



**REPUBLIC OF KENYA**  

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**TWELFTH PARLIAMENT (FOURTH SESSION)**  
**THE NATIONAL ASSEMBLY**  
**MESSAGES**  
**MESSAGE FROM THE SENATE**  
**\_\_\_\_\_ (No. 7 of 2020) \_\_\_\_\_**  
**ON**  
**APPROVAL , BY THE SENATE, OF THE THIRD BASIS FOR ALLOCATION**  
**OF THE SHARE OF NATIONAL REVENUE AMONG COUNTY**  
**GOVERNMENTS (THIRD GENERATION FORMULA)**

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**Honourable Members,** Standing Order 41 requires the Speaker to expeditiously report to the House any Messages received from the Senate. In this regard, I wish to report that on Friday, 18<sup>th</sup> September, 2020, I received a Message from the Senate regarding the approval of the Third Basis for allocation of the share of national revenue among county governments in accordance with Article 217(3) of the Constitution.

**Honourable Members,** the Message states that the Senate resolved, *inter alia*, "**...that the Third Basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government for the financial years 2020/2021 to 2024/2025 shall consist of the Allocation Ratio and the Formula...**". The Allocation Ratio refers to the shareable revenue allocated to the counties in the financial year 2019/2020, while the Formula contains parameters and the respective various thresholds to be considered in determining the criteria for the horizontal distribution of the shareable revenue among the Forty Seven County Governments.

The parameters contained in the Formula include Population, Health, Agriculture, Urban, Poverty, Land Area, Roads and the Basic Share.

**Honourable Members,** the Message containing the specific formula is as published by the Clerk on the parliamentary website and circulated to all Members. As you will appreciate, the basis for revenue sharing among county governments is a very critical element in facilitating the seamless execution of the devolved functions by our County Governments. It is for this reason that, as soon I received the Message, I thereupon invoked the provisions of Standing Order 1 and the existing precedence. This resulted in my *immediate* forwarding and committal of the Message together with the accompanying Third Basis for Revenue Allocation Formula to the Budget & Appropriations Committee for consideration. I am aware that the Clerk of the National Assembly has since published the formula in local dailies and sought submissions of public views by way of Memoranda in keeping with the requirements of Article 118 of the Constitution.

**Honourable Members,** as the Chairperson of the House Business Committee, I reiterate my undertaking that I made through my Communication No. 53 of 2020 on *Unlocking Funds Transfer to County Governments for FY 2020/2021* of 8<sup>th</sup> September 2020, that the Committee will prioritize this matter due to its urgent nature. As such, debate on the formula is scheduled to commence in the morning sitting of **Thursday, 24<sup>th</sup> September 2020.** To facilitate this, I direct as follows –

- (i) **THAT,** the Clerk of the National Assembly publicizes the report of the Budget and Appropriations Committee immediately upon its conclusion, preferably before end of day tomorrow, **Wednesday, 23<sup>rd</sup> September 2020;**



- (ii) **THAT**, the Committee tables its report during the morning sitting of **Thursday, 24<sup>th</sup> September 2020** to enable debate on the Senate's resolution to proceed in the same Sitting; and,
- (iii) **THAT**, any Member with further views or proposed amendments to the formula should submit the same to the Committee as soon as possible.

Having said that, **Honourable Members**, it is instructive to note that Article 217(4) of the Constitution provides that the National Assembly may, within sixty days, consider the resolution of the Senate in its determination on the Basis for allocating the Share of National Revenue among the Counties, and may approve, amend or reject the resolution as passed by the Senate. An amendment or veto of the Senate's resolution would however require the support of at least two-thirds of the Members of the National Assembly, being not less than two hundred and thirty three (233) Members of this House.

In conclusion **Honourable Members**, the approval of the Third Basis for revenue allocation will pave way for the Chairperson of the Budget and Appropriations Committee to move consideration of the County Allocation of Revenue Bill, 2020, soonest thereafter. I therefore encourage Members to avail themselves during the consideration of these businesses so as to facilitate their timely conclusion and the unlocking of funding to our County Governments.

**I thank you!**



**THE HON. JUSTIN B.N. MUTURI, EGH, MP**  
**SPEAKER OF THE NATIONAL ASSEMBLY**

Tuesday, September 21, 2020

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