,919 |
| Embu | 561406 | 10,724,225 |
| Garissa | 678690 | 12,964,636 |
| Homa Bay | 1161388 | 22,185,346 |
| Isiolo | 181781 | 3,472,461 |
| Kajiado | 887602 | 16,955,365 |
| Kakamega | 1978244 | 37,789,290 |
| Kericho | 944842 | 18,048,789 |
| Kiambu | 1815032 | 34,671,542 |
| Kilifi | 1359505 | 25,969,864 |
| Kirinyaga | 590635 | 11,282,570 |
| Kisii | 1368359 | 26,138,997 |
| Kisumu | 1115014 | 21,299,489 |
| Kitui | 1177855 | 22,499,906 |
| Kwale | 796212 | 15,209,593 |
| Laikipia | 521829 | 9,968,208 |
| Lamu | 128310 | 2,451,034 |
| Machakos | 1263139 | 24,129,039 |
| Makueni | 1017449 | 19,435,760 |
| Mandera | 1333595 | 25,474,920 |
| Marsabit | 347794 | 6,643,714 |
| Meru | 1656774 | 31,648,428 |
| Migori | 1133671 | 21,655,884 |
| Mombasa | 1224238 | 23,385,934 |
| Muranga | 1054247 | 20,138,691 |
| Nairobi | 4157754 | 79,423,251 |
| Nakuru | 2027137 | 38,723,265 |

| | | |
|---------------|-------------------|-----------------------|
| Nandi | 946809 | 18,086,363 |
| Narok | 1078150 | 20,595,297 |
| Nyamira | 689714 | 13,175,221 |
| Nyandarua | 666717 | 12,735,922 |
| Nyeri | 717258 | 13,701,379 |
| Samburu | 274079 | 5,235,578 |
| Siaya | 952486 | 18,194,808 |
| Taita Taveta | 277258 | 5,296,305 |
| Tana River | 297477 | 5,682,537 |
| Tharaka Nithi | 430213 | 8,218,119 |
| Trans Nzoia | 1115298 | 21,304,915 |
| Turkana | 1341972 | 25,634,941 |
| Uasin Gishu | 1089550 | 20,813,065 |
| Vihiga | 662596 | 12,657,201 |
| Wajir | 826334 | 15,784,997 |
| West Pokot | 634918 | 12,128,484 |
| Total | 47,114,397 | 900,000,000.00 |

Source: Ministry of Health

4. Managed Equipment Service (MES) for public hospitals at County level and National Referral Hospitals

Note: - MES contracts have been signed centrally

-Servicing of contracts to be done centrally over contract period of seven years

-In-kind support to the County is equivalent of the MES services to be received (estimated Total KShs 6.0 B per year over seven years).

| 2.Managed Equipment Service for public hospitals at County level and National Referral Hospitals | | |
|--|--|-------------------|
| Ministry/State Responsible | Department | Health (Vote 108) |
| Accounting officer of National Government Responsible | Principal Secretary, Ministry of Health | |
| Responsibilities of the National Government accounting officer | (a) Ensure budget is available under MOH (b) Ensure compliance with contractual obligations binding all parties | |

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| | |
|--|--|
| | (c) Ensure payments to equipment suppliers as per contract |
| Conditions | As per contract agreement |
| Accounting officer of the County Government responsible | Accounting officer responsible for health in the County government |
| Responsibilities of the County Government accounting officer | As per contract agreement |
| Allocation: 2020/21 | KES 6,205,000,000 |
| Purpose of the grant | To support provision of specialized medical services in public hospitals in an effort to improve access to specialized medical services for all Kenyans, especially those living in rural areas. |
| Allocation criteria | Allocation to MOH is based on annual MES Contract commitments |
| Allocation by County government – This is a centralized service contract. | |

Source: Ministry of Health

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5. Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund

| Conditional Allocation from the Road Maintenance Fuel Levy Fund | |
|--|---|
| Ministry/State Department Responsible | Transport and Infrastructure |
| Accounting Officer of the National Government Responsible | Principal Secretary, State Department of Infrastructure |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> • Initiate request for disbursement of funds • Submit quarterly and annual financial and non-financial performance reports to the National Treasury. • Monitor and evaluate performance of the allocation and report to the National Treasury |
| Conditions | <ul style="list-style-type: none"> • This funding must be included in the budget estimates of the county government • Work plans must be prepared and shared with the State Department of Infrastructure with copies to the National Treasury • The allocation must be used for the maintenance of county roads • County government must provide a report/proof that funds were used to maintain county roads. |
| Accounting Officer of the County Government Responsible | <ul style="list-style-type: none"> • Accounting Officer responsible for the Infrastructure/roads in the county government. |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the relevant department for the FY 2019/20 for maintenance of county roads. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Infrastructure • Monitor and evaluate performance of the allocation and report to the County Treasury. |
| Allocation: 2020/21 | Ksh. 9,433,265,625 |
| Objectives | To maintain county roads |
| Allocation Criteria | Revenue sharing formula approved by Parliament under Article 217 of the Constitution. |

| Allocation by County Government | | | |
|--|-----------------|---|--|
| No. | County | Allocation Ratio (Approved Equitable Share Formula) (%) | Conditional grant for maintenance of roads |
| | | Column A | Column B |
| 1 | Baringo | 1.62 | 152,818,903 |
| 2 | Bomet | 1.74 | 164,138,822 |
| 3 | Bungoma | 2.83 | 266,961,417 |
| 4 | Busia | 1.93 | 182,062,027 |
| 5 | Elgeyo/Marakwet | 1.22 | 115,085,841 |

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| | | | |
|----|--------------------|------------|----------------------|
| 6 | Embu | 1.44 | 135,839,025 |
| 7 | Garissa | 2.22 | 209,418,497 |
| 8 | Homa Bay | 2.13 | 200,928,558 |
| 9 | Isiolo | 1.32 | 124,519,106 |
| 10 | Kajiado | 2.02 | 190,551,966 |
| 11 | Kakamega | 3.34 | 315,071,072 |
| 12 | Kericho | 1.72 | 162,252,169 |
| 13 | Kiambu | 3.11 | 293,374,561 |
| 14 | Kilifi | 3.35 | 316,014,398 |
| 15 | Kirinyaga | 1.35 | 127,349,086 |
| 16 | Kisii | 2.47 | 233,001,661 |
| 17 | Kisumu | 2.16 | 203,758,538 |
| 18 | Kitui | 2.8 | 264,131,438 |
| 19 | Kwale | 2.42 | 228,285,028 |
| 20 | Laikipia | 1.52 | 143,385,638 |
| 21 | Lamu | 0.87 | 82,069,411 |
| 22 | Machakos | 2.54 | 239,604,947 |
| 23 | Makueni | 2.3 | 216,965,109 |
| 24 | Mandera | 3.23 | 304,694,480 |
| 25 | Marsabit | 2.17 | 204,701,864 |
| 26 | Meru | 2.56 | 241,491,600 |
| 27 | Migori | 2.17 | 204,701,864 |
| 28 | Mombasa | 2.35 | 221,681,742 |
| 29 | Murang'a | 2.04 | 192,438,619 |
| 30 | Nairobi | 5.04 | 475,436,588 |
| 31 | Nakuru | 3.08 | 290,544,581 |
| 32 | Nandi | 1.7 | 160,365,516 |
| 33 | Narok | 2.25 | 212,248,477 |
| 34 | Nyamira | 1.55 | 146,215,617 |
| 35 | Nyandarua | 1.55 | 146,215,617 |
| 36 | Nyeri | 1.61 | 151,875,577 |
| 37 | Samburu | 1.26 | 118,859,147 |
| 38 | Siaya | 1.85 | 174,515,414 |
| 39 | Taita | 1.39 | 131,122,392 |
| 40 | Tana River | 1.77 | 166,968,802 |
| 41 | Tharaka Nithi | 1.22 | 115,085,841 |
| 42 | Trans Nzoia | 1.83 | 172,628,761 |
| 43 | Turkana | 3.34 | 315,071,072 |
| 44 | Uasin Gishu | 1.91 | 180,175,373 |
| 45 | Vihiga | 1.43 | 134,895,698 |
| 46 | Wajir | 2.7 | 254,698,172 |
| 47 | West Pokot | 1.58 | 149,045,597 |
| | GRAND TOTAL | 100 | 9,433,265,625 |

Source: State Department of Infrastructure

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6. Additional Conditional Allocation for Rehabilitation of Youth Polytechnics

| Allocation to support Rehabilitation of Village Polytechnics in the Counties | |
|---|--|
| Vote / Ministry/State Department Responsible | 1064108200 -Ministry of Education/State Department of Vocational and Technical Training |
| Accounting officer of National Government Responsible | Principal Secretary state department of Vocational and Technical Training (VTT) |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> i) Ensure that the grant is included in the budget estimates for the state department of Vocational and Technical Training (VTT) and included in the Division of Revenue and County Allocation of Revenue Bills ii) Initiate requests to National Treasury for disbursements of grant to respective County Revenue Fund Accounts iii) Set Conditions for transfer of grant and enforce compliance by counties iv) Develop and disseminate implementation guidelines of the grant to counties v) Coordinate and report on Monitoring and Evaluation of the impact of grant to ¹VTCs vi) Submit quarterly and annual financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation. |
| Conditions | <ul style="list-style-type: none"> i) The grant funds must be reflected in the respective county budget estimates for the relevant fiscal year and included in the Division of Revenue Bill and County Allocation of Revenue Bill ii) The conditional grant funds for rehabilitation of Youth Polytechnics must be transferred to a Special Purpose Account operated exclusively for management of the grant immediately, but not later than fifteen (15) days after receipt of the funds at the respective County Revenue Fund Account iii) Each county must submit quarterly/annual financial and technical reports in agreed formats to the respective county treasury with a copy to the state department of Vocational and Technical Training iv) The grant shall not be utilized for any other purpose other than in a Youth Polytechnic/VTC¹ as per the regulations and guidelines provided from time to time by the state department of VTT v) The grant shall only be disbursed to public VTCs; <ul style="list-style-type: none"> a) That are duly registered by/or those that have initiated the registration process with TVETA but are yet to be registered formally b) That have a functional Board of Management |

| | |
|--|--|
| | c) Operate an account in a commercial bank that will be operated exclusively for the grant. The account shall have four (4) signatories of which the County Director of ³ VET and VTC Manager will be mandatory Signatories |
| Accounting officer of the County Government responsible | Accounting Officer in charge of Vocational Education and Training in the County Government |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> i) Timely disbursement of the grant funds to all eligible VTCs ii) Ensure grant funds are included in the budget estimates of the relevant department in charge of Vocational Education & Training for the particular Fiscal Year iii) Ensure that the conditional grant allocation for rehabilitation of Youth Polytechnics funds are transferred from the County Revenue Fund Account to a Special Purpose Account operated exclusively for management of the grant iv) Ensure that all development projects funded by the grant are captured in the integrated county annual work plan that incorporates all income including conditional grants with clear deliverables v) Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Vocational and Technical Training vi) Monitor and evaluate performance of the conditional allocation and report to the County Treasury to ensure accountability in the utilization of the fund |
| Allocation: 2020/2021 | KES 2,000,000,000 |
| Purpose of the grant | To improve Access, Quality, Equity and Relevance in Vocational Education and Training and for Rehabilitation and Renovation of Infrastructure at Vocational Training Centres - VTCs |
| Allocation criteria | Total Trainee Enrolment in VTCs and Equal Share |

Allocation by County

| S/No | County | Trainee ³ enrolment | Capitation at KES 15,000 per trainee | Equal share per County | Total allocation 2019/2020 |
|------|-----------------|--------------------------------|--------------------------------------|------------------------|----------------------------|
| 1 | Baringo | 1273 | 19,095,000 | 1,399,894 | 20,494,894 |
| 2 | Bomet | 3140 | 47,100,000 | 1,399,894 | 48,499,894 |
| 3 | Bungoma | 4430 | 66,450,000 | 1,399,894 | 67,849,894 |
| 4 | Busia | 3720 | 55,800,000 | 1,399,894 | 57,199,894 |
| 5 | Elgeyo Marakwet | 1767 | 26,505,000 | 1,399,894 | 27,904,894 |
| 6 | Embu | 2190 | 32,850,000 | 1,399,894 | 34,249,894 |
| 7 | Garissa | 1100 | 16,500,000 | 1,399,894 | 17,899,894 |
| 8 | Homa Bay | 2600 | 39,000,000 | 1,399,894 | 40,399,894 |
| 9 | Isiolo | 263 | 3,945,000 | 1,399,894 | 5,344,894 |
| 10 | Kajiado | 1807 | 27,105,000 | 1,399,894 | 28,504,894 |
| 11 | Kakamega | 6730 | 100,950,000 | 1,399,894 | 102,349,894 |

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| | | | | | |
|----|---------------|---------|---------------|------------|---------------|
| 12 | Kericho | 1403 | 21,045,000 | 1,399,894 | 22,444,894 |
| 13 | Kiambu | 4039 | 60,585,000 | 1,399,894 | 61,984,894 |
| 14 | Kilifi | 5240 | 78,600,000 | 1,399,894 | 79,999,894 |
| 15 | Kirinyaga | 1700 | 25,500,000 | 1,399,894 | 26,899,894 |
| 16 | Kisii | 4610 | 69,150,000 | 1,399,894 | 70,549,894 |
| 17 | Kisumu | 2930 | 43,950,000 | 1,399,894 | 45,349,894 |
| 18 | Kitui | 6050 | 90,750,000 | 1,399,894 | 92,149,894 |
| 19 | Kwale | 3660 | 54,900,000 | 1,399,894 | 56,299,894 |
| 20 | Laikipia | 1128 | 16,920,000 | 1,399,894 | 18,319,894 |
| 21 | Lamu | 3260 | 48,900,000 | 1,399,894 | 50,299,894 |
| 22 | Machakos | 4090 | 61,350,000 | 1,399,894 | 62,749,894 |
| 23 | Makueni | 4460 | 66,900,000 | 1,399,894 | 68,299,894 |
| 24 | Mandera | 910 | 13,650,000 | 1,399,894 | 15,049,894 |
| 25 | Marsabit | 620 | 9,300,000 | 1,399,894 | 10,699,894 |
| 26 | Meru | 3790 | 56,850,000 | 1,399,894 | 58,249,894 |
| 27 | Migori | 2336 | 35,040,000 | 1,399,894 | 36,439,894 |
| 28 | Mombasa | 1139 | 17,085,000 | 1,399,894 | 18,484,894 |
| 29 | Murang'a | 6440 | 96,600,000 | 1,399,894 | 97,999,894 |
| 30 | Nairobi | 974 | 14,610,000 | 1,399,894 | 16,009,894 |
| 31 | Nakuru | 4326 | 64,890,000 | 1,399,894 | 66,289,894 |
| 32 | Nandi | 1768 | 26,520,000 | 1,399,894 | 27,919,894 |
| 33 | Narok | 979 | 14,685,000 | 1,399,894 | 16,084,894 |
| 34 | Nyamira | 3934 | 59,010,000 | 1,399,894 | 60,409,894 |
| 35 | Nyandarua | 1970 | 29,550,000 | 1,399,894 | 30,949,894 |
| 36 | Nyeri | 3170 | 47,550,000 | 1,399,894 | 48,949,894 |
| 37 | Samburu | 610 | 9,150,000 | 1,399,894 | 10,549,894 |
| 38 | Siaya | 3120 | 46,800,000 | 1,399,894 | 48,199,894 |
| 39 | Taita Taveta | 3749 | 56,235,000 | 1,399,894 | 57,634,894 |
| 40 | Tana River | 885 | 13,275,000 | 1,399,894 | 14,674,894 |
| 41 | Tharaka Nithi | 3960 | 59,400,000 | 1,399,894 | 60,799,894 |
| 42 | Trans Nzoia | 2834 | 42,510,000 | 1,399,894 | 43,909,894 |
| 43 | Turkana | 754 | 11,310,000 | 1,399,894 | 12,709,894 |
| 44 | Uasin Gishu | 2582 | 38,730,000 | 1,399,894 | 40,129,894 |
| 45 | Vihiga | 4572 | 68,580,000 | 1,399,894 | 69,979,894 |
| 46 | Wajir | 845 | 12,675,000 | 1,399,894 | 14,074,894 |
| 47 | West Pokot | 1090 | 16,350,000 | 1,399,894 | 17,749,894 |
| | TOTAL | 128,947 | 1,934,205,000 | 65,795,000 | 2,000,000,000 |

Notes:

¹VTC – Vocational Training Centre

²VET – Vocational Education and Training

³Total trainee enrolment per county provided by County Directors of VET

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II. Additional Conditional Allocations financed from proceeds of Loans and grants from Development Partners

| 1. IDA (World Bank) credit (Transforming Health Systems for Universal Care Project) | |
|---|--|
| Ministry/State Department Responsible | Ministry of Health |
| Accounting officer of National Government Responsible | PS, Ministry of Health |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21. • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury. |
| Conditions | <p>At National Level:</p> <ul style="list-style-type: none"> • Establishment of a Project Steering Committee and a Project Management Team (PMT) comprising at a minimum a National Project Manager, Coordinators for each components, Assistant coordinators, M&E officer, Project Accountant, Internal auditor, Project Procurement Officer, Environment and Social Safeguards compliance officer <p>At the county level:</p> <ul style="list-style-type: none"> • Signing of an Intergovernmental Participatory Agreement (IGPA) and Addendum to the IGPA between the National Government and County Governments. • Designation of project implementation team members in the counties; • Inclusion of project funds in the county budgets • Opening of a Special Purpose Account (SPA) at Central Bank of Kenya with joint signatories being the Chief Officer Finance and Chief Officer Health. • Submission of approved work plans indicating health interventions to be funded by the project • Share county budget allocation for health (excluding conditional grants for health); • Counties whose budgetary allocation to health is below 30% are required to increase the proportion allocation every subsequent year less conditional grants; and • Counties whose allocation is above 30% should sustain the allocation at or above 30% less conditional grants. • Quarterly submission of Statements of Expenditure. • Timely submission of quarterly technical and financial reports. |
| Accounting officer of County Government Responsible | Chief Officer, Department of Health |

| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • General administration and coordination of the respective conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2020/21; • Initiate requests for transfer of funds from the County Revenue Funds to the Special Purpose Account within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations. | | | | | | | | | | | | |
|--|---|----------------|------------------------|------|----|-------|-----|-------|-----|-------|-----|-----|------|
| Allocation: 2020/21 | KES 4,345,375,740.61 | | | | | | | | | | | | |
| Purpose of the grant | To improve delivery, utilization and quality of primary health care services with focus on Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) at the county level. | | | | | | | | | | | | |
| Allocation criteria | <p>Based on financing agreement between the IDA and the Government of Kenya and Mid Term Review Recommendations, where;</p> <ul style="list-style-type: none"> • The Allocation of 20 percent of each years' annual allocation shall be based on the Country Revenue Allocation (CRA), and the remaining 80 percent based on the performance formula and the CRA and subject to meeting the eligibility criteria. • Allocations shall be adjusted based on a county's performance in transferring funds in the previous year. A county's allocation for year (x+1) shall be adjusted based on the average adjustment of the tranches in the year (x) <table border="1" style="width: 100%; margin: 10px 0;"> <thead> <tr> <th>Transfer Days:</th> <th>Adjustment per tranche</th> </tr> </thead> <tbody> <tr> <td>0-25</td> <td>0%</td> </tr> <tr> <td>16-25</td> <td>15%</td> </tr> <tr> <td>26-35</td> <td>50%</td> </tr> <tr> <td>36-45</td> <td>75%</td> </tr> <tr> <td>46+</td> <td>100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The PFM condition shall not apply to the funds swept to the CRF at the end of the FY, however the return of the funds to the SPA will be closely monitored by the Project Management Team. • Allocation includes funds reimbursements for expenses incurred and undisbursed funds for previous financial years. | Transfer Days: | Adjustment per tranche | 0-25 | 0% | 16-25 | 15% | 26-35 | 50% | 36-45 | 75% | 46+ | 100% |
| Transfer Days: | Adjustment per tranche | | | | | | | | | | | | |
| 0-25 | 0% | | | | | | | | | | | | |
| 16-25 | 15% | | | | | | | | | | | | |
| 26-35 | 50% | | | | | | | | | | | | |
| 36-45 | 75% | | | | | | | | | | | | |
| 46+ | 100% | | | | | | | | | | | | |
| Allocation by County | | | | | | | | | | | | | |
| County | Total | | | | | | | | | | | | |
| 1.Baringo | 98,424,470.33 | | | | | | | | | | | | |
| 2.Bomet | 117,514,680.58 | | | | | | | | | | | | |
| 3.Bungoma | 38,480,000.00 | | | | | | | | | | | | |
| 4.Busia | 31,200,000.00 | | | | | | | | | | | | |
| 5.Elgeyo/Marakwet | 33,340,400.00 | | | | | | | | | | | | |
| 6.Embu | 112,736,972.71 | | | | | | | | | | | | |
| 7.Garissa | 33,760,000.00 | | | | | | | | | | | | |
| 8.Homa Bay | 33,040,000.00 | | | | | | | | | | | | |

| | |
|-----------------|-------------------------|
| 9.Isiolo | 26,720,000.00 |
| 10.Kajiado | 203,253,801.95 |
| 11.Kakamega | 50,214,024.00 |
| 12.Kericho | 95,189,397.76 |
| 13.Kiambu | 49,790,788.73 |
| 14.Kilifi | 265,111,480.98 |
| 15.Kirinyanga | 26,720,000.00 |
| 16.Kisii | 68,638,638.00 |
| 17.Kisumu | 57,625,644.95 |
| 18.Kitui | 38,320,000.00 |
| 19.Kwale | 35,200,000.00 |
| 20.Laikipia | 90,610,649.34 |
| 21.Lamu | 131,761,634.40 |
| 22.Machakos | 45,165,352.00 |
| 23.Makueni | 98,890,803.64 |
| 24.Mandera | 300,000,000.00 |
| 25.Marsabit | 99,759,979.00 |
| 26.Meru | 36,400,000.00 |
| 27.Migori | 40,295,579.93 |
| 28.Mombasa | 114,569,473.31 |
| 29.Muranga | 149,093,840.16 |
| 30.Nairobi | 60,494,430.00 |
| 31.Nakuru | 40,080,000.00 |
| 32.Nandi | 102,150,272.12 |
| 33.Narok | 104,265,416.44 |
| 34.Nyamira | 278,847,760.40 |
| 35.Nyandarua | 163,357,834.35 |
| 36.Nyeri | 28,800,000.00 |
| 37.Samburu | 31,320,789.00 |
| 38.Siaya | 50,199,253.00 |
| 39.Taita Taveta | 40,679,150.00 |
| 40.Tana River | 138,012,263.08 |
| 41.TharakaNithi | 101,448,239.33 |
| 42.Trans Nzoia | 44,386,749.00 |
| 43.Turkana | 300,000,000.00 |
| 44.UasinGishu | 114,973,599.47 |
| 45.Vihiga | 93,531,471.42 |
| 46.Wajir | 98,763,532.25 |
| 47.West Pokot | 32,237,369.00 |
| Total | 4,345,375,740.61 |

Source: Ministry of Health

| 2. IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project; NARIGP) | |
|--|---|
| Ministry/State Department Responsible | Ministry of Agriculture, Livestock and Fisheries |
| Accounting Officer Responsible for the National Government | Principal Secretary, State Department for Crops Development Agricultural Research |
| Responsibilities of the National Government Accounting officer | To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country |
| Accounting officer of County Government Responsible | <ul style="list-style-type: none"> • Chief Officer responsible for Agriculture |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock and Fisheries who will trigger the disbursements • Ensure disbursement of Kshs. 6.5 million in the FY 20120/21 to the Project Account through Project CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury |
| Conditions | <ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture and Livestock and Governors of the participating Counties on prudent management of the Project funds |

| | |
|------------------------------|--|
| | - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement |
| Allocation 2020/21 | Kes 4,261,646,438 |
| Purpose of the grant | To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response |
| Allocation criteria | Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets. |
| Allocation by County* | |
| County | IDA Contribution |
| Samburu | 216,145,500 |
| Turkana | 216,213,200 |
| Makueni | 198,499,820 |
| Meru | 202,802,950 |
| Kitui | 199,218,200 |
| Embu | 202,094,150 |
| Kilifi | 198,440,766 |
| Kwale | 199,640,546 |
| Narok | 218,575,646 |
| Kirinyaga | 199,748,243 |
| Kiambu | 222,340,320 |
| Nakuru | 198,441,600 |
| Bungoma | 201,210,550 |
| Trans Nzoia | 199,332,120 |
| Nandi | 197,907,900 |
| Murang'a | 198,485,140 |
| Kisii | 198,615,016 |
| Vihiga | 198,457,709 |
| Nyamira | 198,509,110 |
| Migori | 198,500,002 |
| Homa Bay | 198,467,950 |
| TOTAL | 4,261,646,438 |

*Each County Government is supposed to make a contribution of Ksh. 6.5 million

Source: Ministry of Agriculture, Livestock, Fisheries and Irrigation

| 3. IDA (World Bank) Credit (Kenya Climate Smart Agriculture Project - KCSAP) IDA Credit Number 59450KE | |
|---|---|
| Ministry/State Department Responsible | Ministry of Agriculture, Livestock and Fisheries |
| Accounting Officer Responsible for the National Government | Principal Secretary, State Department for Crops Development & Agriculture Research |
| Responsibilities of the National Government Accounting officer | To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country |
| Accounting officer of County Government Responsible | <ul style="list-style-type: none"> • Chief Officer responsible for Agriculture |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements • Ensure disbursement of Kshs.5.0 million in the FY 2020/21 to the Project Account through Project CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury |
| Conditions | <ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry |

| | |
|----------------------|---|
| | of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement |
| Allocation 2020/21 | Kes 7,119,726,782.00 |
| Purpose of the grant | To increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.” |
| Allocation criteria | Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets. |
| | |
| County | Allocation by County* |
| Baringo | 247,240,980.00 |
| Bomet | 279,356,310.00 |
| Busia | 320,226,100.00 |
| E.Marakwet | 280,000,045.00 |
| Kajiado | 279,821,200.00 |
| Kakamega | 302,964,820.00 |
| Kericho | 277,000,000.00 |
| Kisumu | 240,035,100.00 |
| Laikipia | 236,105,200.00 |
| Machakos | 279,999,640.00 |
| Nyandarua | 239,157,250.00 |
| Nyeri | 312,177,550.00 |
| Siaya | 319,185,080.00 |
| Taita-Taveta | 317,598,320.00 |
| Tharaka-Nithi | 320,000,850.00 |
| Uasin-Gishu | 239,984,700.00 |
| West-Pokot | 320,000,420.00 |
| Garissa | 320,528,195.00 |
| Isiolo | 479,143,620.00 |
| Lamu | 257,872,086.00 |
| Mandera | 290,090,936.00 |
| Marsabit | 319,933,840.00 |
| Tana-River | 320,630,200.00 |
| Wajir | 320,674,340.00 |
| Total | 7,119,726,782.00 |

*Each County Government is supposed to make a contribution of Ksh.5 million

| 4. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 1 | |
|--|--|
| Ministry/State Department Responsible | Ministry of Devolution and ASAL |
| Accounting officer of National Government Responsible | PS, State Department for Devolution |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21 • Submit quarterly and annual financial and performance reports to the National Treasury and Planning and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury |
| Conditions | <ul style="list-style-type: none"> • Preparation and adoption of Program Operations Manual • Establishment of KDSP secretariat, Technical Committee and Joint Steering Committee. |
| Allocation: 2020/21 | KES. 2,115,000,000 |
| Purpose of the grant | To strengthen capacity of core national and county institutions to improve delivery of devolved services at the county level. |
| Allocation criteria | Based on financing agreement between the IDA and the Government of Kenya and approved work plans. |
| Allocation by County | |
| County | Total |
| 1.Baringo | 45,000,000 |
| 2.Bomet | 45,000,000 |
| 3.Bungoma | 45,000,000 |
| 4.Busia | 45,000,000 |
| 5.Elegeyo Marakwet | 45,000,000 |
| 6.Embu | 45,000,000 |
| 7.Garissa | 45,000,000 |
| 8.Homa Bay | 45,000,000 |
| 9.Isiolo | 45,000,000 |
| 10.Kajiado | 45,000,000 |
| 11.Kakamega | 45,000,000 |
| 12.Kericho | 45,000,000 |
| 13.Kiambu | 45,000,000 |
| 14.Kilifi | 45,000,000 |
| 15.Kirinyaga | 45,000,000 |
| 16.Kisii | 45,000,000 |
| 17.Kisumu | 45,000,000 |
| 18.Kitui | 45,000,000 |
| 19.Kwale | 45,000,000 |
| 20.Laikipia | 45,000,000 |
| 21.Lamu | 45,000,000 |
| 22.Machakos | 45,000,000 |
| 23.Makueni | 45,000,000 |
| 24.Mandera | 45,000,000 |

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| 25.Marsabit | 45,000,000 |
| 26.Meru | 45,000,000 |
| 27.Migori | 45,000,000 |
| 28.Mombasa | 45,000,000 |
| 29.Muranga | 45,000,000 |
| 30.Nairobi | 45,000,000 |
| 31.Nakuru | 45,000,000 |
| 32.Nandi | 45,000,000 |
| 33.Narok | 45,000,000 |
| 34.Nyamira | 45,000,000 |
| 35.Nyandarua | 45,000,000 |
| 36.Nyeri | 45,000,000 |
| 37.Samburu | 45,000,000 |
| 38.Siaya | 45,000,000 |
| 39.Taita Taveta | 45,000,000 |
| 40.Tana River | 45,000,000 |
| 41.Tharaka Nithi | 45,000,000 |
| 42.Trans Nzoia | 45,000,000 |
| 43.Turkana | 45,000,000 |
| 44.Uasin Gishu | 45,000,000 |
| 45.Vihiga | 45,000,000 |
| 46.Wajir | 45,000,000 |
| 47.West Pokot | 45,000,000 |
| TOTAL | 2,115,000,000 |

Source: State Department for Devolution

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|---|--|
| 5. IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG). | |
| Ministry/State Department Responsible | Ministry of Transport, Infrastructure, Housing & Urban Development. Vote 1094 |
| Accounting officer of National Government Responsible | Principal Secretary - State Department of Housing and Urban Development. |
| Responsibilities of the National Government Accounting officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21 • Submit quarterly and annual financial and performance reports to the National Treasury and World Bank • Monitor and evaluate performance of the allocation and report to the National Treasury |
| Conditions | <ul style="list-style-type: none"> • Municipal status is established • Municipal Board is established • Municipal Administration is in place • Municipal Budget Vote is included in the County budget • County Government reports on municipal budget vote to Controller of budget • County Government has committed itself to participation in KUSP |

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| | <ul style="list-style-type: none"> • The Annual Urban area investment plan is available • Use of previous UDG is in accordance with eligible investment menu. • Municipal absorptive capacity • Municipal procurement & contract management are within prescribed budget thresholds and contracting procedures. |
| Counties must meet the following Performance Standards | <ul style="list-style-type: none"> • Municipal manager's Job Description publicly available. • Quarterly board meetings held. • Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once a year. • Urban board has made key documents publicly available • Urban board publishes its annual calendar of citizens' fora • Urban board has adopted urban area budget based on the budget ceiling. • Urban Integrated Development Plan submitted by the municipal administrator, and reviewed and approved by the municipal board • Urban spatial plan completed and approved • Board adopts a Solid Waste Management policy and operations • Previous year's UDG projects completed. |
| Accounting officer of the County Government responsible | Accounting officer responsible for Housing and Urban Development in the County government |
| Responsibilities of the County Government Accounting Officer | <ul style="list-style-type: none"> • Supporting and guiding Municipal Boards/Administrations in preparing budgets and forwarding them for approval by the County Assembly • Establishing urban institutions for effective urban management; • Monitor and evaluate performance of the allocation and report to the County Treasury. • capacity building and technical backstopping of Municipal Boards/Administrations; • Managing the flow of Program funds at this level, and consolidating the fiscal reporting from Municipal Boards for onward submission to the National Treasury; and State Department of Housing and Urban Development • Generally exercising oversight on the performance of the Municipal Boards. |
| Allocation: 2020/21 | KES: 6,366,000,000.00 |
| Purpose of the grant | Provide support to urban boards and administrators within the respective participating County Govts for financing infrastructure investments in urban areas. |
| Allocation criteria | Based on financing agreement between the IDA and the Government of Kenya and the Annual Performance Assessment. |

| 6. DANIDA Grant (Universal Healthcare in Devolved System Program) | |
|--|---|
| Ministry/State Department Responsible | Ministry of Health |
| Accounting officer of National Government Responsible | Principal Secretary, Ministry of Health |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> • Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the Ministry plans. • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21. • Initiate requests for transfer of funds from the Danish Government to the National Treasury • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury. • |
| Conditions | <ul style="list-style-type: none"> • In order to be eligible for support after year one at least 20 percent of the county budget (excluding conditional grants) must be allocated to health. • The grant shall be used exclusively to supplement operations and maintenance (O&M) costs as defined in the GoK Chart of Accounts • Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties • Counties shall distribute the grants according to clear criteria shared to the Project Management Team • The Counties shall ensure timely disbursements to the health facilities through IFMIS through the respective County Special Purpose Account for Health. • The Counties shall for purposes of sustainability gradually assume an increased responsibility for the O&M costs. • Counties not complying with the above conditions and statutory planning, budgeting and reporting as well as having qualified Annual Audit Reports from the Office of Auditor General will not be eligible for further support. |

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| Accounting officer of Government Responsible of County | Chief Officer, Department of Health |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • General administration and coordination of the conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2020/21; • Initiate requests for transfer of funds from the County Revenue Funds to the special purpose accounts and to the health facility through IFMIS within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations. |
| Allocation: 2020/21 | KES 900,000,000 |
| Purpose of the grant | To improve access to quality of primary health care and RMNCAH services at the county level |
| Allocation criteria | Based on financing agreement between the DANIDA and the Government of Kenya: The grant will be allocated as a conditional grant to each County based on the CRA ratio |
| Allocation by County | |
| County | Total |
| Baringo | 14,490,000 |
| Bomet | 15,660,000 |
| Bungoma | 25,290,000 |
| Busia | 17,100,000 |
| Elgeyo/Marakwet | 10,980,000 |
| Embu | 12,240,000 |
| Garissa | 19,980,000 |
| Homa Bay | 19,170,000 |
| Isiolo | 12,060,000 |
| Kajiado | 18,270,000 |
| Kakamega | 29,610,000 |
| Kericho | 15,300,000 |
| Kiambu | 26,820,000 |
| Kilifi | 29,700,000 |
| Kirinyanga | 12,060,000 |
| Kisii | 22,140,000 |
| Kisumu | 19,440,000 |
| Kitui | 25,110,000 |
| Kwale | 22,140,000 |
| Laikipia | 11,880,000 |
| Lamu | 7,380,000 |
| Machakos | 22,050,000 |
| Makueni | 21,060,000 |

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| Mandera | 29,070,000 |
| Marsabit | 19,260,000 |
| Meru | 22,860,000 |
| Migori | 19,260,000 |
| Mombasa | 20,070,000 |
| Murang'a | 17,910,000 |
| Nairobi | 45,270,000 |
| Nakuru | 29,790,000 |
| Nandi | 15,210,000 |
| Narok | 22,860,000 |
| Nyamira | 13,680,000 |
| Nyandarua | 13,860,000 |
| Nyeri | 15,390,000 |
| Samburu | 13,140,000 |
| Siaya | 16,470,000 |
| Taita Taveta | 12,060,000 |
| Tana River | 16,650,000 |
| TharakaNithi | 11,160,000 |
| Trans Nzoia | 16,380,000 |
| Turkana | 29,970,000 |
| Uasin Gishu | 18,000,000 |
| Vihiga | 13,230,000 |
| Wajir | 24,300,000 |
| West Pokot | 14,220,000 |
| Total | 900,000,000.00 |

Source: Ministry of Health

The County Allocation of Revenue Bill, 2020

| 7. EU Grant (Instruments for Devolution Advice and Support IDEAS) | |
|--|--|
| Ministry/State Department Responsible | Ministry of Devolution and ASALs/ State Department for Devolution |
| Accounting officer of National Government Responsible | Principal Secretary, State Department for Devolution |
| Responsibilities of the National Government Accounting Officer | <ul style="list-style-type: none"> • Ensure that the allocations for the EU grant are included in policy documents (DORA and CARA) and the Budget Estimates for the State Department of Devolution for the FY 2019/20 • On confirmation of compliance to the provision of the grant contract by the counties, initiate request for disbursement of funds to the counties to the National Treasury • Chairperson for the Project Steering Committee which is the apex body for the IDEAS Programme. • Provide regularly policy and technical support to the county Governments in all matters of project implementation. • Receive quarterly and annual financial and technical implementation reports from the counties and share with the National Treasury and the European Union respectively. |
| Accounting Officer of beneficiary County Government | Chief Officer responsible for; <ul style="list-style-type: none"> • Agriculture, Livestock and Fisheries or • Trade and Industrialization. |
| Responsibilities of the County Government Accounting Officer | <ul style="list-style-type: none"> • Ensure that the project budget amount including own contribution to the grants is included in the County Government's budget, approved by the County Assembly and included in the County Appropriation Act passed by the County Assembly. • Consolidate the financial and non-financial performance reports for the grant and submit to County Treasuries and the State Department for Devolution. • Ensure the smooth implementation of the LED projects, through the formation and operationalization of two project implementing units namely, the County Technical Team (CTT) and the County Project Coordination Committee (CPCC). • Make monthly or quarterly supervision and monitoring visits to the project sites; • Issuance of technical guidelines and advice pertaining to implementation of the project. |

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| Conditions | <p>The State Department signed grant contracts with 15 Counties, for 17 LED Projects. The counties shall adhere to the General Conditions applicable to European Union-financed grants for external actions and the National Government guidelines for the Management of Conditional Grants framework (Treasury Circular No 8/2017). The conditions for the 2nd pre-financing are ;</p> <ol style="list-style-type: none"> a) Counties shall submit to State Department of Devolution an interim implementation narrative and financial reports on quarterly and annual basis for onward transmission to the National Treasury. b) Expenditure verification report of the first years expenditures in the county. c) Counties to ensure that the grants allocated to them are reflected in their respective budget and approved by their county assembly. d) The counties shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field. e) The County must ensure that Public Participation is undertaken throughout the life of the project |
| Allocation to the Counties: 2020/21 | KES 216,014,391 |
| Purpose of the grant | To support National and County governments capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level. |
| Allocation criteria | <ul style="list-style-type: none"> • Based on financing agreement between the EU and the Government of Kenya and approved work plans annexed to the County Grant Contracts. Each of the 15 Counties has been allocated Kshs.110m for implementation of the agreed LED projects and will be paid in 2 pre-financing instalments and the balance on successful completion of the agreed projects. |
| Allocation by County | |
| County | Total (Kshs.) |
| Baringo | 15,626,168 |
| Kisii | 16,140,145 |
| Kisumu | 15,626,168 |
| Kwale | 15,624,891 |
| Laikipia | 15,626,168 |
| Makueni | 11,000,000 |
| Marsabit | 16,140,048 |
| Migori | 15,626,168 |
| Nyandarua | 11,000,000 |
| Samburu | 15,626,168 |

SECRET

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| Taita-Taveta | 15,624,929 |
| Tana River | 14,727,370 |
| Uasin Gishu | 11,000,000 |
| Wajir | 15,626,168 |
| West Pokot | 11,000,000 |
| Total | 216,014,391 |

SECRET

| 8. IDA (World Bank) Credit 6029 & 6030 KE: Water and Sanitation Development Project (WSDP) | |
|---|--|
| Ministry/ State Department Responsible | Ministry of Water & Sanitation and Irrigation |
| Accounting Officer of National Government Responsible | PS, Ministry of Water & Sanitation and Irrigation |
| Responsibilities of the National Government Accounting Officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the Ministry for FY 2020/2021 • Initiate request for disbursement of funds to Participating Counties • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. • Monitor and evaluate performance of the allocation and report to the National Treasury. |
| Conditions | <ul style="list-style-type: none"> • This funding must be included in the budget estimates of the County Government. • Participating Counties shall carry out, and verify its activities under the WSDP with due diligence and efficiency and in accordance with the Financing Agreement, PIM, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the World Bank's "Guidelines on Preventing and Combatting Fraud and Corruption • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee. |
| Accounting Officer of County Government Responsible | <ul style="list-style-type: none"> • Accounting officer responsible for Water and Sanitation in the County Government |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the department |

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| | <p>responsible for Water and Sanitation for the FY 2020/21.</p> <ul style="list-style-type: none"> • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Ministry of Water and Sanitation • Monitor and evaluate performance of the allocation and report to the County Treasury. |
| Allocation: 2020/21 | Kshs. 3,400,000,000 |
| Purpose of the Grant/Loan | For implementation of Water and Sanitation activities |
| Allocation Criteria | Based on the Signed Financing agreement between IDA and the Government of Kenya and approved procurement and work plans. |
| Allocation by County | |
| 1. Wajir | Kshs. 350,000,000 |
| 2. Garissa | Kshs. 500,000,000 |
| 3. Mombasa | Kshs. 1,100,000,000 |
| 4. Taita Taveta | Kshs. 350,000,000 |
| 5. Kwale | Kshs. 400,000,000 |
| 6. Kilifi | Kshs. 700,000,000 |
| TOTAL | Kshs.3,400,000,000 |

Source: Ministry of Water & Sanitation

| 9. Sweden – Agricultural Sector Development Support Programme (ASDSP) II | |
|---|--|
| Ministry/State Department Responsible | Ministry of Agriculture Livestock and Fisheries |
| Accounting officer of National Government Responsible | Principal Secretary, State Department for Crops Development and Research |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> • Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2020/021 • Receive quarterly and annual financial and non-financial reports from the counties and consolidate • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments |

| | |
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| | <ul style="list-style-type: none"> • Monitor and evaluate performance of the allocation and report to the National Treasury |
| Accounting officer of County Government Responsible | <ul style="list-style-type: none"> • Chief Officer responsible for Agriculture |
| Responsibilities of the County Government accounting officer | <ul style="list-style-type: none"> • Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Government Secretariat; • Ensure that the programme AWP&B , upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; • The County accounting officer , upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; • Ensure disbursement of Ksh. 5.5 million in two halves/ year programme account through programme CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury • |
| Conditions | <ul style="list-style-type: none"> • Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; • Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ; • GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; • Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture Livestock, Fisheries and Irrigation and Governors of each county on prudent management of the programme funds; • Funding will be triggered by counterpart funds from both levels of GoK (national and counties); and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State department for crops will additionally submit consolidated report for all the 48 spending units. • |
| Allocation: 2020/021 | KES 652,584,158 |

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| Purpose of the grant | To develop sustainable priority value chains so as to contribute to the sector goal of transforming crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security. | | |
| Allocation criteria | Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans. | | |
| Allocation by County | | | |
| County | Total Allocations | | |
| | a | b | c=a+b |
| Counties | SIDA/EU Contribution | National (NG)(MoALF) contribution | Total |
| Baringo | 11,057,645 | 2,500,000 | 13,557,645 |
| Bomet | 10,944,366 | 2,500,000 | 13,444,366 |
| Bungoma | 11,876,061 | 2,500,000 | 14,376,061 |
| Busia | 11,504,970 | 2,500,000 | 14,004,970 |
| Elgeyo-Marakwet | 10,421,815 | 2,500,000 | 12,921,815 |
| Embu | 9,612,312 | 2,500,000 | 12,112,312 |
| Garissa | 13,013,345 | 2,500,000 | 15,513,345 |
| Homa bay | 11,238,669 | 2,500,000 | 13,738,669 |
| Isiolo | 11,693,675 | 2,500,000 | 14,193,675 |
| Kajiado | 10,857,272 | 2,500,000 | 13,357,272 |
| Kakamega | 12,541,144 | 2,500,000 | 15,041,144 |
| Kericho | 10,276,994 | 2,500,000 | 12,776,994 |
| Kiambu | 10,936,146 | 2,500,000 | 13,436,146 |
| Kilifi | 12,482,463 | 2,500,000 | 14,982,463 |
| Kirinyaga | 9,009,004 | 2,500,000 | 11,509,004 |
| Kisii | 11,685,102 | 2,500,000 | 14,185,102 |
| Kisumu | 10,686,151 | 2,500,000 | 13,186,151 |
| Kitui | 12,928,645 | 2,500,000 | 15,428,645 |
| Kwale | 12,232,422 | 2,500,000 | 14,732,422 |
| Laikipia | 10,416,815 | 2,500,000 | 12,916,815 |
| Lamu | 8,843,998 | 2,500,000 | 11,343,998 |
| Machakos | 11,246,442 | 2,500,000 | 13,746,442 |
| Makueni | 12,034,090 | 2,500,000 | 14,534,090 |
| Mandera | 14,548,048 | 2,500,000 | 17,048,048 |
| Marsabit | 14,310,792 | 2,500,000 | 16,810,792 |
| Meru | 11,050,139 | 2,500,000 | 13,550,139 |

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| | | | |
|---------------|--------------------|--------------------|--------------------|
| Migori | 11,203,648 | 2,500,000 | 13,703,648 |
| Mombasa | 10,249,975 | 2,500,000 | 12,749,975 |
| Muranga | 10,246,035 | 2,500,000 | 12,746,035 |
| Nairobi | 13,455,893 | 2,500,000 | 15,955,893 |
| Nakuru | 11,671,667 | 2,500,000 | 14,171,667 |
| Nandi | 10,338,123 | 2,500,000 | 12,838,123 |
| Narok | 11,195,490 | 2,500,000 | 13,695,490 |
| Nyamira | 10,625,036 | 2,500,000 | 13,125,036 |
| Nyandarua | 9,991,573 | 2,500,000 | 12,491,573 |
| Nyeri | 9,458,572 | 2,500,000 | 11,958,572 |
| Samburu | 11,996,213 | 2,500,000 | 14,496,213 |
| Siaya | 10,374,560 | 2,500,000 | 12,874,560 |
| TaitaTaveta | 10,706,924 | 2,500,000 | 13,206,924 |
| Tana River | 12,905,911 | 2,500,000 | 15,405,911 |
| Tharaka-Nithi | 9,678,726 | 2,500,000 | 12,178,726 |
| Trans Nzoia | 10,512,542 | 2,500,000 | 13,012,542 |
| Turkana | 16,231,177 | 2,500,000 | 18,731,177 |
| Uasin Gishu | 10,220,859 | 2,500,000 | 12,720,859 |
| Vihiga | 9,816,175 | 2,500,000 | 12,316,175 |
| Wajir | 15,032,329 | 2,500,000 | 17,532,329 |
| West Pokot | 11,724,205 | 2,500,000 | 14,224,205 |
| TOTAL | 535,084,158 | 117,500,000 | 652,584,158 |

Source: State Department for Crops Development

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| 10. European Union – Water Tower Protection and Climate Mitigation and Adaptation (WaTER) Programme | |
|--|--|
| Ministry of Environment and Forestry/State Department of Environment and Forestry | Ministry of Environment and Forestry Vote (1108) |
| Accounting officer of National Government Responsible | PS Ministry of Environment & Forestry |
| Responsibilities of the National Government accounting officer | <ul style="list-style-type: none"> a) Management of the Grant Contracts b) Installation and implementation of a public expenditure tracking system for the grant contracts c) Monitoring and evaluation of the programme implementation d) Provide quarterly and annual financial reports to the National Treasury Provide annual financial reports to the European Union |
| Conditions | <ul style="list-style-type: none"> a) Programmes to be funded must be included in the CIDPs of the respective Counties developed through a participatory process b) Grants must be included in the County Allocation of Revenue Act (CARA) according to the forecast disbursement schedule c) Grants must be included in the annual National and County budgets d) Activities must be relevant to the specific objectives of the programme e) Integrate national values and principles of good governance in the implementation of the programme f) The grants must include measures to ensure the visibility of the EU funding for the grant g) Grants must include participatory M&E h) Implementation of the Grants must adhere to the Special and General Conditions of the Grant Contracts. In particular, a special project account must be opened for all project financing from the grants with no co-mingling of funds allowed i) The provisions of the Public Finance Management Act (No. 18 of 2012) and Regulations (Kenya Gazette Supplement No. 32, Legal Notice No. 34) must be adhered to j) A County Programme Steering Committee must be put in place to oversee the implementation of the programme at County Level. The composition of the committee and its mandate will be defined and communicated by the Contracting Authority k) County Governments must provide not less than 10% of the total grant for purposes of supporting the activities under the donor funded component of the programme |
| Accounting officer of the County Government | The Accounting officer In charge of Environment and Natural Resources |