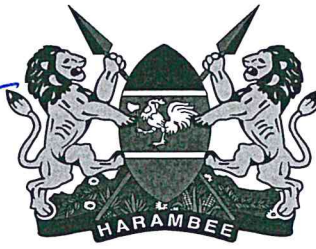


REPUBLIC OF KENYA



PARLIAMENT

THE SENATE

TWELFTH PARLIAMENT

*Rt. Hon. Speaker
You may approve
& table.
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17/09/19*

*Approved
Hamm 17/9/2019*

REPORT OF THE STANDING COMMITTEE ON FINANCE AND BUDGET

ON

THE COUNTY ALLOCATION OF REVENUE BILL, 2019

&

COUNTY GOVERNMENT BUDGET CEILINGS ON RECURRENT
EXPENDITURE FOR FY 2019/20

CLERK CHAMBERS
THE SENATE
PARLIAMENT OF KENYA
NAIROBI

PAPERS LAID	
DATE	17-09-2019
TABLED BY	Sen. Malanda Chair Finance and Budget
COMMITTEE	Finance and Budget
CLERK AT THE TABLE	A - Mwangi

SEPTEMBER, 2019

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PREFACE

Mandate and Functions of the Committee

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

Parliamentary committees consider policy issues, scrutinize the workings and expenditure of the national and county governments and examine proposals for legislation. The roles of committees are twofold, investigative process and deliberative process. The end results of these processes are reports to the House in plenary on inquiry of certain issues under the mandate of a particular committee.

The Standing Committee on Finance and Budget is established pursuant to standing order 212(3) of the Senate Standing Order and is mandated –

- a) *To investigate, inquire into and report on all matters relating to coordination, control and monitoring of the county budgets and to examine –*
 - i) *the Budget Policy Statement presented to the Senate;*
 - ii) *report on the Budget allocated to Constitutional Commissions and independent offices;*
 - iii) *the Division of Revenue Bill, County Allocation of Revenue Bill, and cash disbursement schedule for county governments.*
- b) *To consider all matters related to resolutions and Bills for appropriations, share of national revenue amongst the counties and all matters concerning the National Budget, including public finance and monetary policies and public debt, planning and development policy and*
- c) *To pursuant to Article 228 (6) of the Constitution, to examine the report of the Controller of Budget on the implementation of the budgets of county governments.*

Membership of the Committee

The Committee was constituted by the House on Thursday 14th December, 2017, during the First Session of the Twelfth (12th) Parliament. The Committee as currently constituted, comprises the following Members-

1. Sen. (Eng) Mohamed M. Mahamud, CBS,MP - Chairperson
2. Sen. (Dr.) Isaac Mwaura, CBS, MP - Vice Chairperson
3. Sen. Wetang'ula Moses Masika, EGH, MP - Member
4. Sen. Aaron Cheruiyot, MP - Member
5. Sen. Mutula Kilonzo Junior, MP - Member
6. Sen. (Dr.) Ali Abdullahi Ibrahim, CBS, MP - Member
7. Sen. (Dr.) Rose Nyamunga, MP - Member
8. Sen. Boniface Mutinda Kabaka, MP - Member
9. Sen. CPA Farhiya Haji, MP - Member

BACKGROUND AND EXECUTIVE SUMMARY

The County Allocation of Revenue Bill was sponsored by the Chairperson of the Finance and Budget Committee Senator (Eng) Mohamed M. Mahamud pursuant to the provisions of standing order 182 (1) of the Senate Standing Orders. The Bill was published on 26th April, 2019 and subsequently tabled in the House for First Reading on 30th April, 2019 and thereafter committed to the Standing Committee on Finance and Budget for consideration pursuant to standing order 140(1) of the Senate Standing Orders.

The principle object of the Bill is to make provision for the allocation of revenue raised nationally among the county governments for the financial year 2019/20.

The Bill provides for the equitable allocation of revenue on the basis determined in accordance with the resolution in force under Article 217 of the Constitution. Article 96 (3) of the Constitution provides that the Senate determines the allocation of national revenue among counties.

The Schedules in the Bill proposes to allocate a total amount of Kshs. whose break down is-

- a) Kshs. 316.5 billion equitable share;
- b) Kshs. 22, 895,214,684 conditional allocations from national revenues; and
- c) Kshs. 39,089,877,210 conditional allocations from loans and grants from development partners.

The conditional allocations from national revenues includes-

- i) Leasing of Medical Equipment Kshs **6.2 billion.**
- ii) Compensation for user fee forgone Kshs. **0.9 billion.**
- iii) Level 5 Hospitals Kshs. **4.326 billion.**
- iv) Supplement for construction of county headquarters Kshs. **485,152,184.**
- v) Rehabilitation of youth polytechnics Kshs. **2.0 billion**

vi) Road Maintenance Fuel Levy Kshs. **8,984,062,500.**

The conditional allocations from loans and grants from development partners include-

- i. Transforming Health Systems for Universal Care Project (WB) **Kshs. 2,994,247,736.**
- ii. National Agricultural and Rural Inclusive Growth Project(NARIGP) (IDA World Bank Credit) **Kshs. 7,232,719,940.**
- iii. Kenya Climate Smart Agriculture Project (KCSAP)(IDA World Bank) **Kshs. 3,643,298,670.**
- iv. Kenya Devolution Support Project (KDSP) (IDA World Bank Credit)Level 1 Grant **Kshs. 1.410 billion**
- v. Kenya Urban Support Project (KUSP) (IDA World Bank Credit) Urban Development Grant **Kshs. 11,464,702,500.**
- vi. Universal Healthcare in Devolved System Programme (DANIDA Grant) **Kshs. 986,583,544.**
- vii. Instruments for Devolution Advice and Support (IDEAS) EU **Grant Kshs.492,698,583**
- viii. Water & Sanitation Development Project(WSDP) (IDA World Bank Credit) **Kshs.3.5 billion**
- ix. Kenya Devolution Support Project (KDSP)(IDA World Bank Credit) Level 2 Grant **Kshs.4.89 billion**
- x. Agricultural Sector Development Support Programme(ASDSP)II Sweden **Kshs. 849, 626,237.**
- xi. Water Tower Protection and Climate Change Mitigation and Adaptation Programme(WaTER) EU **Kshs. 0.88 billion**
- xii. Kenya Urban Support Project(KUSP) (IDA World Bank Credit)Urban Institutional Grant (UIG) (IDA World Bank Credit) **Kshs. 0.396 billion**
- xiii. Drought Resilience Programme in Northern Kenya(DRPNK) German Development Bank (KfW) **Kshs. 0.350 billion**

Further the bill proposes budget ceilings on recurrent expenditure in financial year 2019/2020 for county executive and county assemblies as Kshs. 26,708,080,067 and Kshs. 33,247,585,463 respectively.

The Committee extensively considered the recommendations of Commission on Revenue Allocation (CRA) on the county government budget ceilings on recurrent expenditure for the financial year 2019/20 pursuant to the provisions of Section 107 (2) (a) of the PFM Act, 2012. The Committee in its deliberations received submissions from county assemblies appealing for a review of the ceilings recommended by CRA.

The Committee made the following observations on the Bill-

- a) Some County Assemblies had requested for their budget ceilings on recurrent expenditure to be amended upwards but the increment in equitable share was not significant to warrant variations.
- b) Due to delayed enactment of both the Division of Revenue Bill, 2019 and the County Allocation of Revenue Bill, 2019 the cumulative disbursement for the first quarter to county government should be disbursed to the County government within seven days after approval of cash disbursement Schedule.

The Committee made the following recommendations-

- a) Schedule 1 of the Bill be amended as per Annex 1 which is in accordance with the Division of Revenue Act, 2019.
- b) Schedule 3 of the Bill be amended as per annex 2 which is in accordance to the Division of Revenue Act, 2019.
- c) The National Treasury should disburse the cumulative disbursement for the first quarter within seven (7) days after approval of the Cash Disbursement Schedule to County Government.
- d) The short title of the Bill be amended to indicate that the Act shall come into force upon publication in the *Gazette*".

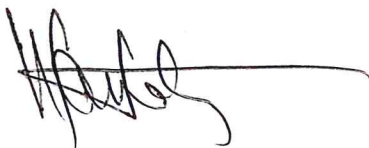
ACKNOWLEDGEMENTS

The Committee acknowledges all the stakeholders and members of the public who made insightful contributions and recommendations to the Bill.

In addition, the Committee thanks the Offices of the Speaker and Clerk of the Senate for the support extended to the Committee in execution of its mandate. Appreciations to all Members of the Committee for their patience, sacrifice and commitment to public service, which enabled the Committee complete the assigned task within the stipulated time.

This report is hereby submitted to the Senate for its consideration and adoption pursuant to standing order 213 of the Senate Standing Orders.

It is now my pleasant duty and privilege, on behalf of the Standing Committee on Finance and Budget, to present to the Senate, this Report of the Committee on the County Allocation of Revenue Bill, 2019 & County Government Budget Ceilings on Recurrent Expenditure for Financial Year 2019/20.



SIGNED:

SEN. (ENG) MOHAMED M. MAHAMUD, CBS, M.P.

(CHAIRPERSON, STANDING COMMITTEE ON FINANCE AND BUDGET)

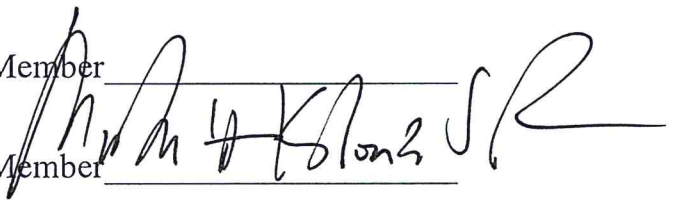
Date: 17/09/09

ADOPTION OF REPORT

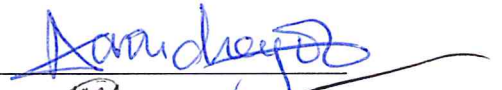
Pursuant to standing order 213 (2) of the Senate Standing Orders the Finance and Budget Committee considered the report on the County Allocation of Revenue Bill, 2019 & County Government Budget Ceilings on Recurrent Expenditures for Financial Year 2019/20 and adopted it as follows-

Sen. (Eng.) Mohamed M. Mahamud, CBS, MP - Chairperson 

Sen. (Dr) Isaac Mwaura, CBS, MP - Vice Chairperson _____

Sen. Wetang'ula Moses Masika, EGH, MP - Member 

Sen. Mutula Kilonzo Junior, MP - Member _____

Sen. Aaron Cheruiyot, MP - Member 

Sen. (Dr.) Ali Abdullahi Ibrahim, CBS, MP - Member 

Sen. (Dr) Rose Nyamunga, MP - Member 

Sen. CPA Farhiya Haji, MP - Member 

Sen. Boniface Mutinda Kabaka, MP - Member _____

CHAPTER ONE

INTRODUCTION

The County Allocation of Revenue Bill, 2019, was first published on 26th April, 2019, and read for the first time on 30th April, 2019. Pursuant to standing order 140 of the Senate Standing Orders, the Bill was thereafter committed to the Standing Committee on Finance and Budget for consideration. The main object of the Bill is to provide for the allocation of revenue raised nationally and conditional allocations among county governments for the financial year 2019/20 as well as the transfer of the county allocations from the Consolidated Fund to the respective County Revenue Funds.

HORIZONTAL ALLOCATION OF REVENUE FOR FINANCIAL YEAR 2019/20

1.1. Overview of the County Allocation of Revenue Bill, 2019

- 1) Article 218 of the Constitution provides for the annual allocation of the equitable share of revenue raised nationally amongst county governments. The County Allocation of Revenue Bill is prepared in accordance to Article 217 of the Constitution. It will guarantee county governments their respective share of revenue raised nationally as well as conditional allocations meant for better service delivery and seamless operations at county level. This is done through the enactment of the County Allocation of Revenue Bill based on the overall provisions in the Division of Revenue Act (DORA). The DORA 2019 gives a total allocation of Kshs. 378.485 Billion to county governments.
- 2) The County Allocation of Revenue Bill is a reflection of the overall revenue as shared in the Division of Revenue Act. Consequently, the allocation to the equitable share of revenue, the conditional transfers to the county governments from national government's share and any additional conditional allocations in the form of proceeds from loans and grants from development partners must be shared as reflected in the annual DORA.

- 3) The County Allocation of Revenue Bill 2019 proposes to share the allocation of Kshs. 378,485,091,894 amongst the county governments for FY 2019/20 and it contains four schedules relating to the following-
- i) First Schedule on equitable share- **Ksh. 316.5 Billion**
 - ii) Second Schedule on additional conditional allocations from national government share of revenue- **Ksh. 22,895,214,684.**
 - iii) Third Schedule on conditional allocations as loans and grants from development Partners- **Ksh. 39,089,877,210.**
 - iv) Fourth Schedule on Budget ceilings on recurrent expenditure for county executives and county assemblies – **Kshs. 59,955,665,530.**

1.2. 1st Schedule: Equitable Share among County Governments for FY 2019/20

- 4) Article 217(7) provides for the approval by Parliament of the revenue sharing formula for the equitable share. For FY 2019/20, the second-generation formula was used, and it has six parameters- Population (45%), Land (8%), Poverty (18%), Equal Share (26%), Fiscal Responsibility (2%) and Development Factor (1%).
- 5) The equitable share allocation of Ksh. 316.5 Billion is distributed using the six parameters as follows-
- i) Population- Ksh. 142.42 Billion
 - ii) Equal Share- Ksh. 82.29 Billion
 - iii) Poverty- Ksh. 56.97 Billion
 - iv) Land- Ksh. 25.32 Billion
 - v) Fiscal Responsibility- Ksh. 6.33 Billion
 - vi) Development Factor- Ksh. 3.16 Billion
- 6) The first schedule of CARB 2019 provides for the equitable share for FY 2019/20. It is allocated to each county using an allocation ratio, which is a combined index of the six parameters, as provided by the Commission of Revenue Allocation (CRA). Notably, the allocation ratio for FY 2018/19 varies from the one for FY 2019/20 and this is

mainly attributed to variations of the fiscal responsibility factor for each county as assessed by CRA.

- 7) Indeed, according to CRA, the fiscal effort index which measures a county's increment in own source revenue per capita is intended to take into account the variations in fiscal capacity and efficiency across counties in the sharing of revenue raised nationally. This means that a county which does not increase its own source revenue collection gets a zero per cent fiscal effort index and which in turn translates to a zero allocation of the fiscal responsibility share of Kshs. 6.33 billion for FY 2019/20. The indices used for the other five parameters (population, equal share, land, poverty and development factor) remained unchanged in FY 2019/20 for each of the counties.

1.3. 2nd Schedule: Conditional Allocations to County Governments from the National Government Revenue for FY 2019/20

- 8) The second schedule of the Bill relates to conditional allocations of Ksh. 22.8 Billion to county governments from the national government revenue during the financial year 2019/20. There are six conditional allocations to the county governments from the national government share of revenue. These are allocated using different criteria in calculating the quantum in each case. The six conditional allocations from the national government share are;

- a) Level-5 Hospitals (Ksh. 4.326 Billion) ;
- b) Supplement for construction of county headquarters (Ksh. 485 Million);
- c) Compensation for user fees forgone (Ksh. 900 Million) ;
- d) Leasing of Medical Equipment (Ksh. 6.2 Billion) ;
- e) Road Fuel levy Fund (Ksh. 8.984 Billion) and
- f) Rehabilitation of Village Polytechnics (Ksh. 2.0 Billion);

1.4. 3rd Schedule: Conditional Allocations to County Governments as loans and grants from Development Partners for FY 2019/20

- 9) The third schedule is with respect to conditional allocations of Ksh. 39.0 Billion to county governments from loans and grants from development partners, during the fi-

nancial year 2019/20. The disbursement criteria of these additional conditional grants varies as it depends on the financing agreement between the development partners and the government. These agreements are under the purview of the National Treasury as a signatory and privy to the existing financing agreements with development partners. The following are the nine conditional grants-

- i. **Transforming Health Systems for Universal Care Project (WB) Kshs. 2.9 billion.** The Purpose of the grant is 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.
- ii. **National Agricultural and Rural Inclusive Growth Project (NARIGP) (IDA World Bank Credit) Kshs. 7.2 billion.** The purpose of the grant is 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.
- iii. **Kenya Climate Smart Agriculture Project (KCSAP) (IDA World Bank) Kshs. 3.6 billion.** The purpose of the grant is to increase agricultural productivity and build resilience to climate change risks in targeted smallholder farming and pastoral communities.
- iv. **Kenya Devolution Support Project (KDSP) (IDA World Bank Credit) Level 1 Grant Kshs. 1.4 billion.** The purpose of the grant is strengthen capacity of core national and county institutions to improve delivery of devolved services at the county level.
- v. **Kenya Urban Support Project (KUSP) (IDA World Bank Credit) Urban Development Grant Kshs. 11.4 billion.** The purpose of the grant is to provide support to urban boards and administrators within the respective participating County Governments for financing infrastructure investments in urban areas.
- vi. **Universal Healthcare in Devolved System Programme (DANIDA Grant) Kshs. 0.986 billion.** The purpose of the grant is to improve access to quality of primary health care and RMNCAH services at the county level.

- vii. **Instruments for Devolution Advice and Support (IDEAS) EU Grant Kshs.0.492 billion.** The purpose of the grant is 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.
- viii. **Water & Sanitation Development Project (WSDP) (IDA World Bank Credit) Kshs. 3.5billion.** The purpose of the grant is for implementation of Water and Sanitation activities.
- ix. **Kenya Devolution Support Project (KDSP) (IDA World Bank Credit) Level 2 Grant Kshs.4.8billion.**
- x. **Agricultural Sector Development Support Programme (ASDSP) II Sweden Kshs. 0.849 billion.** The purpose of the grant is 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.
- xi. **Water Tower Protection and Climate Change Mitigation and Adaptation Programme(WaTER) EU Kshs. 0.495 billion.** The purpose of the grant is to support implementation of programme activities in line with the specific objectives outlined above.
- xii. **Kenya Urban Support Project (KUSP) (IDA World Bank Credit)Urban Institutional Grant (UIG) (IDA World Bank Credit) Kshs. 0.396 billion.** The purpose of the grant is to provide support to participating County Governments for the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, boards administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments.
- xiii. **Drought Resilience Programme in Northern Kenya (DRPNK) German Development Bank (KfW) Kshs. 0.350 billion.** The purpose of the grant is to support Drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas and to strengthen a sustainable basis by expanding and rehabilitating relevant infrastructure.

1.5. 4th Schedule: Budget Ceilings on Recurrent Expenditure of County Executives and County Assemblies for FY 2019/20

10)The fourth schedule is in relation to county governments' budget ceilings on recurrent expenditure between the county executive and the county assemblies during the financial year 2019/20. This is for purposes of enforcing principles of fiscal responsibility in accordance to Public Finance Management (PFM) Act, 2012 and the PFM Regulations. This is intended to rationalize spending across the county governments and safeguard frugality.

CHAPTER TWO

SUBMISSIONS FROM STAKEHOLDERS AND MEMBERS OF THE PUBLIC

The Committee received submissions from the public institutions, which were used to inform the recommendations made in this report. A stakeholder meeting was held on 17th September, 2019, at Kitui County Assembly.

The Committee received memoranda from the following stakeholders- Makueni County, Elgeyo-Marakwet County, Kisumu County, Uasin- Gishu County and Nairobi County.

The afore-mentioned counties considered provisions in the CARB and made the following submissions-

REVIEW OF THE COUNTY EXECUTIVE AND COUNTY ASSEMBLY BUDGET CEILINGS FOR 2019/20

COUNTY	2018/19 Kshs.	2019/20 Kshs.	REQUEST
Makueni	746,360,207	703,984,829	The allocation was reduced; request for increment
Elgeyo Marakwet	566,844,007	572,974,781	The Executive requests for the allocation to County Assembly be reduced
Kisumu	684,802,036	701,921,494	Reconsider increase by Kshs. 212,800,000 to cater for office renovation, furniture, recruitment of staff, office for nominated MCAs, lease of offices, office equipment and clearance for fringe benefit tax which was not factored in for the first members of MCAs mortgage and car loan.
Uasin Gishu	671,972,798	686,014,946	Request for additional Kshs. 60,000,000 to cater for CA strategic plan, HR consultancy, Enhancement of oversight, Staff harmonization and promotion.

COUNTY	2018/19 Kshs.	2019/20 Kshs.	REQUEST
Nairobi	1,386,671,700	1,409,977,879	Request for additional Kshs.261,513,055to cater for pending Bills, offices of nominated MCAs, Assembly Mace, Digital tools for Members, acquisition of Furniture, increased litigation costs, acquisition of rooms and staff establishment.

CHAPTER THREE

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Observations

The Committee made the following observations on the Bill-

- a) Some County Assemblies had requested for their budget ceilings on recurrent expenditure to be amended upwards but the increment in equitable share was not significant to warrant variations.
- b) Due to delayed enactment of both the Division of Revenue Bill, 2019 and the County Allocation of Revenue Bill, 2019 the cumulative disbursement for the first quarter to county government should be disbursed to the County government within seven days after approval of cash disbursement Schedule.

Recommendations

The Committee made the following recommendations-

- e) Schedule 1 of the Bill be amended as per Annex 1 which is in accordance with the Division of Revenue Act, 2019.
- f) Schedule 3 of the Bill be amended as per annex 2 which is in accordance to the Division of Revenue Act, 2019.
- g) The National Treasury should disburse the cumulative disbursement for the first quarter within seven (7) days after approval of the Cash Disbursement Schedule to County Government.
- h) The short title of the Bill be amended to indicate that the Act shall come into force upon publication in the *Gazette*".

Annex

1. Annex 1: First Schedule
2. Annex 2: Third Schedule
3. Minutes of the Committee

Annex: 1 FIRST SCHEDULE (s. 4(1))

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial Year 2019/2020

No	County	2018/2019		2019/2020	
		Allocation ratio	Equitable Share	Allocation ratio	Equitable Share
		Column A	Column B	Column C	Column D
1	Baringo	1.62	5,086,800,000	1.61	5,095,650,000
2	Bomet	1.89	5,934,600,000	1.74	5,507,100,000
3	Bungoma	2.85	8,949,000,000	2.81	8,893,650,000
4	Busia	1.90	5,966,000,000	1.90	6,013,500,000
5	Elgeyo Marakwet	1.20	3,768,000,000	1.22	3,861,300,000
6	Embu	1.42	4,458,800,000	1.36	4,304,400,000
7	Garissa	2.21	6,939,400,000	2.22	7,026,300,000
8	Homa bay	2.13	6,688,200,000	2.13	6,741,450,000
9	Isiolo	1.25	3,925,000,000	1.34	4,241,100,000
10	Kajiado	1.91	5,997,400,000	2.03	6,424,950,000
11	Kakamega	3.29	10,330,600,000	3.29	10,412,850,000
12	Kericho	1.82	5,714,800,000	1.70	5,380,500,000
13	Kiambu	2.98	9,357,200,000	2.98	9,431,700,000
14	Kilifi	3.45	10,833,000,000	3.30	10,444,500,000
15	Kirinyaga	1.31	4,113,400,000	1.34	4,241,100,000
16	Kisii	2.45	7,693,000,000	2.46	7,785,900,000
17	Kisumu	2.20	6,908,000,000	2.16	6,836,400,000
18	Kitui	2.78	8,729,200,000	2.79	8,830,350,000
19	Kwale	2.40	7,536,000,000	2.46	7,785,900,000
20	Laikipia	1.31	4,113,400,000	1.32	4,177,800,000
21	Lamu	1.13	3,548,200,000	0.82	2,595,300,000
22	Machakos	2.65	8,321,000,000	2.45	7,754,250,000
23	Makueni	2.27	7,127,800,000	2.34	7,406,100,000
24	Mandera	3.23	10,142,200,000	3.23	10,222,950,000
25	Marsabit	2.23	7,002,200,000	2.14	6,773,100,000
26	Meru	2.55	8,007,000,000	2.54	8,039,100,000
27	Migori	2.14	6,719,600,000	2.14	6,773,100,000
28	Mombasa	2.62	8,226,800,000	2.23	7,057,950,000

No	County	2018/2019		2019/2020	
		Allocation ratio	Equitable Share	Allocation ratio	Equitable Share
29	Murang'a	1.99	6,248,600,000	1.99	6,298,350,000
30	Nairobi	5.03	15,794,200,000	5.03	15,919,950,000
31	Nakuru	3.01	9,451,400,000	3.31	10,476,150,000
32	Nandi	1.71	5,369,400,000	1.69	5,348,850,000
33	Narok	2.03	6,374,200,000	2.54	8,039,100,000
34	Nyamira	1.52	4,772,800,000	1.52	4,810,800,000
35	Nyandarua	1.57	4,929,800,000	1.54	4,874,100,000
36	Nyeri	1.60	5,024,000,000	1.71	5,412,150,000
37	Samburu	1.41	4,427,400,000	1.46	4,620,900,000
38	Siaya	1.92	6,028,800,000	1.83	5,791,950,000
39	Taita taveta	1.29	4,050,600,000	1.34	4,241,100,000
40	Tana River	1.77	5,557,800,000	1.85	5,855,250,000
41	Tharaka Nithi	1.16	3,642,400,000	1.24	3,924,600,000
42	Trans Nzoia	1.79	5,620,600,000	1.82	5,760,300,000
43	Turkana	3.43	10,770,200,000	3.33	10,539,450,000
44	Uasin Gishu	1.89	5,934,600,000	2.00	6,330,000,000
45	Vihiga	1.42	4,458,800,000	1.47	4,652,550,000
46	Wajir	2.70	8,478,000,000	2.70	8,545,500,000
47	West Pokot	1.57	4,929,800,000	1.58	5,000,700,000
	Total	100	314,000,000,000	100	316,500,000,000

Annex: 2 THIRD SCHEDULE

THAT the third schedule of the Bill be deleted and substituted therefor with the following new third schedule-

THIRD SCHEDULE (s. 5(2))

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2019/2020 (Figures are in Kenya Shillings)

County	FY 2019/20											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	Column M	Column N
	Total Loans and Grants	Transforming Health Systems for Universal Care Project (VH)	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)	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level 2 grant"	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WATER)	IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Institutional Grants (UIG)	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPK)	Total Loans and Grants
Barototsig	455,614,301	39,175,834	-	141,097,380	30,000,000	52,360,500	15,187,500	21,118,210	-	-	17,586,468	-	8,800,000	-	325,325,892
Bomet	495,931,469	35,000,000	-	180,000,000	30,000,000	168,334,800	17,718,750	-	-	-	17,416,549	-	8,800,000	-	457,270,099
Bungoma	772,708,758	143,042,792	350,000,000	-	30,000,000	300,977,100	26,718,750	-	-	-	18,814,092	80,000,000	8,800,000	-	958,352,734
Busia	514,468,709	81,106,071	-	116,993,505	30,000,000	101,071,500	17,812,500	-	-	-	18,257,455	80,000,000	8,800,000	-	454,041,031
Elgeyo/Marakwet	448,113,957	35,000,000	-	118,422,545	30,000,000	89,802,100	11,250,000	-	-	-	16,632,723	80,000,000	8,800,000	-	389,907,368
Embu	423,634,353	44,569,827	350,000,000	-	30,000,000	119,892,100	13,312,500	-	-	-	15,418,468	-	8,800,000	-	581,992,895
Jarissa	1,619,534,869	47,421,765	-	157,422,850	30,000,000	233,506,000	20,718,750	-	400,000,000	-	20,520,018	-	8,800,000	-	918,389,383
Kona Bay	479,279,189	53,812,849	350,000,000	-	30,000,000	119,361,500	19,968,750	-	-	-	17,858,004	-	8,800,000	-	599,801,103
Kiolo	424,751,976	64,373,437	-	170,794,330	30,000,000	93,968,100	16,572,474	-	-	-	18,540,513	-	8,800,000	-	403,048,854
Kajiado	572,134,165	135,621,176	-	143,531,050	30,000,000	265,950,300	24,844,848	-	-	-	17,285,908	-	8,800,000	-	626,033,282
Kakamega	847,913,637	61,794,598	-	117,000,000	30,000,000	389,118,800	30,843,750	-	-	-	19,811,716	80,000,000	8,800,000	-	737,368,864
Kericho	557,172,175	71,544,247	-	199,459,400	30,000,000	256,299,000	17,062,500	-	-	-	16,415,491	-	8,800,000	-	599,580,638
Kisumu	2,230,951,780	80,079,440	331,195,210	-	30,000,000	1,885,993,000	27,937,500	-	-	-	17,404,219	-	8,800,000	-	2,381,409,369

Giifti	1,130,333,518	129,114,721	350,000,000	-	30,000,000	330,534,500	32,343,750	-	600,000,000	19,723,695	-	8,800,000	-	1,500,516,666
Giinyanga	375,297,242	35,000,000	350,000,000	-	30,000,000	71,302,200	12,281,250	-	-	14,513,506	-	8,800,000	-	521,896,956
Giisi	590,705,381	44,696,901	350,000,000	-	30,000,000	164,053,800	22,968,750	45,697,438	-	18,527,653	-	8,800,000	-	684,744,542
Giisumu	1,260,705,051	35,000,000	-	118,482,110	30,000,000	773,573,300	20,625,000	36,068,231	-	17,029,227	80,000,000	8,800,000	-	1,119,577,868
Giui	625,053,090	129,886,088	350,000,000	-	30,000,000	232,374,200	26,062,500	-	-	20,392,968	-	8,800,000	-	797,515,756
Gwale	872,997,000	157,706,559	350,000,000	-	30,000,000	50,000,000	22,500,000	44,360,883	300,000,000	19,348,633	-	8,800,000	-	982,716,075
aikipia	440,883,643	35,000,000	-	131,027,150	30,000,000	50,000,000	12,281,250	21,345,341	-	16,625,223	-	8,800,000	-	305,078,964
amu	349,454,694	35,000,000	-	157,507,010	30,000,000	50,000,000	10,593,750	-	-	14,265,997	-	8,800,000	-	306,166,757
Machakos	1,371,260,080	129,858,778	-	150,156,390	30,000,000	1,018,320,500	24,843,750	-	-	17,869,663	-	8,800,000	-	1,379,849,081
Makueni	559,260,092	89,179,782	350,000,000	-	30,000,000	136,261,600	21,281,250	50,180,747	-	19,051,135	-	8,800,000	-	704,754,514
Mandera	586,255,092	125,791,038	-	200,000,000	30,000,000	175,819,500	30,281,250	-	-	22,822,072	-	8,800,000	-	593,513,860
Marsabit	519,678,603	57,240,000	-	156,114,090	30,000,000	50,000,000	29,133,697	23,851,133	-	22,466,188	-	8,800,000	150,000,000	527,605,108
Meru	448,987,235	35,000,000	299,971,780	-	30,000,000	116,890,200	23,906,250	-	-	17,575,209	-	8,800,000	-	532,143,439
Migori	982,299,570	76,811,165	350,000,000	-	30,000,000	518,367,800	20,062,500	43,668,076	-	17,805,472	-	8,800,000	-	1,065,515,013
Mombasa	749,726,174	37,921,806	-	-	30,000,000	-	24,562,500	-	1,550,000,000	163,749,63	-	-	-	1,658,859,269
Murang'a	382,120,438	76,894,209	307,623,650	-	30,000,000	62,437,600	18,656,250	-	-	16,369,053	-	8,800,000	-	520,780,762
Nairobi City	215,149,968	96,359,510	-	-	30,000,000	-	471,562,50	-	-	211,838,40	-	-	-	194,699,600
Nakuru	1,474,865,158	58,346,857	350,000,000	-	30,000,000	1,084,843,300	41,107,213	-	-	18,507,501	-	8800000	-	1,591,604,871
Nandi	616,995,189	46,342,186	343,929,300	-	30,000,000	177,231,700	16,031,250	-	-	16,507,185	80,000,000	8,800,000	-	718,841,621
Narok	448,450,203	38,282,966	350,000,000	-	30,000,000	74,905,300	19,031,250	-	-	17,793,235	-	8,800,000	-	538,812,751
Nyamira	424,043,052	35,000,000	350,000,000	-	30,000,000	114,705,300	14,250,000	-	-	16,937,554	-	8,800,000	-	569,692,854
Nyandarua	466,332,856	35,000,000	-	117,268,690	30,000,000	135,543,400	14,718,750	20,223,224	-	15,987,360	-	8,800,000	-	377,541,424
Nyeri	522,609,757	50,181,184	-	186,033,960	30,000,000	236,639,100	15,000,000	-	-	15,187,858	-	8,800,000	-	541,842,102
Samburu	473,519,323	35,000,000	350,000,000	-	30,000,000	50,000,000	13,218,750	32,159,348	-	18,994,320	-	8,800,000	-	538,172,418
Siaya	428,874,926	42,327,625	-	142,126,290	30,000,000	50,000,000	25,932,368	-	-	16,561,840	80,000,000	8,800,000	-	395,748,123
Taita Taveta	820,585,453	56,942,903	-	117,024,000	30,000,000	50,000,000	12,093,750	42,394,162	400,000,000	17,060,386	-	8,800,000	-	734,315,201
Tana River	507,651,269	50,849,353	-	200,000,000	30,000,000	50,000,000	16,593,750	15,431,865	-	20,358,867	-	8,800,000	-	392,033,835

TharakaNithi	326,966,757	40,049,752	-	152,374,180	30,000,000	50,000,000	10,875,000	-	-	15,518,089	-	8,800,000	-	307,617,021
Trans Nzoia	745,728,311	36,686,728	350,000,000	-	30,000,000	299,106,900	16,781,250	-	-	16,768,813	80,000,000	8,800,000	-	838,143,691
Turkana	507,247,478	84,141,376	350,000,000	-	30,000,000	95,023,200	32,156,250	-	-	25,346,766	-	8,800,000	200,000,000	825,467,592
JasinGishu	1,080,111,632	40,028,573	-	200,000,000	30,000,000	630,147,800	25,961,694	50,223,504	-	16,331,289	80,000,000	8,800,000	-	1,081,492,860
/higa	661,090,578	56,065,640	350,000,000	-	30,000,000	250,950,700	13,312,500	-	-	15,724,263	80,000,000	8,800,000	-	804,853,103
Majir	1,611,438,084	35,000,000	-	153,172,330	30,000,000	165,643,500	25,312,500	24,481,325	250,000,000	23,548,494	-	8,800,000	-	715,958,149
West Pokot	562,497,958	35,000,000	-	117,291,410	30,000,000	73,392,300	14,718,750	21,495,096	-	18,586,308	80,000,000	8,800,000	-	399,283,864
Total	36,981,384,138	2,994,247,736	7,232,719,940	3,643,298,670	1,410,000,000	11,464,702,500	986,583,544	492,698,583	3,500,000,000	4,890,000,000	880,000,000	396,000,000	350,000,000	39,089,877,210

495,000
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MINUTES OF THE 103TH MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON TUESDAY, 17TH SEPTEMBER, 2019 AT COUNTY HALL, GROUND FLOOR BOARDROOM AT 1:30 PM.

PRESENT

1. Sen. (Eng) Mohamed M. Mahamud, CBS, MP - Chairperson
2. Sen. Mutula Kilonzo Junior, MP - Member
3. Sen. CPA Farhiya Haji, MP - Member
4. Sen. Aaron Cheruiyot, MP - Member
5. Sen. (Dr) Rose Nyamunga, MP - Member
6. Sen. (Dr) Ali Abdullahi Ibrahim, CBS, MP - Member

ABSENT WITH APOLOGY

1. Sen. (Dr) Isaac Mwaura, CBS, MP - Vice Chairperson
2. Sen. Moses Wetangula, MP - Member
3. Sen. Boniface Mutinda Kabaka, MP - Member

SECRETARIAT

1. Ms. Mary Chesire - Ag. Director Committee Services
2. Mr. Christopher Gitonga - Clerk Assistant
3. Ms. Lucy Radoli - Legal Counsel
4. Mr. Charles Atamba - Research Officer

MIN. NO. 502/09/2019:

PRELIMINARIES

The Chairperson called the meeting to order at 1.30 pm and followed a word of prayer.

MIN.NO. 503/09/2019:

ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by Sen. CPA Farhiya Haji, MP and seconded by Sen. (Dr) Ali Abdullahi Ibrahim, CBS, MP.

MIN.NO. 504/09/2019: CONSIDERATION OF THE REPORT ON THE COUNTY

ALLOCATION OF REVENUE BILL, 2019 COUNTY

GOVERNMENT BUDGET CEILINGS ON RECURRENT

EXPENDITURE FOR FY 2019/20

The Committee considered its report on the County Allocation of Revenue Bill, 2019 and County Government Budget Ceilings on Recurrent Expenditure for the Financial Year 2019/20 and unanimously resolved to recommend as follows-

- a) Schedule 1 of the Bill be amended as per Annex 1 which is in accordance with the Division of Revenue Act, 2019.
- b) Schedule 3 of the Bill be amended as per annex 2 which is in accordance to the Division of Revenue Act, 2019.
- c) The National Treasury should disburse the cumulative disbursement for the first quarter within seven (7) days after approval of the Cash Disbursement Schedule to County Government.
- d) The short title of the Bill be amended to indicate that the Act shall come into force upon publication in the *Gazette*".

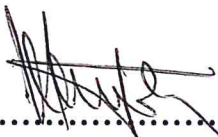
**MIN.NO. 505/09/2019: ADOPTION OF THE REPORT ON THE COUNTY
ALLOCATION OF REVENUE BILL, 2019 COUNTY
GOVERNMENT BUDGET CEILINGS ON RECURRENT
EXPENDITURE FOR FY 2019/20**

The Report of the Committee on the County Allocation of Revenue Bill, 2019 County Government Budget Ceilings on Recurrent Expenditure for Financial Year 2019/20 was unanimously adopted after it was proposed by Sen. Rose Nyamunga, MP and Seconded by Sen. Mutula Kilonzo Junior, MP

It was resolved that the Report be tabled on 17th September, 2019.

MIN.NO. 506/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the Chairperson adjourned the meeting at 2:25 pm.

SIGNATURE.....

(CHAIRPERSON: SEN. (ENG) MOHAMED MAALIM MAHAMUD)

DATE.....