

REPUBLIC OF KENYA



PARLIAMENT

THE SENATE

THIRTEENTH PARLIAMENT

THIRD SESSION

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approval for tabling
Ep 20/03/2024

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for tabling
Issue
20/3/2024

③ Hon. Speaker

You may approve for
tabling.
20/3/24

REPORT OF THE STANDING COMMITTEE ON FINANCE AND BUDGET

ON

THE COUNTY GOVERNMENTS (ADDITIONAL ALLOCATIONS) CASH
DISBURSEMENT SCHEDULES FOR THE FINANCIAL YEAR 2023/2024

PAPERS LAID	
DATE	20/3/2024
TABLED BY	Sen. Tabitha Muthinda
COMMITTEE	Finance and Budget
CLERK AT THE TABLE	Polycarp.


20/3/24

APPROVED
RT. HON. SEN
AMASON J. KINGI

CLERK CHAMBERS
THE SENATE
PARLIAMENT OF KENYA
NAIROBI

MARCH 2024

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PREFACE

Mandate and Functions of the Committee

Article 124 of the Constitution of Kenya, provides for the establishment of Committees by either House of Parliament. Committees are central to the workings, roles and functions of Parliament as set out in Article 94 and more specifically in Article 96 of the Constitution in regards to roles of the Senate.

Parliamentary committees consider policy issues, scrutinize the workings and expenditure of the national and county governments and examine proposals for legislation. The end results of these processes are reports tabled in the House for debate and adoption by plenary.

The Senate Standing Committee on Finance and Budget is established under section 8(1) of the Public Finance Management Act, Cap.412A and standing order 228(3) of the Standing Orders of the Senate and is mandated to -

- a) *Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the county budgets and to examine –*
 - i) *the Budget Policy Statement presented to the Senate;*
 - ii) *report on the Budget allocated to Constitutional Commissions and independent offices;*
 - iii) *the Division of Revenue Bill, County Allocation of Revenue Bill, and cash disbursement schedule for county governments.*
 - iv) *to consider all matters related to resolutions and Bills for appropriations, share of national revenue amongst the counties and all matters concerning the National Budget, including public finance and monetary policies and public debt, planning and development policy; and*

- b) *Pursuant to Article 228 (6) of the Constitution, to examine the report of the Controller of Budget on the implementation of the budgets of county governments.*

Membership of the Committee

Following the constitution of Standing Committees of the Senate of the Thirteenth (13th) Parliament on Thursday, 13th October, 2022, the Senate Standing Committee on Finance and Budget as currently constituted is comprised of the following Members-

- | | | |
|-------------------------------------------|---|------------------|
| 1) Sen. (Capt.) Ali Ibrahim Roba, EGH, MP | - | Chairperson |
| 2) Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 3) Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 4) Sen. Tabitha Karanja Keroche, MP | - | Member |
| 5) Sen. Joyce Chepkocch Korir, MP | - | Member |
| 6) Sen. Mohamed Faki Mwinyihaji, MP | - | Member |
| 7) Sen. Richard Momoima Onyonka, MP | - | Member |
| 8) Sen. Shakila Abdalla Mohamed, MP | - | Member |
| 9) Sen. Eddy Gicheru Oketch, MP | - | Member |

CHAIRPERSON'S FOREWORD

The County Governments Additional Allocations Cash Disbursement Schedule is submitted to the Senate by the National Treasury and Economic Planning pursuant to section 17 of the Public Financial Management Act, Cap.412A. The purpose of the schedule is to ensure predictability in the monthly transfer of funds to the respective County Revenue Funds.

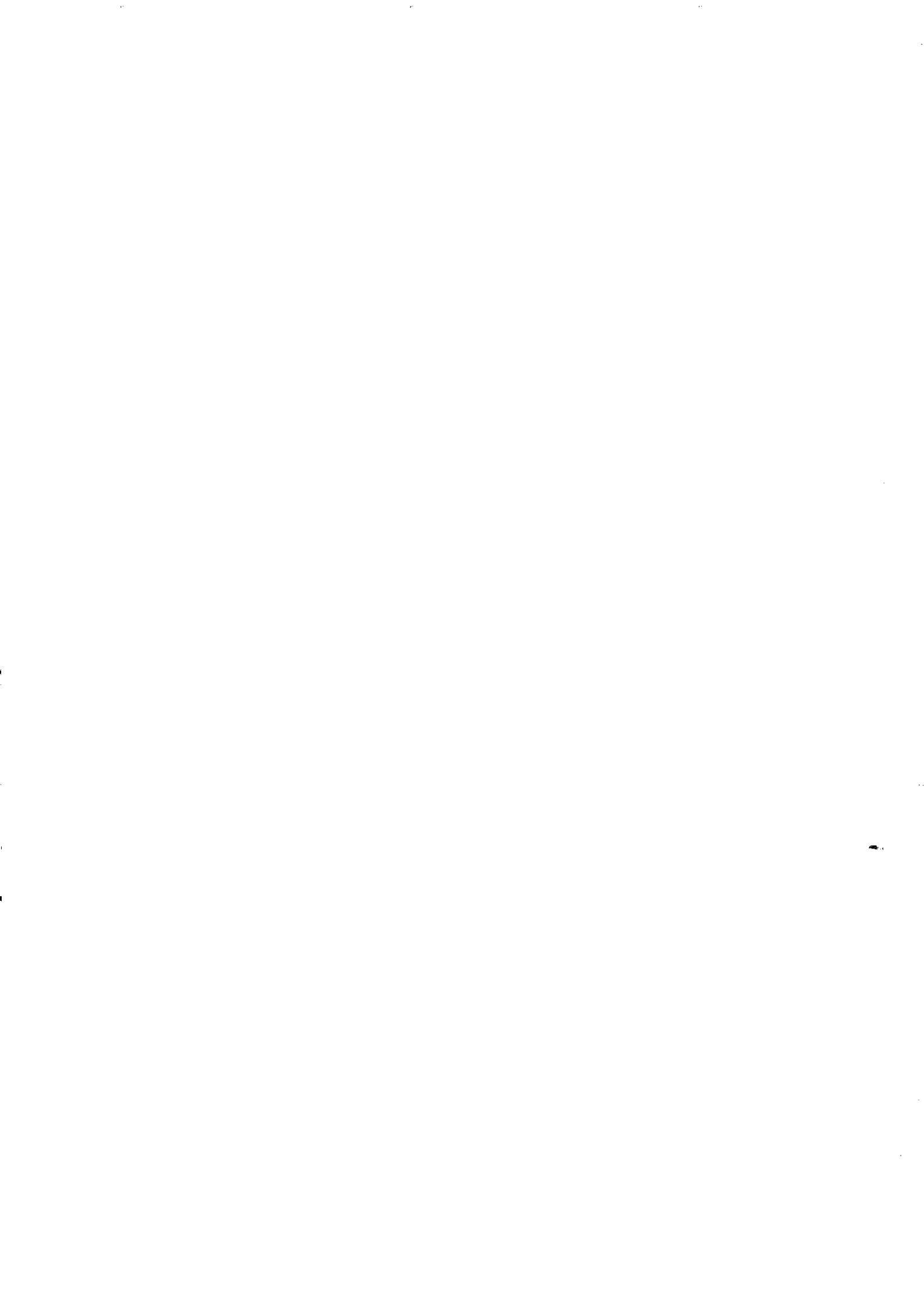
The Schedule, serves as a guide and facilitates a predictable flow of funds to the county governments and thus enables counties to undertake critical functions in the delivery of services to the citizens.

The County Governments Additional Allocations Cash Disbursement Schedules contain the approved additional allocations for each county as approved by Parliament in the County Governments Additional Allocations Act, No. 1 of 2024. Following this enactment, the National Treasury transmitted to the Senate the Cash Disbursement Schedule for the Financial Year 2023/24. This schedule was tabled in the Senate on 19th March, 2024. Section 17 of the PFMA, Cap.412A requires the Senate to approve the Schedule to enable the National Treasury disburse the monies to the respective county governments.

Upon tabling, the Cash Disbursement Schedule was committed to the Standing Committee on Finance and Budget for consideration and subsequent reporting back to the House

The County Governments Additional Allocations Act as well as the Disbursement Schedules contains-

- a) conditional allocations financed from the national government's share of revenue contained in the First Schedule;
- b) unconditional allocations from court fines and 20% share of mineral royalties contained in the Second Schedule;
- c) conditional allocations financed from proceeds of loans and grants from development partners; and



- d) National government's expenditures on devolved functions converted to conditional additional allocations.

The Committee considered the Cash Disbursement Schedule and noted that disbursement will be made as follows-

- a) First Schedule - County Aggregation and Industrial Parks Programme (CAIPs) (Ksh.4.5 billion) and for the transferred library function (Ksh.162.8 million) in four tranches. The first tranche will be transferred to counties by 15th March, 2024 while the other three will fall due on 15th of April, May and June 2024.
- b) Second Schedule - court fines amounting to Ksh. 108 million and the 20% share of Mineral Royalties amounting to Ksh. 3.043 billion in four tranches. The first tranche will be transferred to counties by 15th March, 2024 while the other three will fall due on 15th of April, May and June 2024.
- c) Third Schedule - conditional grants financed by proceeds of loans and grants from development partners amounting to Ksh. 29.072 billion will be disbursed in two tranches- 15th March and 15th June 2024.
- d) Fourth Schedule- transfer of the National government's expenditure on devolved functions converted to conditional allocations amounting to Ksh. 4.129 billion will be disbursed in two tranches- 15th March and 15th June 2024.

The Committee recommends that the County Governments Additional Allocation Cash Disbursement Schedule be approved as tabled in the Senate on 19th March, 2024.

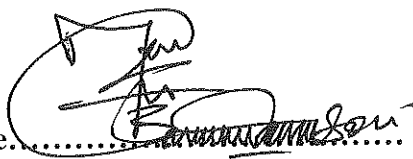
Acknowledgements

The Committee acknowledges the National Treasury for their submissions of the County Governments' Additional Allocations Cash Disbursement Schedules which is a critical requirement in the execution of the county governments budget.

The Committee thanks the Offices of the Speaker and the Clerk of the Senate for the support extended to the Committee in the execution of its mandate.

I also wish to thank the Members of the Committee for their patience, sacrifice and commitment to completing the assigned task within the stipulated time.

It is now my pleasant duty and privilege, on behalf of the Standing Committee on Finance and Budget, to present to the Senate, the Report of the Committee on the County Governments Additional Allocations Cash Disbursement Schedules for the FY 2023/2024.

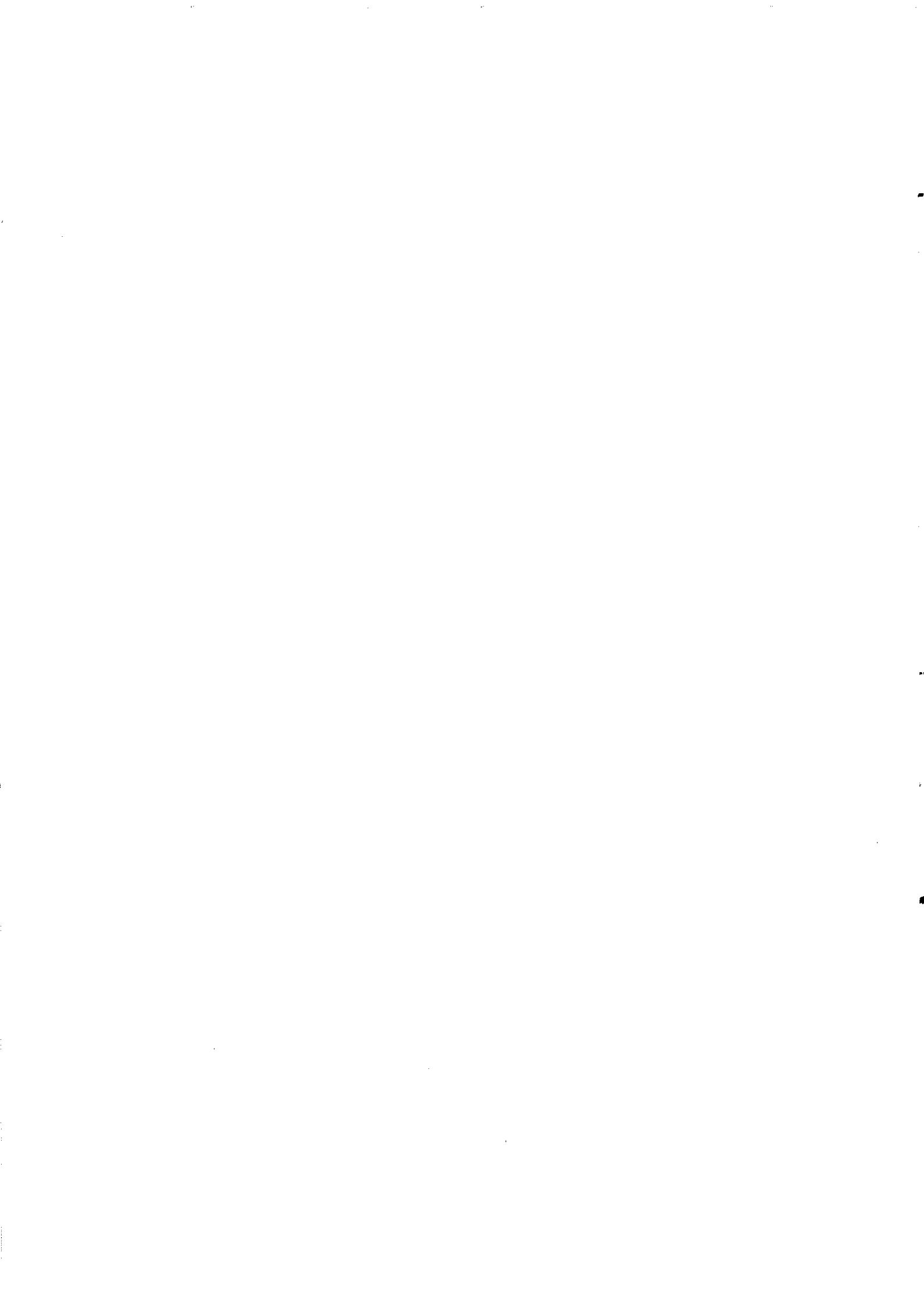
Signature.....

Date.....

SEN. (CAPT.) ALI IBRAHIM ROBA, EGH, MP.


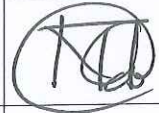
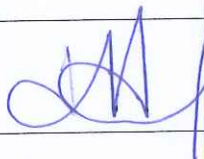
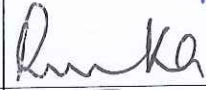


CHAIRPERSON,

STANDING COMMITTEE ON FINANCE AND BUDGET)



**ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON
FINANCE AND BUDGET ON THE COUNTY GOVERNMENTS
ADDITIONAL ALLOCATIONS CASH DISBURSEMENT SCHEDULES
FOR THE FY 2023/2024**

We, the undersigned Members of the Senate Standing Committee on Finance and Budget, do hereby append our signatures to adopt this Report-

	Name	Designation	Signature
1.	Sen. Capt. Ali Ibrahim Roba, EGH, MP	Chairperson	
2.	Sen. Maureen Tabitha Mutinda, MP	Vice-Chairperson	
3.	Sen. (Dr.) Boni Khalwale, CBS, MP	Member	
4.	Sen. Tabitha Karanja Keroche, MGH, MP	Member	
5.	Sen. Joyce Chepkoech Korir, MP	Member	
6.	Sen. Mohamed Faki Mwinyihaji, CBS, MP	Member	
7.	Sen. Richard Momoima Onyonka, MP	Member	
8.	Sen. Shakila Abdalla Mohamed, MP	Member	
9.	Sen. Eddy Gicheru Oketch, MP	Member	

COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS CASH DISBURSEMENT SCHEDULE FOR FINANCIAL YEAR 2023/24

I. Introduction

1. Section 17(6) and (7) of the Public Finance Management Act, Cap.412A requires the National Treasury, in consultation with the International Budget and Economic Council (IBEC) and with the approval of the Senate, to prepare Cash Disbursement Schedules for monies to be disbursed to county governments and publish in the Gazette as approved not later than 30th May of every year.
2. Following the enactment of the County Governments Additional Allocations (CGAA) Act, 2024 on 4th March 2024, the National Treasury submitted the County Governments' Additional Allocations Cash Disbursement Schedules for FY 2023/24 to the Senate for approval.
3. The allocations in the schedules are in line with the allocations provided for in the County Governments Additional Allocations Act, 2024 as follows-
 - (i) **First Schedule** – Disbursement of conditional allocations financed from the National Government share of revenue– **Ksh. 4.76 billion** (*excluding Ksh. 454 million for the Supplement for Construction of County Headquarters and Ksh.5 billion for fertilizer subsidy*).
 - (ii) **Second Schedule** - Disbursement of the unconditional allocations from court fines and from a 20% share of mineral royalties- **Ksh.3.043 billion**.
 - (iii) **Third Schedule** - Disbursement of the conditional allocations financed from proceeds of loans and grants from the development partners – **KSh.21.7 billion** (*Excluding Ksh.6.187 billion from IDA (World Bank) and Ksh.1.2 billion from KfW*).
 - (iv) **Fourth Schedule**- Disbursement of National Government’s expenditures on devolved functions converted to conditional additional allocations -**Ksh.4.13 billion**

II. Contents of the CGAA Cash Disbursement Schedules for FY 2023/24

a) First Schedule on Conditional Allocations Financed from the National Government's Share of Revenue

4. The first schedule outlines the disbursement of conditional additional allocations to county governments from the national government's share of revenue. Specifically, the allocations are for the County Aggregation and Industrial Parks Programme (Ksh.4.5 billion) and for the transfer of library services (Ksh.162.8 million) targeted at specific beneficiary counties.
5. The allocation of Ksh.454 million for the Supplement for the Construction of County Headquarters and Ksh.5 billion for the fertilizer subsidy programme are excluded from the Schedule. This is because these funds are not disbursed to the County Revenue Fund and are instead managed directly by the State Department for Public Works and the State Department for Agriculture.
6. According to the Schedule, the funds for the two projects (County Aggregation and Industrial Parks Programme (CAIPs) (Ksh.4.5 billion) and for the transfer of library services function shall be disbursed in four phases, with each phase having a quarter amount (25%) of the total allocation for each project. The first disbursement was scheduled for 15th March 2024, with subsequent disbursements falling due on 15th April 2024, 15th May 2024, and 15th June 2024.

Table 1: Disbursement of the Conditional Allocations from Nationally Raised Revenue

	CAIPS		Library Services		Total allocations	
	Monthly (25%)	Cumulative	Monthly (25%)	Cumulative	Monthly (25%)	Cumulative
15.3.24	1,125,000,000	1,125,000,000	40,712,174	40,712,174	1,165,712,174	1,165,712,174
15.4.24	1,125,000,000	2,250,000,000	40,712,174	81,424,348	1,165,712,174	2,331,424,348
15.5.24	1,125,000,000	3,375,000,000	40,712,174	122,136,522	1,165,712,174	3,497,136,522
15.6.24	1,125,000,000	4,500,000,000	40,712,174	162,848,696	1,165,712,174	4,662,848,696

7. It is indicated that the transfer of the funds as planned in the first schedule shall be

based on the performance of revenue raised nationally. This implies that there may be delays in disbursement as scheduled by the National Treasury.

b) Second Schedule on Unconditional Allocations from Court Fines and Mineral Royalties

8. The second schedule gives the disbursement plan for the unconditional allocations accruing from court fines and the 20% share of Mineral Royalties amounting to Ksh. 3.043 billion. The disbursement is scheduled to be in quarterly amounts spread across the four months remaining to the end of FY 2023/24.
9. The monthly as well as the cumulative amounts to be transferred are summarised in Table 2. It is indicated that the transfers shall be based on the performance of revenues as collected by the National government. This is despite the fact that the funds are entitlements to counties and not part of the National Government’s share of revenue.

Table 2: Disbursement of the Unconditional Allocations as Provided in Second Schedule.

	Court Fees & Fines		20 % Share of Minerals		Total allocations	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
15. 3.24	27,165,244.75	27,165,244.75	733,730,786.90	733,730,786.90	760,896,031.65	760,896,031.65
15. 4.24	27,165,244.75	54,330,489.50	733,730,786.90	1,467,461,573.80	760,896,031.65	1,521,792,063.30
15. 5.24	27,165,244.75	81,495,734.25	733,730,786.90	2,201,192,360.70	760,896,031.65	2,282,688,094.95
15.6.24	27,165,244.75	108,660,979.00	733,730,786.90	2,934,923,147.60	760,896,031.65	3,043,584,126.60

c) Third Schedule on Conditional Additional Allocations Financed from the Proceeds of Loans and Grants from Development Partners

10. The third schedule contains the projected transfers of the conditional allocations financed from the proceeds of Loans and Grants from the development partners, amounting to Ksh. 21.7 billion. It is indicated that this amount excludes the allocations from IDA (World Bank)-Ksh. 6.187 billion and Ksh. 1.2 billion from KfW (German Development Bank); all of which are for the Financing Locally- Led Climate Action (FLLoCA) Program, County Climate Resilience Investment (CCRI)

Grants.

11. It is indicated in the schedule that disbursements will take place in two stages, with fifty percent (50%) of each donor project allocation transferred in each stage. This means that the funds will be disbursed twice - on 15th March 2024 and on 15th May 2024. As shown in Table 3, Ksh.10.84 billion of the donor funds shall be transferred on 15th March and the balance of Ksh.10.84 billion on 15th May to the benefiting County Governments.

12. The National Treasury specifies that the disbursement of the funds shall be based on the financing agreement for each conditional grant. Notably, the schedules as submitted by the National Treasury do not indicate the exact date of disbursement of the allocations for the Financing Locally-Led Climate Action (FLLoCA) Programmes. This is because benefiting Counties are yet to be appraised based on the criteria set out in Section 5(6) (l) of the County Government Additional Allocations Act, 2024.

Table 3: Disbursement of Conditional Allocations Financed by Proceeds of Loans and Grants from Development Partners.

SN	Project	15th March	15th May	Total
1	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	205,000,000	205,000,000	410,000,000
2	IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP)	3,300,000,000	3,300,000,000	6,600,000,000
3	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	2,675,000,000	2,675,000,000	5,350,000,000
4	DANIDA Grant - Primary Health Care in Devolved Context	288,750,000	288,750,000	577,500,000
5	IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS)Grant	258,500,000	258,500,000	517,000,000
6	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	36,398,626	36,398,626	72,797,252
7	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	382,500,000	382,500,000	765,000,000
8	IDA (World Bank) - Emergency Locust Response Project (ELRP)	1,151,315,144.39	1,151,315,144.39	2,302,630,289
9	IDA (World Bank) - Kenya Informal Settlement Improvement Project (KISIP II)	2,249,999,999.50	2,249,999,999.50	4,499,999,999

SN	Project	15th March	15th May	Total
10	IFAD-Kenya Livestock Commercialization Project (KBLCLOP)	172,150,000	172,150,000	344,300,000
11	IFAD-Aquaculture Business Development Project (ABDP)	122,939,560	122,939,560	245,879,120
	Total	10,842,553,330	10,842,553,330	21,685,106,660
12	IDA (World Bank) Credit - Financing Locally- Led Climate Action (FLLoCA) Program, County Climate Resilience Investment (CCRI) Grant			6,187,500,000
	KfW (German Development Bank) credit for the County Climate Resilience Grant (CCRG) Level 2- Financing Locally- Led Climate Action (FLLoCA) Program			1,200,000,000
	Total allocation as per the CGAA Act,2024			29,072,606,660

d) Fourth Schedule on the National government's Expenditures on Devolved Functions Converted to Conditional Additional Allocations

13. The fourth schedule of the cash disbursement schedule summarizes the transfer of the National government's expenditure on devolved functions converted to conditional allocations. The projects are financed from proceeds of loans and grants amounting to Ksh. 4.13 billion. The projects to be implemented include the Livestock Value Chain Support Project funded by Poland- Ksh.1.642 billion, De-Risking and Value Enhancement funded by IDA-World Bank -Ksh.2.165 billion and IDA-World Bank- Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) project- Ksh.320.88 million.

14. The schedule indicates that the disbursement to counties for the three projects will be done in two phases: 50% of the total allocation in March 2024, and the other 50% balance in May 2024. The specific disbursements per project are illustrated in Table 4. These disbursements shall be based on the financing agreement for each conditional grant.

Table 4: Disbursement of National Government's Expenditure on Devolved Functions Converted to Conditional Allocations.

SN	Project	15 th March	15 th May	Total allocation per Project
1	Livestock Value Chain Support Project	821,434,200	821,434,200	1,642,868,400
2	De-Risking and Value Enhancement	1,082,753,540	1,082,753,540	2,165,507,080

3	Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) project	160,443,251	160,443,251	320,886,502
	Total to be disbursed	2,064,630,991	2,064,630,991	4,129,261,982

III. Observations

15. The Committee made the following observations-

- i. The Cash Disbursement Schedules include disbursements of additional allocations of Ksh. 162.8 million for the transfer of library services, Ksh. 2.9 billion accrued from mineral royalties and Ksh. 108.6 million accrued from court fees and fines. However, the said amounts were not contained in the FY 2023/24 Budget and should therefore be factored in the Supplementary Estimates II of FY 2023/24 for appropriation.
- ii. That whereas the Schedule indicates that the disbursements relating to the second schedule (transfer of mineral royalties and court fines) will be based on the performance of revenue raised by the National Government, these funds do not accrue from national governments share of nationally raised revenue but are entitlements to counties based on section 183(5) of the Mining Act, Cap 306 and enforcement of county legislation. As such, the issue of delayed disbursement due to revenue underperformance does not arise.
- iii. Regarding the allocation of the Financing Locally- Led Climate Action (FLLoCA) Program(s), County Climate Resilience Investment (CCRI) Grant projects, counties are yet to be assessed on the basis set out in section 5(6)(l) of the County Governments Additional Allocations Act, 2024. As such, there is uncertainty in the disbursement of FLLoCA grants to beneficiary counties in FY 2023/24.

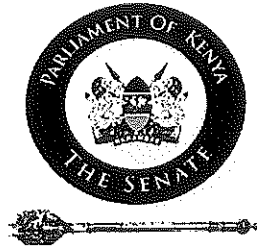
IV. Recommendations

16. Having considered the above matters, the Committee recommends as follows-

- i. That, the Senate approves the County Governments Additional Allocations Cash Disbursement Schedule as tabled on 19th March 2024.
- ii. That, the National Treasury should adhere to the cash disbursement schedule and prioritize transfers to the projects contained in the CGAA Act given that no amounts have been transferred since the beginning of the Financial Year 2023/24.
- iii. That, the National Treasury should ensure the inclusion of the allocation for Library Services (Ksh. 162.8 million), for mineral royalties (Ksh. 2.9 billion) and for court fines (Ksh. 108.6 million) in the Supplementary Estimates II of FY 2023/24 before submission to the National Assembly.
- iv. That, with regard to the allocation for the Financing Locally-Led Climate Action (FLLoCA) Program (County Climate Resilience Investment (CCRI) Grant), the National Treasury should expedite assessment of counties on the basis of the criteria in section 5(6)(l) of the County Government Additional Allocations Act, 2024 to ensure that the funds are disbursed in a timely manner.

Appendix

1. Committee Minutes
2. County Governments Additional Allocations Cash Disbursement Schedule for Financial Year 2023/24 as submitted by the National Treasury and Economic Planning.



MINUTES OF THE HUNDRED AND SEVENTEENTH (117TH) HYBRID MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON WEDNESDAY, 20TH MARCH, 2024 IN THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDING AT 8:00 A.M.

PRESENT.

- | | | |
|-------------------------------------------|---|-------------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, EGH, MP | - | Chairperson |
| 2. Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 3. Sen. Mohamed Mwinyihaji Faki, CBS MP | - | Member |
| 4. Sen. Richard Momoima Onyonka, MP | - | Member |
| 5. Sen. Shakila Abdalla Mohamed, MP | - | Member |
| 6. Sen. Eddy Oketch Gicheru, MP | - | Member |

ABSENT WITH APOLOGY.

- | | | |
|-----------------------------------------|---|--------|
| 1. Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 2. Sen. Joyce Chepkoech Korir, MP | - | Member |
| 3. Sen. Tabitha Karanja Keroche, MGH MP | - | Member |

SECRETARIAT.

- | | | |
|----------------------------|---|-------------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Radoli | - | Legal Counsel |
| 4. Mr. Josphat Motonu | - | Fiscal Analyst |
| 5. Ms. Millicent Makina | - | Fiscal Analyst |
| 6. Mr. Kiminza Kioko | - | Fiscal Analyst |
| 7. Mr. Joash Ng'eno | - | Media Relations Officer |
| 8. Mr. Godana Mamo | - | Serjeant-At-Arms |
| 9. Mr. Elijah Ichwara | - | Audio Officer |
| 10. Mr. Constant Wamayuyi | - | Research officer |
| 11. Mr. Oliver Onyango | - | Intern |

MIN/SEN/SCF&B/684/2024 **PRELIMINARIES**

The Chairperson called the meeting to order at 8:29 a.m. This was followed by a word of prayer and around of introduction.

MIN/SEN/SCF&B/685/2024 **ADPOTION OF THE AGENDA**

The agenda was adopted after being proposed by Sen. Mohamed Mwinyihaji Faki, CBS MP and seconded by Sen. Richard Momoima Onyonka, MP, as listed below-

1. Prayer;
2. Adoption of the agenda;
3. Confirmation of minutes of the 105th, 110th, 111th, 112th, 113th and 114th sittings;
4. Matters Arising from the Minutes
5. Consideration of Medium-Term Revenue Strategy (*Committee Paper No.84*)
6. Consideration of the County Governments Additional Allocations Cash Disbursement Schedule for FY 2023/24 (*Committee Paper No.85*)
7. Any Other Business; and
8. Adjournment and Date of the Next Meeting.

MIN/SEN/SCF&B/686/2024 **CONFIRMATION OF PREVIOUS MEETINGS.**

Confirmation of the Minutes of the 105th, 110th, 111th, 112th, 113th and 114th sittings were deferred to subsequent sitting.

MIN/SEN/SCF&B/687/2024. **CONSIDERATION OF MEDIUM-TERM REVENUE STRATEGY (COMMITTEE PAPER NO.84)**

The Committee considered Committee Paper No.84 on the Medium-Term Revenue Strategy and noted the content thereof as follows-

- a) The Medium-Term Revenue Strategy (MTRS) aim is to increase Kenya's revenue yield from the current 14.3% of the Gross Domestic Product (GDP) to at least 20% of the GDP, and compliance rate from 70% to 90% and increase the ratio of investment to GDP from 19.3% to 25.7% by 2026/27.
- b) The Tax Policy Measures highlighted in the MTRS include:
 - Lowering corporate income tax rate from 30% to 25%, reintroducing the minimum tax for companies experiencing tax losses, and phasing out preferential corporate tax rates for Special Economic Zones (SEZs) and Export Processing Zones (EPZs).

MIN/SEN/SCF&B/689/2024

**CONSIDERATION AND ADOPTION OF THE
REPORT ON THE COUNTY GOVERNMENTS
ADDITIONAL ALLOCATIONS CASH
DISBURSEMENT SCHEDULE FOR FY 2023/2024**

The Committee considered the report on the County Governments Additional Allocations Cash Disbursement Schedule for FY 2023/24. After deliberations, the Committee unanimously adopted the report having been proposed by Sen. Mohamed Mwinyihaji Faki, CBS MP, and seconded by Sen. Maureen Tabitha Mutinda, MP, with the following recommendations-

- a) That, the Senate approves the County Governments Additional Allocations Cash Disbursement Schedule as tabled on 19th March 2024.
- b) That, the National Treasury should adhere to the Cash Disbursement Schedule and prioritize transfers to the projects contained in the CGAA Act given that no amounts had been transferred since the beginning of the Financial Year 2023/24.
- c) That, the National Treasury should ensure the inclusion of the allocation for Library Services (Ksh.162.8 million), for mineral royalties (Ksh.2.9 billion) and for court fines (Ksh.108.6 million) in the Supplementary Estimates II of FY 2023/24 before submission to the Parliament.
- d) That, with regard to the allocation for the Financing Locally-Led Climate Action (FLLoCA) Program (County Climate Resilience Investment (CCRI) Grant), the National Treasury should expedite assessment of counties on the basis of the criteria in section 5(6)(l) of the County Government Additional Allocations Act, 2024 to ensure that the funds are disbursed in a timely manner.

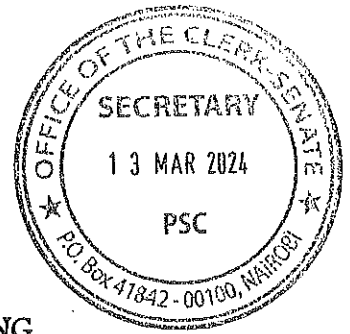
MIN/SEN/SCF&B/690/2024

**ADJOURNMENT AND THE DATE OF THE
NEXT MEETING**

There being no other business, the meeting was adjourned at 9:27 a.m. The next meeting will be held on Thursday, 21st March 2024.

SIGNATURE..... DATE.....

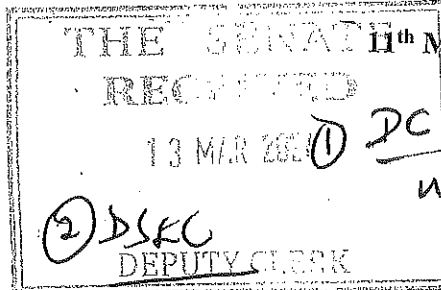
**SEN. (CAPT.) ALI IBRAHIM ROBA, EGH, MP
(CHAIRPERSON)**



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921
FAX NO. 310833
Telephone: 2252299
When Replying Please Quote
Ref No. IGFR/CD/01/E/ (24)

THE NATIONAL TREASURY
P. O. BOX 30007 - 00100
NAIROBI



11th March, 2024
DC (EK)
urgently deal
13/03/24

Mr. Jeremiah M. Nyegenye, CBS
Clerk of the Senate
Clerk's Chamber
Parliament Building
NAIROBI.

Dear *Mr. Nyegenye,*

kindly urgently deal.

RE: COUNTY GOVERNMENTS (ADDITIONAL ALLOCATIONS) CASH
DISBURSEMENT SCHEDULE FOR THE FINANCIAL YEAR 2023/24

13/03/2024
3) DDSEC (BL)
Kindly deal
13/03/2024
4) headclerk - Finance
Please Deal
14.03.24

The above subject matter refers.

Reference is made to letter Ref. No. SH/GM/26 VOL.1 (10) dated 4th March, 2024 from the Chief of Staff and Head of the Public Service addressed to the Hon. Attorney General and copied to the National Treasury. The letter was notifying the Attorney General that His Excellency the President had on 4th March 2024 assented to the County Governments Additional Allocations Bill 2023 and as such the Bill has become law in accordance with Article 115(1)(a) of the Constitution

Sections 17 (6) and (7) of Public Finance Management Act (PFMA) 2012 requires the National Treasury to disburse monies to Counties in line with a disbursement schedule developed by the National Treasury in consultation with the Intergovernmental Budget and Economic Council, upon approval by Senate, and gazetted, as approved.

In line with the above legal requirement, the National Treasury has prepared the County Governments (Additional Allocations) Cash Disbursement Schedule for the financial year 2023/24. Please note that the schedule includes disbursements of additional allocations on libraries and mineral royalties which had not been factored in the FY 2023/24 budget. Additional allocation on mineral royalties could not be accommodated in the budget due to limited fiscal space while additional allocations on libraries was included by Parliament and as such had not been budgeted for by the relevant State Department. These allocations will therefore require to be provided for in the Supplementary Budget for FY 2023/24 to facilitate disbursement to the Counties. The National Treasury had brought this to the attention of the Parliament while providing views on the Vellum on County Governments Additional Allocations Bill, 2023 (see attached).

The purpose of this letter therefore, is to forward to you the Cash Disbursement Schedule for 2023/24 financial year for your consideration and further necessary action.

Yours *Sincerely,*
[Signature]

NJUGUNA NDUNG'U, CBS
CABINET SECRETARY

