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**THE COUNTY ALLOCATION OF REVENUE
BILL, 2020**

A Bill for

AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2020/2021 financial year; the responsibilities of national 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 Allocation of Revenue Act, 2020. Short title.

2. In this Act —

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; and

“revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act; No.16 of 2011
Object.

3. The object of this Act is to—

- (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 2020/21;
- (b) provide, pursuant to Article 187(2) and 202 (2) of the Constitution, for conditional allocations for the financial year 2020/21; 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 Equitable
allocation of
county

Article 217 of the Constitution in respect of the financial year 2020/21 shall be as set out in Column D of the First Schedule. ^{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, 2012. ^{No. 18 of 2012.}

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

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

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

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

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

- (f) conditional allocations from a grant by DANIDA to finance Universal Healthcare in Devolved System Program as set out in Column G of the Third Schedule;
 - (g) conditional allocations from an EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column H of the Third Schedule;
 - (h) conditional allocations from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column I of the Third Schedule;
 - (i) conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column J of the Third Schedule;
 - (j) conditional allocations financed by a grant from EU to finance Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) as set out in Column K of the Third Schedule; and
 - (k) conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column L of the Third Schedule.
- (3) (a) Each county government's allocation under ^{No. 18 of 2012} subsection (1) (a), (b), (c), (e) and (f) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012;
- (b) the allocations transferred under paragraph (a) shall only be accessed by each county government after meeting conditions set by the Cabinet Secretary responsible for that function at the beginning of the financial year; and
- (c) the transfers made pursuant to paragraph (a) shall be included in the budget estimates of the county

government and submitted to the county assembly for approval.

(4) The county governments' allocations under subsection (1) (d) shall be included in the budget estimates of the national government and shall be submitted to Parliament for approval provided that the national government and county governments will have an intergovernmental agreement in line with Article 187 of the Constitution.

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

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

6. The budget ceilings for recurrent expenditure for county governments for the financial year 2020/2021 shall be as set out in the Fourth Schedule. Budget ceilings for recurrent expenditure.

7. (1) Where a county government has transferred functions to the national government pursuant to Article 187 of the Constitution, the county executive in consultation with the national government shall determine the cost of the transferred functions. Funding of transferred functions.

(2) The respective county assembly shall appropriate such monies as may be required for the transferred functions in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the County Assembly in the preceding financial year;.

(3) The monies appropriated under subsection (1), shall be transferred to the national government.

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

9. (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, 2012 report on actual transfers received by the county government from the national government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury. No. 18 of 2012

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

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

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial Year 2020/21 (Figures are in Kenya Shillings)		2019/2020		2020/21	
		County	Allocation Ratio Column A	Equitable Share Column B	Allocation Ratio Column C
1	Baringo	1.61	5,095,650,000	1.62	5,127,300,000
2	Bomet	1.74	5,507,100,000	1.74	5,507,100,000
3	Bungoma	2.81	8,893,650,000	2.83	8,956,950,000
4	Busia	1.90	6,013,500,000	1.93	6,108,450,000
5	Elgeyo/Marakwet	1.22	3,861,300,000	1.22	3,861,300,000
6	Embu	1.36	4,304,400,000	1.44	4,557,600,000
7	Garissa	2.22	7,026,300,000	2.22	7,026,300,000
8	Homa Bay	2.13	6,741,450,000	2.13	6,741,450,000
9	Isiolo	1.34	4,241,100,000	1.32	4,177,800,000
10	Kajiado	2.03	6,424,950,000	2.02	6,393,300,000
11	Kakamega	3.29	10,412,850,000	3.34	10,571,100,000
12	Kericho	1.70	5,380,500,000	1.72	5,443,800,000
13	Kiambu	2.98	9,431,700,000	3.11	9,843,150,000
14	Kilifi	3.30	10,444,500,000	3.35	10,602,750,000
15	Kirinyaga	1.34	4,241,100,000	1.35	4,272,750,000
16	Kisii	2.46	7,785,900,000	2.47	7,817,550,000
17	Kisumu	2.16	6,836,400,000	2.16	6,836,400,000
18	Kitui	2.79	8,830,350,000	2.80	8,862,000,000
19	Kwale	2.46	7,785,900,000	2.42	7,659,300,000
20	Lakipia	1.32	4,177,800,000	1.52	4,810,800,000
21	Lamu	0.82	2,595,300,000	0.87	2,753,550,000
22	Machakos	2.45	7,754,250,000	2.54	8,039,100,000
23	Makueni	2.34	7,406,100,000	2.30	7,279,500,000
24	Mandera	3.23	10,222,950,000	3.23	10,222,950,000
25	Marsabit	2.14	6,773,100,000	2.17	6,868,050,000

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial Year 2020/21 (Figures are in Kenya Shillings)		2019/2020		2020/21	
		County	Allocation Ratio Column A	Equitable Share Column B	Allocation Ratio Column C
26	Meru	2.54	8,039,100,000	2.56	8,102,400,000
27	Migori	2.14	6,773,100,000	2.17	6,868,050,000
28	Mombasa	2.23	7,057,950,000	2.35	7,437,750,000
29	Murang'a	1.99	6,298,350,000	2.04	6,456,600,000
30	Nairobi	5.03	15,919,950,000	5.04	15,951,600,000
31	Nakuru	3.31	10,476,150,000	3.08	9,748,200,000
32	Nandi	1.69	5,348,850,000	1.70	5,380,500,000
33	Narok	2.54	8,039,100,000	2.25	7,121,250,000
34	Nyanira	1.52	4,810,800,000	1.55	4,905,750,000
35	Nyandarua	1.54	4,874,100,000	1.55	4,905,750,000
36	Nyeri	1.71	5,412,150,000	1.61	5,095,650,000
37	Samburu	1.46	4,620,900,000	1.26	3,987,900,000
38	Siaya	1.83	5,791,950,000	1.85	5,855,250,000
39	Taita/Taveta	1.34	4,241,100,000	1.39	4,399,350,000
40	Tana River	1.85	5,855,250,000	1.77	5,602,050,000
41	Tharaka-Nithi	1.24	3,924,600,000	1.22	3,861,300,000
42	Trans Nzoia	1.82	5,760,300,000	1.83	5,791,950,000
43	Turkana	3.33	10,539,450,000	3.34	10,571,100,000
44	Uasin Gishu	2.00	6,330,000,000	1.91	6,045,150,000
45	Vihiga	1.47	4,652,550,000	1.43	4,525,950,000
46	Wajir	2.70	8,545,500,000	2.70	8,545,500,000
47	West Pokot	1.58	5,000,700,000	1.58	5,000,700,000
	Total	100	316,500,000,000	100	316,500,000,000

SECOND SCHEDULE (s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial year 2020/21(Figures are in Kenya Shillings)									
				FY 2020/21					
S/N	County	Total Conditional Grants from the National Government Revenue	Conditional Grants to Level 5 Hospitals	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 Youth Polytechnics	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
1	Baringo	325,886,990	-	-	13,191,000	132,021,277	152,818,903	20,494,894	318,526,074
2	Bomet	363,576,140	-	-	16,713,356	132,021,277	164,138,822	48,499,894	361,373,349
3	Bungoma	497,074,571	-	-	32,837,307	132,021,277	266,961,417	67,849,894	499,669,895
4	Busia	383,252,179	-	-	16,934,085	132,021,277	182,062,027	57,199,894	388,217,283
5	Elgeyo/Marakwet	286,153,813	-	-	8,788,919	132,021,277	115,085,841	27,904,894	283,800,931
6	Embu	621,463,343	301,040,462	-	10,724,225	132,021,277	135,839,025	34,249,894	613,874,883
7	Garissa	726,729,514	344,739,884	-	12,964,636	132,021,277	209,418,497	17,899,894	717,044,188
8	Homa Bay	398,419,701	-	-	22,185,346	132,021,277	200,928,558	40,399,894	395,535,075
9	Isiolo	394,854,851	-	100,000,000	3,472,461	132,021,277	124,519,106	5,344,894	365,357,738
10	Kajiado	347,456,099	-	-	16,955,365	132,021,277	190,551,966	28,504,894	368,033,502
11	Kakamega	933,826,966	427,283,237	-	37,789,290	132,021,277	315,071,072	102,349,894	1,014,514,770
12	Kericho	349,220,748	-	-	18,048,789	132,021,277	162,252,169	22,444,894	334,767,129
13	Kiambu	1,045,877,410	538,716,763	-	34,671,542	132,021,277	293,374,561	61,984,894	1,060,769,037
14	Kilifi	535,740,936	-	-	25,969,864	132,021,277	316,014,398	79,999,894	554,005,433
15	Kirinyaga	298,227,971	-	-	11,282,570	132,021,277	127,349,086	26,899,894	297,552,827
16	Kisii	838,456,363	417,572,254	-	26,138,997	132,021,277	233,001,661	70,549,894	879,284,083
17	Kisumu	759,756,337	369,017,341	-	21,299,489	132,021,277	203,758,538	45,349,894	771,446,539
18	Kitui	471,748,346	-	-	22,499,906	132,021,277	264,131,438	92,149,894	510,802,515
19	Kwale	406,504,819	-	-	15,209,593	132,021,277	228,285,028	56,299,894	431,815,792

Conditional allocations to County Governments from National Government Revenue in Financial year 2020/21(Figures are in Kenya Shillings)									
				FY 2020/21					
S/N	County	Total Conditional Grants from the National Government Revenue	Conditional Grants to Level 5 Hospitals	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 Youth Polytechnics	Total Conditional Grants from the National Government Revenue
20	Laikipia	Column A 292,933,208	Column B -	Column C -	Column D 9,968,208	Column E 132,021,277	Column F 143,385,638	Column G 18,319,894	Column H 303,695,017
21	Lamu	388,666,287	-	50,000,000	2,451,034	132,021,277	82,069,411	50,299,894	316,841,616
22	Machakos	855,515,142	383,583,815	-	24,129,039	132,021,277	239,604,947	62,749,894	842,088,972
23	Makueni	419,420,376	-	-	19,435,760	132,021,277	216,965,109	68,299,894	436,722,040
24	Mandera	477,406,462	-	-	25,474,920	132,021,277	304,694,480	15,049,894	477,240,571
25	Marsabit	368,501,297	-	-	6,643,714	132,021,277	204,701,864	10,699,894	354,066,749
26	Meru	836,751,165	373,872,832	-	31,648,428	132,021,277	241,491,600	58,249,894	837,284,031
27	Migori	392,845,495	-	-	21,655,884	132,021,277	204,701,864	36,439,894	394,818,919
28	Mombasa	821,711,679	388,439,306	-	23,385,934	132,021,277	221,681,742	18,484,894	784,013,153
29	Murang'a	414,924,838	-	-	20,138,691	132,021,277	192,438,619	97,999,894	442,598,481
30	Nairobi City	693,891,449	-	-	79,423,251	132,021,277	475,436,588	16,009,894	702,891,010
31	Nakuru	861,915,384	373,872,832	-	38,723,265	132,021,277	290,544,581	66,289,894	901,451,849
32	Nandi	332,911,134	-	-	18,086,363	132,021,277	160,365,516	27,919,894	338,393,050
33	Narok	366,351,425	-	-	20,595,297	132,021,277	212,248,477	16,084,894	380,949,945
34	Nyanira	365,351,960	-	-	13,175,221	132,021,277	146,215,617	60,409,894	351,822,009
35	Nyandarua	453,290,886	-	50,000,000	12,735,922	132,021,277	146,215,617	30,949,894	371,922,710
36	Nyeri	752,037,306	407,861,272	-	13,701,379	132,021,277	151,875,577	48,949,894	754,409,399

Conditional allocations to County Governments from National Government Revenue in Financial year 2020/21(Figures are in Kenya Shillings)									
				FY 2020/21					
S/N	County	Total Conditional Grants from the National Government Revenue	Conditional Grants to Level 5 Hospitals	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 Youth Polytechnics	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
37	Samburu	289,182,663	-	-	5,235,578	132,021,277	118,859,147	10,549,894	266,665,896
38	Siaya	363,250,841	-	-	18,194,808	132,021,277	174,515,414	48,199,894	372,931,393
39	Taita/Taveta	302,852,764	-	-	5,296,305	132,021,277	131,122,392	57,634,894	326,074,868
40	Tana River	444,976,172	-	50,000,000	5,682,537	132,021,277	166,968,802	14,674,894	369,347,510
41	Tharaka-Nithi	403,469,781	-	50,000,000	8,218,119	132,021,277	115,085,841	60,799,894	366,125,131
42	Trans Nzoia	353,144,408	-	-	21,304,915	132,021,277	172,628,761	43,909,894	369,864,847
43	Turkana	492,062,051	-	-	25,634,941	132,021,277	315,071,072	12,709,894	485,437,184
44	Uasin Gishu	357,999,358	-	-	20,813,065	132,021,277	180,175,373	40,129,894	373,139,609
45	Vihiga	323,032,159	-	-	12,657,201	132,021,277	134,895,698	69,979,894	349,554,070
46	Wajir	418,577,475	-	-	15,784,997	132,021,277	254,698,172	14,074,894	416,579,340
47	West Pokot	317,642,241	-	-	12,128,484	132,021,277	149,045,597	17,749,894	310,945,252
	GRAND TOTAL	23,144,842,503	4,326,000,000	300,000,000	900,000,000	6,205,000,019	9,433,265,629	2,000,000,018	23,164,265,664

THIRD SCHEDULE (s. 5(2))

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial year 2020/21 (Figures are in Kenya Shillings)													
County	FY 2020/21											Total Loans and Grants	
	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K		Column L
	Total Loans and Grants												
	Transforming Health Systems for Universal Care Project (WB)												
	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)												
	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)												
	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant"												
	IDA (World Bank) credit: Kenya Urban Support Project(KUSP) - Urban Development Grant (UDG)												
	DANIDA Grant (Universal Healthcare in Devolved System Program)												
	EU Grant (Instruments for Devolution Advice and Support IDEAS)												
	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)												
	Sweden- Agricultural Sector Development Support Programme (ASDSP) II												
	EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)												
	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)												
	Total Loans and Grants												
	FY 2019/20												
County	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
Baringo	325,325,892	98,424,470	-	247,240,980	45,000,000	0	14,490,000	15,626,168	-	13,557,645	-	-	434,339,263
Bomet	457,270,099	117,514,681	-	279,356,310	45,000,000	-	15,660,000	-	-	13,444,366	-	-	470,975,357
Bungoma	958,352,734	38,480,000	201,210,550	-	45,000,000	-	25,290,000	-	-	14,376,061	52,565,915	-	376,922,526
Busia	454,041,031	31,200,000	-	320,226,100	45,000,000	-	17,100,000	-	-	14,004,970	30,127,734	-	457,658,804
Elgeyo/Marakwet	389,907,368	33,340,400	-	280,000,045	45,000,000	-	10,980,000	-	-	12,921,815	69,163,856	-	451,406,116
Embu	581,992,895	112,736,973	202,094,150	-	45,000,000	-	12,240,000	-	-	12,112,312	-	-	384,183,435
Garissa	918,389,383	33,760,000	-	320,528,195	45,000,000	-	19,980,000	-	500,000,000	15,513,345	-	-	934,781,540
Homa Bay	599,801,103	33,040,000	198,467,950	-	45,000,000	-	19,170,000	-	-	13,738,669	-	-	309,416,619
Isiolo	403,048,854	26,720,000	-	479,143,620	45,000,000	-	12,060,000	-	-	14,193,675	-	-	577,117,295
Kajiado	626,033,282	203,253,802	-	279,821,200	45,000,000	-	18,270,000	-	-	13,357,272	-	-	559,702,274

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial year 2020/21 (Figures are in Kenya Shillings)													
	Total Loans and Grants	Transforming Health Systems for Universal Care Project (WB)	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant"	IDA (World Bank) credit: Kenya Urban Support Project(KUSP) - Urban Development Grant (UDG)	DANIDA Grant (Universal Healthcare in Devolved System Program)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	Total Loans and Grants
Kakamega	737,368,864	50,214,024	-	302,964,820	45,000,000	-	29,610,000	-	-	15,041,144	42,632,067	-	485,462,055
Kericho	599,580,638	95,189,398	-	277,000,000	45,000,000	-	15,300,000	-	-	12,776,994	-	-	445,266,392
Kiambu	2,381,409,369	49,790,789	222,340,320	-	45,000,000	-	26,820,000	-	-	13,436,146	-	-	357,387,255
Kilifi	1,500,516,666	265,111,481	198,440,766	-	45,000,000	-	29,700,000	-	700,000,000	14,982,463	-	-	1,253,234,710
Kirinyaga	521,896,956	26,720,000	199,748,243	-	45,000,000	-	12,060,000	-	-	11,509,004	-	-	295,037,247
Kisii	684,744,542	68,638,638	198,615,016	-	45,000,000	-	22,140,000	16,140,145	-	14,185,102	-	-	364,718,901
Kisumu	1,119,577,868	57,625,645	-	240,035,100	45,000,000	-	19,440,000	15,626,168	-	13,186,151	34,868,974	-	425,782,038
Kitui	797,515,756	38,320,000	199,218,200	-	45,000,000	-	25,110,000	-	-	15,428,645	-	-	323,076,845
Kwale	982,716,075	35,200,000	199,640,546	-	45,000,000	-	22,140,000	15,624,891	400,000,000	14,732,422	-	-	732,337,859
Laikipia	305,078,964	90,610,649	-	236,105,200	45,000,000	-	11,880,000	15,626,168	-	12,916,815	-	-	412,138,832
Lamu	306,166,757	131,761,634	-	257,872,086	45,000,000	-	7,380,000	-	-	11,343,998	-	-	453,357,718
Machakos	1,379,849,081	45,165,352	-	279,999,640	45,000,000	-	22,050,000	-	-	13,746,442	-	-	405,961,434
Makueni	704,754,514	98,890,804	198,499,820	-	45,000,000	-	21,060,000	11,000,000	-	14,534,090	-	-	388,984,714

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial year 2020/21 (Figures are in Kenya Shillings)													
	Total Loans and Grants	Transforming Health Systems for Universal Care Project (WB)	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant"	IDA (World Bank) credit: Kenya Urban Support Project(KUSP) - Urban Development Grant (UDG)	DANIDA Grant (Universal Healthcare in Devolved System Program)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	Total Loans and Grants
Mandera	593,513,860	300,000,000	-	290,090,936	45,000,000	-	29,070,000	-	17,048,048	-	-	-	681,208,984
Marsabit	527,605,108	99,759,979	-	3,199,933,840	45,000,000	-	19,260,000	16,140,048	-	16,810,792	-	100,000,000	616,904,659
Meru	532,143,439	36,400,000	202,802,950	-	45,000,000	-	22,860,000	-	13,550,139	-	-	-	320,613,089
Migori	1,065,515,013	40,295,580	198,500,002	-	45,000,000	-	19,260,000	15,626,168	-	13,703,648	-	-	332,385,398
Mombasa	1,658,859,269	114,569,473	-	-	45,000,000	-	20,070,000	-	1,100,000,000	12,749,975	-	-	1,292,389,448
Murang'a	520,780,762	149,093,840	198,485,140	-	45,000,000	-	17,910,000	-	12,746,035	-	-	-	423,235,015
Nairobi City	194,699,600	60,494,430	-	-	45,000,000	-	45,270,000	-	15,955,893	-	-	-	166,720,323
Nakuru	1,591,604,871	40,080,000	198,441,600	-	45,000,000	-	29,790,000	-	14,171,667	-	-	-	327,483,267
Nandi	718,841,621	102,150,272	197,907,900	-	45,000,000	-	15,210,000	-	12,838,123	60,669,094	-	-	433,775,389
Narok	538,812,751	104,265,416	218,575,646	-	45,000,000	-	22,860,000	-	13,695,490	-	-	-	404,396,552
Nyamira	569,692,854	278,847,760	198,509,110	-	45,000,000	-	13,680,000	-	13,125,036	-	-	-	549,161,906
Nyandarua	377,541,424	163,357,834	-	239,157,250	45,000,000	-	13,860,000	11,000,000	-	12,491,573	-	-	484,866,657
Nyeri	541,842,102	28,800,000	-	312,177,550	45,000,000	-	15,390,000	-	11,958,572	-	-	-	413,326,122

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial year 2020/21 (Figures are in Kenya Shillings)													
	Total Loans and Grants	Transforming Health Systems for Universal Care Project (WB)	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant"	IDA (World Bank) credit: Kenya Urban Support Project(KUSP) - Urban Development Grant (UDG)	DANIDA Grant (Universal Healthcare in Devolved System Program)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	Total Loans and Grants
Sanburu	538,172,418	31,320,789	216,145,500	-	45,000,000	-	13,140,000	15,626,168	-	14,496,213	-	-	335,728,670
Siaya	395,748,123	50,199,253	-	319,185,080	45,000,000	-	16,470,000	-	-	12,874,560	38,530,664	-	482,259,557
Taita/Taveta	734,315,201	40,679,150	-	317,598,320	45,000,000	-	12,060,000	15,624,929	350,000,000	13,206,924	-	-	794,169,323
Tana River	392,033,835	138,012,263	-	320,630,200	45,000,000	-	16,650,000	14,727,370	-	15,405,911	-	-	550,425,744
Tharaka-Nithi	307,617,021	101,448,239	-	320,000,850	45,000,000	-	11,160,000	-	-	12,178,726	-	-	489,787,815
Trans Nzoia	838,143,691	44,386,749	199,332,120	-	45,000,000	-	16,380,000	-	-	13,012,542	45,162,927	-	363,274,338
Turkana	825,467,592	300,000,000	216,213,200	-	45,000,000	-	29,970,000	-	-	18,731,177	-	200,000,000	809,914,377
Uasin Gishu	1,081,492,860	114,973,599	-	239,984,700	45,000,000	-	18,000,000	11,000,000	-	12,720,859	62,574,758	-	504,253,916
Vhiga	804,853,103	93,531,471	198,457,709	-	45,000,000	-	13,230,000	-	-	12,316,175	25,751,575	-	388,286,930
Majir	715,958,149	98,763,532	-	320,674,340	45,000,000	-	24,300,000	15,626,168	350,000,000	17,532,329	-	-	871,896,369
West Pokot	399,283,864	32,237,369	-	320,000,420	45,000,000	-	14,220,000	11,000,000	-	14,224,205	65,952,437	-	502,634,431
Total	39,089,877,222	4,345,375,738	4,261,646,438	7,119,726,782	2,115,000,000	6,366,000,000	900,000,000	216,014,391	3,400,000,000	652,584,158	528,000,001	300,000,000	30,204,347,508

THEFOURTH SCHEDULE (s. 6)

County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2020/2021 (Figures are in Kenya Shillings)				
COUNTY	COUNTY ASSEMBLY		COUNTY EXECUTIVE	
	2019/20	2020/21	2019/20	2020/21
Baringo	687,926,864	687,926,864	569,787,017	569,787,017
Bomet	606,321,526	606,321,526	552,531,315	552,531,315
Bungoma	852,697,315	852,697,315	621,554,119	621,554,119
Busia	738,972,659	738,972,659	587,042,718	587,042,718
Elgeyo/Marakwet	572,974,781	572,974,781	535,275,615	535,275,615
Embu	580,057,624	580,057,624	535,275,615	535,275,615
Garissa	758,771,695	758,771,695	569,787,017	569,787,017
Homa-Bay	852,232,576	852,232,576	604,298,418	604,298,418
Isiolo	421,383,160	421,383,160	463,713,275	463,713,275
Kajiado	666,147,523	666,147,523	527,830,690	527,830,690
Kakamega	1,066,936,774	1,066,936,774	673,321,221	673,321,221
Kericho	692,058,978	692,058,978	569,787,017	569,787,017
Kiambu	1,085,527,936	1,085,527,936	673,321,221	673,321,221
Kilifi	756,635,440	756,635,440	587,042,718	587,042,718
Kirinyaga	569,393,333	569,393,333	522,925,302	522,925,302
Kisii	919,508,597	919,508,597	621,554,119	621,554,119
Kisumu	701,921,494	701,921,494	587,042,718	587,042,718
Kitui	836,025,472	836,025,472	604,298,418	604,298,418
Kwale	591,895,413	591,895,413	535,275,615	535,275,615
Laikipia	452,388,054	452,388,054	493,319,288	493,319,288
Lamu	405,697,936	405,697,936	463,713,275	463,713,275
Machakos	841,145,156	841,145,156	604,298,418	604,298,418
Makueni	703,984,829	703,984,829	569,787,017	569,787,017
Mandera	726,834,897	726,834,897	578,963,987	578,963,987
Marsabit	640,182,991	640,182,991	535,275,615	535,275,615
Meru	914,997,229	914,997,229	621,554,119	621,554,119
Migori	836,834,225	836,834,225	604,298,418	604,298,418
Mombasa	658,609,194	658,609,194	569,787,017	569,787,017
Murang'a	735,143,240	735,143,240	587,042,718	587,042,718
Nairobi City	1,409,977,879	1,409,977,879	759,599,725	759,599,725
Nakuru	983,219,236	983,219,236	656,065,520	656,065,520
Nandi	649,760,252	649,760,252	569,787,017	569,787,017
Narok	709,598,198	709,598,198	569,787,017	569,787,017
Nyamira	596,107,510	596,107,510	535,275,615	535,275,615
Nyandarua	633,970,935	633,970,935	552,531,315	552,531,315
Nyeri	676,085,232	676,085,232	569,787,017	569,787,017
Samburu	490,297,034	490,297,034	480,968,975	480,968,975
Siaya	666,308,584	666,308,584	569,787,017	569,787,017
Taita-Taveta	601,130,595	601,130,595	535,275,615	535,275,615
Tana-River	486,497,243	486,497,243	505,669,601	505,669,601

County Government Budget Ceilings on Recurrent Expenditure in Financial Year 2020/2021 (Figures are in Kenya Shillings)				
COUNTY	COUNTY ASSEMBLY		COUNTY EXECUTIVE	
	2019/20	2020/21	2019/20	2020/21
Tharaka-Nithi	423,104,928	423,104,928	493,319,288	493,319,288
Trans-Nzoia	628,139,110	628,139,110	552,531,315	552,531,315
Turkana	767,192,392	767,192,392	569,787,017	569,787,017
Uasin-Gishu	686,014,946	686,014,946	569,787,017	569,787,017
Vihiga	621,955,167	621,955,167	552,531,315	552,531,315
Wajir	760,194,403	760,194,403	560,610,046	560,610,046
West Pokot	584,824,909	584,824,909	535,275,615	535,275,615
TOTAL	33,247,585,464	33,247,585,464	26,708,080,067	26,708,080,067

MEMORANDUM OF OBJECTS AND REASONS

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

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 equitable allocation of nationally raised revenue and conditional grants among county governments for the financial year 2020/2021; and to provide for the transfer of 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 of the Bill provides for the publishing of monthly report by the national government, on actual transfers of all allocations to county governments.

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

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

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

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

Dated the 17th April, 2020

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

**EXPLANATORY MEMORANDUM TO THE COUNTY
ALLOCATION OF REVENUE BILL, 2020****Background**

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

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

Explanation of Revenue Allocation as Proposed by the Bill

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

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

Additional Conditional Allocations to County Governments

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

proposes to allocate the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:

- (i) Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 6.205 billion. This grant which is in its sixth year of implementation, is proposed to increase from Ksh. 6.200 billion in FY 2019/20 to Ksh. 6.205 billion in FY 2020/21 and is intended to facilitate the payment of lease amounts in respect of modern specialised medical equipment in at least two health facilities in each County Government over the medium term. This will facilitate easy access to specialised health care services and significantly reduce the distance that Kenyans travel in search of such services today.
- (ii) Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion. Level-5 hospitals continue to play a critical role in providing specialised health care services to Kenyans. These hospitals provide specialised health care services to citizens residing within and outside their host County, usually for complicated cases referred from lower level health facilities. In order to compensate them for the costs incurred in rendering services to neighbouring Counties, the national government proposes to allocate Ksh. 4.3 billion in financial year 2020/21 to 11 counties with level 5 hospitals.
- (iii) Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for user fees foregone. It is the intention of government to sustain the Government policy of not charging user fees in public health facilities. In this regard, and in furtherance of this policy, the National Government has proposed an allocation of Ksh. 900 million in the financial year 2020/21 to compensate county governments for revenue forgone by not charging user fees in the county health facilities. This additional conditional allocation, which is in its sixth year of implementation, will further complement government efforts of not only achieving the Universal Health Coverage, but also sustaining its gains.
- (iv) Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2 billion: this additional conditional allocation which is in its fourth year of implementation and implemented through the State Department of Vocational and Technical Training, is meant to support county governments in equipping Technical and Vocational Centres and capitation of student fees. The additional conditional allocation aims at

- enhancing access to quality and relevant vocational skills training.
- (v) Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 300 Million in five counties: This conditional allocation is intended to further supplement financing for construction of headquarters by five County Governments that did not inherit adequate offices. The five counties are Isiolo; Lamu; Nyandarua; Tana River and Tharaka-Nithi. This marks the fourth year of its implementation whereby the National Government contributes 70 percent of the budget while County Governments contributes 30 percent of the total cost of the projects. This allocation has declined from Ksh. 485 million allocated in FY 2019/20 to a proposed allocation of Ksh. 300 million in FY 2020/21.
- (vi) Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 9.4 billion. This conditional allocation which is in its sixth year of allocation is proposed to be Ksh. 9.4 billion in FY 2020/21. This allocation is meant to further enhance County Governments' capacity to repair and maintain county roads and is equivalent to 15 percent of the Road Maintenance Fuel Levy Fund. The allocation has increased significantly from Ksh. 8.98 billion allocated to RMLF in FY 2019/20 to the proposed allocation of Ksh. 9.4 billion in FY 2020/21. This is attributed to higher projected revenues from fuel levy in FY 2020/21 compared to projections in FY 2019/20 which when the 15 % is applied, increases allocation to counties.
- Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 4.3 billion (World Bank credit): - This conditional allocation through the Ministry of Health is meant to improve delivery, utilization and quality of primary health care services with focus on reproductive, maternal, newborn, child and adolescent health (RMNCAH) at the county level. This additional conditional allocation is proposed to increase from Ksh. 2.99 billion in FY 2019/20 to Ksh. 4.3 billion in the financial year 2020/21. This is attributed to the structure of project implementation and financing as contained in the Project Appraisal Document. This conditional allocation will complement the National Government efforts on attainment of the Universal Health Coverage policy initiative.
 - DANIDA-Universal Healthcare for Devolved System Program of ksh. 900 million: The project development objective (PDO) of this programme is "to improve utilization and quality of

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

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

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

of the programme and its planned activities as outlined in the Project Appraisal Document (PAD) and the project implementation work plans.

- Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.1 billion. This is a conditional grant, which is in its second year of implementation, financed by a World Bank credit to support county government’s capacity building under the Kenya Devolution Support Program (KDSP) amounting to Ksh. 2.1 billion. This grant is intended to support capacity building initiatives in the counties in the following areas:
 - strengthening public financial management systems;
 - strengthening County human resource management;
 - improving county planning, monitoring and evaluation systems;
 - civic education and public participation; and
 - strengthening intergovernmental relations.

Although the programme was supposed to come to an end upon disbursement of the Ksh. 1.4 billion allocated to it in FY 2019/20; the National Treasury was not able to disburse Ksh. 2.3 billion allocated the programme in FY 2018/19 due to adjustment in the amount to be paid to county governments against one of the Disbursement Linked Indicators (DLI) under the Kenya Devolution Support Program (KDSP). As such and following clarification by the World Bank on the correct allocation, the Exchequer could not disburse the Ksh. 2.3 billion to the Counties as allocated in the County Allocation of Revenue Act, 2018 pending KDSP’s restructuring including increasing the allocation to the afore-mentioned DLI. In this regard, and upon confirmation on restructuring of the DLI, the National Treasury has proposed to allocate Ksh. 2.1 billion to KDSP Level 1 in FY 2020/21 as part of arrears of Ksh. 2.3 billion allocated but not disbursed in FY 2018/19.

- EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 216 million: This grant which is proposed to be allocated Ksh. 216 million in the financial year 2020/21 is in its fourth year of implementation. The grant is meant to support national and county government’s capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local

economic development at the county level. This additional conditional allocation has declined from an allocation of Ksh. 492 million in FY 2019/20 to the proposed allocation of Ksh. 216 million in the financial year 2020/21. This is attributed to advanced completion rate of the programme and its planned activities as outlined in the Project Appraisal Document (PAD) and the project implementation work plans.

- IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of ksh. 7.1 billion: The project development objective (PDO) of this project is “to increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.

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

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

- IDA – Water and Sanitation Development Project (WSDP) World Bank Credit of ksh. 3.4 billion: The Project Development Objective (PDO) of this program, financed by this additional conditional allocation, is to improve water supply and sanitation services in six select counties located in the coastal and north eastern regions of Kenya. This is achieved by investing in water supply and sanitation infrastructure in urban centers in these counties. The project will also improve services by strengthening institutional capacity in areas, such as, reducing Non-Revenue Water (NRW), improving billing and revenue collection systems, and developing medium-term business plans. In addition, the WSDP will establish a results-based financing mechanism at the national level to provide incentives

to the Water Services Providers (WSPs) to accelerate access to water supply and sanitation services and improve operational and financial performance.

- Agricultural Sector Development Support Programme (ASDSP) II- Ksh. 652 million- ASDSP II, which is in its third year of implementation, is part of the implementation strategy of the Agricultural Policy (AP) for the national and county governments. In line with the AP, the overall goal of ASDSP II is to contribute to “transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security”. The Programme Purpose is “to Develop Sustainable Priority Value Chains (PVCs) for improved income, food and nutrition security”, which will contribute to achievement of the “BIG FOUR” agenda of the Government on food security. This additional conditional allocation has significantly declined from an allocation of Ksh. 7.2 billion in FY 2019/20 to the proposed allocation of Ksh. 652 million in the financial year 2020/21. This is attributed to the advanced completion rate of the programme which is within the approved programme timelines and as specified in the implementation work plans.
- EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) - Ksh. 528 million: -The purpose of this additional allocation, which is in its second year of implementation, is to facilitate the implementation of the national climate change action plan and the master plan for the conservation of water catchment areas of Cherangany Hills and Mount Elgon.

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

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

pending programme restructuring by the EU and the Kenya Government.

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

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

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

5. Fiscal Capacity and Efficiency of County Governments: Fiscal capacity for county governments refers to the potential revenues that can be generated from the tax bases assigned to the counties when a standard average level of effort is applied. The second generation formula developed by the Commission on Revenue Allocation for sharing equitable share of Revenue has provided for 2 % weight to fiscal responsibility parameter. This measure takes into account variations in fiscal capacity and efficiency in OSR collection across counties in the sharing of revenue raised nationally.

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

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

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

9. Stability and Predictability of County Revenue Allocations: The county governments' equitable share of revenue raised nationally has been protected from budget cuts that may be necessitated by shortfall in revenue raised nationally. According to clause 5 of the DoRB 2020, any shortfall in revenue raised nationally is to be borne by the National Government, to the extent of the threshold to be determined in regulations by the Cabinet Secretary.

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

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

11. The difference in the Commission on Revenue Allocation (CRA) recommendation and the DoRB 2020 proposal emanates from the proposal by the National Treasury that County Governments' equitable revenue

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

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

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

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

Source: National Treasury and Planning

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

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

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

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

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

Conclusion

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

16. The proposed equitable share allocated to county governments in the Division of Revenue Bill, 2020, at 26.5 per cent of the most recent audited revenue as approved by the National Assembly.

ANNEXES: FRAMEWORKS FOR MANAGING ADDITIONAL CONDITIONAL ALLOCATIONS.

I. Additional Conditional Allocations from the National Revenues

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

Allocation to Supplement Financing for Level 5 Hospitals

Ministry/State Department Responsible	Vote: Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	<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. (f) Financial reports including funds flow to the Level 5 facilities (g) Cost Implication of offering of referral services
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> (a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2020/21. (b) Ensure hospital prepares an integrated annual work plan that incorporates all

	income including conditional grants with clear deliverables (c) Supervise operations of the hospital. (d) Ensure quality hospital administrative statistics data in DHIS (e) Prepare financial expenditure reports to County Treasury with copies to The National Treasury and Planning and Ministry of Health		
Allocation: 2020/21	KSh. 4,326,000,000		
Purpose of the grant	To sustain service delivery in designated Level 5 hospitals, targeting medical and surgical subspecialties, inter-county referral services and medical training.		
Allocation criteria	Bed occupancy rate in 2018 and Referrals from outside the county		
Allocation by County			
County	Hospital/s	Occupancy 2015	Allocation
Embu	Embu	62	301,040,462.43
Garissa	Garissa	71	344,739,884.39
Kakamega	Kakamega	88	427,283,236.99
Kiambu	Kiambu/Thika	85	538,716,763.00
Kisii	Kisii	86	417,572,254.34
Kisumu	Kisumu	76	369,017,341.04
Machakos	Machakos	79	383,583,815.03
Meru	Meru	77	373,872,832.37
Mombasa	Mombasa	80	388,439,306.36
Nakuru	Nakuru	77	373,872,832.37
Nyeri	Nyeri	84	407,861,271.68
Grand Total		865	4,326,000,000

Source: Ministry of Health

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	Principal Secretary, State Department of Public Works

National Government Responsible	
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>a) Each County Government to include in its budget estimates for FY 2019/20 a contribution/counterpart funding as stipulated in the co-financing agreement and that these estimates to be considered for approval by respective County Assemblies;</p> <p>b) Each County Government to ensure that proceeds from the conditional allocation (including both the contribution from the National Government and from the county) is apportioned between construction costs for County Executive headquarters and County Assembly headquarters in the ratio of 61% and 39%, respectively. The above split is based on the approved costs per 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: 2020/21	KSh. 300,000,000
Purpose of the grant	Purpose of the grant is to support construction of offices by five (5) County Governments which, in 2013/14, did not inherit adequate facilities that could accommodate the new administration.

Allocation criteria	Above aggregate allocation shared equally by the five (5) County Governments
Allocation by County	
Isiolo	100,000,000
Lamu	50,000,000
Nyandarua	50,000,000
Tana River	50,000,000
Tharaka-Nithi	50,000,000
GRAND TOTAL	300,000,000

Source: State Department of Public Works

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 (c) Health facilities must be gazetted under Cap 253 and have MFL codes (d) Health facilities have approved integrated work plans that incorporate all sources of funds, including conditional grants

	(f) Health facilities report timely in DHIS and financial transactions are captured in IFMIS	
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government	
Responsibilities of the County Government accounting officer	(a) Ensure health centers and dispensaries prepare integrated annual work plans that incorporates all sources of income (b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and Planning and MOH (c) Ensure counties capture revenue received from the National Government as a grant in their budget	
Allocation: 2020/21	KSh. 900,000,000.00	
Purpose of the grant	To compensate public dispensaries and health centers for lost revenue on abolishment of user fees.	
Allocation criteria	(a) Sharing among Counties is based on population data from KNBS (2016 projections), and (b) Distribution to recipient health centers and dispensaries in a county is based on outpatient attendance (OPD) workload for 2016/17 as reported routinely in DHIS.	
Allocation by County		
County	Population 2016	Allocation
Baringo	690540	13,191,000
Bomet	874933	16,713,356
Bungoma	1719011	32,837,307
Busia	886488	16,934,085
Elgeyo/Marakwet	460094	8,788,919
Embu	561406	10,724,225
Garissa	678690	12,964,636
Homa Bay	1161388	22,185,346
Isiolo	181781	3,472,461
Kajiado	887602	16,955,365

Kakamega	1978244	37,789,290
Kericho	944842	18,048,789
Kiambu	1815032	34,671,542
Kilifi	1359505	25,969,864
Kirinyaga	590635	11,282,570
Kisii	1368359	26,138,997
Kisumu	1115014	21,299,489
Kitui	1177855	22,499,906
Kwale	796212	15,209,593
Laikipia	521829	9,968,208
Lamu	128310	2,451,034
Machakos	1263139	24,129,039
Makueni	1017449	19,435,760
Mandera	1333595	25,474,920
Marsabit	347794	6,643,714
Meru	1656774	31,648,428
Migori	1133671	21,655,884
Mombasa	1224238	23,385,934
Murang'a	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	Ensure budget is available under MOH Ensure compliance with contractual obligations binding all parties Ensure payments to equipment suppliers as per contract
Conditions	As per contract agreement
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	As per contract agreement
Allocation: 2020/21	KSh. 6,205,000,000
Purpose of the grant	To support provision of specialized medical services in public hospitals in an effort to improve access to specialized medical services for all Kenyans, especially those living in rural areas.
Allocation criteria	Allocation to MOH is based on annual MES Contract commitments
Allocation by County government – This is a centralized service contract.	

Source: Ministry of Health

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

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

No.	County	Allocation Ratio (Approved Equitable Share Formula) (%)	Conditional grant for maintenance of roads
		Column A	Column B
1	Baringo	1.62	152,818,903
2	Bomet	1.74	164,138,822
3	Bungoma	2.83	266,961,417
4	Busia	1.93	182,062,027
5	Elgeyo/Marakwet	1.22	115,085,841
6	Embu	1.44	135,839,025
7	Garissa	2.22	209,418,497
8	Homa Bay	2.13	200,928,558
9	Isiolo	1.32	124,519,106
10	Kajiado	2.02	190,551,966
11	Kakamega	3.34	315,071,072
12	Kericho	1.72	162,252,169
13	Kiambu	3.11	293,374,561
14	Kilifi	3.35	316,014,398
15	Kirinyaga	1.35	127,349,086
16	Kisii	2.47	233,001,661
17	Kisumu	2.16	203,758,538
18	Kitui	2.8	264,131,438
19	Kwale	2.42	228,285,028
20	Laikipia	1.52	143,385,638
21	Lamu	0.87	82,069,411
22	Machakos	2.54	239,604,947
23	Makueni	2.3	216,965,109
24	Mandera	3.23	304,694,480
25	Marsabit	2.17	204,701,864
26	Meru	2.56	241,491,600
27	Migori	2.17	204,701,864
28	Mombasa	2.35	221,681,742
29	Murang'a	2.04	192,438,619
30	Nairobi	5.04	475,436,588
31	Nakuru	3.08	290,544,581
32	Nandi	1.7	160,365,516

33	Narok	2.25	212,248,477
34	Nyamira	1.55	146,215,617
35	Nyandarua	1.55	146,215,617
36	Nyeri	1.61	151,875,577
37	Samburu	1.26	118,859,147
38	Siaya	1.85	174,515,414
39	Taita	1.39	131,122,392
40	Tana River	1.77	166,968,802
41	Tharaka-Nithi	1.22	115,085,841
42	Trans Nzoia	1.83	172,628,761
43	Turkana	3.34	315,071,072
44	Uasin Gishu	1.91	180,175,373
45	Vihiga	1.43	134,895,698
46	Wajir	2.7	254,698,172
47	West Pokot	1.58	149,045,597
	Grand Total	100	9,433,265,625

Source: State Department of Infrastructure

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 for Vocational and Technical Training
Accounting officer of National Government Responsible	Principal Secretary state department of Vocational and Technical Training (VTT)
Responsibilities of the National Government accounting officer	(i) Ensure that the grant is included in the budget estimates for the state department of Vocational and Technical Training (VTT) and included in the Division of Revenue and County Allocation of Revenue Bills (ii) Initiate requests to National Treasury for disbursements of grant to respective County Revenue Fund Accounts (iii) Set Conditions for transfer of grant and enforce compliance by counties

	<p>(iv) Develop and disseminate implementation guidelines of the grant to counties</p> <p>(v) Coordinate and report on Monitoring and Evaluation of the impact of grant to ¹VTCs</p> <p>(vi) Submit quarterly and annual financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.</p>
<p>Conditions</p>	<p>(i) The grant funds must be reflected in the respective county budget estimates for the relevant fiscal year and included in the Division of Revenue Bill and County Allocation of Revenue Bill</p> <p>(ii) The conditional grant funds for rehabilitation of Youth Polytechnics must be transferred to a Special Purpose Account operated exclusively for management of the grant immediately, but not later than fifteen (15) days after receipt of the funds at the respective County Revenue Fund Account</p> <p>(iii) Each county must submit quarterly/annual financial and technical reports in agreed formats to the respective county treasury with a copy to the state department of Vocational and Technical Training</p> <p>(iv) The grant shall not be utilized for any other purpose other than in a Youth Polytechnic/VTC¹ as per the regulations and guidelines provided from time to time by the state department of VTT</p> <p>(v) The grant shall only be disbursed to public VTCs;</p> <p>(a) That are duly registered by/or those that have initiated the registration process with TVETA but are yet to be registered formally</p> <p>(b) That have a functional Board of Management</p> <p>(c) Operate an account in a commercial bank that will be operated exclusively for the grant. The account shall have four (4) signatories of which the</p>

	County Director of ³ VET and VTC Manager will be mandatory Signatories
Accounting officer of the County Government responsible	Accounting Officer in charge of Vocational Education and Training in the County Government
Responsibilities of the County Government accounting officer	<p>(i) Timely disbursement of the grant funds to all eligible VTCs</p> <p>(ii) Ensure grant funds are included in the budget estimates of the relevant department in charge of Vocational Education & Training for the particular Fiscal Year</p> <p>(iii) Ensure that the conditional grant allocation for rehabilitation of Youth Polytechnics funds are transferred from the County Revenue Fund Account to a Special Purpose Account operated exclusively for management of the grant</p> <p>(iv) Ensure that all development projects funded by the grant are captured in the integrated county annual work plan that incorporates all income including conditional grants with clear deliverables</p> <p>(v) Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Vocational and Technical Training</p> <p>(vi) Monitor and evaluate performance of the conditional allocation and report to the County Treasury to ensure accountability in the utilization of the fund</p>
Allocation: 2020/2021	KSh. 2,000,000,000
Purpose of the grant	To improve Access, Quality, Equity and Relevance in Vocational Education and Training and for Rehabilitation and Renovation of Infrastructure at Vocational Training Centres - VTCs
Allocation criteria	Total Trainee Enrolment in VTCs and Equal Share
Allocation by County	

S/No	County	Trainee ³ enrolment	Capitation at KES 15,000 per trainee	Equal share per County	Total allocation 2019/2020
1	Baringo	1273	19,095,000	1,399,894	20,494,894
2	Bomet	3140	47,100,000	1,399,894	48,499,894
3	Bungoma	4430	66,450,000	1,399,894	67,849,894
4	Busia	3720	55,800,000	1,399,894	57,199,894
5	Elgeyo/ Marakwet	1767	26,505,000	1,399,894	27,904,894
6	Embu	2190	32,850,000	1,399,894	34,249,894
7	Garissa	1100	16,500,000	1,399,894	17,899,894
8	Homa Bay	2600	39,000,000	1,399,894	40,399,894
9	Isiolo	263	3,945,000	1,399,894	5,344,894
10	Kajiado	1807	27,105,000	1,399,894	28,504,894
11	Kakamega	6730	100,950,000	1,399,894	102,349,894
12	Kericho	1403	21,045,000	1,399,894	22,444,894
13	Kiambu	4039	60,585,000	1,399,894	61,984,894
14	Kilifi	5240	78,600,000	1,399,894	79,999,894
15	Kirinyaga	1700	25,500,000	1,399,894	26,899,894
16	Kisii	4610	69,150,000	1,399,894	70,549,894
17	Kisumu	2930	43,950,000	1,399,894	45,349,894
18	Kitui	6050	90,750,000	1,399,894	92,149,894
19	Kwale	3660	54,900,000	1,399,894	56,299,894
20	Laikipia	1128	16,920,000	1,399,894	18,319,894
21	Lamu	3260	48,900,000	1,399,894	50,299,894
22	Machakos	4090	61,350,000	1,399,894	62,749,894
23	Makueni	4460	66,900,000	1,399,894	68,299,894
24	Mandera	910	13,650,000	1,399,894	15,049,894
25	Marsabit	620	9,300,000	1,399,894	10,699,894
26	Meru	3790	56,850,000	1,399,894	58,249,894
27	Migori	2336	35,040,000	1,399,894	36,439,894
28	Mombasa	1139	17,085,000	1,399,894	18,484,894
29	Murang'a	6440	96,600,000	1,399,894	97,999,894
30	Nairobi	974	14,610,000	1,399,894	16,009,894
31	Nakuru	4326	64,890,000	1,399,894	66,289,894
32	Nandi	1768	26,520,000	1,399,894	27,919,894
33	Narok	979	14,685,000	1,399,894	16,084,894
34	Nyamira	3934	59,010,000	1,399,894	60,409,894

35	Nyandarua	1970	29,550,000	1,399,894	30,949,894
36	Nyeri	3170	47,550,000	1,399,894	48,949,894
37	Samburu	610	9,150,000	1,399,894	10,549,894
38	Siaya	3120	46,800,000	1,399,894	48,199,894
39	Taita/Taveta	3749	56,235,000	1,399,894	57,634,894
40	Tana River	885	13,275,000	1,399,894	14,674,894
41	Tharaka-Nithi	3960	59,400,000	1,399,894	60,799,894
42	Trans Nzoia	2834	42,510,000	1,399,894	43,909,894
43	Turkana	754	11,310,000	1,399,894	12,709,894
44	Uasin Gishu	2582	38,730,000	1,399,894	40,129,894
45	Vihiga	4572	68,580,000	1,399,894	69,979,894
46	Wajir	845	12,675,000	1,399,894	14,074,894
47	West Pokot	1090	16,350,000	1,399,894	17,749,894
	Total	128947	1,934,205,000	65,795,01800	2,000,000,01800

Source: State Department for Vocational and Technical Training

Notes:

¹VTC – Vocational Training Centre

²VET – Vocational Education and Training

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

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

1. IDA (World Bank) credit (Transforming Health Systems for Universal Care Project)	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	PS, Ministry of Health
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21. • Initiate requests for disbursements to County Revenue Funds.

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

Accounting officer of County Government Responsible	Chief Officer, Department of Health	
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • General administration and coordination of the respective conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2020/21; • Initiate requests for transfer of funds from the County Revenue Funds to the Special Purpose Account within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations. 	
Allocation: 2020/21	KSh. 4,345,375,740.61	
Purpose of the grant	To improve delivery, utilization and quality of primary health care services with focus on Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) at the county level.	
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya and Mid Term Review Recommendations, where;	
	<ul style="list-style-type: none"> • The Allocation of 20 percent of each years' annual allocation shall be based on the Country Revenue Allocation (CRA), and the remaining 80 percent based on the performance formula and the CRA and subject to meeting the eligibility criteria. • Allocations shall be adjusted based on a county's performance in transferring funds in the previous year. A county's allocation for year (x+1) shall be adjusted based on the average adjustment of the tranches in the year (x) 	
	Transfer Days:	Adjustment per tranche
	0-25	0%
	16-25	15%
26-35	50%	

	36-45	75%
	46+	100%
	<ul style="list-style-type: none"> The PFM condition shall not apply to the funds swept to the CRF at the end of the FY, however the return of the funds to the SPA will be closely monitored by the Project Management Team. Allocation includes funds reimbursements for expenses incurred and undisbursed funds for previous financial years. 	
Allocation by County		
County	Total	
1. Baringo	98,424,470.33	
2. Bomet	117,514,680.58	
3. Bungoma	38,480,000.00	
4. Busia	31,200,000.00	
5. Elgeyo/Marakwet	33,340,400.00	
6. Embu	112,736,972.71	
7. Garissa	33,760,000.00	
8. Homa Bay	33,040,000.00	
9. Isiolo	26,720,000.00	
10. Kajiado	203,253,801.95	
11. Kakamega	50,214,024.00	
12. Kericho	95,189,397.76	
13. Kiambu	49,790,788.73	
14. Kilifi	265,111,480.98	
15. Kirinyaga	26,720,000.00	
16. Kisii	68,638,638.00	
17. Kisumu	57,625,644.95	
18. Kitui	38,320,000.00	
19. Kwale	35,200,000.00	
20. Laikipia	90,610,649.34	
21. Lamu	131,761,634.40	
22. Machakos	45,165,352.00	
23. Makueni	98,890,803.64	
24. Mandera	300,000,000.00	
25. Marsabit	99,759,979.00	
26. Meru	36,400,000.00	
27. Migori	40,295,579.93	
28. Mombasa	114,569,473.31	
29. Murang'a	149,093,840.16	
30. Nairobi	60,494,430.00	
31. Nakuru	40,080,000.00	
32. Nandi	102,150,272.12	
33. Narok	104,265,416.44	
34. Nyamira	278,847,760.40	

35.Nyandarua	163,357,834.35
36.Nyeri	28,800,000.00
37.Samburu	31,320,789.00
38.Siaya	50,199,253.00
39.Taita/Taveta	40,679,150.00
40.Tana River	138,012,263.08
41.Tharaka-Nithi	101,448,239.33
42.Trans Nzoia	44,386,749.00
43.Turkana	300,000,000.00
44.UasinGishu	114,973,599.47
45.Vihiga	93,531,471.42
46.Wajir	98,763,532.25
47.West Pokot	32,237,369.00
Total	4,345,375,740.61

Source: Ministry of Health

2. IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project; NARIGP)	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock and Fisheries
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> Prepare Project AWP&B and share with the National Government Coordination Unit; Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National

	<p>Treasury through the Ministry of Agriculture Livestock and Fisheries who will trigger the disbursements</p> <ul style="list-style-type: none"> • Ensure disbursement of Kshs. 6.5 million in the FY 20120/21 to the Project Account through Project CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
<p>Conditions</p>	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture and Livestock and Governors of the

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

Total	4,261,646,438
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*Each County Government is supposed to make a contribution of KSh. 6.5 million

Source: Ministry of Agriculture, Livestock, Fisheries and Irrigation

3. IDA (World Bank) Credit (Kenya Climate Smart Agriculture Project - KCSAP) IDA Credit Number 59450KE	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock and Fisheries
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development and Agriculture Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements • Ensure disbursement of Kshs.5.0 million in the FY 2020/21 to the Project Account through Project CBK Account; and

	<ul style="list-style-type: none"> • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2020/21	KSh 7,119,726,782
Purpose of the grant	To increase agricultural productivity and build resilience to climate change risks in the targeted

	smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.
County	Allocation by County*
Baringo	247,240,980.00
Bomet	279,356,310.00
Busia	320,226,100.00
Elgeyo/Marakwet	280,000,045.00
Kajiado	279,821,200.00
Kakamega	302,964,820.00
Kericho	277,000,000.00
Kisumu	240,035,100.00
Laikipia	236,105,200.00
Machakos	279,999,640.00
Nyandarua	239,157,250.00
Nyeri	312,177,550.00
Siaya	319,185,080.00
Taita-Taveta	317,598,320.00
Tharaka-Nithi	320,000,850.00
Uasin-Gishu	239,984,700.00
West-Pokot	320,000,420.00
Garissa	320,528,195.00
Isiolo	479,143,620.00
Lamu	257,872,086.00
Mandera	290,090,936.00
Marsabit	319,933,840.00
Tana-River	320,630,200.00
Wajir	320,674,340.00
Total	7,119,726,782.00

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

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

15. Kirinyaga	45,000,000
16. Kisii	45,000,000
17. Kisumu	45,000,000
18. Kitui	45,000,000
19. Kwale	45,000,000
20. Laikipia	45,000,000
21. Lamu	45,000,000
22. Machakos	45,000,000
23. Makueni	45,000,000
24. Mandera	45,000,000
25. Marsabit	45,000,000
26. Meru	45,000,000
27. Migori	45,000,000
28. Mombasa	45,000,000
29. Murang'a	45,000,000
30. Nairobi	45,000,000
31. Nakuru	45,000,000
32. Nandi	45,000,000
33. Narok	45,000,000
34. Nyamira	45,000,000
35. Nyandarua	45,000,000
36. Nyeri	45,000,000
37. Samburu	45,000,000
38. Siaya	45,000,000
39. Taita/Taveta	45,000,000
40. Tana River	45,000,000
41. Tharaka-Nithi	45,000,000
42. Trans Nzoia	45,000,000
43. Turkana	45,000,000
44. Uasin Gishu	45,000,000
45. Vihiga	45,000,000
46. Wajir	45,000,000
47. West Pokot	45,000,000
Total	2,115,000,000

Source: State Department for Devolution

5. IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG).

Ministry/State Department Responsible	Ministry of Transport, Infrastructure, Housing & Urban Development. Vote 1094
Accounting officer of National Government Responsible	Principal Secretary - State Department of Housing and Urban Development.
Responsibilities of the National Government Accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21 • Submit quarterly and annual financial and performance reports to the National Treasury and World Bank • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • Municipal status is established • Municipal Board is established • Municipal Administration is in place • Municipal Budget Vote is included in the County budget • County Government reports on municipal budget vote to Controller of budget • County Government has committed itself to participation in KUSP • The Annual Urban area investment plan is available • Use of previous UDG is in accordance with eligible investment menu. • Municipal absorptive capacity • Municipal procurement and contract management are within prescribed budget thresholds and contracting procedures.
Counties must meet the following Performance Standards	<ul style="list-style-type: none"> • Municipal manager's Job Description publicly available. • Quarterly board meetings held.

	<ul style="list-style-type: none"> • Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once a year. • Urban board has made key documents publicly available • Urban board publishes its annual calendar of citizens' fora • Urban board has adopted urban area budget based on the budget ceiling. • Urban Integrated Development Plan submitted by the municipal administrator, and reviewed and approved by the municipal board • Urban spatial plan completed and approved • Board adopts a Solid Waste Management policy and operations • Previous year's UDG projects completed.
Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Supporting and guiding Municipal Boards/Administrations in preparing budgets and forwarding them for approval by the County Assembly • Establishing urban institutions for effective urban management; • Monitor and evaluate performance of the allocation and report to the County Treasury. • capacity building and technical backstopping of Municipal Boards/Administrations; • Managing the flow of Program funds at this level, and consolidating the fiscal reporting from Municipal Boards for onward submission to the National Treasury; and State Department of Housing and Urban Development • Generally exercising oversight on the performance of the Municipal Boards.

Allocation: 2020/21	KSh. 6,366,000,000.00
Purpose of the grant	Provide support to urban boards and administrators within the respective participating County Govts for financing infrastructure investments in urban areas.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya and the Annual Performance Assessment.

6. DANIDA Grant (Universal Healthcare in Devolved System Program)	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of The National Government accounting officer	<ul style="list-style-type: none"> • Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the Ministry plans. • Ensure funds are included in the budget estimates of the ministry for the FY 2020/21. • Initiate requests for transfer of funds from the Danish Government to the National Treasury • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • In order to be eligible for support after year one at least 20 percent of the county budget (excluding conditional grants) must be allocated to health.

	<ul style="list-style-type: none"> • The grant shall be used exclusively to supplement operations and maintenance (O&M) costs as defined in the GoK Chart of Accounts • Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties • Counties shall distribute the grants according to clear criteria shared to the Project Management Team • The Counties shall ensure timely disbursements to the health facilities through IFMIS through the respective County Special Purpose Account for Health. • The Counties shall for purposes of sustainability gradually assume an increased responsibility for the O&M costs. • Counties not complying with the above conditions and statutory planning, budgeting and reporting as well as having qualified Annual Audit Reports from the Office of Auditor General will not be eligible for further support.
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Accounting officer of County Government Responsible	Chief Officer, Department of Health
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • General administration and coordination of the conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2020/21; • Initiate requests for transfer of funds from the County Revenue Funds to the special purpose accounts and to the health facility through IFMIS within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health

	<ul style="list-style-type: none"> • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations.
Allocation: 2020/21	KSh. 900,000,000
Purpose of the grant	To improve access to quality of primary health care and RMNCAH services at the county level
Allocation criteria	Based on financing agreement between the DANIDA and the Government of Kenya: The grant will be allocated as a conditional grant to each County based on the CRA ratio
Allocation by County	
County	Total
Baringo	14,490,000
Bomet	15,660,000
Bungoma	25,290,000
Busia	17,100,000
Elgeyo/Marakwet	10,980,000
Embu	12,240,000
Garissa	19,980,000
Homa Bay	19,170,000
Isiolo	12,060,000
Kajiado	18,270,000
Kakamega	29,610,000
Kericho	15,300,000
Kiambu	26,820,000
Kilifi	29,700,000
Kirinyaga	12,060,000
Kisii	22,140,000
Kisumu	19,440,000
Kitui	25,110,000
Kwale	22,140,000
Laikipia	11,880,000
Lamu	7,380,000
Machakos	22,050,000
Makueni	21,060,000
Mandera	29,070,000

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

Source: Ministry of Health

7. EU Grant (Instruments for Devolution Advice and Support IDEAS)	
Ministry/State Department Responsible	Ministry of Devolution and ASALs/ State Department for Devolution
Accounting officer of National Government Responsible	Principal Secretary, State Department for Devolution
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure that the allocations for the EU grant are included in policy documents (DORA and CARA) and the Budget Estimates for the State Department of Devolution for the FY 2019/20 • On confirmation of compliance to the provision of the grant contract by the counties, initiate request for disbursement of funds to the counties to the National Treasury

	<ul style="list-style-type: none"> • Chairperson for the Project Steering Committee which is the apex body for the IDEAS Programme. • Provide regularly policy and technical support to the county Governments in all matters of project implementation. • Receive quarterly and annual financial and technical implementation reports from the counties and share with the National Treasury and the European Union respectively.
Accounting Officer of beneficiary County Government	<p>Chief Officer responsible for;</p> <ul style="list-style-type: none"> • Agriculture, Livestock and Fisheries or • Trade and Industrialization.
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Ensure that the project budget amount including own contribution to the grants is included in the County Government's budget, approved by the County Assembly and included in the County Appropriation Act passed by the County Assembly. • Consolidate the financial and non-financial performance reports for the grant and submit to County Treasuries and the State Department for Devolution. • Ensure the smooth implementation of the LED projects, through the formation and operationalization of two project implementing units namely, the County Technical Team (CTT) and the County Project Coordination Committee (CPCC). • Make monthly or quarterly supervision and monitoring visits to the project sites; • Issuance of technical guidelines and advice pertaining to implementation of the project.
Conditions	<p>The State Department signed grant contracts with 15 Counties, for 17 LED Projects. The counties shall adhere to the General Conditions applicable to European Union-financed grants for external actions and the National Government guidelines for the Management of Conditional Grants framework (Treasury Circular No 8/2017). The conditions for the 2nd pre-financing are ;</p>

	<p>(a) Counties shall submit to State Department of Devolution an interim implementation narrative and financial reports on quarterly and annual basis for onward transmission to the National Treasury.</p> <p>(b) Expenditure verification report of the first years expenditures in the county.</p> <p>(c) Counties to ensure that the grants allocated to them are reflected in their respective budget and approved by their county assembly.</p> <p>(d) The counties shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field.</p> <p>(e) The County must ensure that Public Participation is undertaken throughout the life of the project</p>
Allocation to the Counties: 2020/21	KSh. 216,014,391
Purpose of the grant	To support National and County governments capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level.
Allocation criteria	<ul style="list-style-type: none"> Based on financing agreement between the EU and the Government of Kenya and approved work plans annexed to the County Grant Contracts. Each of the 15 Counties has been allocated Kshs.110m for implementation of the agreed LED projects and will be paid in 2 pre-financing instalments and the balance on successful completion of the agreed projects.
Allocation by County	
County	Total (KSh.)
Baringo	15,626,168
Kisii	16,140,145
Kisumu	15,626,168
Kwale	15,624,891
Laikipia	15,626,168

Makueni	11,000,000
Marsabit	16,140,048
Migori	15,626,168
Nyandarua	11,000,000
Samburu	15,626,168
Taita-Taveta	15,624,929
Tana River	14,727,370
Uasin Gishu	11,000,000
Wajir	15,626,168
West Pokot	11,000,000
Total	216,014,391

Source: State Department for Devolution

8. IDA (World Bank) Credit 6029 & 6030 KE: Water and Sanitation Development Project (WSDP)	
Ministry/ State Department Responsible	Ministry of Water & Sanitation and Irrigation
Accounting Officer of National Government Responsible	PS, Ministry of Water & Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the Ministry for FY 2020/2021 • Initiate request for disbursement of funds to Participating Counties • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the County Government. • Participating Counties shall carry out, and verify its activities under the WSDP with due diligence and efficiency and in accordance with the Financing Agreement, PIM, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the World Bank’s “Guidelines on Preventing and Combatting Fraud and Corruption • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Accounting officer responsible for Water and Sanitation in the County Government
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2020/21. • Submit quarterly and annual financial and non-financial performance reports to the County

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

Source: Ministry of Water & Sanitation

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

	<ul style="list-style-type: none"> • 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; • Ensure that the programme AWP&B , upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; • The County accounting officer , upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; • Ensure disbursement of Ksh. 5.5 million in two halves/ year programme account through programme CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> • Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; • Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ; • GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable

	<p>time not delay implementation of programme activities;</p> <ul style="list-style-type: none"> • Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture Livestock, Fisheries and Irrigation and Governors of each county on prudent management of the programme funds; • Funding will be triggered by counterpart funds from both levels of GoK (national and counties; and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State department for crops will additionally submit consolidated report for all the 48 spending units.
Allocation: 2020/021	KSh 652,584,158
Purpose of the grant	To develop sustainable priority value chains so as to contribute to the sector goal of transforming crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security.
Allocation criteria	Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.
Allocation by County	

County	Total Allocations		
	a	b	c=a+b
Counties	SIDA/EU Contribution	National (NG)(MoALF) contribution	Total
Baringo	11,057,645	2,500,000	13,557,645
Bomet	10,944,366	2,500,000	13,444,366
Bungoma	11,876,061	2,500,000	14,376,061
Busia	11,504,970	2,500,000	14,004,970
Elgeyo/Marakwet	10,421,815	2,500,000	12,921,815
Embu	9,612,312	2,500,000	12,112,312

Garissa	13,013,345	2,500,000	15,513,345
Homa Bay	11,238,669	2,500,000	13,738,669
Isiolo	11,693,675	2,500,000	14,193,675
Kajiado	10,857,272	2,500,000	13,357,272
Kakamega	12,541,144	2,500,000	15,041,144
Kericho	10,276,994	2,500,000	12,776,994
Kiambu	10,936,146	2,500,000	13,436,146
Kilifi	12,482,463	2,500,000	14,982,463
Kirinyaga	9,009,004	2,500,000	11,509,004
Kisii	11,685,102	2,500,000	14,185,102
Kisumu	10,686,151	2,500,000	13,186,151
Kitui	12,928,645	2,500,000	15,428,645
Kwale	12,232,422	2,500,000	14,732,422
Laikipia	10,416,815	2,500,000	12,916,815
Lamu	8,843,998	2,500,000	11,343,998
Machakos	11,246,442	2,500,000	13,746,442
Makueni	12,034,090	2,500,000	14,534,090
Mandera	14,548,048	2,500,000	17,048,048
Marsabit	14,310,792	2,500,000	16,810,792
Meru	11,050,139	2,500,000	13,550,139
Migori	11,203,648	2,500,000	13,703,648
Mombasa	10,249,975	2,500,000	12,749,975
Murang'a	10,246,035	2,500,000	12,746,035
Nairobi	13,455,893	2,500,000	15,955,893
Nakuru	11,671,667	2,500,000	14,171,667
Nandi	10,338,123	2,500,000	12,838,123
Narok	11,195,490	2,500,000	13,695,490
Nyamira	10,625,036	2,500,000	13,125,036
Nyandarua	9,991,573	2,500,000	12,491,573
Nyeri	9,458,572	2,500,000	11,958,572
Samburu	11,996,213	2,500,000	14,496,213
Siaya	10,374,560	2,500,000	12,874,560
TaitaTaveta	10,706,924	2,500,000	13,206,924
Tana River	12,905,911	2,500,000	15,405,911
Tharaka-Nithi	9,678,726	2,500,000	12,178,726
Trans Nzoia	10,512,542	2,500,000	13,012,542
Turkana	16,231,177	2,500,000	18,731,177
Uasin Gishu	10,220,859	2,500,000	12,720,859
Vihiga	9,816,175	2,500,000	12,316,175
Wajir	15,032,329	2,500,000	17,532,329
West Pokot	11,724,205	2,500,000	14,224,205
Total	535,084,158	117,500,000	652,584,158

Source: State Department for Crops Development

10. European Union – Water Tower Protection and Climate Mitigation and Adaptation (WaTER) Programme	
Ministry of Environment and Forestry/State Department of Environment and Forestry	Ministry of Environment and Forestry Vote (1108)
Accounting officer of National Government Responsible	PS Ministry of Environment & Forestry
Responsibilities of the National Government accounting officer	<p>(a) Management of the Grant Contracts</p> <p>(b) Installation and implementation of a public expenditure tracking system for the grant contracts</p> <p>(c) Monitoring and evaluation of the programme implementation</p> <p>(d) Provide quarterly and annual financial reports to the National Treasury</p> <p>Provide annual financial reports to the European Union</p>
Conditions	<p>(a) Programmes to be funded must be included in the CIDPs of the respective Counties developed through a participatory process</p> <p>(b) Grants must be included in the County Allocation of Revenue Act (CARA) according to the forecast disbursement schedule</p> <p>(c) Grants must be included in the annual National and County budgets</p> <p>(d) Activities must be relevant to the specific objectives of the programme</p> <p>(e) Integrate national values and principles of good governance in the implementation of the programme</p> <p>(f) The grants must include measures to ensure the visibility of the EU funding for the grant</p> <p>(g) Grants must include participatory M&E</p>

	<p>(h) Implementation of the Grants must adhere to the Special and General Conditions of the Grant Contracts. In particular, a special project account must be opened for all project financing from the grants with no co-mingling of funds allowed</p> <p>(i) The provisions of the Public Finance Management Act (No. 18 of 2012) and Regulations (Kenya Gazette Supplement No. 32, Legal Notice No. 34) must be adhered to</p> <p>(j) A County Programme Steering Committee must be put in place to oversee the implementation of the programme at County Level. The composition of the committee and its mandate will be defined and communicated by the Contracting Authority</p> <p>(k) County Governments must provide not less than 10% of the total grant for purposes of supporting the activities under the donor funded component of the programme</p>
Accounting officer of the County Government	The Accounting officer In charge of Environment and Natural Resources
Responsibilities of the County Government accounting officer	<p>(a) Ensure compliance with the management framework governing the grant</p> <p>(b) Ensure all transfers are included separately in the County Government's Appropriation Bill</p> <p>(c) Operation of separate Programme Bank Accounts</p> <p>(d) Monitoring and Evaluation of Programme activities both technical and financial</p> <p>(e) Financial and Technical reporting (quarterly) to the Ministry of Environment and Forestry</p> <p>(f) Financial reporting (as per contract terms and the PFM Act and Regulations) to the Ministry of Environment and Forestry</p>
Allocation: 2020/22	KSh. 528,000,000

Purpose of the grant	Implementation of Programme activities in line with the specific objectives outlined above
Allocation criteria	The Euro 16 million is allocated to the County Governments, according to criteria drawn up and approved by the WaTER Programme Steering Committee, and based on a basic Grant of Euro 1.12 million per County spread over 3 fiscal years (Euro 12.32 million) with the balance of Euro 3.68 million earmarked for more degraded areas in Counties in the water catchments. Each county received an initial allocation of KES 80 million. The rest will be disbursed in subsequent financial years according to the balance after application of the allocation criteria and deducting the initial disbursement of 2019/20.
County	Allocation by County
West Pokot (24)	65,952,437
Trans Nzoia (26)	45,162,927
Uasin Gishu (27)	62,574,758
Elgeyo/Marakwet (28)	69,163,856
Nandi (29)	60,669,094
Kakamega (37)	42,632,067
Vihiga (38)	25,751,575
Bungoma (39)	52,565,915
Busia (40)	30,127,734
Siaya (41)	38,530,664
Kisumu (42)	34,868,974
Total	528,000,000

Source: State Department for Environment

German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	
Ministry/State Department Responsible	Ministry of Water & Sanitation and Irrigation

Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Water & Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Fiduciary responsibility for the project funds; • Ensure programme allocations are as per Annual Investment Plans & are included in the budget estimates of the Ministry for the FY 2020/21; • Endorses and transmits Withdrawal Applications and payment request to the National Treasury; • Review of quarterly progress reports and transmission to KfW; • Review of Annual Investment Plans (AIPs) against Programme eligibility criteria and transmission to JPSC; • Procurement of Implementation Support Consultant (ISC); • Capacity building of county staff; • 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 or Water ❖ Turkana County: Chief Officer for Agriculture and Land Reclamation ❖ Marsabit County: Chief Officer for Agriculture
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Overall coordination and quality assurance, primary responsibility for effective and efficient implementation; • Bears fiduciary responsibility for the funds transferred to the county as conditional grants • Preparation of Annual Investment Plans upon approval by Joint Programme Steering Committee (JPSC) is submitted to the County Treasury and captured in county budget. • Signs withdrawal applications and payment requests and transmits them to the County Treasury;

	<ul style="list-style-type: none"> • Financial and technical reporting and transmission of quarterly progress reports to National Programme Coordinating Unit (NPCU); • Defines ad hoc committees for tender evaluation; • Participate in Tender Committee at Ministry of Water & Sanitation and Irrigation for ISC procurement.
Conditions	<ul style="list-style-type: none"> • KfW will initiate disbursements upon recruitment of an Implementation Support Consultant (ISC) who will support the CPCUs and NPCU in all their functions; • Opening of 2 EURO designated Bank Accounts at CBK for the Loan and Grant funds by the National Treasury and Kshs account by the respective County Governments for the disposition funds; • Loan effectiveness is conditional upon issuance of Legal Opinion by the Attorney General; • Both levels of Government ensure that the partner contributions/co-financing has been budgeted accordingly and is provided in time during the implementation of the Programme; • Signing of Separate Agreement between the Cabinet Secretary, Ministry of Water & Sanitation and Irrigation and Governors of each county spelling out implementation modalities and adherence to the requirements therein on prudent use and management of the program funds; • Community commitment to provide its partner contribution in kind; • Evidence of the use of funds is to be presented to KfW at the latest four months after the preceding replenishment or at the last period evidenced if no replenishment has been effected; • Annual audit report by external auditor be submitted 3 months after the end of the FY; • Implementation must be within the predetermined clusters.
Allocation: 2020/21	KSh. 300,000,000

Purpose of the grant	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 constructing and rehabilitating relevant infrastructure.
Allocation criteria	Based on financing agreement between the Federal Republic of Germany and the Government of Kenya; and approved Annual Investment Plans (AIPs) prepared by the county governments.
Allocation by County	
County	Total (Ksh.)
Marsabit (Loan)	100,000,000
Turkana (Grant)	200,000,000
Total	300,000,000

Source: State Department for Irrigation