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**THE COUNTY GOVERNMENTS ADDITIONAL
ALLOCATIONS BILL, 2022**

A Bill for

AN ACT of Parliament to provide for the additional allocations to county governments for the 2022/2023 financial year; the responsibilities of National Government and county governments pursuant to such allocation; and for connected purposes.

ENACTED by Parliament of Kenya, as follows—

1. This Act may be cited as the County Governments Additional Allocations Act, 2022.

Short title.

2. In this Act —

Interpretation.

“Cabinet Secretary” means the Cabinet Secretary responsible for finance;

“additional allocations” means additional resources allocated to county governments from the National Government’s share of revenue or in the form of loans and grants from development partners; and

“county executive committee member” means the county executive committee member in charge of matters relating to finance.

3. The object of this Act is to—

Object.

(a) provide, pursuant to Article 202(2) of the Constitution, for additional allocations for the financial year 2022/23;

(b) provide for additional allocations from proceeds of loans and grants from development partners; and

(c) facilitate the transfer of conditional and unconditional allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds and special purpose accounts.

4. (1) Additional grants shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of—

Additional allocations to county governments

- (a) additional allocations from development partners required for transfer of functions to counties from the National Government as provided for under Article 187 of the Constitution;
- (b) additional allocations provided for under Article 202(2) of the Constitution; and
- (c) loans and grants from development partners.

(2) Additional funds allocated under this section shall be included in the respective county governments' appropriation bills.

(3) The National Treasury shall facilitate any agreement between a county government and a development partner and shall table the agreements in the National Assembly and the Senate before inclusion in the Budget Policy Statement.

5. (1) Conditional allocations to each county government from National Government share of revenue for the financial year 2022/23 shall be as set out in Column D of the First Schedule, comprising —

Conditional allocations to county governments.

- (a) conditional allocations for the construction of county headquarters as set out in Column B of the First Schedule; and
- (b) conditional allocations for the leasing of medical equipment as set out in Column C of the First Schedule.

(2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2022/23 shall be as set out in Column L of the Second Schedule, comprising of—

- (a) conditional allocations financed by a World Bank credit to finance Agricultural and Rural Inclusive Growth Project (NARIGP) as set out in Column B of the Second Schedule;
- (b) conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column C of the Second Schedule;
- (c) conditional allocations from EU grant to finance Instruments for Devolution Advice and Support

- (IDEAS) program as set out in Column D of the Second Schedule;
- (d) conditional allocations from a World Bank credit to finance Water and Sanitation Development Project (WSDP) as set out in Column E of the Second Schedule;
 - (e) conditional allocations from a grant by DANIDA to finance Universal Healthcare in Devolved System Program as set out in Column F of the Second Schedule;
 - (f) conditional allocations from a World Bank credit to finance Locally-Led Climate Action Program, (FLLoCA) as set out in Column G of the Second Schedule;
 - (g) conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column H of the Second Schedule;
 - (h) conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column I of the Second Schedule;
 - (i) conditional allocations financed by a credit from World Bank to finance Emergency Locust Response Project (ELRP) as set out in Column J of the Second Schedule; and
 - (j) conditional allocations financed by a loan from the World Bank to finance Kenya Informal Settlement Improvement Project (KISIP II) as set out in Column K of the Second Schedule.
- (3) Each county government's allocation under subsection (1)(a) shall —
- (a) 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; and

(b) 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.

(4) A county governments' allocation under subsection (2) shall be transferred to the respective County Revenue Fund in accordance with a payment schedule published in the Kenya Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act.

(5) The county governments' allocations under subsections (1) and (2) shall, subject to subsection (6), be included in the budget estimates of the National Government and shall be submitted to Parliament for approval.

(6) Allocations shall not be included in the budget estimates under subsection (4) unless –

(a) the National Government and the respective county governments have entered into an intergovernmental agreement in accordance with this Act; or

(b) in the case of a loan or grant by a development partner, the Cabinet Secretary and the responsible development partner have agreed in writing that the funds shall be transferred to the county government.

6. The Cabinet Secretary shall publish, by the 15th day of each subsequent month, a monthly report on actual transfers of all conditional allocations to county governments disbursed pursuant to this Act.

Report on actual transfers.

7. Each county treasury shall reflect all transfers of conditional allocations by the National Government to the respective county government in its books of accounts.

Books of accounts to reflect national government transfers.

8. A county treasury shall, as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, report on-

Reporting.

No. 18 of 2012

(a) 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;

- (b) the actual expenditure by the county government of the allocations made under section 4(1) and (2);
- (c) the extent of compliance with the provisions of this Act and with the conditions of allocations as set out in the intergovernmental agreement entered into by the national government, the development partner and the county government;
- (d) an explanation of any material problems in the expenditure of any allocations made under this Act or compliance with any conditions of allocations set out in an intergovernmental agreement; and
- (e) any other information that may be required by the relevant intergovernmental agreement.

FIRST SCHEDULE
(s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial year 2022/23
(Kenya Shillings)

S/N	County	FY 2021/22			FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for construction of county headquarters	Conditional Grant- Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue		
		Column A	Column B	Column C	Column D		
1	Baringo	153,297,872	-	110,638,298	110,638,298		
2	Bomet	153,297,872	-	110,638,298	110,638,298		
3	Bungoma	153,297,872	-	110,638,298	110,638,298		
4	Busia	153,297,872	-	110,638,298	110,638,298		
5	Elgeyo/Marakwet	153,297,872	-	110,638,298	110,638,298		
6	Embu	153,297,872	-	110,638,298	110,638,298		
7	Garissa	153,297,872	-	110,638,298	110,638,298		
8	Homa Bay	153,297,872	-	110,638,298	110,638,298		
9	Isiolo	221,297,872	90,800,000	110,638,298	201,438,298		
10	Kajiado	153,297,872	-	110,638,298	110,638,298		
11	Kakamega	153,297,872	-	110,638,298	110,638,298		
12	Kericho	153,297,872	-	110,638,298	110,638,298		
13	Kiambu	153,297,872	-	110,638,298	110,638,298		
14	Kilifi	153,297,872	-	110,638,298	110,638,298		
15	Kirinyanga	153,297,872	-	110,638,298	110,638,298		
16	Kisii	153,297,872	-	110,638,298	110,638,298		
17	Kisumu	153,297,872	-	110,638,298	110,638,298		
18	Kitui	153,297,872	-	110,638,298	110,638,298		
19	Kwale	153,297,872	-	110,638,298	110,638,298		
20	Laikipia	153,297,872	-	110,638,298	110,638,298		

Schedule I : Additional Allocations to County Governments from National Government share of Revenue for Financial Year 2022/23 (Kenya Shillings)					
S/N	County	FY 2021/22		FY 2022/23	
		Total Conditional Grants from the National Government Revenue	Supplement for construction of county headquarters	Conditional Grant- Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
21	Lamu	191,297,872	90,800,000	110,638,298	201,438,298
22	Machakos	153,297,872	-	110,638,298	110,638,298
23	Makueni	153,297,872	-	110,638,298	110,638,298
24	Mandera	153,297,872	-	110,638,298	110,638,298
25	Marsabit	153,297,872	-	110,638,298	110,638,298
26	Meru	153,297,872	-	110,638,298	110,638,298
27	Migori	153,297,872	-	110,638,298	110,638,298
28	Mombasa	153,297,872	-	110,638,298	110,638,298
29	Muranga	153,297,872	-	110,638,298	110,638,298
30	Nairobi	153,297,872	-	110,638,298	110,638,298
31	Nakuru	153,297,872	-	110,638,298	110,638,298
32	Nandi	153,297,872	-	110,638,298	110,638,298
33	Narok	153,297,872	-	110,638,298	110,638,298
34	Nyamira	153,297,872	-	110,638,298	110,638,298
35	Nyandarua	228,297,872	90,800,000	110,638,298	201,438,298
36	Nyeri	153,297,872	-	110,638,298	110,638,298
37	Samburu	153,297,872	-	110,638,298	110,638,298
38	Siaya	153,297,872	-	110,638,298	110,638,298
39	Taita Taveta	153,297,872	-	110,638,298	110,638,298
40	Tana River	228,297,872	90,800,000	110,638,298	201,438,298
41	TharakaNithi	229,297,872	90,800,000	110,638,298	201,438,298
42	Trans Nzoia	153,297,872	-	110,638,298	110,638,298
43	Turkana	153,297,872	-	110,638,298	110,638,298

S/N		County	FY 2021/22			FY 2022/23		
			Total Conditional Grants from the National Government Revenue	Supplement for construction of county headquarters	Conditional Grant- Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue		
			Column A	Column B	Column C	Column D		
44		Uasin Gishu	153,297,872	-	110,638,298	110,638,298		
45		Vihiga	153,297,872	-	110,638,298	110,638,298		
46		Wajir	153,297,872	-	110,638,298	110,638,298		
47		West Pokot	153,297,872	-	110,638,298	110,638,298		
		GRAND TOTAL	7,537,000,000	454,000,000	5,200,000,000	5,654,000,000		

SECOND SCHEDULE
(s. 5(2))
ADDITIONAL ALLOCATIONS FROM DEVELOPMENT PARTNERS IN FORM OF LOANS AND GRANTS
FOR FINANCIAL YEAR 2022/23

Sl. No.	County	FY 2022/23													
		FY 2021/22													
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L		
1	Baringo	528,317,166	-	300,000,000	15,626,168	-	10,738,700	125,000,000	9,228,820	-	29,207,700	-	489,801,388		
2	Bomet	653,181,658	-	349,999,960	-	-	11,605,800	125,000,000	9,175,326	-	-	-	495,781,086		
3	Bungoma	542,772,196	280,530,114	-	-	-	18,742,700	125,000,000	9,615,306	-	-	36,424,018	470,312,138		
4	Busia	447,133,112	-	295,795,506	-	-	12,673,000	125,000,000	9,440,063	-	-	-	442,908,569		
5	Elgeyo/Marakwet	702,054,383	-	350,000,000	-	-	8,137,400	125,000,000	8,928,559	-	35,879,000	8,324,295	536,269,254		
6	Embu	453,821,524	387,946,601	-	-	-	9,071,200	125,000,000	8,546,282	-	27,688,700	-	558,232,783		
7	Garissa	1,087,727,785	-	348,172,365	-	450,000,000	14,807,400	125,000,000	11,688,715	-	40,912,850	-	990,581,330		
8	Homa Bay	454,463,421	279,115,289	-	-	-	14,207,100	125,000,000	10,641,132	-	-	150,000,000	578,963,521		
9	Isiolo	592,196,554	-	330,699,130	-	-	8,937,800	125,000,000	9,529,177	-	44,469,550	-	518,635,657		
10	Kajiado	576,204,540	-	321,108,120	-	-	13,540,100	125,000,000	9,134,197	-	-	-	468,782,417		
11	Kakamega	691,090,920	-	338,783,306	-	-	21,944,300	125,000,000	9,929,382	-	-	-	495,656,988		
12	Kericho	569,054,323	-	350,000,000	-	-	11,339,000	125,000,000	10,073,460	-	-	-	496,412,460		
13	Kiambu	589,239,254	402,836,649	-	-	-	19,876,600	125,000,000	10,462,555	-	-	42,456,908	600,632,712		
14	Kilifi	2,154,008,617	254,610,493	-	-	2,000,000,000	22,011,000	125,000,000	9,901,671	-	-	200,000,000	2,611,523,164		
15	Kirinyaga	573,638,600	344,612,512	-	-	-	8,937,800	125,000,000	9,324,972	-	-	-	487,875,284		
16	Kisii	575,643,577	324,295,427	-	-	-	16,408,200	125,000,000	9,525,128	-	-	-	475,228,755		
17	Kisumu	769,632,733	-	274,627,706	15,626,168	-	14,407,200	125,000,000	10,314,984	-	-	278,640,055	718,616,113		
18	Kitui	505,225,111	283,089,026	-	-	-	18,609,300	125,000,000	10,112,374	-	30,223,000	-	467,033,700		
19	Kwale	1,084,696,427	278,050,578	-	-	1,150,000,000	16,408,200	125,000,000	9,783,592	-	-	-	1,579,242,370		
20	Laikipia	594,808,504	-	349,961,100	-	-	8,804,400	125,000,000	8,926,197	-	-	-	492,691,697		
21	Lamu	387,821,812	-	300,102,326	-	-	5,469,400	125,000,000	9,227,569	-	-	200,000,000	639,799,295		
22	Machakos	563,831,924	-	321,468,007	-	-	16,341,500	125,000,000	9,317,977	-	27,674,400	-	499,801,884		
23	Makueni	600,213,719	284,347,300	-	-	-	15,607,800	125,000,000	9,689,933	-	-	-	434,645,033		
24	Mandera	607,418,422	-	298,883,700	-	-	21,544,100	125,000,000	10,877,114	-	51,274,250	-	507,579,194		
25	Marsabit	753,314,489	-	306,870,917	16,140,048	-	14,273,800	125,000,000	10,765,073	387,000,000	53,873,850	-	913,923,688		
26	Meru	778,344,871	398,724,835	-	-	-	16,941,800	125,000,000	9,225,276	-	35,983,000	-	585,874,911		

Schedule II: Additional Allocations from development partners in form of loans and grants for Financial Year 2022/23
(Figures in Kenya Shillings)

Schedule II: Additional Allocations from development partners in form of loans and grants for Financial Year 2022/23
(Figures in Kenya Shillings)

Sl. No.	County	FY 2022/23											
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
27	Migori	391,091,244	276,072,733	-	-	950,000,000	14,273,800	125,000,000	10,620,460	-	-	219,423,444	425,966,993
28	Mombasa	1,313,902,680	-	-	-	-	14,874,100	125,000,000	8,847,410	-	-	1,318,144,954	1,318,144,954
29	Murang'a	454,929,372	335,683,961	-	-	-	13,273,300	125,000,000	8,845,549	-	-	482,802,810	482,802,810
30	Nairobi City	866,791,349	-	-	-	-	33,550,100	125,000,000	11,949,949	-	-	520,500,049	520,500,049
31	Nakuru	819,285,259	269,563,385	-	-	-	22,077,700	125,000,000	9,518,784	-	-	726,159,869	726,159,869
32	Nandi	524,798,208	297,105,136	-	-	-	11,272,300	125,000,000	8,889,036	-	-	16,519,088	458,785,560
33	Narok	645,965,988	398,148,737	-	-	-	16,941,800	125,000,000	10,615,644	-	-	550,706,181	550,706,181
34	Nyamira	563,367,518	275,417,324	-	-	-	10,138,400	125,000,000	9,024,527	-	-	419,580,251	419,580,251
35	Nyandarua	683,889,689	-	289,609,680	11,000,000	-	10,271,800	125,000,000	8,725,383	-	-	25,497,691	470,104,554
36	Nyeri	680,265,672	-	352,822,250	-	-	11,405,700	125,000,000	8,473,681	-	-	102,139,147	599,840,778
37	Samburu	470,939,351	212,277,520	-	15,626,168	-	9,738,200	125,000,000	11,088,307	-	51,588,750	-	425,318,945
38	Siaya	540,152,675	-	314,639,880	-	-	12,206,100	125,000,000	8,906,243	-	-	-	570,552,223
39	Taita Taveta	1,379,682,318	-	290,416,775	15,624,929	800,000,000	8,937,800	125,000,000	9,063,197	-	-	60,000,000	1,184,042,701
40	Tana River	468,563,507	-	350,271,550	14,727,370	-	12,339,500	125,000,000	11,625,297	-	-	-	513,963,717
41	Tharaka Nithi	600,288,742	-	350,000,000	-	-	8,270,800	125,000,000	8,577,645	-	28,827,500	80,575,354	601,251,299
42	Trans Nzoia	571,686,484	298,658,950	-	-	-	12,139,400	125,000,000	8,971,403	-	-	200,000,000	644,769,753
43	Turkana	786,247,615	270,565,502	-	-	-	22,211,100	125,000,000	13,588,185	438,000,000	62,108,500	-	931,473,287
44	Uasin Gishu	608,853,967	-	354,491,402	-	-	13,340,000	125,000,000	8,833,660	-	-	200,000,000	701,665,062
45	Vihiga	417,314,928	243,345,337	-	-	-	9,804,900	125,000,000	8,642,554	-	-	-	386,792,791
46	Wajir	1,160,065,181	-	346,040,790	15,626,168	550,000,000	18,009,000	125,000,000	12,880,510	-	49,529,250	230,000,000	1,222,085,718
47	West Pokot	559,953,126	-	353,574,020	-	-	10,538,600	125,000,000	10,927,742	-	30,759,700	-	530,800,062
	Total	32,343,890,515	6,394,997,409	7,838,338,490	19,997,019	5,990,000,000	667,000,000	5,875,000,000	462,000,000	825,000,000	2,700,000,000	2,700,000,000	31,382,332,918

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the transfer of conditional allocations from national governments share of revenue and from development partners to the county governments for the financial year 2021/22.

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 object of the Bill which is to provide for the allocation of conditional grants to county governments for the financial year 2021/2022; and to provide for the transfer of these conditional allocations from the Consolidated Fund to the respective County Revenue Fund.

Clause 4 of the Bill provides for conditional allocations to be made to county governments.

Clause 5 of the Bill provides for the requirement for county governments to facilitate public participation on intergovernmental agreements on conditional allocations.

Clause 6 of the Bill provides for execution of agreement for conditional allocation.

Clause 7 of the Bill provides for submission of intergovernmental agreements on conditional allocations to the Senate.

Clause 8 of the Bill provides for conditional allocations to county governments.

Clause 9 of the Bill provides for reports on actual transfers.

Clause 10 of the Bill provides for county government books of accounts to reflect national government transfers.

Clause 11 provides for reporting.

Clause 12 of the Bill sets out consequential amendments to the Public Finance Management Act.

Dated the 6th May, 2022.

CHARLES KIBIRU,
Chairperson, Committee on Finance and Budget.