Approved
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13/8/24

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – THIRD SESSION -2024

SELECT COMMITTEE ON BUDGET AND APPROPRIATIONS

REPORT ON

THE CONSIDERATION OF THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2024 (SENATE BILLS NO.19 OF 2024).

The Clerk's Chambers
National Assembly
Parliament Buildings
NAIROBI

AUGUST, 2024

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CHAIRPERSON'S FOREWORD

The County Governments Additional Allocations Bill, 2024 is prepared according to Article 202(2) of the Constitution which provides that County Governments may be given additional allocations from the National Government share of revenue either conditionally or unconditionally. Article 190 of the Constitution also allows support to county governments by way of legislation through Parliament to ensure that county governments have adequate resources to enable them to perform their functions.

The Bill is submitted alongside the Budget Policy Statement as per the provisions of Section 191 of the Public Finance Management (PFM) Act, Cap 412A. In this regard, the Bill was published on 28th, March 2024 by the Senate through the sponsorship of the Standing Committee on Finance and Budget of the Senate. The Bill was submitted to the Senate for consideration and approval. The Senate considered and passed the Bill on 11th June 2024. Thereafter, the Bill was submitted to the National Assembly for concurrence as per the provisions of Article 110(4) of the Constitution.

The Bill seeks to make provisions for transferring conditional and unconditional allocations from the national government's share of revenue and from development partners to the county governments for the FY 2024/25. The total additional allocations (conditional and unconditional) to County Governments for the FY 2024/25 are proposed to **be Ksh.61.9 billion**.

The Bill is made up of eight (8) clauses and four schedules. Each of the schedules exclusively expounds on the nature of allocations and the amount allocated to each county government. The first schedule contains conditional allocations financed from the National Government's share amounting to **Ksh.8.29 billion**, the second schedule contains allocations from the Road Maintenance Levy Fund (RMFL) amounting to **Ksh.10.522 billion,** the third schedule contains allocations for court fines of **Ksh.7.4 million** and Mineral royalties of **Ksh.1.055 billion** and the fourth schedule outlines the allocations of **Ksh.42 billion** from development partners spread across seventeen (17) donor projects.

The committee noted the allocations in the Bill are funded through annual appropriations of the National government budget. Following the preparation and approval of Supplementary Estimates No.1 of FY 2024/25 to rationalize and align the government finances in light of the rejection of the Finance Bill,2024 several allocations in the Bill were affected. For instance, the allocation to the supplement for the construction of the County Headquarters was rationalized to zero while that of the County Aggregation and Industrial Parks (CAIPs) program has been reduced from an allocation of **Ksh.4.5 billion to Ksh.2 billion.** In light of the budget rationalization, the proposed total additional allocations reduce to **Ksh.46.6 billion** from the initial **Ksh.61.9 billion** for FY 2024/25.

Committee Recommendation

The Committee having considered, reviewed, and examined the County Government Additional Allocations Bill, 2024 recommends that the House approves the Bill **with amendments.**

ACKNOWLEDGEMENTS

The Budget and Appropriations Committee is grateful to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly, and the Parliamentary Budget Office for the support extended in fulfilling this mandate of reviewing the County Government Additional Allocations Bill, 2024.

On behalf of the Committee and pursuant to Standing Order 199(6), it is my pleasant duty and privilege to table the Report and recommend it to the House for adoption.

SIGNED

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HON. NDINDI NYORO, CBS, M.P.
CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

13.08.24
....
DATE

PREFACE

Establishment and Mandate of the Committee

1. Article 221 (4) of the Constitution and Section 7 of the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this constitutional provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates as follows:
    i. Examine the Division of Revenue Bill
    ii. Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the national budget;
    iii. Discuss and review the budget estimates and make recommendations to the House;
    iv. Examine the Budget Policy Statement presented to the House;
    v. Examine bills related to the national budget including appropriation bills; and
    vi. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays;

Membership of the Committee

2. Pursuant to Standing Order 207(2), the Budget and Appropriations Committee as currently constituted comprises of the following Honourable Members:

CHAIRPERSON
Hon. Ndindi, Nyoro, CBS, M.P.
Kiharu Constituency
UDA PARTY

VICE CHAIRPERSON
Hon. Otucho, Mary Emaase, M.P.
Teso South Constituency
UDA PARTY

MEMBERS

Hon. Chumel, Samwel Moroto, CBS, M.P.
Kapenguria Constituency
UDA PARTY

Hon. Odhiambo, Millie Grace Akoth, CBS, M.P.
Suba North Constituency
ODM PARTY

Hon. Mulu, Makali, PhD, M.P.
Kitui Central Constituency
WDM – Kenya

Hon. Lekuton, Joseph, M.P.
Laisamis Constituency
UDM PARTY

Hon. Lesuuda, Josephine Naisula, OGW, M.P.
Samburu West Constituency
KANU PARTY

Hon. Ochieng, David Ouma, M.P.
Ugenya Constituency
MDG PARTY

Hon. Shinali, Bernard Masaka, M.P.
Ikolomani Constituency
ODM PARTY

Hon. Atandi, Samuel Onunga, M.P.
Alego Usonga Constituency
ODM PARTY

Hon. Mejjadonk, Benjamin Gathiru, M.P.
Embakasi Central Constituency
UDA PARTY

Hon. Wachira, Rahab Mukami, M.P.
Nyeri County
UDA PARTY

Hon. (Dr.) Ongili, Babu Owino Paul, M.P.
Embakasi East Constituency
ODM PARTY

Hon. Guyo, Ali Wario, M.P.
Garsen Constituency
ODM PARTY

Hon. Busia, Ruth Adhiambo Odinga, M.P.
Kisumu County
ODM PARTY

Sergon, Flowrence Jematiah, M.P.
Baringo County
UDA PARTY

Hon. Abdirahman Mohamed Abdi, M.P.
Lafey Constituency
Jubilee Party

Hon. Robi, Mathias Nyamabe, M.P.
Kuria West Constituency
UDA PARTY

Hon. Muchira, Michael Mwangi, M.P.
Ol Jorok Constituency
UDA PARTY

Hon. Mwakuwona, Danson Mwashako, M.P.
Wundanyi Constituency
WDM – Kenya

Hon. Mwirigi, John Paul, M.P.
Igembe South Constituency
UDA PARTY

Hon. Wangaya, Christopher Aseka, M.P.
Khwisero Constituency
ODM PARTY

Hon. (Dr.) Masara, Peter Francis, M.P.
Suna West Constituency
ODM PARTY

Hon. Wanjiku, John Njuguna, M.P.
Kiambaa Constituency
UDA PARTY

Hon. Murumba, John Chikati, PhD, M.P.
Tongaren Constituency
FORD-Kenya

Hon. Kitilai, Ole Ntutu, M.P.
Narok South
Independent

Hon. Mokaya, Nyakundi Japheth, M.P.
Kitutu Chache North Constituency
UDA PARTY

Committee Secretariat

3. The Committee Secretariat is comprised of the following officers:

Mr. Danson Kachumbo
Senior Fiscal Analyst/ Lead Clerk

Mr. Ringine Mutwiri Fiscal Analyst/ Committee Clerk	Ms. Sylvia Ocharo Senior Policy Analyst
Mr. Moses Mwariri Legal Counsel	Mr. Simon Ouko Serjeant-at-arms
Ms. Fridah Ngari Media Relations	Mr. Nimrod Ochieng Audio Officer
Mr. Jared Amara Office Assistant	Ms. Shamsa Abdi Research Officer

Technical Staff from the Parliamentary Budget Office

4. The Committee received technical support from the following officers from the Parliamentary Budget Office.

Dr. Martin Masinde
Director, Parliamentary Budget Office

Mr. Robert Nyagah
Ag. Senior Deputy Director, PBO.

Ms. Millicent Makina Fiscal Analyst	Mr. Kiminza Kioko Fiscal Analyst

1.0 Introduction

1. The County Governments Additional Allocations Bill, 2024 is prepared according to Article 202(2) of the Constitution. The law provides that county governments may be given additional allocations from the national government's share of revenue either conditionally or unconditionally. Further, Article 190 of the Constitution allows support to county governments by way of legislation through Parliament to ensure that county governments have adequate resources to enable them to perform their functions.
2. The County Governments Additional Allocations Bill, 2024 was published on 28th March 2024, and submitted to the Senate for consideration. The Senate considered and passed the Bill on 11th June 2024. Thereafter, the Bill was transmitted to the National Assembly for concurrence as per the provisions of Article 110(4) of the Constitution. The Bill was committed to the Select Committee on Budget and Appropriations for consideration and reporting to the House in line with Standing Order 143 of the National Assembly Standing Orders.
3. The Bill seeks to necessitate for transfer of conditional and unconditional allocations from the national government's share of revenue and from development partners to the county governments for the FY 2024/25. The total additional allocations (conditional and unconditional) to County Governments for the FY 2024/25 are proposed to be **Ksh.61.9 billion.**
4. The Bill as passed by the Senate contains eight (8) clauses and four schedules. Each schedule exclusively expounds on the nature of allocations and the amount allocated to each county government.

2.0 Analysis of the Bill as passed by the Senate.

5. The Bill provides for additional allocations financed from the National Government's share of revenue amounting to Ksh. 19.9 billion and allocation of Ksh.42 billion to from proceeds of loans and grants from development partners spread across seventeen (17) donor projects.

2.1 Allocations Financed from the National Government's Share of Revenue

a. Supplement for the Construction of County Headquarters.

i. The allocation for the construction of the county headquarters amounts to **Ksh.523.1 million**. The allocation per county is as follows: Isiolo (Ksh.115.4 million), Lamu (Ksh.264.7 million), Tana River (Ksh.95 million), and Tharaka Nithi (Ksh.47.9 million). Notably, Nyandarua County has no allocation since there was an over-provision of Ksh.66.4 million in its entitled allocation in FY 2023/24.

ii. The national government's entitlement towards each County for the Construction of the headquarters was Ksh.363 million spread across three financial years (from FY 2017/18 to FY 2019/20) with an allocation of Ksh.

121 million per county each year. The amount so far disbursed from the national government towards the projects as of the end of FY 2022/23 amounted to Ksh.837.89 million. The proposed allocation of Ksh.523.1 million in FY 2024/25 is considered to be the final National Government's contribution towards the projects.

iii. The Senate made a resolution to transfer the Management and supervision of the projects to the beneficiary Counties. The parties that facilitated the process were the National Treasury, the State Department for Public Works, and the Council of Governors in cooperation with the Intergovernmental Relations Technical Committee (IGRTC) who prepared the intergovernmental agreements.

b. County Aggregation and Industrial Parks (CAIPs).

i. The County Aggregation and Industrial Parks (CAIPs) is an initiative Project under the BETA framework from the national government. In FY 2024/25, the program is scheduled to be undertaken in 18 counties with each county receiving Ksh.250 million, bringing the total allocation to Ksh**.4.5 billion.** The initial cost for the establishment of an Industrial Park is Ksh.500 million, hence the cost is shared between the benefiting county government and the national government on a 50:50 matching basis.

ii. Analysis indicates that, from the allocations for the CAIPs projects in the CGAA Act, 2024, and the provisions in this Bill, a total of thirty-six (36) counties will have been covered. The remaining eleven (11) counties are scheduled to be considered in the budget estimates for FY 2025/26(*as per government policy in the Budget Policy Statement,2024*). The counties proposed to benefit are; Baringo, Elgeyo/Marakwet, Kajiado, Kericho, Kakamega, Kilifi, Kisii, Kitui, Kwale, Laikipia, Mandera, Narok, Nyandarua, Nyeri, Taita Taveta, Tharaka Nithi, Vihiga and Wajir.

c. Community Health Promoters (CHPs) Programme

i. The Community Health Promoters (CHPs) Programme aims at providing basic preventive and promotive health, health education, basic first aid for the treatment of minor injuries and ailments at the household level, and referral for facility-based healthcare. The program has been allocated **Ksh.3.234 billion** shared among the forty-seven County governments, taking into account the number of Community Health Promoters (CHPs) in each county. Each county government is obligated to provide an equal amount of counterpart funding from their equitable share to match the National Government's contribution.

ii. The number of the Community Health Promoters (CHPs) is 107,831 across the Country and each CHP is expected to earn a monthly stipend of Ksh.5,000 per month. Each community health promoter will be allocated 100 homes within their neighborhoods countrywide. Counties with the highest number of CHPs include; Nairobi (7,470), Kakamega (4,250), Kilifi (3,870), Makueni (3,790), Meru (3,716), Bungoma (3,580), Nakuru (3,313) and Nandi (3,222). Those with less than 1,000 CHPS are; Lamu (484), Mandera (618), Isiolo (721), Laikipia (841), and Tana River (963).

d. Transfer of Museum function

i. The Intergovernmental Relations Technical Committee vide Gazette Notice No. 13982 dated 11th November 2022, delineated and transferred the museum function to county governments. The attendant resources to be transferred to the seven (7) counties with museum stations amount to Ksh.30.18 million. The resources are earmarked for the personal emoluments. The Seven (7) Museums include; Garissa Museum, Isiolo Museum, Kisumu Museum, Marsabit-Longaingalani Museum, Narok Museum, Trans Nzoia, Wajir Museum.

e. Road Maintenance Fuel Levy (RMFL)

i. The second schedule of the Bill contains conditional additional allocations from the Road Maintenance Levy Fund (RMFL) amounting to Ksh.10.522 billion for the maintenance of county roads. The allocation criteria of the fund to the counties involved the development of weights considering different factors. The identified five (5) factors are weighted as follows: Length of the road (Km)-60%, Climate/Rainfall -5 %, Rural Access Index (RAI)-10%, Distribution soil types- 5%, and an equal share of 20%.

ii. The application of the criteria under the allocation of weights against the five factors resulted in a sharing index for each county government. To arrive at an allocation per county, the sharing index was multiplied by the total allocation of Ksh.10.522 billion.

f. Unconditional additional allocations for Court Fines

i. The third schedule of the Bill contains unconditional additional allocations for court fines emanating from contravention of county legislations amounting to Ksh.7.43 million. The benefiting counties are; Kiambu- Ksh. 5.697 million, Kisumu - Ksh. 66,912, Kitui - Ksh. 50,000 and Machakos - Ksh. 1.62 million.

ii. The transfer of the court fines to the respective county governments has faced challenges due to the lack of a framework for the collection and transfer of the same. This is because, currently, the law requires that all revenues collected by the Judiciary be sent to the Consolidated Fund (CF). There is a lack of framework and administrative measures to ensure that the court fines due to counties do not continue to be deposited into the CF.

g. Unconditional additional allocations for 20% share of mineral royalties

i. The third schedule also contains unconditional allocations emanating from the twenty percent (20%) share of Mineral Royalties, pursuant to section 183 of the Mining Act, 2016. The law requires the holder of a mineral right to pay royalties to the State in respect of the various mineral classes won by virtue of the mineral right. Section 183(5) of the Mineral Act, 2016 envisages the sharing of mineral royalties as follows: seventy percent (70%) shared to the National Government, twenty percent (20%) to the County Government, and ten percent (10%) to the community where the mining operations occur.

ii. For FY 2024/25, the allocations from the 20% mineral royalties for the county governments amount to **Ksh.1.055 billion.** The amount to be shared among twenty-one (21) counties is from the mineral royalties accrued in the FY 2021/22 as reported by the State Department for Mining. The Counties with the highest share of mineral royalties are; Kwale-Ksh. 674.5 million, Kilifi-Ksh. 177.5 million, and Kajiado-Ksh. 160.2 million.

2.2 Allocations from Proceeds of Loans and Grants by Development Partners.

6. The fourth schedule of the Bill sets out allocations of Ksh.42 billion to counties from development partners spread across seventeen (17) donor projects.

i. **DANIDA grant for financing Primary Healthcare in a Devolved Context amounting to Ksh.487.5 million.** The purpose of the grant is to improve primary healthcare with a focus on reproductive, maternal newborn, child, and adolescent health (RMNCAH) services at the county level in level 1, 2, and 3 health facilities. The project will be undertaken across all the forty-seven (47) governments.

ii. **Kenya Informal Settlement Improvement Project (KISIP II)- IDA World Bank funded projected amounting to Ksh. 5.2billion**. The project is aimed at developing sustainable infrastructure in selected informal settlements in urban areas as part of slum upgrading. The project will be implemented in 16 counties.

iii. **Kenya Informal Settlement Improvement Project (KISIP II)-French Development Agency (AFD) funded projected amounting to Ksh. 5.2billion**. The purpose of the grant is to develop sustainable infrastructure in selected informal settlements in urban areas as part of slum upgrading. The project will be implemented in 15 counties.

iv. **Emergency Locust Response Project (ELRP) financed by proceeds from an IDA (World Bank) loan amounting to Ksh. 1.9 billion.** The main purpose of the financing is to prevent and respond to the threat to livelihoods posed by the desert locust outbreak and to strengthen Kenya's systems preparedness. The project will be implemented in fifteen (15) counties with the allocation per county being either Ksh.104.6 million or Ksh. 121 million or Ksh. 142.5 million.

v. **Financing Locally- Led Climate Action Program, (FLLoCA) County Climate Resilience Investment (CCRI) grant financed by proceeds from a KfW**

(German Development Bank) loan amounting to Ksh.1.2 billion. The core objective of the grant is to support county governments to roll out and implement County Climate Action Plans (CCAPs). The program is intended to benefit 16 counties.

vi. **IDA (World Bank) Credit (Financing Locally- Led Climate Action Program, Flloca) County Climate Resilience Investment (CCRI) Grants allocation of Ksh.3.712 billion to forty-five (45)** counties, excluding Nairobi and Mombasa. The two counties are yet to develop and enact Climate Change laws. The FLLoCA Program Development Objective (PDO) is to deliver locally-led climate resilience actions and strengthen county and national government's capacity to manage climate risks. The grant is intended to encourage and financially facilitate County Governments to implement the County Climate Action Plans (CCAPs). The allocation per county shall be determined on a performance-for-results (PforR) basis, where counties will be assessed on certain performance criteria/ conditions.

vii. **IDA (World Bank) loan for the Food Systems Resilience Project – (FSRP) totaling to Ksh. 2.25 billion going to thirteen (13) counties**. The main objective of the grant is to support the counties in preparedness against food insecurity and improve the resilience of food systems. Each county is allocated Ksh.173.1 million and is expected to provide a counterpart funding of Ksh.5 million.

viii. **IDA (World Bank) Loan for the National Agricultural Value Chain Development Project (NAVCDP) amounting to Ksh.5 billion** to be shared among thirty-three (33) counties. The program targets small-scale farmers participating in value addition of select value chains. The amount is shared equally among the counties with each getting Ksh.151.5 million and expected to contribute a counterpart funding of Ksh.5 million.

ix. **IDA (World Bank) loan to finance the Water and Sanitation Development Project (WSDP) totaling Ksh.5.7 billion** allocated among six (6) select coastal and Northeastern counties. The project targets Water and Sanitation activities in the counties to increase water and sanitation coverage.

x. **IDA (World Bank) loan for the Kenya Devolution Support Programme (KDSP) II of Ksh. 1.76 billion** shared equally among the forty-seven (47) counties with each benefitting with Ksh.37.5 million. The purpose of the grant is to incentivize counties to set up core governance and institutional arrangements for the management of public resources through capacity-building and institutional strengthening activities. The end objective of the programme is to strengthen counties to deliver on their functions efficiently and effectively.

xi. **IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) – Urban Institutional Grant (UIG) of Ksh.1.72 billion.** The grant is for providing support towards the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, and board administrations, and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments. The program will be implemented in forty-five (45) counties.

xii. **IDA (World Bank) credit: Second Kenya Urban Support Project (KUSP2)-Urban Development Grant (UDG) of Ksh.5.89 billion.** The purpose of the grant is to support participating County governments in infrastructure investments in urban areas. The beneficiary counties are forty-five (45).

xiii. **International Fund for Agricultural Development (IFAD) loan for the Kenya Livestock Commercialization Project (KeLCoP) totaling Ksh. 378.7 million.** The program will be implemented in ten (10) semi-arid, arid, and highland counties. The project is in line with the Government's agriculture transformation Agenda of increasing rural small-scale farmers' incomes, food and nutrition security. The project is developed to increase the incomes of 110,000 poor livestock and pastoralist households, especially youth and women.

xiv. **KfW (German Development Bank) Loan for the Drought Resilience Programme in Northern Kenya (DRPNK) of Ksh.781.97 million** towards Turkana and Marsabit counties. The purpose of the grant is to build drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas in the counties.

xv. **International Fund for Agricultural Development (IFAD) loan for the Aquaculture Business Development Programme (ABDP) of Ksh. 245.88 million.** The money is to be shared among fifteen (15) beneficiary counties for increasing incomes, food security, and nutritional status of the communities of poor rural households involved in aquaculture activities. The funds will be used to procure solar power backup for fresh fish markets serving as aggregation and market centers.

xvi. **United Nations Fund for Population Activities (UNFPA) grant for the tenth Country Kenya Programme totaling Ksh.65.2 million.** The program shall be implemented through the Ministry of Health focusing on reducing the unmet need for family planning, the reduction of preventable maternal deaths, and the reduction in gender-based violence and harmful practices. The benefiting counties are; Nairobi, Bungoma, Baringo, Isiolo, Narok, Kwale, Turkana, and Garissa.

xvii. **Kenya Agricultural Business Development Project (KABDP)-Swedish-funded programme amounting to Ksh.512.2 million.**The grant aims to develop knowledge and skills of Agriculture Priority Value Chain Actors (PVCAs) and Value Chain Organizations (VCO). Each of the forty-seven counties is allocated Ksh.10.92 million.

3.0 Committee Observations.

7. The Committee made the following observations from the review and consideration of the County Government Additional Allocations Bill,2024.

   i. That following the approval of Supplementary Estimates No.1 of FY 2024/25 to rationalize and align the government finances in light of the rejection of the Finance Bill,2024, several allocations in the Bill were affected. In this regard, the total additional allocations to counties for FY 2024/25 have reduced to **Ksh.46.6 billion** from the initial proposed allocation of **Ksh.61.9 billion.**

   ii. That in light of the budget rationalization, the allocation to the supplement for the construction of the County Headquarters was rationalized to zero from Ksh. 444 million allocated in the approved estimates for FY 2024/25.

   iii. That the allocation for County Aggregation Industrial Parks (CAIPs) was reduced to Ksh.2 billion from an initial allocation of Ksh.4.5 billion for FY 2024/25. Further, the allocation for FY 2023/24 which amounted to Ksh.4.5 billion was only disbursed Ksh.1.25 billion with each project receiving Ksh.62.5 million. As such, there could be a need to revise the implementation frameworks of the programme and consider focusing on completing the first 18 CAIPs in FY 2024/25.

   iv. That there is an allocation of Ksh.10.522 billion for the maintenance of County Roads from the Road Maintenance Levy Fund (RMLF) for the FY 2024/25. This is despite the money having been incorporated into the equitable share for county governments from FY 2021/22. The National Treasury had proposed to net off the amount from the County equitable share for FY 2023/24 (Ksh.385.4 billion) before proposing the allocation to the County governments in FY 2024/25. The proposal was defeated since allocation was already part of the Division of Revenue Act,2023.

   v. That, the Community Health Promoters (CHPs) Programme is allocated a total of **Ksh.3.23 billion** in the Bill. However, in the approved Supplementary Estimates No. I of FY 2024/25, the budgetary provision is **Ksh.2.584 billion.** This implies a possible implementation challenge for the programme, considering the amount can only cater to 86,133 CHPs, as opposed to the envisioned 107,831 CHPs.

   Disbursements of court fines and mineral royalties have faced challenges arising from a lack of frameworks and mechanisms for the collection and remittance of the funds directly to beneficiary counties. Despite the allocations being included in the Bill, there has been no subsequent provision of the same in the annual appropriations. It was the finding of the Committee that, there were no allocations for the **Transfer of Museum Function, Court fines and fees, and Mineral Royalties** in the approved Supplementary Estimates No. 1 of FY 2024/25.

vi. That the Nairobi and Mombasa counties were yet to receive the level I grant of the Financing Locally-Led Climate Action (FLLoCA) Program. This is because the counties have not met the Minimum Access Conditions for the County Climate Institutional Support (CCIS) Grant.

vii. The request of the Council of Governors to enhance the allocation of the IDA (World Bank) Credit - Financing Locally- Led Climate Action (FLLoCA) Program by Ksh.2.48 billion from the current allocation in the Bill of Ksh.3.712 billion to Ksh.6.187 billion. However, the request would not be accommodated due to constraints in the fiscal framework of FY 2024/25.

4.0 Committee Recommendations

8. Having reviewed and examined the County Government Additional Allocations Bill,2024 as passed by the Senate, the Committee recommends that the House approves the **Bill with the following amendments;**

i. **Deletion of the First Schedule of the Bill and replacement with a new schedule.** This is to reflect the following;

a) deletion of allocation for the construction of the county headquarters,

b) deletion of the column on the Transfer of Museum function,

c) revision of the allocation to Community Health Promoters to Ksh.2.584 billion.

d) revision of the allocation to the County Aggregation and Industrial Parks (CAIPs) to Ksh.2 billion.

e) the revised allocations to CAIPs to prioritize completion of the ongoing projects in the first eighteen (18) counties.

ii. **Deletion of the Second Schedule** on allocation from the Road Maintenance Levy Fund.

iii. **Deletion of the Third Schedule** on Unconditional additional allocations for County Fines and for the 20% share of Mineral Royalties.

SIGNED

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HON. NDINDI NYORO, CBS, M.P.

CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

DATE........13.08.24........

THE NATIONAL ASSEMBLY PAPERS LAID
DATE: 13 AUG 2024 DAY.
TABLED BY:
CLERK-AT THE-TABLE:

REPUBLIC OF KENYA

NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT

BUDGET AND APPROPRIATIONS COMMITTEE
ADOPTION SCHEDULE

We, the undersigned Members of the Budget and Appropriations Committee, today.....13.08.24.....do hereby affix our signatures to this **REPORT ON ITS' CONSIDERATION OF THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL (SENATE BILL NO. 19 OF 2024),** to affirm our approval and confirm accuracy, validity and authenticity: -

NAME		SIGNATURE
1.	**Hon. Ndindi, Nyoro, CBS, M.P.- Chairperson**	
2.	**Hon. Otucho, Mary Emaase, M.P.- Vice Chairperson**	
3.	Hon. Chumel, Samwel Moroto, CBS, M.P.	
4.	Hon. Odhiambo, Millie Grace Akoth, CBS, M.P.	
5.	Hon. Mulu, Makali, PhD, M.P.	
6.	Hon. Lekuton, Joseph, M.P.	
7.	Hon. Lesuuda, Josephine Naisula, OGW, M.P.	
8.	Hon. Robi, Mathias Nyamabe, M.P.	
9.	Hon. Ochieng, David Ouma, M.P.	
10.	Hon. Muchira, Michael Mwangi, M.P.	
11.	Hon. Shinali, Bernard Masaka, M.P.	
12.	Hon. Mwakuwona, Danson Mwashako, M.P.	
13.	Hon. Atandi, Samuel Onunga, M.P.	
14.	Hon. Mwirigi, John Paul, M.P.	

NAME		SIGNATURE
15.	Hon. Mejjadonk, Benjamin Gathiru, M.P.	
16.	Hon. Wangaya, Christopher Aseka, M.P.	
17.	Hon. Wachira, Rahab Mukami, M.P.	
18.	Hon. (Dr.) Masara, Peter Francis, M.P.	
19.	Hon. (Dr.) Ongili, Babu Owino Paul, M.P.	
20.	Hon. Wanjiku, John Njuguna, M.P.	
21.	Hon. Guyo, Ali Wario, M.P.	
22.	Hon. Murumba, John Chikati, PhD, M.P.	
23.	Hon. Busia, Ruth Adhiambo Odinga, M.P.	
24.	Hon. Kitilai, Ole Ntutu, M.P.	
25.	Hon. Sergon, Flowrence Jematiah, M.P.	
26.	Hon. Mokaya, Nyakundi Japheth, M.P.	
27.	Hon. Abdirahman Mohamed Abdi, M.P.	

MINUTES OF THE 58TH SITTING OF THE SELECT COMMITTEE ON BUDGET & APPROPRIATIONS HELD ON TUESDAY, 13TH AUGUST 2024 FROM 10.00 A.M. IN ROOM NO. 9, MAIN PARLIAMENT BUILDINGS.

PRESENT:

1. **Hon. Ndindi, Nyoro, CBS, M.P.- Chairperson**
2. **Hon. Otucho, Mary Emaase, M.P.- Vice Chairperson**
3. Hon. Chumel, Samwel Moroto, M.P.
4. Hon. Mulu, Makali, PhD, M.P.
5. Hon. Lesuuda, Josephine Naisula, OGW, M.P.
6. Hon. Ochieng, David Ouma, M.P.
7. Hon. Shinali, Bernard Masaka, M.P.
8. Hon. Atandi, Samuel Onunga, M.P.
9. Hon. Robi, Mathias Nyamabe, M.P.
10. Hon. Mwirigi, John Paul, M.P.
11. Hon. Wangaya, Christopher Aseka, M.P.
12. Hon. Wachira, Rahab Mukami, M.P.
13. Hon. Sergon, Flowrence Jematiah, M.P.
14. Hon. Mejjadonk, Benjamin Gathiru, M.P.
15. Hon. Murumba, John Chikati, PhD, M.P.
16. Hon. Guyo, Ali Wario, M.P.
17. Hon. (Dr.) Masara, Peter Francis, M.P.

ABSENT WITH APOLOGY:

1. Hon. Odhiambo, Millie Grace Akoth, M.P.
2. Hon. Lekuton, Joseph, M.P.
3. Hon. (Dr.) Ongili, Babu Owino Paul, M.P.
4. Hon. Muchira, Michael Mwangi, M.P.
5. Hon. Mwakuwona, Danson Mwashako, M.P.
6. Hon. Wanjiku, John Njuguna, M.P.
7. Hon. Mokaya, Nyakundi Japheth, M.P.
8. Hon. Busia, Ruth Adhiambo Odinga, M.P.
9. Hon. Abdirahman Mohamed Abdi, M.P.

PARLIAMENTARY BUDGET OFFICE

1. Dr. Abel Nyagwachi	Senior Fiscal Analyst
2. Mr. Kioko Kiminza	Fiscal Analyst III
3. Mr. Adera Onyango	Fiscal Analyst III

COMMITTEE SECRETARIAT

1. Mr. Danson Kachumbo	Senior Fiscal Analyst/ Clerk
2. Mr. Ringine Mutwiri	Fiscal Analyst III/ Assistant Clerk
3. Ms. Sylvia Ocharo	Senior Policy Analyst
4. Mr. Nimrod Ochieng	Audio Officer
5. Ms. Fridah Ngari	Media Relations Officer
6. Mr. Simon Ouko	Sergeant-at-Arms
7. Mr. Jared Amara	Office Assistant

AGENDA

1. ***Prayers;***
2. ***Preliminaries;***
3. ***Consideration and adoption of the Committee report on the County Additional Allocations Bill, 2024;***
4. ***Any Other Business (A.O.B); and***
5. ***Adjournment.***

MIN.NO.NA/BAC/2024/238: PRELIMINARIES

The Chairperson called the meeting to order at 10.25 a.m., welcomed the members to the meeting, and requested the Hon. Otucho, Mary Emaase, M.P. to lead with the word of prayer.

MIN.NO.NA/BAC/2024/239: ADOPTION OF THE REPORT ON THE COUNTY GOVERNMENT ADDITIONAL ALLOCATIONS BILL, 2024.

The Parliamentary Budget Office took members through the draft report. The report was proposed and seconded by Hon. Lesuuda, Josephine Naisula, OGW, M.P and Hon. Sergon, Flowrence Jematiah, M.P. The report was therefore **ADOPTED** as follows:

A. Introduction

1. The County Governments Additional Allocations Bill, 2024 is prepared according to Article 202(2) of the Constitution. The law provides that county governments may be given additional allocations from the national government's share of revenue either conditionally or unconditionally. Further, Article 190 of the Constitution allows support to county governments by way of legislation through Parliament to ensure that county governments have adequate resources to enable them to perform their functions.
2. The County Governments Additional Allocations Bill, 2024 was published on 28th March 2024, and submitted to the Senate for consideration. The Senate considered and passed the Bill on 11th June 2024. Thereafter, the Bill was transmitted to the National Assembly for concurrence as per the provisions of Article 110(4) of the Constitution. The Bill was committed to the Select Committee on Budget and Appropriations for consideration and reporting to the House in line with Standing Order 143 of the National Assembly Standing Orders.
3. The Bill seeks to necessitate for transfer of conditional and unconditional allocations from the national government's share of revenue and from development partners to the county governments for the FY 2024/25. The total additional allocations (conditional and unconditional) to County Governments for the FY 2024/25 are proposed to be **Ksh.61.9 billion.**
4. The Bill as passed by the Senate contains eight (8) clauses and four schedules. Each schedule exclusively expounds on the nature of allocations and the amount allocated to each county government.

B. Analysis of the Bill as passed by the Senate.

5. The Bill provides for additional allocations financed from the National Government's share of revenue amounting to Ksh. 19.9 billion and allocation of Ksh.42 billion to from proceeds of loans and grants from development partners spread across seventeen (17) donor projects.

C. Allocations Financed from the National Government's Share of Revenue

a. Supplement for the Construction of County Headquarters.

i. The allocation for the construction of the county headquarters amounts to **Ksh.523.1 million**. The allocation per county is as follows: Isiolo (Ksh.115.4 million), Lamu (Ksh.264.7 million), Tana River (Ksh.95 million), and Tharaka Nithi (Ksh.47.9 million). Notably, Nyandarua County has no allocation since there was an over-provision of Ksh.66.4 million in its entitled allocation in FY 2023/24.

ii. The national government's entitlement towards each County for the Construction of the headquarters was Ksh.363 million spread across three financial years (from FY 2017/18 to FY 2019/20) with an allocation of Ksh. 121 million per county each year. The amount so far disbursed from the national government towards the projects as of the end of FY 2022/23 amounted to Ksh.837.89 million. The proposed allocation of Ksh.523.1 million in FY 2024/25 is considered to be the final National Government's contribution towards the projects.

iii. The Senate made a resolution to transfer the Management and supervision of the projects to the beneficiary Counties. The parties that facilitated the process were the National Treasury, the State Department for Public Works, and the Council of Governors in cooperation with the Intergovernmental Relations Technical Committee (IGRTC) who prepared the intergovernmental agreements.

b. County Aggregation and Industrial Parks (CAIPs).

i. The County Aggregation and Industrial Parks (CAIPs) is an initiative Project under the BETA framework from the national government. In FY 2024/25, the program is scheduled to be undertaken in 18 counties with each county receiving Ksh.250 million, bringing the total allocation to Ksh.**4.5 billion.** The initial cost for the establishment of an Industrial Park is Ksh.500 million, hence the cost is shared between the benefiting county government and the national government on a 50:50 matching basis.

ii. Analysis indicates that, from the allocations for the CAIPs projects in the CGAA Act, 2024, and the provisions in this Bill, a total of thirty-six (36) counties will have been covered. The remaining eleven (11) counties are scheduled to be considered in the budget estimates for FY 2025/26(*as per government policy in the Budget Policy Statement,2024*). The counties proposed to benefit are; Baringo, Elgeyo/Marakwet, Kajiado, Kericho, Kakamega, Kilifi, Kisii, Kitui, Kwale, Laikipia, Mandera, Narok, Nyandarua, Nyeri, Taita Taveta, Tharaka Nithi, Vihiga and Wajir.

c. Community Health Promoters (CHPs) Programme

i. The Community Health Promoters (CHPs) Programme aims at providing basic preventive and promotive health, health education, basic first aid for the treatment of minor injuries and ailments at the household level, and referral for facility-based healthcare. The program has been allocated **Ksh.3.234 billion** shared among the forty-seven County governments, taking into account the number of Community Health Promoters (CHPs) in each county. Each county government is obligated to provide an equal amount of counterpart funding from their equitable share to match the National Government's contribution.

ii. The number of the Community Health Promoters (CHPs) is 107,831 across the Country and each CHP is expected to earn a monthly stipend of Ksh.5,000 per month. Each community health promoter will be allocated 100 homes within their neighborhoods countrywide. Counties with the highest number of CHPs include; Nairobi (7,470), Kakamega (4,250), Kilifi (3,870), Makueni (3,790), Meru (3,716), Bungoma (3,580), Nakuru (3,313) and Nandi (3,222). Those with less than 1,000 CHPS are; Lamu (484), Mandera (618), Isiolo (721), Laikipia (841), and Tana River (963).

d. **Transfer of Museum function**

i. The Intergovernmental Relations Technical Committee vide Gazette Notice No. 13982 dated 11th November 2022, delineated and transferred the museum function to county governments. The attendant resources to be transferred to the seven (7) counties with museum stations amount to Ksh.30.18 million. The resources are earmarked for the personal emoluments. The Seven (7) Museums include; Garissa Museum, Isiolo Museum, Kisumu Museum, Marsabit-Longaingalani Museum, Narok Museum, Trans Nzoia, Wajir Museum.

e. **Road Maintenance Fuel Levy (RMFL)**

i. The second schedule of the Bill contains conditional additional allocations from the Road Maintenance Levy Fund (RMFL) amounting to Ksh.10.522 billion for the maintenance of county roads. The allocation criteria of the fund to the counties involved the development of weights considering different factors. The identified five (5) factors are weighted as follows: Length of the road (Km)-60%, Climate/Rainfall -5 %, Rural Access Index (RAI)-10%, Distribution soil types- 5%, and an equal share of 20%.

ii. The application of the criteria under the allocation of weights against the five factors resulted in a sharing index for each county government. To arrive at an allocation per county, the sharing index was multiplied by the total allocation of Ksh.10.522 billion.

f. **Unconditional additional allocations for Court Fines**

i. The third schedule of the Bill contains unconditional additional allocations for court fines emanating from contravention of county legislations amounting to Ksh.7.43 million. The benefiting counties are; Kiambu- Ksh. 5.697 million, Kisumu - Ksh. 66,912, Kitui - Ksh. 50,000 and Machakos - Ksh. 1.62 million.

ii. The transfer of the court fines to the respective county governments has faced challenges due to the lack of a framework for the collection and transfer of the same. This is because, currently, the law requires that all revenues collected by the Judiciary be sent to the Consolidated Fund (CF). There is a lack of framework and administrative measures to ensure that the court fines due to counties do not continue to be deposited into the CF.

g. **Unconditional additional allocations for 20% share of mineral royalties**

i. The third schedule also contains unconditional allocations emanating from the twenty percent (20%) share of Mineral Royalties, pursuant to section 183 of the Mining Act, 2016. The law requires the holder of a mineral right to pay royalties to the State in respect of the various mineral classes won by virtue of the mineral right. Section 183(5) of the Mineral Act, 2016 envisages the sharing of mineral royalties as follows: seventy percent (70%) shared to the National Government, twenty percent (20%) to the County Government, and ten percent (10%) to the community where the mining operations occur.

ii. For FY 2024/25, the allocations from the 20% mineral royalties for the county governments amount to **Ksh.1.055 billion.** The amount to be shared among twenty-one (21) counties is from the mineral royalties accrued in the FY 2021/22 as reported by the State Department for Mining. The Counties with the highest share of mineral royalties are; Kwale-Ksh. 674.5 million, Kilifi-Ksh. 177.5 million, and Kajiado-Ksh. 160.2 million.

D. Allocations from Loans and Grants by Development Partners.

6. The fourth schedule of the Bill sets out allocations of Ksh.42 billion to counties from development partners spread across seventeen (17) donor projects.

i. **DANIDA grant for financing Primary Healthcare in a Devolved Context amounting to Ksh.487.5 million.** The purpose of the grant is to improve primary healthcare with a focus on reproductive, maternal newborn, child, and adolescent health (RMNCAH) services at the county level in level 1, 2, and 3 health facilities. The project will be undertaken across all the forty-seven (47) governments.

ii. **Kenya Informal Settlement Improvement Project (KISIP II)- IDA World Bank funded projected amounting to Ksh. 5.2billion**. The project is aimed at developing sustainable infrastructure in selected informal settlements in urban areas as part of slum upgrading. The project will be implemented in 16 counties.

iii. **Kenya Informal Settlement Improvement Project (KISIP II)-French Development Agency (AFD) funded projected amounting to Ksh. 5.2 billion**. The purpose of the grant is to develop sustainable infrastructure in selected informal settlements in urban areas as part of slum upgrading. The project will be implemented in 15 counties.

iv. **Emergency Locust Response Project (ELRP) financed by proceeds from an IDA (World Bank) loan amounting to Ksh. 1.9 billion.** The main purpose of the financing is to prevent and respond to the threat to livelihoods posed by the desert locust outbreak and to strengthen Kenya's systems preparedness. The project will be implemented in fifteen (15) counties with the allocation per county being either Ksh.104.6 million or Ksh. 121 million or Ksh. 142.5 million.

v. **Financing Locally- Led Climate Action Program, (FLLoCA) County Climate Resilience Investment (CCRI) grant financed by proceeds from a KfW (German Development Bank) loan amounting to Ksh.1.2 billion**. The core objective of the grant is to support county governments to roll out and implement County Climate Action Plans (CCAPs). The program is intended to benefit 16 counties.

vi. **IDA (World Bank) Credit (Financing Locally- Led Climate Action Program, Flloca) County Climate Resilience Investment (CCRI) Grants allocation of Ksh.3.712 billion to forty-five (45)** counties, excluding Nairobi and Mombasa. The two counties are yet to develop and enact Climate Change laws. The FLLoCA Program Development Objective (PDO) is to deliver locally-led climate resilience actions and strengthen county and national government's capacity to manage climate risks. The grant is intended to encourage and financially facilitate County Governments to implement the County Climate Action Plans (CCAPs). The allocation per county shall be determined on a performance-for-results (PforR) basis, where counties will be assessed on certain performance criteria/ conditions.

vii. **IDA (World Bank) loan for the Food Systems Resilience Project – (FSRP) totaling to Ksh. 2.25 billion going to thirteen (13) counties**. The main objective of the grant is to support the counties in preparedness against food insecurity and improve the resilience of food systems. Each county is allocated Ksh.173.1 million and is expected to provide a counterpart funding of Ksh.5 million.

viii. **IDA (World Bank) Loan for the National Agricultural Value Chain Development Project (NAVCDP) amounting to Ksh.5 billion** to be shared among thirty-three (33) counties. The program targets small-scale farmers participating in value addition of select value chains. The amount is shared equally among the counties with each getting Ksh.151.5 million and expected to contribute a counterpart funding of Ksh.5 million.

ix. **IDA (World Bank) loan to finance the Water and Sanitation Development Project (WSDP) totaling Ksh.5.7 billion** allocated among six (6) select coastal and Northeastern counties. The project targets Water and Sanitation activities in the counties to increase water and sanitation coverage.

x. **IDA (World Bank) loan for the Kenya Devolution Support Programme (KDSP) II of Ksh. 1.76 billion** shared equally among the forty-seven (47) counties with each benefitting with Ksh.37.5 million. The purpose of the grant is to incentivize counties to set up core governance and institutional arrangements for the management of public resources through capacity-building and institutional strengthening activities. The end objective of the programme is to strengthen counties to deliver on their functions efficiently and effectively.

xi. **IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) – Urban Institutional Grant (UIG) of Ksh.1.72 billion.** The grant is for providing support towards the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, and board administrations, and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments. The program will be implemented in forty-five (45) counties.

xii. **IDA (World Bank) credit: Second Kenya Urban Support Project (KUSP2)- Urban Development Grant (UDG) of Ksh.5.89 billion.** The purpose of the grant is to support participating County governments in infrastructure investments in urban areas. The beneficiary counties are forty-five (45).

xiii. **International Fund for Agricultural Development (IFAD) loan for the Kenya Livestock Commercialization Project (KeLCoP) totaling Ksh. 378.7 million.** The program will be implemented in ten (10) semi-arid, arid, and highland counties. The project is in line with the Government's agriculture transformation Agenda of increasing rural small-scale farmers' incomes, food and nutrition security. The project is developed to increase the incomes of 110,000 poor livestock and pastoralist households, especially youth and women.

xiv. **KfW (German Development Bank) Loan for the Drought Resilience Programme in Northern Kenya (DRPNK) of Ksh.781.97 million** towards Turkana and Marsabit counties. The purpose of the grant is to build drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas in the counties.

xv. **International Fund for Agricultural Development (IFAD) loan for the Aquaculture Business Development Programme (ABDP) of Ksh. 245.88 million.** The money is to be shared among fifteen (15) beneficiary counties for increasing incomes, food security, and nutritional status of the communities of poor rural households involved in aquaculture activities. The funds will be used to procure solar power backup for fresh fish markets serving as aggregation and market centers.

xvi. **United Nations Fund for Population Activities (UNFPA) grant for the tenth Country Kenya Programme totaling Ksh.65.2 million.** The program shall be implemented through the Ministry of Health focusing on reducing the unmet need for family planning, the reduction of preventable maternal deaths, and the reduction in gender-based violence and harmful practices. The benefiting counties are; Nairobi, Bungoma, Baringo, Isiolo, Narok, Kwale, Turkana, and Garissa.

xvii. **Kenya Agricultural Business Development Project (KABDP)-Swedish-funded programme amounting to Ksh.512.2 million.**The grant aims to develop knowledge and skills of Agriculture Priority Value Chain Actors (PVCAs) and Value Chain Organizations (VCO). Each of the forty-seven counties is allocated Ksh.10.92 million.

E. Committee Observations.

7. The Committee made the following observations from the review and consideration of the County Government Additional Allocations Bill,2024.

i. That following the approval of Supplementary Estimates No.1 of FY 2024/25 to rationalize and align the government finances in light of the rejection of the Finance Bill,2024, several allocations in the Bill were affected. In this regard, the total additional allocations to counties for FY

2024/25 have reduced to **Ksh.46.6 billion** from the initial proposed allocation of **Ksh.61.9 billion.**

ii. That in light of the budget rationalization, the allocation to the supplement for the construction of the County Headquarters was rationalized to zero from Ksh. 444 million allocated in the approved estimates for FY 2024/25.

iii. That the allocation for County Aggregation Industrial Parks (CAIPs) was reduced to Ksh.2 billion from an initial allocation of Ksh.4.5 billion for FY 2024/25. Further, the allocation for FY 2023/24 which amounted to Ksh.4.5 billion was only disbursed Ksh.1.25 billion with each project receiving Ksh.62.5 million. As such, there could be a need to revise the implementation frameworks of the programme and consider focusing on completing the first 18 CAIPs in FY 2024/25.

iv. That there is an allocation of Ksh.10.522 billion for the maintenance of County Roads from the Road Maintenance Levy Fund (RMLF) for the FY 2024/25. This is despite the money having been incorporated into the equitable share for county governments from FY 2021/22. The National Treasury had proposed to net off the amount from the County equitable share for FY 2023/24 (Ksh.385.4 billion) before proposing the allocation to the County governments in FY 2024/25. The proposal was defeated since allocation was already part of the Division of Revenue Act,2023.

v. That, the Community Health Promoters (CHPs) Programme is allocated a total of **Ksh.3.23 billion** in the Bill. However, in the approved Supplementary Estimates No. I of FY 2024/25, the budgetary provision is **Ksh.2.584 billion.** This implies a possible implementation challenge for the programme, considering the amount can only cater to 86,133 CHPs, as opposed to the envisioned 107,831 CHPs.

Disbursements of court fines and mineral royalties have faced challenges arising from a lack of frameworks and mechanisms for the collection and remittance of the funds directly to beneficiary counties. Despite the allocations being included in the Bill, there has been no subsequent provision of the same in the annual appropriations. It was the finding of the Committee that, there were no allocations for the **Transfer of Museum Function, Court fines and fees, and Mineral Royalties** in the approved Supplementary Estimates No. 1 of FY 2024/25.

vi. That the Nairobi and Mombasa counties were yet to receive the level I grant of the Financing Locally-Led Climate Action (FLLoCA) Program. This is because the counties have not met the Minimum Access Conditions for the County Climate Institutional Support (CCIS) Grant.

vii. The request of the Council of Governors to enhance the allocation of the IDA (World Bank) Credit - Financing Locally- Led Climate Action (FLLoCA) Program by Ksh.2.48 billion from the current allocation in the Bill of Ksh.3.712 billion to Ksh.6.187 billion. However, the request would not be accommodated due to constraints in the fiscal framework of FY 2024/25.

F. Committee Recommendations

8. Having reviewed and examined the County Government Additional Allocations Bill,2024 as passed by the Senate, the Committee recommends that the House approves the **Bill with the following amendments;**

i. **Deletion of the First Schedule of the Bill and replacement with a new schedule.** This is to reflect the following;

a) deletion of allocation for the construction of the county headquarters,

b) deletion of the column on the Transfer of Museum function,

c) revision of the allocation to Community Health Promoters to Ksh.2.584 billion.

d) revision of the allocation to the County Aggregation and Industrial Parks (CAIPs) to Ksh.2 billion.

e) the revised allocations to CAIPs to prioritize completion of the ongoing projects in the first eighteen (18) counties.

ii. **Deletion of the Second Schedule** on allocation from the Road Maintenance Levy Fund.

iii. **Deletion of the Third Schedule** on Unconditional additional allocations for County Fines and for the 20% share of Mineral Royalties.

MIN.NO.NA/BAC/2024/240: ANY OTHER BUSINESS & ADJOURNMENT

There being no other business, the meeting was adjourned at 11.40 a.m. The next meeting will be communicated in due course.

SIGNED

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HON.NDINDI NYORO, CBS, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

13.08.24

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DATE