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**THE COUNTY ALLOCATION OF REVENUE BILL,
2019**

A Bill for

AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2019/2020 financial year and the responsibilities of national and county governments pursuant to such allocation and for connected purposes.

ENACTED by the Parliament of Kenya, as follows—

PART I—PRELIMINARY

- 1.** This Act may be cited as the County Allocation of Revenue Act, 2019. Short title.
- 2.** In this Act, unless the context otherwise requires— Interpretation.
- “Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance;
- “conditional allocations” for the purposes of this Act, means additional resources allocated to county governments from revenue raised nationally or in the form of loans and grants from development partners;
- “revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act; No. 16 of 2011.
- “State organ” has the meaning assigned to it under Article 260 of the Constitution; and
- “wasteful expenditure” has the meaning assigned to it under section 2 of the Public Finance Management Act. No. 18 of 2012.
- 3.** The object and purpose of this Act is to— Object and purpose of the Act.
- (a) provide, pursuant to Article 218(1)(b) of the Constitution, for the allocation of an equitable share of revenue raised nationally among the county governments, in accordance with the resolution approved by Parliament under Article 217 of the Constitution for the financial year 2019/2020;

- (b) provide, pursuant to Article 187(2) and 202 (2) of the Constitution, for conditional allocations for the financial year 2019/2020; and
- (c) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.

4. (1) Each county governments' equitable share of revenue raised nationally on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution in respect of the financial year 2019/2020 shall be as set out in Column D of the First Schedule.

Equitable allocation of county governments' share of revenue.

(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.

No. 18 of 2012.

5. (1) Conditional allocations from national government revenue to each county government for the financial year 2019/2020 shall be as set out in Column H of the Second Schedule, comprising —

Conditional allocations to county governments.

- (a) conditional grants for level 5 hospitals as set out in Column B of the Second Schedule;
- (b) supplement for construction of county headquarters as set out in Column C of the Second Schedule;
- (c) conditional allocations to compensate county health facilities for foregone 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 the rehabilitation 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 2019/2020 shall be as set out in Column O of the Third Schedule, comprising —

- (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 allocation 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 allocation financed by a loan from the World Bank for Kenya Urban Support Project (KUSP) as set out in Column F of the Third Schedule;
- (f) conditional allocation 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 allocation 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 allocation from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column I in the Third Schedule;
- (i) Conditional allocations amounting to Kenya Shillings four billion (KSh. 4 billion) financed by

a grant from the World Bank for Kenya Devolution Support Programme (KDSP) known as KDSP Performance ("level 2") Grant as set out in Column J 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 Report on actual for the grant, shall for each eligible transfers. county government, carry out or cause to be carried out, 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 for purposes of determining the Performance ("level 2") grant allocation for the financial year 2018/2019;
- (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) above and the Revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution; and
- (iii) the Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of paragraph (ii) above.

(3) Each county government's allocation under subsection (1) (a), (b), (c), (d) 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, but 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 such transfers shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

No. 18 of 2012.

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

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

(5) A county governments' allocation under subsection (2) (a) and (b) 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, if the Cabinet Secretary and the responsible development partner have agreed in writing that the funds shall be transferred to the county governments and such transfers shall be included in the budget estimates of the respective county government and shall be submitted to the respective county assembly for approval.

No. 18 of 2012.

(6) 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.

6. The budget ceilings for recurrent expenditure for county governments for the financial year 2019/2020 shall be as set out in the Fourth Schedule.

Budget ceilings for recurrent expenditure.

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

Report on actual transfers.

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

Books of accounts to reflect national government transfers.

(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.

(3) A county treasury shall as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, 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.

No. 18 of 2012

9. 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.

Financial
Misconduct.

No. 18 of 2012.

10. For the avoidance of doubt the allocation of the equitable share of revenue to the county governments under Section 4 of this Act is 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.

Revenue sharing
formula
applicable.

Schedule 1: Allocation of Each County Governments' Equitable Share of Revenue Raised nationally in the Financial Year 2019/2020

No	County	2018/2019		2019/2020	
		Allocation ratio	Equitable Share	Allocation Ratio	Equitable Share
		Column A	Column B	Column C	Column D
1	Baringo	1.62	5,086,800,000	1.61	5,404,287,000
2	Bomet	1.89	5,934,600,000	1.74	5,840,658,000
3	Bungoma	2.85	8,949,000,000	2.81	9,432,327,000
4	Busia	1.90	5,966,000,000	1.90	6,377,730,000
5	Elgeyo Marakwet	1.20	3,768,000,000	1.22	4,095,174,000
6	Embu	1.42	4,458,800,000	1.36	4,565,112,000
7	Garissa	2.21	6,939,400,000	2.22	7,451,874,000
8	Homa bay	2.13	6,688,200,000	2.13	7,149,771,000
9	Isiolo	1.25	3,925,000,000	1.34	4,497,978,000
10	Kajiado	1.91	5,997,400,000	2.03	6,814,101,000
11	Kakamega	3.29	10,330,600,000	3.29	11,043,543,000
12	Kericho	1.82	5,714,800,000	1.70	5,706,390,000
13	Kiambu	2.98	9,357,200,000	2.98	10,002,966,000
14	Kilifi	3.45	10,833,000,000	3.30	11,077,110,000
15	Kirinyaga	1.31	4,113,400,000	1.34	4,497,978,000
16	Kisii	2.45	7,693,000,000	2.46	8,257,482,000
17	Kisumu	2.20	6,908,000,000	2.16	7,250,472,000
18	Kitui	2.78	8,729,200,000	2.79	9,365,193,000
19	Kwale	2.40	7,536,000,000	2.46	8,257,482,000
20	Laikipia	1.31	4,113,400,000	1.32	4,430,844,000
21	Lamu	1.13	3,548,200,000	0.82	2,752,494,000
22	Machakos	2.65	8,321,000,000	2.45	8,223,915,000
23	Makueni	2.27	7,127,800,000	2.34	7,854,678,000
24	Mandera	3.23	10,142,200,000	3.23	10,842,141,000
25	Marsabit	2.23	7,002,200,000	2.14	7,183,338,000
26	Meru	2.55	8,007,000,000	2.54	8,526,018,000
27	Migori	2.14	6,719,600,000	2.14	7,183,338,000
28	Mombasa	2.62	8,226,800,000	2.23	7,485,441,000
29	Murang'a	1.99	6,248,600,000	1.99	6,679,833,000
30	Nairobi	5.03	15,794,200,000	5.03	16,884,201,000
31	Nakuru	3.01	9,451,400,000	3.31	11,110,677,000
32	Nandi	1.71	5,369,400,000	1.69	5,672,823,000
33	Narok	2.03	6,374,200,000	2.54	8,526,018,000
34	Nyamira	1.52	4,772,800,000	1.52	5,102,184,000
35	Nyandarua	1.57	4,929,800,000	1.54	5,169,318,000
36	Nyeri	1.60	5,024,000,000	1.71	5,739,957,000

37	Samburu	1.41	4,427,400,000	1.46	4,900,782,000
38	Siaya	1.92	6,028,800,000	1.83	6,142,761,000
39	Taita taveta	1.29	4,050,600,000	1.34	4,497,978,000
40	Tana River	1.77	5,557,800,000	1.85	6,209,895,000
41	Tharaka Nithi	1.16	3,642,400,000	1.24	4,162,308,000
42	Trans Nzoia	1.79	5,620,600,000	1.82	6,109,194,000
43	Turkana	3.43	10,770,200,000	3.33	11,177,811,000
44	Uasin Gishu	1.89	5,934,600,000	2.00	6,713,400,000
45	Vihiga	1.42	4,458,800,000	1.47	4,934,349,000
46	Wajir	2.70	8,478,000,000	2.70	9,063,090,000
47	West Pokot	1.57	4,929,800,000	1.58	5,303,586,000
	Total	100	314,000,000,000	100	335,670,000,000

SECOND SCHEDULE
(s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial year 2019/20(Figures are in Kenya Shillings)

S/N	County	FY 2018/19				FY 2019/20					
		Total Conditional Grants from the National Government Revenue	Column A	Column B	Supplement for construction of county headquarters	Conditional Grant- Compensation for User Fee Foregone	Conditional Grant- Leasing of Medical Equipment	Conditional Grant- Road Maintenance Fuel Levy	Conditional Grant- Rehabilitation of Village Polytechnics	Total Conditional Grants from the National Government Revenue	
1	Baringo	382,727,014	-	-	-	13,191,000	131,914,894	144,643,406	24,873,298	314,622,598	
2	Bomet	420,841,205	-	-	-	16,713,356	131,914,894	156,322,688	47,388,298	352,339,235	
3	Bungoma	533,956,683	-	-	-	32,837,307	131,914,894	252,452,156	53,928,298	471,132,654	
4	Busia	435,973,669	-	-	-	16,934,085	131,914,894	170,697,188	63,333,298	382,879,464	
5	Elgeyo/Marakwet	349,797,077	-	-	-	8,788,919	131,914,894	109,605,563	30,228,298	280,537,673	
6	Embu	667,061,008	301,040,462	-	-	10,724,225	131,914,894	122,183,250	33,603,298	599,466,129	
7	Garissa	775,747,878	344,739,884	-	-	12,964,636	131,914,894	199,446,188	20,628,298	709,693,899	
8	Homa Bay	444,954,827	-	-	-	22,185,346	131,914,894	191,360,531	35,163,298	380,624,069	
9	Istolo	449,049,293	-	-	121,000,000	3,472,461	131,914,894	120,386,438	10,833,298	387,607,090	
10	Kajiado	415,206,684	-	-	-	16,955,365	131,914,894	182,376,469	35,493,298	366,740,025	
11	Kakamega	1,006,978,228	427,283,237	-	-	37,789,290	131,914,894	295,575,656	76,923,298	969,486,374	
12	Kericho	409,519,496	-	-	-	18,048,789	131,914,894	152,729,063	29,433,298	332,126,043	
13	Kiambu	1,087,865,232	538,716,763	-	-	34,671,542	131,914,894	267,725,063	55,113,298	1,028,141,559	
14	Kilifi	564,228,319	-	-	-	25,969,864	131,914,894	296,474,063	58,863,298	513,222,118	
15	Kirinyaga	371,794,810	-	-	-	11,282,570	131,914,894	120,386,438	34,503,298	298,087,199	
16	Kisii	917,177,976	417,572,254	-	-	26,138,997	131,914,894	221,007,938	74,553,298	871,187,381	
17	Kisumu	813,848,454	369,017,341	-	-	21,299,489	131,914,894	194,055,750	41,673,298	757,960,772	
18	Kitui	510,797,140	-	-	-	22,499,906	131,914,894	250,655,344	72,588,298	477,658,441	
19	Kwale	455,485,910	-	-	-	15,209,593	131,914,894	221,007,938	59,793,298	427,925,722	
20	Laikipia	347,622,182	-	-	-	9,968,208	131,914,894	118,589,625	31,908,298	292,381,024	
21	Lamu	448,082,050	-	-	121,000,000	2,451,034	131,914,894	73,669,313	41,298,298	370,333,538	
22	Machakos	881,092,537	383,583,815	-	-	24,129,039	131,914,894	220,109,531	51,093,298	810,830,576	
23	Makueni	438,674,526	-	-	-	19,435,760	131,914,894	210,227,063	60,333,298	421,911,014	

24	Mandera	523,750,213	-	-	25,474,920	131,914,894	290,185,219	22,113,298	469,688,330
25	Marsabit	417,280,542	-	-	6,643,714	131,914,894	192,258,938	15,558,298	346,375,843
26	Meru	882,363,597	373,872,832	-	31,648,428	131,914,894	228,195,188	56,568,298	822,199,639
27	Migori	430,327,100	-	-	21,655,884	131,914,894	192,258,938	30,033,298	375,863,013
28	Mombasa	868,324,719	388,439,306	-	23,385,934	131,914,894	200,344,594	25,473,298	769,558,026
29	Muranga	450,368,887	-	-	20,138,691	131,914,894	178,782,844	83,268,298	414,104,727
30	Nairobi	729,840,781	-	-	79,423,251	131,914,894	451,898,344	22,998,298	686,234,787
31	Nakuru	909,243,228	373,872,832	-	38,723,265	131,914,894	297,372,469	63,063,298	904,946,758
32	Nandi	396,712,989	-	-	18,086,363	131,914,894	151,830,656	32,793,298	334,625,211
33	Narok	419,242,432	-	-	20,595,297	131,914,894	228,195,188	19,488,298	400,193,676
34	Nyamira	391,753,888	-	-	13,175,221	131,914,894	136,557,750	67,068,298	348,716,163
35	Nyandarua	503,233,263	-	121,000,000	12,735,922	131,914,894	138,354,563	37,983,298	441,988,676
36	Nyeri	782,635,195	407,861,272	-	13,701,379	131,914,894	153,627,469	55,143,298	762,248,311
37	Samburu	342,710,164	-	-	5,235,578	131,914,894	131,167,313	15,483,298	283,801,082
38	Siaya	415,427,861	-	-	18,194,808	131,914,894	164,408,344	40,278,298	354,796,343
39	Taita Taveta	361,620,075	-	-	5,296,305	131,914,894	120,386,438	55,638,298	313,235,934
40	Tana River	497,504,571	-	121,000,000	5,682,537	131,914,894	166,205,156	21,228,298	446,030,885
41	Tharaka Nithi	465,209,339	-	1,152,184	8,218,119	131,914,894	111,402,375	55,638,298	308,325,869
42	Trans Nzoia	423,000,418	-	-	21,304,915	131,914,894	163,509,938	61,188,298	377,918,043
43	Turkana	534,489,927	-	-	25,634,941	131,914,894	299,169,281	13,893,298	470,612,414
44	Uasin Gishu	410,315,914	-	-	20,813,065	131,914,894	179,681,250	57,588,298	389,997,506
45	Vihiga	385,053,522	-	-	12,657,201	131,914,894	132,065,719	67,743,298	344,381,111
46	Wajir	460,298,353	-	-	15,784,997	131,914,894	242,569,688	18,903,298	409,172,876
47	West Pokot	370,810,825	-	-	12,128,484	131,914,894	141,948,188	17,313,298	303,304,863
	GRAND TOTAL	25,500,000,000	4,326,000,000	485,152,184	900,000,000	6,200,000,000	8,984,062,500	2,000,000,000	22,895,214,684

THIRD SCHEDULE (s. 5(2))
Conditional allocations to County Governments from Loans and Grants from Development Partners in
Financial year 2019/20(Figures are in Kenya Shillings)

County	2019/20 FY										2018/19 FY									
	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Total Loans and Grants				
Baringo	455,614,301	39,175,834	-	141,897,380	30,000,000	52,360,500	15,187,500	21,118,210	-	-	17,586,468	-	8,800,000	-	325,325,892					
Bomet	495,931,469	35,000,000	-	180,000,000	30,000,000	168,334,800	17,718,750	-	-	-	17,416,549	-	8,800,000	-	457,270,099					
Bungoma	772,708,738	143,042,792	350,000,000	-	30,000,000	300,977,100	26,718,750	-	-	-	18,814,092	45,000,000	8,800,000	-	923,352,734					
Busia	514,468,709	81,060,071	-	116,993,505	30,000,000	101,071,500	17,812,500	-	-	-	18,257,455	45,000,000	8,800,000	-	419,041,031					
Elgeyo/Mara Kwetu	448,113,957	35,000,000	-	118,422,545	30,000,000	89,802,100	11,250,000	-	-	-	16,632,723	45,000,000	8,800,000	-	354,907,368					
Embu	423,634,353	44,569,827	350,000,000	-	30,000,000	119,892,100	13,312,500	-	-	-	15,418,468	-	8,800,000	-	581,992,895					
Garissa	1,619,534,869	47,421,765	-	157,422,850	30,000,000	233,506,000	20,718,750	-	400,000,000	-	20,520,018	-	8,800,000	-	918,389,383					
Homa Bay	479,279,189	53,812,849	350,000,000	-	30,000,000	119,361,500	19,968,750	-	-	-	17,858,004	-	8,800,000	-	599,801,103					
Isiolo	424,751,976	64,373,437	-	170,794,330	30,000,000	93,968,100	16,572,474	-	-	-	18,540,513	-	8,800,000	-	403,048,854					
Kajiado	572,134,165	13,621,176	-	143,351,050	30,000,000	265,950,300	24,844,848	-	-	-	17,285,908	-	8,800,000	-	626,033,282					
Kakamega	847,913,637	61,794,598	-	117,000,000	30,000,000	389,118,800	30,843,750	-	-	-	19,811,716	45,000,000	8,800,000	-	702,368,864					
Kenicho	557,172,175	71,544,247	-	199,459,400	30,000,000	256,299,000	17,062,500	-	-	-	16,415,491	-	8,800,000	-	599,580,638					

Kiambu	2,220,951,780	80079440	331,052,210	-	-	1,885,993,000	27,937,500	-	-	-	-	17,404,219	8,800,000	8,800,000	2,281,409,369
Kilifi	1,130,333,518	129,114,721	350,000,000	-	-	330,534,500	32,243,750	-	600,000,000	-	-	19,723,695	8,800,000	8,800,000	1,500,516,666
Kinyyaga	375,297,242	350,000,000	350,000,000	-	-	71,302,200	12,281,250	-	-	-	-	14,513,506	8,800,000	8,800,000	521,896,956
Kisii	590,705,381	44,696,901	350,000,000	-	-	164,053,800	22,968,750	45,697,438	-	-	-	18,527,653	8,800,000	8,800,000	684,744,542
Kisumu	1,260,705,051	350,000,000	-	118,482,110	-	773,573,300	20,625,000	36,048,231	-	-	-	17,029,227	8,800,000	8,800,000	1,084,577,868
Kitui	625,053,090	129,886,088	350,000,000	-	-	232,374,200	26,062,500	-	-	-	-	20,392,968	8,800,000	8,800,000	797,515,756
Kwale	872,997,000	157,065,59	350,000,000	-	-	500,000,000	22,500,000	44,360,883	300,000,000	-	-	19,348,633	8,800,000	8,800,000	982,716,075
Lakipia	440,883,643	350,000,000	-	13,027,150	-	50,000,000	12,281,250	21,345,341	-	-	-	16,625,223	8,800,000	8,800,000	305,078,964
Lamu	349,454,694	350,000,000	-	157,507,010	-	50,000,000	10,593,750	-	-	-	-	14,265,997	8,800,000	8,800,000	306,166,757
Machakos	1,371,260,080	129,886,778	-	150,156,390	-	1,018,320,500	24,843,750	-	-	-	-	17,869,663	8,800,000	8,800,000	1,379,849,081
Makueni	539,260,092	89,179,782	350,000,000	-	-	136,261,600	21,281,250	50,180,747	-	-	-	19,051,135	8,800,000	8,800,000	704,754,514
Mandera	586,255,092	125,791,038	-	200,000,000	-	175,819,500	30,281,250	-	-	-	-	22,822,072	8,800,000	8,800,000	593,513,860
Marsabit	519,678,603	57,240,000	-	156,114,090	-	500,000,000	29,133,697	23,851,133	-	-	-	22,466,188	8,800,000	8,800,000	527,605,108
Meru	448,987,235	350,000,000	299,971,780	-	-	116,890,200	23,906,250	-	-	-	-	17,575,209	8,800,000	8,800,000	532,143,459
Migori	982,295,570	768,1165	350,000,000	-	-	518,367,800	20,062,500	43,668,076	-	-	-	17,805,472	8,800,000	8,800,000	1,065,515,013
Mombasa	749,726,174	379,21806	-	-	-	-	24,562,500	-	1,550,000,000	-	-	16,374,963	8,800,000	8,800,000	1,658,859,269
Murang'a	382,120,438	76894,209	307,623,650	-	-	62,437,600	18,656,250	-	-	-	-	16,369,053	8,800,000	8,800,000	520,780,762
Nairobi City	215,149,968	96,359,510	-	-	-	-	47,156,250	-	-	-	-	21,183,840	8,800,000	8,800,000	194,699,600
Nakuru	1,474,865,158	38,346,657	350,000,000	-	-	1,084,843,300	41,107,213	-	-	-	-	18,307,301	8,800,000	8,800,000	1,591,604,871
Nandi	616,995,189	46,342,186	343,929,300	-	-	177,231,700	16,031,250	-	-	-	-	16,507,185	8,800,000	8,800,000	683,841,621
Narok	448,450,203	38,282,966	350,000,000	-	-	74,905,300	19,031,250	-	-	-	-	17,793,235	8,800,000	8,800,000	538,812,751
Nyania	424,043,052	350,000,000	350,000,000	-	-	114,705,300	14,250,000	-	-	-	-	16,937,554	8,800,000	8,800,000	569,692,854
Nyandarua	466,332,856	350,000,000	-	117,268,690	-	135,543,400	14,718,750	20,222,224	-	-	-	15,987,360	8,800,000	8,800,000	377,541,424
Nyeri	522,609,757	50,811,884	-	186,033,960	-	236,639,100	15,000,000	-	-	-	-	15,187,858	8,800,000	8,800,000	541,842,102
Samburu	473,519,323	350,000,000	350,000,000	-	-	50,000,000	13,218,750	32,159,348	-	-	-	18,994,320	8,800,000	8,800,000	538,172,418
Siaya	428,874,926	42,327,625	-	142,126,290	-	500,000,000	25,932,368	-	-	-	-	16,561,840	8,800,000	8,800,000	360,748,123
Taita Taveta	820,585,453	5694,2903	-	117024000	-	500,000,000	12,993,750	42,394,162	400,000,000	-	-	17,060,386	8,800,000	8,800,000	734,315,201
Tana River	507,651,269	50,849,353	-	200,000,000	-	50,000,000	16,593,750	15,431,865	-	-	-	20,358,967	8,800,000	8,800,000	392,033,835
Tharaka Nithi	326,966,757	40,049,752	-	152,374,180	-	50,000,000	10,875,000	-	-	-	-	15,518,089	8,800,000	8,800,000	307,617,021
Trans Nzoia	745,728,311	36,686,728	350,000,000	-	-	299,106,900	16,781,250	-	-	-	-	16,768,813	8,800,000	8,800,000	803,143,691

Turkana	507,247,478	84,141,376	350,000,000	-	30,000,000	95,023,200	32,156,250	-	-	25,346,766	8,800,000	200,000,000	825,467,592
Uasin Gishu	1,080,111,632	40,028,573	-	200,000,000	30,000,000	630,147,800	25,961,694	30,223,504	-	16,331,289	8,800,000	45,000,000	1,046,492,860
Vihiga	661,090,578	56,065,640	350,000,000	-	30,000,000	290,930,700	13,312,500	-	-	15,724,263	8,800,000	45,000,000	769,853,103
Wajir	1,611,438,084	35,000,000	-	153,172,330	30,000,000	165,643,300	25,312,500	24,481,325	250,000,000	23,548,494	8,800,000	-	715,938,149
West Pokot	562,497,958	35,000,000	-	117,291,410	30,000,000	73,392,300	14,718,750	21,495,096	-	18,586,308	8,800,000	45,000,000	364,283,864
Total	36,981,384,138	2,994,247,736	7,232,719,940	3,643,298,670	1,410,000,000	11,464,702,500	986,883,544	492,698,583	3,500,000,000	4,890,000,000	396,000,000	350,000,000	38,704,877,210

- Includes an allocation of KSh. 49.08 million for the DANIDA - Universal Healthcare for Devolved System Programme carried forward from FY 2017/18 meant for Siaya, Marsabit, Nakuru, Uasin Gishu, Isiolo and Kajiado counties to be disbursed in FY 2019/20.

Schedule 4: County Governments Budget Ceilings on Recurrent Expenditure in Financial Year 2019/20 in KSh.

COUNTY	COUNTY ASSEMBLY		COUNTY EXECUTIVE	
	2018/19	2019/20	2018/19	2019/20
Baringo	745,949,448	687,926,864	571,077,976	569,787,017
Bomet	593,549,397	606,321,526	553,757,614	552,531,315
Bungoma	830,129,329	852,697,315	623,039,058	621,554,119
Busia	728,502,747	738,972,659	588,398,337	587,042,718
Elgeyo-	566,844,007	572,974,781	536,437,254	535,275,615
Embu	568,744,226	580,057,624	536,437,254	535,275,615
Garissa	747,191,067	758,771,695	571,077,976	569,787,017
Homa-Bay	837,888,910	852,232,576	605,718,697	604,298,418
Isiolo	415,766,822	421,383,160	466,512,829	463,713,275
Kajiado	656,834,585	666,147,523	530,235,145	527,830,690
Kakamega	1,061,364,590	1,066,936,774	675,000,140	673,321,221
Kericho	680,496,881	692,058,978	571,077,976	569,787,017
Kiambu	1,072,824,374	1,085,527,936	675,000,140	673,321,221
Kilifi	753,514,171	756,635,440	588,398,337	587,042,718
Kirinyaga	556,734,809	569,393,333	524,676,019	522,925,302
Kisii	907,969,871	919,508,597	623,039,058	621,554,119
Kisumu	684,802,036	701,921,494	588,398,337	587,042,718
Kitui	811,797,246	836,025,472	605,718,697	604,298,418
Kwale	584,760,053	591,895,413	536,437,254	535,275,615
Laikipia	441,560,603	452,388,054	495,594,424	493,319,288
Lamu	404,937,595	405,697,936	466,512,829	463,713,275
Machakos	831,776,339	841,145,156	605,718,697	604,298,418
Makueni	746,360,207	703,984,829	571,077,976	569,787,017
Mandera	728,474,208	726,834,897	580,289,418	578,963,987
Marsabit	597,578,513	640,182,991	536,437,254	535,275,615
Meru	925,216,546	914,997,229	623,039,058	621,554,119
Migori	828,127,065	836,834,225	605,718,697	604,298,418
Mombasa	646,914,950	658,609,194	571,077,976	569,787,017
Murang'a	724,534,618	735,143,240	588,398,337	587,042,718
Nairobi City	1,386,671,700	1,409,977,879	761,601,944	759,599,725
Nakuru	969,538,825	983,219,236	657,679,779	656,065,520
Nandi	631,178,919	649,760,252	571,077,976	569,787,017
Narok	708,556,511	709,598,198	571,077,976	569,787,017
Nyamira	587,432,863	596,107,510	536,437,254	535,275,615
Nyandarua	623,474,296	633,970,935	553,757,614	552,531,315
Nyeri	659,447,249	676,085,232	571,077,976	569,787,017
Samburu	474,065,548	490,297,034	483,833,189	480,968,975
Siaya	648,656,207	666,308,584	571,077,976	569,787,017
Taita-Taveta	585,350,779	601,130,595	536,437,254	535,275,615
Tana-River	472,819,158	486,497,243	507,355,659	505,669,601
Tharaka-Nithi	424,689,934	423,104,928	495,594,424	493,319,288
Trans-Nzoia	614,078,431	628,139,110	553,757,614	552,531,315

Turkana	743,352,347	767,192,392	571,077,976	569,787,017
Uasin-Gishu	671,972,798	686,014,946	571,077,976	569,787,017
Vihiga	607,253,791	621,955,167	553,757,614	552,531,315
Wajir	719,759,837	760,194,403	561,866,534	560,610,046
West Pokot	573,674,197	584,824,909	536,437,254	535,275,615
TOTAL	32,783,118,603	33,247,585,463	26,779,286,753	26,708,080,067

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the division of revenue raised nationally among the county governments for the financial year 2019/2020.

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

Clause 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 2019/2020 as well as the transfer of the county allocations from the Consolidated Fund to the respective County Revenue Fund.

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

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

Clause 6 provides for the budget ceilings on recurrent expenditures for county governments for the financial year 2019/2020.

Clause 7 of the Bill provides for the publishing of monthly report by the national government, on actual transfers of all allocations to county governments.

Clause 8 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.

Clause 9 of the Bill deals with what constitutes financial misconduct.

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

Dated the 24th April, 2019.

MOHAMED M. MAHAMUD,
Chairperson, Committee on Finance and Budget.

APPENDIX**EXPLANATORY MEMORANDUM TO THE COUNTY
ALLOCATION OF REVENUE BILL, 2019****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, 2019 proposes to allocate a total of KSh. 371.6 billion of resources raised nationally to county governments. This is equivalent to 36 percent of most recent audited revenues which have been approved by the National Assembly for the financial year 2014/15 (i.e. KSh. 1,038, billion). This comprises of an equitable share of KSh. 310 billion or 30 percent of the most recent audited revenue and additional conditional allocations of KSh. 61.6 billion or 6 percent of the most recent audited revenue.
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.
4. The Bill proposes to allocate county governments additional conditional allocations amounting to KSh. 22.9 billion from the national government share of revenue raised nationally in line with Article 202(2) of the Constitution. This reflects a slight decrease of

Ksh 2.6 billion compared to 2018/19 financial year allocations occasioned by settlement of arrears attributed to leasing of Medical Equipment for county governments. These allocations are intended to finance national strategic interventions to be implemented by the county governments. Out of the total additional conditional allocations from the revenue raised nationally, KSh. 16.9 billion will be transferred to the county governments and will be included in the budgets of county governments to be approved by the respective county assemblies. The balance of KSh. 6.2 billion for the leasing of medical equipment will be included in the National Government budget and shall be managed by the National Government. The additional conditional allocations proposed in the Bill include:

- **Additional Conditional Allocation to facilitate the leasing of medical equipment of KSh 6.2 billion.** This grant which is in its fifth year of implementation, is proposed to decrease from KSh. 9.4 billion in FY 2018/19 to KSh. 6.2 billion in FY 2019/20 and is intended to facilitate the purchase and maintenance 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. This decrease in budgetary allocation by KSh. 3.2 billion is attributed to an advanced implementation status of equipping of the specialised Medical Equipment in most of the identified county health facilities as well as settlement of arrears due to non-provision related to contractual obligations of the MES programme in the previous years of its implementation.

Additional Conditional allocation for level-5 hospitals of KSh. 4.3 billion. Level-5 hospitals have continued to play a significant role in providing specialised health care services to Kenyans. These hospitals provide specialised health care services to citizens residing outside their host County, usually for complicated cases referred from lower level health facilities. In order to further compensate them for the costs incurred in rendering services to neighbouring Counties, the national government proposes to allocate KSh. 4.3 billion in FY 2019/2020.

It should be noted that, in line with the National Government policy to upscale the Universal Health Care (UHC) programme coverage to all county governments; each county government will have health facility/ies of Level-5 Hospital status. Further, most county governments have so far

transformed some of their level 4 health facilities to a Level-5 Hospital status; facilities which are also serving populations outside the resident counties.

In this regard, this additional conditional allocation is transition based, as there maybe need to re-allocate these funds towards UHC once its coverage has been up scaled to all the counties.

- **Additional Conditional allocation of KSh. 900 million to compensate county health facilities for forgone user fees.** 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 allocated KSh. 900 million in the financial year 2019/20 to compensate county governments for revenue forgone by not charging user fees in the county health facilities. This additional conditional allocation is in its fifth year of implementation.
- **Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of KSh. 2 billion:** This additional conditional allocation which is in its third year of implementation 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. 485 Million in five counties:** This conditional allocation is intended to 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. The allocation which is part of a three year plan, beginning financial year 2017/18, to supplement the five counties construct their county headquarters will be shared equally.
- **Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of KSh. 8.98 billion.** This conditional allocation which is in its fifth year of implementation is proposed to increase from an allocation of KSh. 8.3 billion in financial year 2018/19 to Ksh 8.98 billion in FY 2019/2020. This allocation is meant to enhance and

sustain County Governments' capacity to repair and maintain county roads and is equivalent to 15 percent of the Road Maintenance Fuel Levy Fund.

- **Transforming Health Systems for Universal Care Project conditional allocation of KSh. 2.99 billion (World Bank credit) :-** This conditional allocation through the Ministry of Health is meant for continued improvement in 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 has reduced to KSh. 2.99 billion in the financial year 2019/20 from KSh. 3.6 billion in FY 2018/19 in accordance with the financing agreement between the donor and the National Government.
- **National Agricultural and Rural Inclusive Growth Project (NARIGP) of KSh. 7.2 billion (World Bank credit): -** This additional conditional allocation, which in FY 2018/19 amounted to KSh. 1.05 billion is expected to increase to KSh. 7.2 billion in financial year 2019/20. This additional conditional allocation is meant to compliment efforts by 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 increase is attributed to the project design principle of phased implementation approach whereby it includes use of readiness indicators to identify participating counties to be covered by the project each year as contained in the Project Appraisal Document (PAD). In view of this, participating counties have so far increased to maximum targeted 21 counties.
- **Kenya Urban Support Program (KUSP) - Urban Development Grant (UDG) additional conditional allocation of KSh. 11.5 billion: -** The Program Development Objective (PDO) of this additional conditional allocation is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya. This program, which is in its second year of implementation, is meant to ensure provision of capacity building and institutional support to 47 counties; however, direct financial support will be provided to 45 counties other than the city counties of Nairobi and Mombasa, and to 59 potentially eligible urban areas within those counties.

- **Kenya Urban Support Project (KUSP) - Urban Infrastructure Grant Allocation (UIG) - KSh. 396 million**
 – The main purpose of this programme , which is in its third year of implementation, is to provide support to participating County Governments for the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, boards, administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments. This grant will decrease from an allocation of KSh. 1,854 million in financial year 2018/19 to KSh. 396 million in financial year 2019/20 because the allocation in financial year 2018/19 included a balance of KSh. 927 million carried forward from the financial year 2017/18.
- **Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of KSh. 1.4 billion.**
 This is a conditional grant, which is in its third year of implementation, financed by a World Bank credit to support county government’s capacity building. This grant, which has been reduced from an allocation of KSh. 2.3 billion in financial year 2018/19 to KSh. 1.4 billion in financial year 2019/20, is intended to sustain the support to capacity building initiatives in the counties in the following areas:

 - (a) Strengthening Public Financial Management (PFM) systems;
 - (b) Strengthening County Human Resource Management;
 - (c) Improving county planning and Monitoring & Evaluation systems;
 - (d) Civic Education and Public Participation; and,
 - (e) Strengthening Intergovernmental relations.
- **Kenya Devolution Support Program (KDSP) Performance (“level 2”) Grant amounting to KSh. 4.9 billion.** KDSP “Level 2” , financed by a World Bank credit, is a performance grant which will be utilized by beneficiary counties toward physical investments articulated in their respective County Integrated Development Plans(CIDPs) As such, this grant is intended to incentivize county governments that achieve good results in the following key areas:

- (a) Strengthening Public Financial Management (PFM) systems;
- (b) Strengthening County Human Resource Management;
- (c) Improving county planning and Monitoring & Evaluation systems;
- (d) Civic Education and Public Participation; and,
- (e) Strengthening Intergovernmental relations.

Performance of counties in the above areas is to be assessed by an independent firm to be recruited through a competitive process. The budget allocation for this grant, which is in its third year of implementation, has increased from KSh. 4 billion in financial 2018/19 to KSh. 4.9 billion in financial year 2019/20 to cater for increased number of counties who will have met the performance score after being assessed in accordance with Section 5 (2) (j) of the County Allocation of Revenue Act, 2019.

- **EU-Instruments for Devolution Advice and Support (IDEAS) grant of KSh. 492.7 million:** This grant, which is in its third year of implementation, is expected to decrease from KSh.1.04 billion in financial year 2018/19 to KSh. 492.7 million in financial year 2019/20. The allocation is meant for disbursement of the 2nd tranche of the grant to facilitate implementation of projects identified in financial year 2018/19 for the achievement of Local Economic Development (LED) in the county respective contracts.
- **IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of KSh. 3.5 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 will be achieved by investing in water supply and sanitation infrastructure in urban centers in these counties. This additional conditional allocation, which has been reduced slightly from KSh. 3.8 billion in financial 2018/19 to KSh. 3.5 billion in financial year 2019/20, is meant to facilitate continued implementation of the projects started in 2018/19.

▪ **Agricultural Sector Development Support Programme (ASDSP) II- KSh. 849.6 million-**

ASDSP II, which is in its second 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.

▪ **EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - KSh. 495 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 will benefit the eleven Counties of Bungoma, Busia, Elgeyo Marakwet, Kakamega, Kisumu, Nandi, Siaya, Trans Nzoia, Uasin Gishu, Vihiga and West Pokot.

▪ **Drought Resilience Programme in Northern Kenya (DRPNK) - KSh. 350 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 defined as follows: *"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.

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

- 5. Developmental needs of county governments and their ability to perform the functions assigned to them:** The Bill proposes to allocate equitable share of revenue among county governments on the second basis of the formula for sharing revenue approved by Parliament in accordance with Article 217 of the Constitution. The formula uses parameters that proxy demand for services and therefore expenditure needs of county governments. These parameters include: development factor (1%), population (45%), land area (8%), and poverty (18%). The proposed equitable share of revenue for county governments of KSh. 310 billion in financial year 2019/20 reflects an increase of KSh.5.04 billion compared to the revised allocation of KSh. 304.96 billion in 2018/19. This means that there will be more resources in the financial year 2019/20 to meet the developmental needs of counties.
- 6. Economic disparities among counties as well as disadvantaged areas and groups within counties:** The allocation of the sharable revenue among counties was based on the formula for sharing revenue among counties approved by Parliament in accordance with Article 217 of the Constitution, which takes into account disparities among counties and aims at equitable distribution of resources. The formula takes into account population (45%), land area (8%), poverty (18%), a basic equal share (26%), fiscal responsibility (2%) and Development factor (1 %). It should also be noted that KSh. 5.76 billion has also been set aside for the Equalization Fund in 2019/20 which translates to 0.6 per cent of last audited revenue accounts of governments and is above the minimum constitutional requirement of 0.5 percent. This Fund will be used to finance development programmes that aim to reduce regional disparities among counties. County Governments are also expected to come up with programs to redress inequalities within counties. In addition, County Governments are expected to adhere to the requirement under the Public Procurement and Assets Disposal Act of 2015, to reserve 30% of the public procurements in the counties for disadvantaged groups within the counties, comprising of women, youth and persons living with disabilities.
- 7. Stability and Predictability of County Revenue Allocations:** The Division of Revenue Bill, 2019 has proposed that county governments' equitable share of revenue raised nationally be ring-fenced. Accordingly, clause 5 of the DoRB 2019, provides that any shortfall in revenue raised nationally is to be borne by the National Government, to the extent of the threshold to be determined by Cabinet.

- 8. Fiscal capacity and efficiency:** Fiscal capacity for county governments refers to the potential revenues that can be generated from the tax bases assigned to 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 is intended to take into account variations in fiscal capacity and efficiency across counties in the sharing of revenue raised nationally.

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

9. The Division of Revenue Bill, 2019 proposes to allocate county governments an equitable share of KSh. 310 billion from the shareable revenue raised nationally. The CRA, on the other hand, recommends that KSh. 335.7 billion be allocated to County Governments as their equitable share in FY 2019/20. Further, CRA recommends that distribution of this allocation among the county governments be based on the draft third basis for revenue sharing. The difference in the Commission on Revenue Allocation (CRA) recommendation and the DoRB 2019 proposal emanates from the different approaches used to compute the County Governments' equitable share of revenue. These include;
- (a) **Use of different base for equitable share of revenue:** - CRA has used a base equitable share of KSh. 314 billion as contained in the Division of Revenue Act, 2018. However, the National Treasury has -- in the Budget Review and Outlook Paper (BROP), 2018 -- adjusted this base by the proposed KSh. 9.04 billion reduction of the equitable revenue share for county governments in FY 2018/19. This adjustment is informed by shortfalls in performance of revenue raised nationally since the financial year 2015/16.
- (b) **Use of different revenue adjustment factor:** CRA adjusts the county equitable share (using a base of Ksh 314 billion) of revenue using the actual three-year average annual inflation of 6.9 %. The National Treasury has increased by KSh. 5.04 billion to the revised base of equitable share of revenue to county governments in financial 2018/19 of KSh. 304.96 billion. This increase of KSh. 5.04 billion is informed by the provisions of fiscal framework that underpins the Budget Policy Statement for FY 2019/20, which reflects a decline in fiscal deficits from 5.9 percent of GDP in FY 2018/19 to 5.0 percent in FY 2019/20, increase in debt service costs, drop in

National Government ministerial expenditures and downward adjustment of revenue projections in light of shortfalls in revenue in FY 2018/19.

10. The Table below analyses differences between the CRA recommendations and the National Treasury proposal on the division of revenue between the national and county governments in 2019/20.

Table: Comparison of Recommendations of the Commission on Revenue Allocation and the National Treasury on the equitable share of revenue proposed for FY 2019/20 (Figures in KSh. Millions)

Expenditure Item	CRA	National Treasury	Variance
	A	B	C = (A-B)
1. Equitable Revenue Share in FY 2018/19	314,000	314,000	-
2. Adjustment based on fiscal framework			-
<i>Less: Shortfall in Revenue performance in FY 2018/19</i>	<i>-</i>	9,038	-9,038
3. New Base of Equitable Share (1-2)	314,000	304,962	9,038
4. Adjustment for revenue growth in FY 2019/20	21,700	5,038	16,662
TOTAL EQUITABLE SHARE OF REVENUE = (3+4)	335,700	310,000	25,700

Source: National Treasury and Planning

- 11. Differences occasioned by additional conditional allocations financed from national government share of revenue amounting to KSh. 12.5 billion;** - CRA has proposed additional conditional allocations of KSh. 26.7 billion (excluding KSh. 8,984 million for RMLF which is not financed from ordinary Revenue) whereas National Treasury proposes KSh. 13.9 billion to be financed from national government share of revenue. This has occasioned a difference of KSh. 12.8 billion as a result of the following:

- **Free Maternal Healthcare:** - CRA has proposed KSh. 4,300 million additional conditional allocation for transfer to county governments to finance free maternal healthcare. The National Treasury and Planning has not provided this allocation as a conditional transfer to county governments of KSh. 4,300 million. However, in the Schedule of this Bill, the National Government share of revenue includes KSh. 4,300 million which is a special grant to the National Health Insurance Fund (NHIF) for free Maternal health care, to be disbursed as a reimbursement to county governments.
- **Leasing of Medical Equipment:** - CRA has proposed an allocation of KSh. 9,400 million for this additional

conditional allocation whereas the National Treasury and Planning has proposed an allocation of KSh. 6,200 million for the same. Although the National Treasury and Planning had allocated KSh. 9,400 million for this additional conditional allocation in FY 2018/19, it should be noted that the additional KSh. 3,200 million was meant to clear pending bills attributed to leasing of medical equipment, bills which have since then been cleared. This has informed the proposal to allocate KSh. 6,200 million in financial year 2019/20 for leasing of the medical equipment.

- **New conditional transfer for financing of five (5) cities:** - CRA has proposed an allocation of KSh. 5,000 million starting FY 2019/20 to finance five cities (Nairobi, Mombasa, Kisumu, Nakuru and Eldoret). These cities are centres of growth and provide unique and critical services to the residents.

The National treasury takes cognisance of the unique services such as sewerage system, water reticulation, solid waste disposal and storm water drainage and management provided by these cities.

To support these centres of growth, the National Treasury and Planning has in FY 2019/20 provided a KSh. 11.5 billion for Kenya Urban Support Program (KUSP) as an Urban Development Grant (UDG) financed from proceeds of a grant by the World Bank. The purpose of this grant, which will complement efforts of county governments in carrying this function, 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 tight fiscal framework, the National Treasury may not be able to provide additional resources beyond what has been provided.

12. Finally, the National Treasury has proposed an allocation amounting to KSh. 38.7 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 2019/20. However, the CRA has not made such provisions in their additional conditional allocations proposal.
13. Despite the differences between the proposals set out in the County Allocation of Revenue Bill, 2019 and the CRA's

recommendations, the proposed county governments' equitable share of revenue in the Bill, at 30 percent 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. In addition, the National Treasury and Planning proposes to provide conditional allocations of KSh. 52.6 billion which further increases the allocations to county governments to 36 percent of the most recent audited revenue.

ANNEXES: FRAMEWORKS FOR MANAGING ADDITIONAL CONDITIONAL ALLOCATIONS

1. 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	<ul style="list-style-type: none"> (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	<ul style="list-style-type: none"> (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.
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County	(a) Ensure funds are included in the budget estimates of

Government accounting officer	the department responsible for health for the FY 2019/20.		
	(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: 2019/20	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 2015		
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/Gatundu	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

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	<p>Each County Government to include in its budget estimates for FYs 2017/18, 2018/19 and 2019/20 a contribution totaling Ksh 155.3 million, being the equivalent of 30% of the County Headquarter construction costs, spread over the above FYs, and these estimates to be considered for approval by respective County Assemblies;</p> <p>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 m² for constructing 7,000 m² of County Executive offices and 4,500 m² of County Assembly offices.</p>
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: 2019/20	KES 485,152,184
Purpose of the grant	Purpose of the grant is to support construction of offices by five (5) County Governments which, in

	20 13/14, 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	
Lamu	121,000,000
Nyandarua	121,000,000
Tana River	121,000,000
Tharaka Nithi	1,152,184
GRAND TOTAL	485,152,184

Source: State Department of Public Works

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 Department Responsible	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

	<p>(c) Health facilities must be gazetted under Cap 253 and have MFL codes</p> <p>(d) Health facilities have approved integrated work plans that incorporate all sources of funds, including conditional grants</p> <p>(f) Health facilities report timely in DHIS and financial transactions are captured in IFMIS</p>
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	<p>(a) Ensure health centers and dispensaries prepare integrated annual work plans that incorporates all sources of income</p> <p>(b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and Planning and MOH</p>
Allocation: 2019/20	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	<p>(a) Sharing among Counties is based on population data from KNBS (2016 projections¹), and</p> <p>(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.</p>

¹ MoH should review the population figures to align to 2009 Population census instead of using projected population. This is in line with court order on petition number 514 of 2016 dated 27th February 2017 prohibiting use of projected population census, other than the published 2009 census, in revenue sharing.

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 KSh. 6.0 B per year over seven years.

2. Managed Equipment Service for public hospitals at County level and National Referral Hospitals	
Ministry/State Department Responsible	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 (c) Ensure payments to equipment suppliers as per contract
Conditions	As per contract agreement
Accounting officer of the	Accounting officer responsible for health in

County Government responsible	the County government
Responsibilities of the County Government accounting officer	As per contract agreement
Allocation: 2019/20	KES 6,200,000,000
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

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

	<p>Infrastructure with copies to the National Treasury</p> <ul style="list-style-type: none"> ▪ 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: 2019/20	KSh. 8,984,062,500		
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	1.61	144,643,406
2	Bomet	1.74	156,322,688
3	Bungoma	2.81	252,452,156

4	Busia	1.9	170,697,188
5	Elgeyo/Marakwet	1.22	109,605,563
6	Embu	1.36	122,183,250
7	Garissa	2.22	199,446,188
8	Homa Bay	2.13	191,360,531
9	Isiolo	1.34	120,386,438
10	Kajiado	2.03	182,376,469
11	Kakamega	3.29	295,575,656
12	Kericho	1.7	152,729,063
13	Kiambu	2.98	267,725,063
14	Kilifi	3.3	296,474,063
15	Kirinyanga	1.34	120,386,438
16	Kisii	2.46	221,007,938
17	Kisumu	2.16	194,055,750
18	Kitui	2.79	250,655,344
19	Kwale	2.46	221,007,938
20	Laikipia	1.32	118,589,625
21	Lamu	0.82	73,669,313
22	Machakos	2.45	220,109,531
23	Makueni	2.34	210,227,063
24	Mandera	3.23	290,185,219
25	Marsabit	2.14	192,258,938
26	Meru	2.54	228,195,188
27	Migori	2.14	192,258,938
28	Mombasa	2.23	200,344,594
29	Muranga	1.99	178,782,844
30	Nairobi	5.03	451,898,344
31	Nakuru	3.31	297,372,469
32	Nandi	1.69	151,830,656
33	Narok	2.54	228,195,188
34	Nyamira	1.52	136,557,750
35	Nyandarua	1.54	138,354,563
36	Nyeri	1.71	153,627,469
37	Samburu	1.46	131,167,313
38	Siaya	1.83	164,408,344
39	Taita	1.34	120,386,438
40	Tana River	1.85	166,205,156

41	Tharaka Nithi	1.24	111,402,375
42	Trans Nzoia	1.82	163,509,938
43	Turkana	3.33	299,169,281
44	Uasin Gishu	2	179,681,250
45	Vihiga	1.47	132,065,719
46	Wajir	2.7	242,569,688
47	West Pokot	1.58	141,948,188
	GRAND TOTAL	100	8,984,062,500

Source: State Department of Infrastructure

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 Vocational and Technical Training
Responsibilities of the National Government accounting officer	(i) Developing regulations and implementation guidelines (ii) Disbursement of the funds to counties (iii) Coordinate Monitoring and Evaluation (iv) Develop report on the funds
Conditions	The fund shall; (i) Not be utilized for any other purpose other than in a Village Polytechnic / VTC ¹ as per the regulations and guidelines provided from time to time (ii) Be used in a registered public VTC (including those previously registered by MOYAS) and the VTCs which have initiated registration process with TVETA but are yet to be registered formally

	<p>(iii) The VTC must have a functional Board of Management</p> <p>(iv) Open an account in a commercial bank which will exclusively be for the grant</p> <p>(v) The account shall have 4 signatories of which the Sub-County Director or County Director has to be a mandatory Signatory</p>
Accounting officer of the County Government responsible	Accounting Officer in charge of vocational education and training in the county
Responsibilities of the County Government accounting officer	<p>(i) Disburses grant funds to eligible VTCs</p> <p>(ii) Ensures accountability in the utilization of the fund</p> <p>(iii) Identifies the institutions to benefit from infrastructure development</p> <p>(iv) Provides trainee enrolment data in VTCs to Directorate of Vocational education and Training</p> <p>(v) Reports on the utilization of the fund at the county</p> <p>(vi) Assist in coordination of Monitoring and Evaluation</p>
Allocation: 2019/20	KES 2,000,000,000
Purpose of the grant	To improve Access, Quality, Equity and Relevance in Vocational Education and Training
Allocation criteria	Current Enrolment and Equitable Share

Allocation by County					
S/No.	County	Trainee ² enrolment	Capitation at KES 15,000 per trainee	Equitable share per County	Total allocation 2019/20
1	Baringo	1,099	16,485,000	8,388,297.87	24,873,297.87
2	Bomet	2,600	39,000,000	8,388,297.87	47,388,297.87
3	Bungoma	3,036	45,540,000	8,388,297.87	53,928,297.87
4	Busia	3,663	54,945,000	8,388,297.87	63,333,297.87
5	Elgeyo Marakwet	1,456	21,840,000	8,388,297.87	30,228,297.87
6	Embu	1,681	25,215,000	8,388,297.87	33,603,297.87

7	Garissa	816	12,240,000	8,388,297.87	20,628,297.87
8	Homa Bay	1,785	26,775,000	8,388,297.87	35,163,297.87
9	Isiolo	163	2,445,000	8,388,297.87	10,833,297.87
10	Kajiado	1,807	27,105,000	8,388,297.87	35,493,297.87
11	Kakamega	4,569	68,535,000	8,388,297.87	76,923,297.87
12	Kericho	1,403	21,045,000	8,388,297.87	29,433,297.87
13	Kiambu	3,115	46,725,000	8,388,297.87	55,113,297.87
14	Kilifi	3,365	50,475,000	8,388,297.87	58,863,297.87
15	Kirinyaga	1,741	26,115,000	8,388,297.87	34,503,297.87
16	Kisii	4,411	66,165,000	8,388,297.87	74,553,297.87
17	Kisumu	2,219	33,285,000	8,388,297.87	41,673,297.87
18	Kitui	4,280	64,200,000	8,388,297.87	72,588,297.87
19	Kwale	3,427	51,405,000	8,388,297.87	59,793,297.87
20	Laikipia	1,568	23,520,000	8,388,297.87	31,908,297.87
21	Lamu	2,194	32,910,000	8,388,297.87	41,298,297.87
22	Machakos	2,847	42,705,000	8,388,297.87	51,093,297.87
23	Makueni	3,463	51,945,000	8,388,297.87	60,333,297.87
24	Mandera	915	13,725,000	8,388,297.87	22,113,297.87
25	Marsabit	478	7,170,000	8,388,297.87	15,558,297.87
26	Meru	3,212	48,180,000	8,388,297.87	56,568,297.87
27	Migori	1,443	21,645,000	8,388,297.87	30,033,297.87
28	Mombasa	1,139	17,085,000	8,388,297.87	25,473,297.87
29	Muranga	4,992	74,880,000	8,388,297.87	83,268,297.87
30	Nairobi	974	14,610,000	8,388,297.87	22,998,297.87
31	Nakuru	3,645	54,675,000	8,388,297.87	63,063,297.87
32	Nandi	1,627	24,405,000	8,388,297.87	32,793,297.87
33	Narok	740	11,100,000	8,388,297.87	19,488,297.87
34	Nyamira	3,912	58,680,000	8,388,297.87	67,068,297.87
35	Nyandarua	1,973	29,595,000	8,388,297.87	37,983,297.87
36	Nyeri	3,117	46,755,000	8,388,297.87	55,143,297.87
37	Samburu	473	7,095,000	8,388,297.87	15,483,297.87
38	Siaya	2,126	31,890,000	8,388,297.87	40,278,297.87
39	Taita Taveta	3,150	47,250,000	8,388,297.87	55,638,297.87
40	Tana River	856	12,840,000	8,388,297.87	21,228,297.87
41	Tharaka Nithi	3,150	47,250,000	8,388,297.87	55,638,297.87
42	Transzoia	3,520	52,800,000	8,388,297.87	61,188,297.87
43	Turkana	367	5,505,000	8,388,297.87	13,893,297.87
44	Uasin Gishu	3,280	49,200,000	8,388,297.87	57,588,297.87
45	Vihiga	3,957	59,355,000	8,388,297.87	67,743,297.87
46	Wajir	701	10,515,000	8,388,297.87	18,903,297.87
47	West Pokot	595	8,925,000	8,388,297.87	17,313,297.87
	TOTAL	107,050	1,605,750,000	394,250,000	2,000,000,000

Notes:¹VTC – Vocational Training Centre

²The trainee enrolment levels per county are as at January 31st 2019. The enrolment levels have been maintained as for last year for those counties where it dropped.

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

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 2019/20 ▪ 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"> ▪ Establishment of Project Sub-Technical working group and 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, Procurement officer, Environment and social safeguards compliance officer <p>At the county level:</p> <ul style="list-style-type: none"> ▪ Set up a County Project Steering Committee and Project Coordination Unit; ▪ Assign a Project accountant, internal auditor and chief officer of health in each county; and,

	<ul style="list-style-type: none"> ▪ Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.
Allocation: 2019/20	KES 2,994,247,736
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	Based on financing agreement between the IDA and the Government of Kenya and approved work plans.
Allocation by County	
County	Total
1. Baringo	39,175,834
2. Bomet	35,000,000
3. Bungoma	143,042,792
4. Busia	81,106,071
5. Elgeyo/Marakwet	35,000,000
6. Embu	44,569,827
7. Garissa	47,421,765
8. Homa Bay	53,812,849
9. Isiolo	64,373,437
10. Kajiado	135,621,176
11. Kakamega	61,794,598
12. Kericho	71,544,247
13. Kiambu	80,079,440
14. Kilifi	129,114,721
15. Kirinyanga	35,000,000
16. Kisii	44,696,901
17. Kisumu	35,000,000
18. Kitui	129,886,088
19. Kwale	157,706,559
20. Laikipia	35,000,000
21. Lamu	35,000,000
22. Machakos	129,858,778

23. Makueni	89,179,782
24. Mandera	125,791,038
25. Marsabit	57,240,000
26. Meru	35,000,000
27. Migori	76,811,165
28. Mombasa	37,921,806
29. Muranga	76,894,209
30. Nairobi	96,359,510
31. Nakuru	58,346,857
32. Nandi	46,342,186
33. Narok	38,282,966
34. Nyamira	35,000,000
35. Nyandarua	35,000,000
36. Nyeri	50,181,184
37. Samburu	35,000,000
38. Siaya	42,327,625
39. Taita Taveta	56,942,903
40. Tana River	50,849,353
41. Tharaka Nithi	40,049,752
42. Trans Nzoia	36,686,728
43. Turkana	84,141,376
44. Uasin Gishu	40,028,573
45. Vihiga	56,065,640
46. Wajir	35,000,000
47. West Pokot	35,000,000
Total	2,994,247,736

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, Fisheries and Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, State Department for Crops Development

Responsibilities of the National Government accounting officer	To ensure that the project is implemented within the agreed time limes 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
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed time limes 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 - 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 - 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: 2019/20	Kes 7,232,719,940
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
Bungoma	350,000,000
Embu	350,000,000
Homa Bay	350,000,000
Kiambu	331,195,210

Kilifi	350,000,000
Kirinyaga	350,000,000
Kisii	350,000,000
Kitui	350,000,000
Kwale	350,000,000
Makueni	350,000,000
Meru	299,971,780
Migori	350,000,000
Murang'a	307,623,650
Nakuru	350,000,000
Nandi	343,929,300
Narok	350,000,000
Nyamira	350,000,000
Samburu	350,000,000
Trans Nzoia	350,000,000
Turkana	350,000,000
Vihiga	350,000,000
Total	7,232,719,940

Source: Ministry of Agriculture, Livestock, Fisheries and Irrigation

3. IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	
Ministry/State Department Responsible	Ministry of Agriculture Livestock, Fisheries and Irrigation
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops 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 2019/20 ▪ 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"> ▪ Adoption of the Project Implementation Manual ▪ Establishment of National Steering committee, National Technical Advisory committee and National Project coordination Unit <p>Before commencing utilization of the KCSAP Project funds, each county will be required to:</p> <ul style="list-style-type: none"> ▪ Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.
Allocation: 2019/20	KES 3,039,000,000
Purpose of the grant	To increase agricultural productivity and build resilience to climate change risks in targeted smallholder farming and pastoral communities.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya and approved work plans.
Allocation by County	
County	Total
Marsabit	150,000,000
Tana River	150,000,000
Garissa	150,000,000
Mandera	150,000,000
Isiolo	150,000,000
Wajir	150,000,000
Lamu	150,000,000
Machakos	117,000,000
Tharaka Nithi	117,000,000
West Pokot	117,000,000
Taita Taveta	117,000,000
Busia	117,000,000

Nyandarua	117,000,000
Bomet	117,000,000
Kakamega	117,000,000
Uasin Gishu	117,000,000
Elgeyo Marakwet	117,000,000
Kisumu	117,000,000
Laikipia	117,000,000
Kericho	117,000,000
Nyeri	117,000,000
Kajiado	117,000,000
Baringo	117,000,000
Siaya	117,000,000
TOTAL	3,039,000,000

4. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 1	
Ministry/State Department Responsible	Ministry of Devolution and Planning
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 2019/20 ▪ 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

	<p>Operations Manual</p> <ul style="list-style-type: none"> ▪ Establishment of KDSP secretariat, Technical Committee and Joint Steering Committee.
Allocation: 2019/20	KES. 1,410,000,000
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	30,000,000
2. Bomet	30,000,000
3. Bungoma	30,000,000
4. Busia	30,000,000
5. Elegeyo Marakwet	30,000,000
6. Embu	30,000,000
7. Garissa	30,000,000
8. Homa Bay	30,000,000
9. Isiolo	30,000,000
10. Kajiado	30,000,000
11. Kakamega	30,000,000
12. Kericho	30,000,000
13. Kiambu	30,000,000
14. Kilifi	30,000,000
15. Kirinyaga	30,000,000
16. Kisii	30,000,000
17. Kisumu	30,000,000
18. Kitui	30,000,000
19. Kwale	30,000,000
20. Laikipia	30,000,000
21. Lamu	30,000,000
22. Machakos	30,000,000
23. Makueni	30,000,000

24. Mandera	30,000,000
25. Marsabit	30,000,000
26. Meru	30,000,000
27. Migori	30,000,000
28. Mombasa	30,000,000
29. Muranga	30,000,000
30. Nairobi	30,000,000
31. Nakuru	30,000,000
32. Nandi	30,000,000
33. Narok	30,000,000
34. Nyamira	30,000,000
35. Nyandarua	30,000,000
36. Nyeri	30,000,000
37. Samburu	30,000,000
38. Siaya	30,000,000
39. Taita Taveta	30,000,000
40. Tana River	30,000,000
41. Tharaka Nithi	30,000,000
42. Trans Nzoia	30,000,000
43. Turkana	30,000,000
44. Uasin Gishu	30,000,000
45. Vihiga	30,000,000
46. Wajir	30,000,000
47. West Pokot	30,000,000
TOTAL	1,410,000,000

Source: State Department for Devolution

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.
Accounting officer of National Government Responsible	Principal Secretary- State Department of Housing and Urban Development.
Responsibilities of	Ensure funds are included in the budget estimates of

the National Government accounting officer	the ministry for the FY 2019/20 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	Participating County Governments have met UDG minimum conditions for eligible urban areas.
Allocation: 2019/20	KES: 100.95.00
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.

County		UDG ALLOCATION 2019/2020 (KES)
1	Baringo	52,360,500
2	Bomet	168,334,800
3	Bungoma	300,977,100
4	Busia	101,071,500
5	Elgeyo Marakwet	89,802,100
6	Embu	119,892,100
7	Garissa	233,506,000
8	Homa bay	119,361,500
9	Isiolo	93,968,100
10	Kajiado	265,950,300
11	Kakamega	389,118,800
12	Kericho	256,299,000
13	Kiambu	1,885,993,000
14	Kilifi	330,534,500
15	Kirinyaga	71,302,200
16	Kisii	164,053,800
17	Kisumu	773,573,300

18	Kitui	232,374,200
19	Kwale	50,000,000
20	Laikipia	50,000,000
21	Lamu	50,000,000
22	Machakos	1,018,320,500
23	Makueni	136,261,600
24	Mandera	175,819,500
25	Marsabit	50,000,000
26	Meru	116,890,200
27	Migori	518,367,800
28	Muranga	62,437,600
29	Nakuru	1,084,843,300
30	Nandi	177,231,700
31	Narok	74,905,300
32	Nyamira	114,705,300
33	Nyandarua	135,543,400
34	Nyeri	236,639,100
35	Samburu	50,000,000
36	Siaya	50,000,000
37	Taita Taveta	50,000,000
38	Tana River	50,000,000
39	Tharaka Nithi	50,000,000
40	Trans Nzoia	299,106,900
41	Tukana	95,023,200
42	Uasin Gishu	630,147,800
43	Vihiga	250,950,700
44	Wajir	165,643,500
45	West Pokot	73,392,300
	TOTAL	11,464,702,500

6. IDA (World Bank) credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	
Ministry/State Department Responsible	Ministry of Transport, Infrastructure, Housing & Urban Development.
Accounting officer of National	Principal Secretary- State Department of Housing and Urban Development.

Government Responsible	
Responsibilities of the National Government accounting officer	<p>Ensure funds are included in the budget estimates of the ministry for the FY 2019/20</p> <p>Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</p> <p>Monitor and evaluate performance of the allocation and report to the National Treasury</p>
Conditions	Participating County Governments have committed itself to participation in KUSP.
Allocation: 2019/20	KES: 396,000,000
Purpose of the grant	Provide support to participating County Governments for the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, boards administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya.
County	UIG ALLOCATION 2019/20 KES
1 Baringo	8,800,000.00
2 Bomet	8,800,000.00
3 Bungoma	8,800,000.00
4 Busia	8,800,000.00
5 Elgeyo Marakwet	8,800,000.00
6 Embu	8,800,000.00
7 Garissa	8,800,000.00
8 Homa bay	8,800,000.00
9 Isiolo	8,800,000.00
10 Kajiado	8,800,000.00
11 Kakamega	8,800,000.00
12 Kericho	8,800,000.00

13	Kiambu	8,800,000.00
14	Kilifi	8,800,000.00
15	Kirinyaga	8,800,000.00
16	Kisii	8,800,000.00
17	Kisumu	8,800,000.00
18	Kitui	8,800,000.00
19	Kwale	8,800,000.00
20	Laikipia	8,800,000.00
21	Lamu	8,800,000.00
22	Machakos	8,800,000.00
23	Makueni	8,800,000.00
24	Mandera	8,800,000.00
25	Marsabit	8,800,000.00
26	Meru	8,800,000.00
27	Migori	8,800,000.00
28	Muranga	8,800,000.00
29	Nakuru	8,800,000.00
30	Nandi	8,800,000.00
31	Narok	8,800,000.00
32	Nyamira	8,800,000.00
33	Nyandarua	8,800,000.00
34	Nyeri	8,800,000.00
35	Samburu	8,800,000.00
36	Siaya	8,800,000.00
37	Taita Taveta	8,800,000.00
38	Tana River	8,800,000.00
39	Tharaka Nithi	8,800,000.00
40	Trans Nzoia	8,800,000.00
41	Turkana	8,800,000.00
42	Uasin Gishu	8,800,000.00
43	Vihiga	8,800,000.00
44	Wajir	8,800,000.00
45	West Pokot	8,800,000.00
	TOTAL	396,000,000

7. DANIDA Grant (Universal Healthcare in Devolved System Program)	
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 2019/20 ▪ 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"> ▪ ▪ Ensure that the Grant is used according to the proposed work plans and budget. ▪ Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the plans and budgets. ▪ Promptly inform Denmark of any condition which interferes or threatens to interfere with the successful implementation of the development engagement
Allocation: 2019/20	KES 937,500,000
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 and approved work plans.
Allocation by County	
County	Total
Baringo	15,187,500
Bomet	17,718,750

Bungoma	26,718,750
Busia	17,812,500
Elgeyo/Marakwet	11,250,000
Embu	13,312,500
Garissa	20,718,750
Homa Bay	19,968,750
Isiolo	11,718,750
Kajiado	17,906,250
Kakamega	30,843,750
Kericho	17,062,500
Kiambu	27,937,500
Kilifi	32,343,750
Kirinyaga	12,281,250
Kisii	22,968,750
Kisumu	20,625,000
Kitui	26,062,500
Kwale	22,500,000
Laikipia	12,281,250
Lamu	10,593,750
Machakos	24,843,750
Makueni	21,281,250
Mandera	30,281,250
Marsabit	20,906,250
Meru	23,906,250
Migori	20,062,500
Mombasa	24,562,500
Muranga	18,656,250
Nairobi	47,156,250
Nakuru	28,218,750
Nandi	16,031,250
Narok	19,031,250
Nyamira	14,250,000
Nyandarua	14,718,750
Nyeri	15,000,000
Samburu	13,218,750
Siaya	18,000,000
Taita Taveta	12,093,750

Tana River	16,593,750
Tharaka Nithi	10,875,000
Trans Nzoia	16,781,250
Turkana	32,156,250
Uasin Gishu	17,718,750
Vihiga	13,312,500
Wajir	25,312,500
West Pokot	14,718,750
Total	937,500,000

8. EU Grant (Instruments for Devolution Advice and Support IDEAS)	
Ministry/State Department Responsible	State Department for Devolution
Accounting officer of National Government Responsible	PS State Department for Devolution
Responsibilities of the National Government accounting officer	<p>Ensure funds are included in the budget estimates of the ministry for the FY 2019/20</p> <p>The National Government undertakes to check regularly that the operations financed with the EDF funds have been properly implemented.</p> <p>Preparation of Programme Estimates (PEs) and submit to the donor for approval</p>
Conditions	<p>Counties should submit quarterly reports to State Department of Devolution on implementation progress as well as conditions met</p> <p>A maximum of 10 counties will be selected on the basis of poverty levels as per official statistics, in agreement with the EU, for piloting of LED.</p> <p>The counties selected must meet the following criteria:</p> <p>County poverty rate must be in excess of 45%</p>

	Counties must commit to co-finance Local Economic Development (LED) activities; At least 5 counties must be from Arid and semi-Arid Lands of Kenya At least 5 counties must include a minimum of 5% of urban population
Allocation: 2019/20	KES 1,040,000,000
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	Based on financing agreement between the EU and the Government of Kenya and approved work plans.
Allocation by County	
County	Total (Kshs.)
Baringo	21,118,210
Kisii	45,697,438
Kisumu	36,068,231
Kwale	44,360,883
Laikipia	21,345,341
Makueni	50,180,747
Marsabit	23,851,133
Migori	43,668,076
Nyandarua	20,223,224
Samburu	32,159,348
Taita-Taveta	42,394,162
Tana River	15,431,865
Uasin Gishu	50,223,504
Wajir	24,481,325
West Pokot	21,495,096
Total	492,698,583

Source: State Department for Devolution

9. IDA – WATER AND SANITATION DEVELOPMENT PROJECT (WSDP)	
Ministry/State Department Responsible	Water and Sanitation
Accounting officer of National Government Responsible	PS, Water and Sanitation
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 2019/20 ▪ 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	Participating County governments shall carry out and verify its activities under the project with due diligence and efficiency and in accordance with the Financing Agreement, Project Implementation Manual, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the World Bank’s Guidelines on Preventing and Combating Fraud and Corruption”.
Allocation: 2019/20	KSH. 3,800,000,000
Purpose of the grant	For implementation of Water and Sanitation activities
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
Wajir	250,000,000
Garissa	400,000,000

Mombasa	1,550,000,000
Taita Taveta	400,000,000
Kwale	300,000,000
Kilifi	600,000,000
TOTAL	3,500,000,000

Source: Ministry of Water & Sanitation

10 Sweden – Agricultural Sector Development Support Programme (ASDSP) II	
Ministry/State Department Responsible	Ministry of Agriculture Livestock, Fisheries and Irrigation
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops Development
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 2019/20 ▪ 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 ▪ 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;

	<ul style="list-style-type: none"> ▪ 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 counterpart 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: 2019/20	KES 849,626,237		
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)(MoAI) contribution	Total
Baringo	15,086,468	2,500,000	17,586,468
Bomet	14,916,549	2,500,000	17,416,549
Bungoma	16,314,092	2,500,000	18,814,092
Busia	15,757,455	2,500,000	18,257,455
Elgeyo-Marakwet	14,132,723	2,500,000	16,632,723
Embu	12,918,468	2,500,000	15,418,468
Garissa	18,020,018	2,500,000	20,520,018
Homa bay	15,358,004	2,500,000	17,858,004
Isiolo	16,040,513	2,500,000	18,540,513
Kajiado	14,785,908	2,500,000	17,285,908
Kakamega	17,311,716	2,500,000	19,811,716
Kericho	13,915,491	2,500,000	16,415,491
Kiambu	14,904,219	2,500,000	17,404,219
Kilifi	17,223,695	2,500,000	19,723,695

Kirinyaga	12,013,506	2,500,000	14,513,506
Kisii	16,027,653	2,500,000	18,527,653
Kisumu	14,529,227	2,500,000	17,029,227
Kitui	17,892,968	2,500,000	20,392,968
Kwale	16,848,633	2,500,000	19,348,633
Laikipia	14,125,223	2,500,000	16,625,223
Lamu	11,765,997	2,500,000	14,265,997
Machakos	15,369,663	2,500,000	17,869,663
Makueni	16,551,135	2,500,000	19,051,135
Mandera	20,322,072	2,500,000	22,822,072
Marsabit	19,966,188	2,500,000	22,466,188
Meru	15,075,209	2,500,000	17,575,209
Migori	15,305,472	2,500,000	17,805,472
Mombasa	13,874,963	2,500,000	16,374,963
Muranga	13,869,053	2,500,000	16,369,053
Nairobi	18,683,840	2,500,000	21,183,840
Nakuru	16,007,501	2,500,000	18,507,501
Nandi	14,007,185	2,500,000	16,507,185
Narok	15,293,235	2,500,000	17,793,235
Nyamira	14,437,554	2,500,000	16,937,554
Nyandarua	13,487,360	2,500,000	15,987,360
Nyeri	12,687,858	2,500,000	15,187,858
Samburu	16,494,320	2,500,000	18,994,320
Siaya	14,061,840	2,500,000	16,561,840
TaitaTaveta	14,560,386	2,500,000	17,060,386
Tana River	17,858,867	2,500,000	20,358,867
Tharaka-Nithi	13,018,089	2,500,000	15,518,089
Trans Nzoia	14,268,813	2,500,000	16,768,813
Turkana	22,846,766	2,500,000	25,346,766
Uasin Gishu	13,831,289	2,500,000	16,331,289
Vihiga	13,224,263	2,500,000	15,724,263
Wajir	21,048,494	2,500,000	23,548,494
West Pokot	16,086,308	2,500,000	18,586,308
TOTAL	732,126,237	117,500,000	849,626,237

Source: State Department for Crops Development

11. European Union – Water Tower Protection and Climate Mitigation and Adaptation (WATER) Programme	
Ministry/State Department Responsible	Ministry of Environment and Forestry
Accounting officer of National Government Responsible	PS, State Department for Environment
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> ▪ Management of the Grant Contracts for the 11 listed counties, amounting to Euro 16 million over a 3-year period
Conditions	<ul style="list-style-type: none"> ▪ Programmes to be funded must be included in the CIDPs of the respective Counties developed through a participatory process ▪ Grants must be included in the County Allocation of Revenue Act (CARA) according to the forecast disbursement schedule ▪ Activities must be relevant to the Specific Objectives of the Programme <ol style="list-style-type: none"> 1. Increase forest and tree cover and reverse forest degradation 2. Enhance forest-based economic, social and environmental benefits 3. Enhance capacity development, research and adoption of technologies 4. Increase investments in forest development 5. Integrate national values and principles of good governance in forest development
Allocation: 2019/120	KES 495,000,000
Purpose of the grant	Implementation of programme activities in line with the specific objectives outlined above.
Allocation criteria	Equal share for each of the 11 counties.

County	Allocation by
Bungoma	45,000,000
Busia	45,000,000
Elgeyo-Marakwet	45,000,000
Kakamega	45,000,000
Kisumu	45,000,000
Nandi	45,000,000
Siaya	45,000,000
Trans-Nzoia	45,000,000
Uasin Gishu	45,000,000
Vihiga	45,000,000
West Pokot	45,000,000
TOTAL	495,000,000

Source: State Department for Environment

IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 2	
Ministry/State Department Responsible	Ministry of Devolution and Planning
Accounting Officer of the National Government Responsible	Principal Secretary, State Department of Devolution
Responsibilities of the National Government accounting officer	<p>Initiate request for disbursement of funds</p> <p>Submit quarterly and annual financial and non-financial performance reports to the National Treasury.</p> <p>Monitor and evaluate performance of the allocation and report to the National Treasury</p>
Conditions	<p>This funding must be included in the budget estimates of the county government</p> <p>Counties have undergone the annual capacity and</p>

	<p>performance assessment and met the minimum access conditions and minimum performance conditions for grant funding.</p> <p>Counties have implemented projects according to approved work plans and program requirements</p>
Accounting Officer of the County Government Responsible	<p>Accounting Officer(s) responsible for capacity building in the five key areas of focus in the county government i.e.:</p> <p>Public financial management (PFM) systems;</p> <p>County Human resource management;</p> <p>County planning and Monitoring & Evaluation systems; and,</p> <p>Civic Education and Public Participation.</p> <p>Intergovernmental relations.</p>
Responsibilities of the County Government accounting officer	<p>Ensure funds are included in the budget estimates of the relevant department for the FY 2019/20.</p> <p>Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Devolution</p> <p>Monitor and evaluate performance of the allocation and report to the County Treasury.</p>
Allocation: 2019/20 FY	KSh. 4,890,000,000
Objectives	<p>To incentivize county governments to build their capacity in the following five key areas:</p> <p>public financial management (PFM) systems;</p> <p>County Human resource management;</p> <p>County planning and Monitoring & Evaluation systems; and,</p> <p>Civic Education and Public Participation.</p> <p>Intergovernmental relations.</p>

Allocation Criteria	The criteria for allocation the KDSP Performance “level2” Grant shall be determined in terms of the process set out in Subsection 5(3) of the County Allocation of Revenue Act, 2018.
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Source: State Department for Devolution.