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Clerk of the senate/secretary, PSC  
Date: 18/10/2023

REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT

APPROVED  
RT. HON. SEN  
MUSOMU KINGI

18/10/23

SECOND SESSION - 2023

THE SENATE

STANDING COMMITTEE ON FINANCE AND BUDGET

REPORT ON THE EQUALIZATION FUND APPROPRIATION BILL,  
2023 (SENATE BILLS NO. 30 OF 2023)

PAPERS LAID	
DATE	19/10/2023
TABLED BY	Sen. Mohamed Faki - member
COMMITTEE	Finance and Budget
CLERK AT THE TABLE	Ms. Chesop.

Clerk's Chambers,  
Parliament Buildings,  
NAIROBI.

October 2023

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## **LIST OF ABBREVIATIONS/ACRONYMS**

CoB	-	Controller of Budget
CoG	-	Council of Governors
CRA	-	Commission on Revenue Allocation
EF	-	Equalization Fund
IEBC	-	Independent Electoral and Boundaries Commission

## PREFACE

### ESTABLISHMENT AND MANDATE OF THE COMMITTEE

Article 124 (1) of the Constitution of Kenya provides that each house of Parliament may establish committees and shall make Standing Orders for the orderly conduct of its proceedings, including the proceedings of its committees.

Parliamentary committees consider policy issues, scrutinize the workings and expenditures of the national and county governments and examine proposals for legislation. The end result of any process in Committees is a report, which is tabled in the House for consideration.

The Senate Standing Committee on Finance and Budget is established under section 8(1) of the Public Finance Management (PFM) Act, 2012 and standing order 228 of the Senate Standing Orders and is mandated to-

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

## **MEMBERSHIP OF THE COMMITTEE**

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

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

## **CHAIRPERSON'S FOREWORD**

The Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) was published vide a Kenya Gazette Supplement No.113 of 20<sup>th</sup> July, 2023. The Bill was read a First Time in the Senate on Tuesday, 19<sup>th</sup> September, 2023 and pursuant to standing order 145(1) of the Senate Standing Orders, the Bill was committed to the Standing Committee on Finance and Budget for consideration, facilitation of public participation and reporting back to the House with recommendations.

The Equalization Fund is established under Article 204 (1) of the Constitution to facilitate provision of basic services including water, roads, health facilities and electricity to marginalized areas to bring the quality of these services to the level enjoyed by the rest of the nation. According to the Commission on Revenue Allocation (CRA), there are 1,424 marginalized areas spread across 34 counties as specified in the Second Policy on Marginalization.

The Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) provides for appropriation of Kshs.10,867,400,000 from the Equalization Fund for utilization in FY 2023/24. Of the proposed amount, Kshs.10,541,378,000 will be shared among the thirty-four (34) beneficiary counties based on the Second Policy on Marginalization. Annexed to the Bill is a Schedule on Equalization Fund allocations to the 1,424 marginalized areas identified in the 34 beneficiary Counties. Kshs.326,022,000, is to be allocated to the Equalization Fund Advisory Board to cater for administrative costs, pursuant to Regulation 10(3) of the PFM (Equalization Fund Administration) Regulations, 2021.

The Bill further provides that the allocations will be transferred to the special purpose accounts opened and operated by beneficiary counties, pursuant to Article 207 (1) of the Constitution and Section 109 (2) (c) of the PFM Act, 2012.

The passage of this proposed law by Parliament will provide a legal framework for the transfer of funds from the Equalization Fund for allocations made in the FY 2023/24 and arrears accrued in the FY 2022/2023.

The Committee carried out public participation on the Bill in accordance with Standing Order 145(5) of the Senate Standing Orders, and Article 118 of the Constitution. In this respect, on Saturday, 23<sup>rd</sup> September, 2023, the Committee published an advert in the Daily Nation and Standard newspapers inviting members of the public to submit written comments on the Bill. The Committee also invited key stakeholders to submit their comments on the Bill.

Further, the Committee held consultative meetings during consideration of the Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) and the following stakeholders submitted their views on the Bill-

- a) The National Treasury and Economic Planning;
- b) The Council of Governors (CoG);
- c) The Commission on Revenue Allocation (CRA);
- d) International Budget Partnership (IBP)-Kenya.

### **Committee Observations**

The Committee considered the Bill and made several observations including-

- a) the amount reflected in the Schedule to the Bill amounting to Kshs.10,807,400,000 does not tally with the total amount proposed for appropriation from the Equalization Fund in FY 2023/24 of Ksh. 10,867,400,000 as indicated in clause 3 of the Bill.
- b) there is need to introduce a clause to ensure the approved appropriations under this Bill will not lapse until the projects identified and approved are successfully completed.
- c) the names of a number of wards were misspelt in the Schedule and there was need to ensure the names of such wards appear as gazetted by Independent Electoral and Boundaries Commission (IEBC).

- d) given the lapse of the period for implementation of the first marginalization policy, there's need for a status report on the payment of pending bills and completion of Equalization Fund projects under this policy.
- e) project identification under the Second Policy on Marginalization has commenced and 14 counties have already submitted project proposals to the Equalization Fund Advisory Board.

### **Committee Recommendations**

The Committee having considered the Bill and analysed stakeholders' submissions recommends that the Senate approves the Bill with the following amendments-

- a) introduction of new clause 7 to provide that the appropriations under clause 3 shall not lapse at the end of the specified financial year but rather will continue in force until the projects identified are completed. Further, this Act will be sufficient authority for the Controller of Budget to authorize withdrawals from the Equalization Fund of the amounts specified in the Schedule.
- b) deletion of the Schedule and substituting it with a new Schedule setting out the total appropriation from sthe Fund as Kshs.10,867,400,000 and reflecting the correct names of the beneficiary wards.

## Acknowledgement

I take this opportunity to commend the Members of the Committee for their devotion and commitment to duty, which made the consideration of the Bill successful.

I also wish to thank the offices of the Speaker and the Clerk of the Senate for the support extended to the Committee in undertaking this important assignment.

Lastly, I wish to thank the stakeholders who submitted written memoranda and who appeared before the Committee to present their comments on the Bill.

It is now my pleasant duty, pursuant to standing order 148 (1) of the Senate Standing Orders to present the Report of the Standing Committee on Finance and Budget on the Equalization Fund Appropriation Bill, 2023, (Senate Bills No.30 of 2023).

Signature..........Date.....17/10/2023.....

**SEN. (CAPT.) ALI IBRAHIM ROBA, EGH, MP  
CHAIRPERSON,  
STANDING COMMITTEE ON FINANCE AND BUDGET**

**ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON  
FINANCE AND BUDGET ON THE EQUALIZATION FUND  
APPROPRIATION BILL, 2023 (SENATE BILLS NO. 30 OF 2023)**

---

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

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

## CHAPTER ONE

### OVERVIEW OF THE EQUALIZATION FUND APPROPRIATION BILL, 2023 (SENATE BILLS NO. 30 OF 2023)

#### Introduction

1. The Equalization Fund is established under Article 204(1) of the Constitution. The fund receives one half percent of all the revenue collected by the national government each year, calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly.
2. Article 204(2) provides that the national government shall use the Equalization Fund only to provide basic services including water, roads, health facilities and electricity to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible.
3. According to the second marginalisation policy, the total number of marginalized areas are 1,424 spread across the following 34 counties: Baringo, Bomet, Bungoma, Busia, Elgeyo Marakwet, Garissa, Homa Bay, Isiolo, Kajiado, Kericho, Kilifi, Kisumu, Kitui, Kwale, Laikipia, Lamu, Machakos, Mandera, Marsabit, Meru, Migori, Muranga, Nakuru, Nandi, Narok, Samburu, Siaya, Taita Taveta, Tana River, Tharaka Nithi, Trans Nzoia, Turkana, Wajir, and West Pokot. Each of these areas has been allocated a share of revenue based on a pre-determined allocation factor.

#### Contents of the Equalization Fund Appropriation Bill for FY 2023/24

4. The Equalization Fund Appropriation Bill for Financial Year 2023/24 provides a total appropriation of Kshs.10,867,400,000. Out of this amount, Kshs. 10,541,378,000 will be shared amongst the thirty-four (34) benefiting counties based on the Second Policy on Marginalisation.

5. Kshs.326,022,000 will be utilized by the Board to meet administrative costs. This is in line with Regulation 10(3) of the Public Finance Management (Equalization Fund Administration) Regulations, 2021 which provides that board expenses shall be not more than three percent of annual approved equalization fund allocation.

6. The key contents of the Bill are-

***a) Conditions for the usage and operations of the fund***

7. The funds transferred under the Equalization Fund are excluded from being paid into the County Revenue Fund and are to be deposited into a special purpose account in the Central Bank of Kenya. This condition is anchored on the provisions of Article 207(1) of the Constitution and section 109(2)(c) of the Public Finance Management Act, 2012.

8. The Bill further provides for the procedure of withdrawal of funds from the Equalization Fund Accounts in a manner that enhances transparency and accountability.

***b) Schedule of the Equalization Fund Allocations***

9. The Schedule to the Equalization Fund Appropriation Bill for Financial Year 2023/24 provides for the distribution of the allocated funds among the thirty-four (34) counties using the allocation factor set out in the Second Marginalization Policy determined by Commission on Revenue Allocation (CRA). The Schedule contains the particulars of the benefiting counties, constituencies and wards providing the total amount of equalization funds allocated to each of these administrative units.

## CHAPTER TWO

### OVERVIEW OF PARTICIPATION OF THE BILL

10. This Chapter considers submissions from various stakeholders regarding the Bill. The Committee received submissions from the following key stakeholders-
- a) The National Treasury and Economic Planning
  - b) The Commission on Revenue Allocation
  - c) Council of Governors
  - d) International Budget Partnership-Kenya (IBP)

#### **The National Treasury and Economic Planning**

11. The National Treasury submitted that -
- a) the Short title be amended in order to differentiate this Bill from the Equalization Fund Appropriation Act No.7 of 2023 which was enacted on 30<sup>th</sup> June 2023.
  - b) the Schedule be amended to reflect a total allocation of Ksh 10,867,400,000;
  - c) Regarding implementation of the Equalization Fund Appropriation Act No.7 of 2023, there are two Petitions filed in the High Court in which conservatory orders were issued precluding implementation of the Act pending substantive hearing.

#### **The Council of Governors**

12. The Council of Governors submitted that-
- a) the short title of the Bill be amended to read “the Equalization Fund Appropriation (No.2) Act 2023” to distinguish between the existing Act for the funds relating to FY 2022/23.
  - b) the Senate to expedite the passage of the Equalization Fund (Administration) Bill, 2023 to provide an elaborate framework for proper management and administration of the Fund as opposed to the existing PFM (Equalization Fund) Regulations, 2021.

## **The Commission on Revenue Allocation**

**13.** The Commission submitted the following views-

- a) for clarity on how the total sum of the Equalization Fund adds up to Kshs.10,867,400,000 there is need to include a row or an additional schedule for the recurrent expenditure for the Equalization Fund Board Secretariat.
- b) there is need to verify the names of wards in the Schedule. The wards are to be named based on the IEBC names of constituencies and wards as at 2022.
- c) there is need to provide a clause to ensure appropriations under this Act will only lapse after the identified projects are completed.

## **International Budget Partnership**

**14.** The International Budget Partnership-Kenya made the following submissions-

- a) whereas the Second Policy and criteria for sharing revenue among marginalized areas developed by CRA adopted the sub-location as the unit to be used in analyzing the marginalized areas, the Bill uses the ward as the basis of determining marginalized areas. By only including allocations at the ward level, the allocations might not benefit the intended marginalized areas.
- b) the establishment of special purpose accounts by beneficiary counties is a positive step towards ensuring accountability in disbursement of the funds. In addition, the Senate should consider including clauses that guide on the regularity and detail of reporting on the receipts and use of the funds to ensure transparency and accountability.

## CHAPTER THREE

### OBSERVATIONS AND RECOMMENDATIONS

#### Observations

15. The Committee made the following observations-

- a) the amount reflected in the Schedule to the Bill amounting to Kshs.10,807,400,000 does not tally with the total amount proposed for appropriation from the Equalization Fund in FY 2023/24 of Ksh. 10,867,400,000 as indicated in clause 3 of the Bill.
- b) there is need to introduce a clause to ensure the approved appropriations under this Bill will not lapse until the projects identified and approved are successfully completed.
- c) the names of a number of wards were misspelt in the Schedule and there was need to ensure the names of such wards appear as gazetted by IEBC.
- d) given the lapse of the period for implementation of the First Marginalization Policy, there's need for a status report on the payment of pending bills and completion of Equalization Fund projects under this policy.
- e) project identification under the Second Policy on Marginalization has commenced and 14 counties have already submitted project proposals to the Equalization Fund Advisory Board.
- f) The Equalization Fund has substantial arrears amounting to Ksh. 28,806,040,617 which should be promptly allocated and appropriated by Parliament.
- g) The Fund has only 7 years remaining as provided in Article 204(6) of the Constitution but it is yet to be properly implemented and has not achieved its objective.

## **Recommendations**

16. The Committee considered the Bill and submissions from stakeholders and recommends as follows-

- a) That, the Bill be approved with the following amendments –
  - i. introduction of new clause 7 to provide that the appropriations under clause 3 shall not lapse at the end of the specified financial year but rather will continue in force until the projects identified are completed. Further, this Act will be sufficient authority for the Controller of Budget to authorize withdrawals from the Equalization Fund of the amounts specified in the Schedule.
  - ii. deletion of the Schedule and substituting it with a new Schedule setting out the total appropriation from the Fund as Kshs.10,867,400,000 and reflecting the correct names of the beneficiary wards.
- b) That, by 30<sup>th</sup> December 2023, the Equalization Fund secretariat should submit a status report of payment of pending bills and completion of Equalization Fund projects under First Marginalization Policy.
- c) That, over the medium term, the National Treasury should ensure that all the pending Equalization Fund entitlements are factored into the budget and credited into the Equalization Fund Account.



**MINUTES OF THE EIGHTY-FOURTH MEETING OF THE SENATE  
STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON  
THURSDAY, 5<sup>TH</sup> OCTOBER, 2023 AT COUNTY HALL, GROUND  
FLOOR BOARD ROOM, PARLIAMENT BUILDINGS FROM 9.00 A.M.**

**PRESENT**

- |  |   |                         |
|--|---|-------------------------|
| 1. Sen. (Capt) Ali Ibrahim Roba, EGH, MP | - | <b>Chairperson</b>      |
| 2. Sen. Maureen Tabitha Mutinda, MP      | - | <b>Vice-Chairperson</b> |
| 3. Sen. Shakila Abdalla Mohamed, MP      | - | Member                  |

**ABSENT WITH APOLOGY**

- |                                     |   |        |
|-------------------------------------|---|--------|
| 1. Sen. (Dr) Boni Khalwale, MP      | - | Member |
| 2. Sen. Mohamed Faki Mwinyihaji, MP | - | Member |
| 3. Sen. Richard Momoima Onyonka, MP | - | Member |
| 4. Sen. Joyce Chepkoech Korir, MP   | - | Member |
| 5. Sen. Tabitha Karanja Keroche, MP | - | Member |
| 6. Sen. Eddy Gicheru Oketch, MP     | - | Member |

**SECRETARIAT**

- |                            |   |                      |
|----------------------------|---|----------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant      |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant      |
| 3. Ms. Lucy Makara         | - | Deputy Director, PBO |
| 4. Ms. Lucy Radoli         | - | Legal Counsel        |
| 5. Ms. Kiminza Kioko       | - | Fiscal Analyst       |
| 6. Mr. Kennedy Owuoth      | - | Fiscal Analyst       |
| 7. Ms. Joan Mahinda        | - | Researcher           |
| 8. Mr. Fredrick Ouma       | - | Sergeant-At-Arms     |
| 9. Mr. Alex Simiyu         | - | Audio Officer        |
| 10. Mr. Leon Binns         | - | Attachee             |
| 11. Mr. Antony Kimanzi     | - | Attachee             |

**IN ATTENDANCE**

**THE NATIONAL TREASURY AND ECONOMIC PLANNING**

- |                    |   |                                       |
|--------------------|---|---------------------------------------|
| 1. Mr. Guyo Boru   | - | CEO, Equalization Fund Advisory Board |
| 2. Ms. Emily Muema | - | Economist                             |

**MIN/SEN/SCF&B/487/2023**      **PRELIMINARIES**

The Chairperson called the meeting to order at 9:30 a.m. This was followed by a word of prayer.

**MIN/SEN/SCF&B/488/2023**      **ADPOTION OF THE AGENDA**

The agenda was adopted after it was proposed by Sen. Maureen Tabitha Mutinda, MP and seconded by Sen. Shakila Abdalla Mohamed, MP, as listed below-

1. Prayer;
2. Introduction;
3. Adoption of the agenda;
4. Confirmation of minutes of the 77<sup>th</sup>, 80<sup>th</sup>, 82<sup>nd</sup> and 83<sup>rd</sup> sittings;
5. Matters arising from minutes of the previous meeting;
6. Meeting with CoG, CRA and the National Treasury and Economic Planning to deliberate on Equalization Fund Appropriation Bill, (Senate Bills No.30 of 2023) (*Committee Paper No.67*);
7. Consideration of the pending legislative business (*Committee Paper No.59C*);
8. Any Other Business; and
9. Date of the Next Meeting and Adjournment.

**MIN/SEN/SCF&B/489/2023**      **CONFIRMATION OF MINUTES OF THE PREVIOUS MINUTES**

- a) The Minutes of the Eightieth sitting that was held on Tuesday, 14<sup>th</sup> September at 2.00 p.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. Shakila Abdalla Mohamed, MP, and seconded by Sen. Maureen Tabitha Mutinda, MP.
- b) The Minutes of the Eighty-Second sitting that was held on Tuesday, 19<sup>th</sup> September, 2023 at 9:00 a.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. Maureen Tabitha Mutinda, MP, and seconded by Sen. Shakila Abdalla Mohamed, MP.
- c) The Minutes of the Eighty-Third sitting that was held on Thursday, 21<sup>st</sup> September, 2023 at 9:00 a.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. Shakila Abdalla Mohamed, MP, and seconded by Sen. Maureen Tabitha Mutinda, MP.
- d) Confirmation of Minutes of the 77<sup>th</sup> Sitting was deferred to the next meeting.

**MIN/SEN/SCF&B/490/2023**

**MEETING WITH COG, CRA AND THE  
NATIONAL TREASURY TO  
DELIBERATE ON EQUALIZATION  
FUND APPROPRIATION BILL,  
(SENATE BILLS NO.30 OF 2023)  
(COMMITTEE PAPER NO.67)**

The Chairperson informed the Committee that-

- a) The Commission on Revenue Allocation (CRA) had submitted a letter requesting for rescheduling of the meeting to Thursday, 12<sup>th</sup> October, 2023. After consideration, the Committee acceded to the request; and
- b) The Council of Governors (CoG) had submitted a written memorandum indicating that they support and had no issues to raise concerning the Bill.

Thereafter, the Committee was briefed on the contents of the Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023). The Committee noted that the Bill provides a total appropriation of Kshs.10,867,400,000/= for the Financial Year 2023/24 to be shared amongst the thirty-four (34) benefiting counties based on the Second Policy on Marginalization.

**Presentation by The National Treasury and Economic Planning**

Upon invitation, the Chief Executive Officer of the Equalization Fund Advisory Board representing the Cabinet Secretary, National Treasury and Economic Planning, made submission on the bill as follows-

- a) The total amount indicated in the schedule to the Bill is Kshs.10,807,400,000/= which differs with the amount under clause 3 which provides for an appropriation of Kshs.10,867,400,000/=. Therefore, there is need to revise the schedule to ensure it is in agreement with clause 3.
- b) There already exist the Equalization Fund Appropriation Act, 2023 which was assented to on 30<sup>th</sup> June, 2023. The Act appropriated allocations for FYs 2021/22 and 2022/23. Thus, it is advisable to provide unique identifier of this Bill once it becomes an Act.
- c) Concerning the utilization of the Equalization Fund Appropriation Act, 2023-
  - 34 beneficiary counties have been inducted and sensitized on the PFM (Equalization Fund Administration) Regulations, 2021 and have commenced public participation and identification of projects.
  - the deadline for submission of project proposals by County Technical Committees to the Equalization Fund Advisory Board was





**MINUTES OF THE EIGHTY-FIFTH MEETING OF THE SENATE  
STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON  
THURSDAY, 12<sup>TH</sup> OCTOBER, 2023 AT COUNTY HALL, GROUND  
FLOOR BOARD ROOM, PARLIAMENT BUILDINGS FROM 9.00 A.M.**

**PRESENT**

- |  |   |                         |
|--|---|-------------------------|
| 1. Sen. (Capt) Ali Ibrahim Roba, EGH, MP | - | <b>Chairperson</b>      |
| 2. Sen. Maureen Tabitha Mutinda, MP      | - | <b>Vice-Chairperson</b> |
| 3. Sen. (Dr) Boni Khalwale, MP           | - | Member                  |
| 4. Sen. Mohamed Faki Mwinyihaji, MP      | - | Member                  |
| 5. Sen. Eddy Gicheru Oketch, MP          | - | Member                  |

**ABSENT WITH APOLOGY**

- |                                     |   |        |
|-------------------------------------|---|--------|
| 1. Sen. Richard Momoima Onyonka, MP | - | Member |
| 2. Sen. Shakila Abdalla Mohamed, MP | - | Member |
| 3. Sen. Joyce Chepkoech Korir, MP   | - | Member |
| 4. Sen. Tabitha Karanja Keroche, MP | - | Member |

**SECRETARIAT**

- |                            |   |                  |
|----------------------------|---|------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant  |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant  |
| 3. Ms. Lucy Radoli         | - | Legal Counsel    |
| 4. Ms. Millicent Makina    | - | Fiscal Analyst   |
| 5. Ms. Kiminza Kioko       | - | Fiscal Analyst   |
| 6. Ms. Joan Mahinda        | - | Researcher       |
| 7. Mr. Fredrick Ouma       | - | Sergeant-At-Arms |
| 8. Mr. Nicholas Arusei     | - | Audio Officer    |

**IN ATTENDANCE**

**A. THE COMMISSION ON REVENUE ALLOCATION**

- |                                 |   |                  |
|---------------------------------|---|------------------|
| 1. CPA. Mary Wanyonyi Chebukati | - | Chairperson      |
| 2. Mr. Koitamet Olekine         | - | Vice-Chairperson |
| 3. Ms. Hadija Juma              | - | Commissioner     |
| 4. Dr. Isabel Waiyaki           | - | Commissioner     |
| 5. CPA. James Katule            | - | CEO              |

- |                          |   |                            |
|--------------------------|---|----------------------------|
| 6. Ms. Lineth Oyugi      | - | Director, Economic Affairs |
| 7. Ms. Sheila Yieke      | - | Director, Legal            |
| 8. Ms. Carolyn Kinyuluzi | - | Manager, Communication     |

**B. THE PUBLIC PROCUREMENT REGULATORY AUTHORITY**

- |                        |   |   |
|------------------------|---|---|
| 1. Mr. Patrick Wanjuki | - | Director General                                    |
| 2. Mr. Thomas Otieno   | - | Director, Licensing                                 |
| 3. Mr. Henock Kirungu  | - | Director, Research, Innovation and Business Systems |

**MIN/SEN/SCF&B/493/2023**      **PRELIMINARIES**

The Chairperson called the meeting to order at 9:30 a.m. This was followed by a word of prayer.

**MIN/SEN/SCF&B/494/2023**      **ADPOTION OF THE AGENDA**

The agenda was adopted after it was proposed by Sen. Maureen Tabitha Mutinda, MP and seconded by Sen. Eddy Gicheru Oketch, MP, as listed below-

1. Prayer;
2. Introduction;
3. Adoption of the agenda;
4. Confirmation of minutes of the 77<sup>th</sup>, and 84<sup>th</sup> sittings;
5. Matters arising from minutes of the previous meeting;
6. Meeting with CRA to consider the Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) (*Committee Paper No.67A*);
7. Meeting with Public Procurement Regulatory Authority (PPRA) to deliberate on a statement by Sen. Karen Nyamu MP, on status of Access to Government Procurement Opportunities (AGPO) (*Committee Paper No.66*);
8. Consideration of submissions by the Ministry of Lands, Housing and Urban Development on the status of projects funded by conditional grants for supplement for construction of county headquarters (*Committee Paper No.38C*);
9. Consideration of the pending legislative business (*Committee Paper No.59C*);
10. Any Other Business; and
11. Date of the Next Meeting and Adjournment.

**MIN/SEN/SCF&B/495/2023**      **CONFIRMATION OF MINUTES OF THE PREVIOUS MINUTES**

Confirmation of Minutes of the 77<sup>th</sup> and 84<sup>th</sup> Sittings was deferred to the next meeting.

**MIN/SEN/SCF&B/496/2023**

**MEETING CRA TO CONSIDER THE  
EQUALIZATION FUND  
APPROPRIATION BILL, (SENATE  
BILLS NO.30 OF 2023) (COMMITTEE  
PAPER NO.67A)**

Upon invitation, the Chairperson of the Commission on Revenue Allocation informed the Committee that the Commission had reviewed the Bill, and made the following proposals for Committee's consideration-

- a) The Schedule should be revised to include recurrent expenditure for the Equalization Fund Advisory Board secretariat. This is to provide clarity on the total amount allocated to the Equalization Fund of Kshs.10,867,400,000 as indicated in Clause 3 of the Bill.
- b) The Schedule to the Bill ought to be revised to provide a total allocation of Kshs.10,867,400,000 as outlined in Clause 3 of the Bill.
- c) A new sub-clause 7 on lapse of appropriation be introduced. This is because implementation of projects may extend beyond one financial year. Therefore, the law should continue to be in force until all projects identified for implementation are completed.
- d) The Commission noted an error in names of the wards which need to be rectified to conform with the current names based on the IEBC names of county administrative wards as at 2022.
- e) Regarding Equalization Fund (Appropriation) Act, 2023 assented to in June 2023, there was a High Court Order restraining implementation of the Act. The Commission was exploring applying alternative dispute resolution mechanism (mediation) to solve the issues raised in the petitions.

The Chairperson thanked CRA team for honouring Committee's invitation and appearing to provide insightful comments on the Bill, which would be taken into account when the amendments will be prepared.

**MIN/SEN/SCF&B/497/2023**

**MEETING WITH PUBLIC  
PROCUREMENT REGULATORY  
AUTHORITY (PPRA) TO  
DELIBERATE ON A STATEMENT  
REGARDING STATUS OF ACCESS TO  
GOVERNMENT PROCUREMENT**

**OPPORTUNITIES (AGPO)**  
**(COMMITTEE PAPER NO.66)**

Upon invitation, the Director General, PPRA informed the Committee that-

- a) the number of registered enterprises under AGPO are 217,064 out of which, 100,372 are under the category of youth, 105,189 women and 11,503 are PwDs.
- b) The number of contracts awarded to AGPO in FY 2021/22 were 2,917, 2022/23 were 5,558.
- c) A number of institutions fail to report to PPRA on the contracts awarded to AGPO enterprises. Thus, the report tabled is not a true reflection of the actual scenario across the public institutions.

The Committee noted with concern that-

- Several institutions had failed to file their report with PPRA and thus, the actual number of contracts awarded to the AGPO enterprises could not be determined.
- Regardless of the challenges faced by the PPRA, the institution has never raised the matter in Parliament for consideration and remedying.
- There was no electronic system that would capture data directly from the procurement entity and transmit to the Authority without requiring human intervention. The Committee was concerned that this is scenario yet public institutions are supposed to procure through e-procurement system.

Following deliberation, the Committee resolved-

- a) that the PPRA team should not proceed with their presentation since it failed to reflect the actual numbers on AGPO;
- b) that within 30 days, the PPRA should-
  - write to all procurement entities requesting for submission of reports on compliance of section 9(1)(r) of the Public Procurement and Asset Disposal Act, 2015;
  - Upon receipt of the report from the public institutions, prepare a detailed report and submit to the Committee; and
  - submit to the Committee possible legislative proposals which promote enforceability of reporting.

**MIN/SEN/SCF&B/498/2023**

**CONSIDERATION OF SUBMISSIONS**  
**BY THE MINISTRY OF LANDS,**  
**HOUSING AND URBAN**  
**DEVELOPMENT ON THE STATUS OF**  
**PROJECTS FUNDED BY**

**CONDITIONAL GRANTS FOR  
SUPPLEMENT FOR CONSTRUCTION  
OF COUNTY HEADQUARTERS  
(COMMITTEE PAPER NO.38C)**


The agenda item was deferred to the subsequent meeting.

**MIN/SEN/SCF&B/499/2023**      **CONSIDERATION OF THE PENDING  
LEGISLATIVE BUSINESS  
(COMMITTEE PAPER NO.59C);**

The agenda item was deferred to the subsequent meeting.

**MIN/SEN/SCF&B/500/2023**      **ADJOURNMENT AND DATE OF NEXT  
MEETING**

The meeting adjourned at 10:51 a.m. The next meeting to be held on Tuesday,  
17<sup>th</sup> October, 2023.

SIGNATURE..........DATE.....17/10/2023.....  
SEN. (CAPT.) ALI IBRAHIM ROBA, EGH, MP  
(CHAIRPERSON)



**MINUTES OF THE EIGHTY-SIXTH MEETING OF THE SENATE  
STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON  
TUESDAY, 17<sup>TH</sup> OCTOBER, 2023 AT COUNTY HALL, GROUND  
FLOOR BOARD ROOM, PARLIAMENT BUILDINGS FROM 9.00 A.M.**

**PRESENT**

1. Sen. (Capt) Ali Ibrahim Roba, EGH, MP	-	<b>Chairperson</b>
2. Sen. Maureen Tabitha Mutinda, MP	-	<b>Vice-Chairperson</b>
3. Sen. (Dr) Boni Khalwale, MP	-	Member
4. Sen. Mohamed Faki Mwinyihaji, MP	-	Member
5. Sen. Richard Momoima Onyonka, MP	-	Member
6. Sen. Shakila Abdalla Mohamed, MP	-	Member
7. Sen. Eddy Gicheru Oketch, MP	-	Member

**ABSENT WITH APOLOGY**

1. Sen. Joyce Chepkoech Korir, MP	-	Member
2. Sen. Tabitha Karanja Keroche, MP	-	Member

**SECRETARIAT**

1. Mr. Christopher Gitonga	-	Clerk Assistant
2. Ms. Beverlyne Chivadika	-	Clerk Assistant
3. Ms. Lucy Radoli	-	Legal Counsel
4. Ms. Millicent Makina	-	Fiscal Analyst
5. Ms. Kiminza Kioko	-	Fiscal Analyst
6. Ms. Joan Mahinda	-	Researcher
7. Mr. Fredrick Ouma	-	Sergeant-At-Arms
8. Mr. Nandemu Barasa	-	Media Relations Officer
9. Mr. Nicholas Arusei	-	Audio Officer

**MIN/SEN/SCF&B/501/2023**

**PRELIMINARIES**

The Chairperson called the meeting to order at 9:30 a.m. This was followed by a word of prayer.

**MIN/SEN/SCF&B/502/2023**

**ADPOTION OF THE AGENDA**

The agenda was adopted after it was proposed by Sen. Mohamed Faki Mwinyihaji, MP and seconded by Sen. Shakila Abdalla Mohamed, MP, as listed below-

1. Prayer;

2. Introduction;
3. Adoption of the agenda;
4. Confirmation of minutes of the 77<sup>th</sup>, 84<sup>th</sup> and 85<sup>th</sup> sittings;
5. Matters arising from minutes of the previous meeting;
6. Consideration and adoption of the draft report on the Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) (*Committee Paper No.67B*);
7. Consideration of response to a Statement by Sen. (Dr.) Boni Khalwale, CBS, MP, on the status of pending bills in Kakamega County Government (*Committee Paper No. 35A*)
8. Consideration of the pending legislative business (*Committee Paper No.59C*);
9. Any Other Business; and
10. Date of the Next Meeting and Adjournment.

**MIN/SEN/SCF&B/503/2023**

**CONFIRMATION OF MINUTES OF THE PREVIOUS MINUTES**

- a) The Minutes of the Seventy-Seventh sitting that was held on Thursday, 10<sup>th</sup> August, 2023 at 9:00 a.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. Maureen Tabitha Mutinda, MP, and seconded by Sen. Shakila Abdalla Mohamed, MP.
- b) The Minutes of the Eighty-Fourth sitting that was held on Thursday, 5<sup>th</sup> October, 2023 at 9:00 a.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. (Dr) Boni Khalwale, MP, and seconded by Sen. Eddy Gicheru Oketch, MP.
- c) The Minutes of the Eighty-Fifth sitting that was held on Thursday, 12<sup>th</sup> October, 2023 at 9:00 a.m. were confirmed as a true record of the proceedings of the Committee meeting having been proposed by Sen. Richard Momoima Onyonka, MP and seconded by Sen. Eddy Gicheru Oketch, MP.

**MIN/SEN/SCF&B/504/2023**

**CONSIDERATION OF THE DRAFT REPORT ON THE EQUALIZATION FUND APPROPRIATION BILL, (SENATE BILLS NO.30 OF 2023) (COMMITTEE PAPER NO.67B)**

The Committee considered Paper No.67B on draft report on the Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023). The report comprised of the overview of the Bill, overview of public participation on the Bill, Committee observations and recommendations.

**MIN/SEN/SCF&B/505/2023**

**ADOPTION OF THE REPORT ON THE  
EQUALIZATION FUND  
APPROPRIATION BILL, (SENATE  
BILLS NO.30 OF 2023) (COMMITTEE  
PAPER NO.67B)**

Having considered the report, the Committee unanimously adopted the report on Equalization Fund Appropriation Bill, 2023 (Senate Bills No.30 of 2023) having been proposed by Sen. Maureen Tabitha Mutinda, MP, and seconded by Sen. Mohamed Faki Mwinyihaji, MP, with the recommendation-

- a) That the Senate approves the Bill with the following recommendations-
  - introduction of new clause 7 to provide that the appropriations under clause 3 shall not lapse at the end of the specified financial year but rather will continue in force until the projects identified are completed. Further, this Act will be sufficient authority for the Controller of Budget to authorize withdrawals from the Equalization Fund of the amounts specified in the Schedule.
  - deletion of the Schedule and substituting it with a new Schedule setting out the total appropriation from the Fund as Kshs.10,867,400,000 and reflecting the correct names of the beneficiary wards.
- b) That, by 30th December 2023, the Equalization Fund secretariat should submit a status report of payment of pending bills and completion of Equalization Fund projects under First Marginalization Policy.
- c) That, over the medium term, the National Treasury should ensure that all the pending Equalization Fund entitlements are factored into the budget and credited into the Equalization Fund Account.

**MIN/SEN/SCF&B/506/2023**

**CONSIDERATION OF RESPONSE TO  
A STATEMENT BY SEN. (DR.) BONI  
KHALWALE, CBS, MP, ON THE  
STATUS OF PENDING BILLS IN  
KAKAMEGA COUNTY  
GOVERNMENT (COMMITTEE PAPER  
NO. 35A)**

The Committee consider Paper No.35A on the status of pending bills in Kakamega County Government and noted its contents. The Committee noted the following-

- a) The total pending bills of Kakamega County Executive as at 31<sup>st</sup> August, 2022 amounted to Kshs.1,164,080,217. Out of this, Kshs.1,122,418,400 was categorized as eligible while Ksh.19.4 million was categorized as ineligible pending bills.
- b) The pending bill relating to construction of Navakholo road to bitumen standards had been listed twice with same tender no.830226, awarded to

a same Contractor (Midland Construction Company) on distinct dates of LSOs and with different outstanding amounts. The LSOs were written on 03/02/2021 and 05/02/2021 and the outstanding pending bills amount of Kshs.47.5 million and Kshs.48.3 million respectively.

- c) There was need for further explanation and clarification on the irregular payment of Kshs.22.2 million which had been flagged out by the Auditor-General as ineligible pending bills.
- d) The information provided by the Auditor General pertaining to the status of pending bills of the County Executive of Kakamega as at 31<sup>st</sup> August 2023 was exhaustive.
- e) The ineligible pending bills had audit queries and lacked proper documentation. For instance, the audit cited inconsistencies in the dates of tender opening, the date of appointment of the tender opening committees and the dates the minutes were signed.
- f) The Committee had made tremendous steps in processing of the Statement on status of pending bills at Kakamega County Government.

Following deliberations, the Committee tasked the Secretariat to prepare and compile a detailed list of concerns or issues that needed further clarification. Consequently, the Committee will consider the issues and deliberate on the way forward.

**MIN/SEN/SCF&B/507/2023**                      **CONSIDERATION OF THE PENDING LEGISLATIVE BUSINESS**  
**(COMMITTEE PAPER NO.59C);**

The agenda item was deferred to the subsequent meeting.

**MIN/SEN/SCF&B/508/2023**                      **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 10:57 a.m. The next meeting to be held on Thursday, 19<sup>th</sup> October, 2023 at 9:00 a.m.

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

17<sup>th</sup> October, 2023

The Clerk of the Senate,  
Parliament Buildings,  
NAIROBI.

**COMMITTEE STAGE AMENDMENTS TO THE EQUALISATION FUND  
APPROPRIATION BILL, SENATE BILLS NO. 30 OF 2023**

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**NOTICE** is given that Sen. Ali Ibrahim Roba, Chairperson, Committee on Finance and Budget, intends to move the following amendments to the Equalisation Fund Appropriation Bill, Senate Bills No. 30 of 2023, at the Committee Stage-

**CLAUSE 7**

**THAT** that the Bill be amended by inserting the following new clause immediately after clause 6-

Lapse of approval.

7. (1) The authority of the Board to issue monies out of the Fund granted under section 3 shall continue in force until all the projects identified in each ward specified in the third column of the schedule are completed

(2) This Act shall be sufficient authority for the Controller of Budget to authorize withdrawal of funds from the Equalisation Fund for the amounts specified in Column D of the Schedule for each county specified in the first column of the schedule, where the projects are implemented for a period beyond one financial year.

**SCHEDULE**

**THAT** the Bill be amended by deleting the Schedule and substituting therefor the following new Schedule-

SCHEDULE

(s.3)

SCHEDULE			
A	B	C	D
	<i>Recurrent Expenditure</i>		KSh
Equalisation Fund Secretariat	The amount required in the year ending 30 <sup>th</sup> June, 2024 for Equalisation Fund Secretariat expenses		326,022,000
	<i>Sub-class total</i>		326,022,000
	<i>Development Expenditure</i>		10,541,378,000
COUNTY	CONSTITUENCY	WARD	FY 2023/24
BARINGO	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Baringo County for development expenses (provision of basic services including water, roads, health facilities and electricity)		625,963,098
	BARINGO NORTH	BARTABWA	24,113,453
		BARWESSA	25,181,297
		SAIMO/SOI	6,694,843
		<b>Constituency Total</b>	<b>55,989,593</b>
	BARINGO SOUTH	ILCHAMUS	25,365,771
		MOCHONGOI	23,485,185
		MUKUTANI	38,068,158
		<b>Constituency Total</b>	<b>86,919,115</b>
	MOGOTIO	EMINING	11,315,139
		KISANANA	94,922,146
		<b>Constituency Total</b>	<b>106,237,285</b>
	TIATY	CHURO/AMAYA	46,892,364
		KOLOWA	52,958,940
		LOIYAMOROCK	36,723,076
		RIBKWO	46,193,470
		SILALE	44,292,855
		TANGULBEI/KOROSI	75,741,014
		TIRIOKO	74,015,387
<b>Constituency Total</b>		<b>376,817,106</b>	
BOMET	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Bomet County for development expenses (provision of basic services including water, roads, health facilities and electricity)		20,214,189
	CHEPALUNGU	CHEBUNYO	6,785,499
		NYANGORES	6,714,872
		SIGOR	6,713,818

		<b>Constituency Total</b>	<b>20,214,189</b>
<b>BUNGOMA</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Bungoma County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>61,835,853</b>
	MT ELGON	CHEPYUK	21,758,504
		ELGON	13,254,757
		KAPKATENY	19,882,135
		KAPTAMA	6,940,458
		<b>Constituency Total</b>	<b>61,835,853</b>
<b>BUSIA</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Busia County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>18,914,434</b>
	BUDALANGI	BUNYALA SOUTH	6,281,620
		<b>Constituency Total</b>	<b>6,281,620</b>
	TESO NORTH	ANG'URAI SOUTH	6,066,576
		MALABA NORTH	6,566,238
		<b>Constituency Total</b>	<b>12,632,814</b>
<b>ELGEYO MARAKWET</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Elgeyo Marakwet County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>68,500,126</b>
	KEIYO SOUTH	METKEI	5,847,315
		<b>Constituency Total</b>	<b>5,847,315</b>
	MARAKWET EAST	EMBOBUT/EMBULOT	32,837,516
		ENDO	10,913,512
		KAPYEGO	6,769,687
		SAMBIRIR	6,086,604
		<b>Constituency Total</b>	<b>56,607,319</b>
	MARAKWET WEST	LELAN	6,045,493
		<b>Constituency Total</b>	<b>6,045,493</b>
<b>GARISSA</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Garissa County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>663,713,960</b>
	BALAMBALA	BALAMBALA	34,982,690
		DANYERE	51,722,434
		JARA JARA	17,074,960
		SAKA	23,969,036

		SANKURI	38,177,789	
		<b>Constituency Total</b>	<b>165,926,909</b>	
	DADAAB		ABAKAILE	16,820,912
			DADAAB	9,080,362
			DAMAJALE	23,601,141
			DERTU	16,685,982
			LABISIGALE	9,207,913
			LIBOI	23,067,746
			<b>Constituency Total</b>	<b>98,464,056</b>
	FAFI		BURA	21,004,794
			DEKAHARIA	23,611,682
			FAFI	14,931,893
			JARAJILA	17,808,641
			NANIGHI	16,089,339
			<b>Constituency Total</b>	<b>93,446,350</b>
	GARISSA TOWNSHIP		TOWNSHIP	15,487,425
			<b>Constituency Total</b>	<b>15,487,425</b>
	IJARA		HULUGHO	41,650,126
			IJARA	70,220,483
			MASALANI	35,638,366
			SANGAILU	38,372,805
			<b>Constituency Total</b>	<b>185,881,779</b>
	LAGDERA		BARAKI	16,592,164
			BENANE	17,845,536
			GOREALE	8,470,015
			MAALIMIN	17,787,559
			MODOGASHE	19,044,093
			SABENA	24,768,074
<b>Constituency Total</b>			<b>104,507,441</b>	
HOMA BAY	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Homa Bay County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>138,445,479</b>	
	HOMA BAY TOWN	HOMA BAY WEST	6,753,875	
		<b>Constituency Total</b>	<b>6,753,875</b>	
	NDHIWA		KABUOCH NORTH	6,492,448
			KABUOCH SOUTH/PALA	15,143,775
			KANYADOTO	7,015,302
			KANYAMWA KOSEWE	14,425,906
			KWABWAI	34,744,455
			<b>Constituency Total</b>	<b>77,821,887</b>
	SUBA NORTH	GEMBE	13,570,999	

		MFANGANO ISLAND	5,672,327
		<b>Constituency Total</b>	<b>19,243,326</b>
	SUBA SOUTH	GWASSI NORTH	20,456,641
		KAPSINGRI WEST	14,169,750
		<b>Constituency Total</b>	<b>34,626,391</b>
ISIOLO	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Isiolo County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>174,796,443</b>
	ISIOLO NORTH	BURAT	15,222,836
		CHARI	5,565,859
		CHERAB	43,765,785
		NGARE MARA	7,038,493
		OLDO/NYIRO	33,475,270
		<b>Constituency Total</b>	<b>105,068,243</b>
	ISIOLO SOUTH	GARBATULLA	28,809,647
		KINNA	21,154,482
		SERICHO	19,764,071
		<b>Constituency Total</b>	<b>69,728,199</b>
KAJIADO	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kajiado County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>436,329,634</b>
	KAJIADO CENTRAL	DALALEKUTUK	50,264,558
		MATAPATO NORTH	49,498,198
		MATAPATO SOUTH	34,690,694
		PURKO	16,862,024
		<b>Constituency Total</b>	<b>151,315,474</b>
	KAJIADO SOUTH	ENTONET/LENKISIM	28,063,315
		MBIRIKANI/ESSELENKEI	14,491,263
		KUKU	16,191,591
		ROMBO	7,675,193
		<b>Constituency Total</b>	<b>66,421,362</b>
	KAJIADO WEST	EWUASO OONKIDONG'I	34,567,359
		KEEKONYOKIE	20,705,418
		MAGADI	87,457,780
		MOSIRO	22,792,615
		ILOODOKILANI	53,069,625
		<b>Constituency Total</b>	<b>218,592,798</b>
<b>KERICHO</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kericho County for development expenses (provision of		<b>64,047,439</b>

	basic services including water, roads, health facilities and electricity)		
BURETI	CHEPLANGET	6,994,219	
	<b>Constituency Total</b>	<b>6,994,219</b>	
KIPKELION WEST	CHILCHILA	6,718,034	
	<b>Constituency Total</b>	<b>6,718,034</b>	
SIGOWET/SOIN	SOIN	20,161,482	
	SOLIAT	30,173,704	
	<b>Constituency Total</b>	<b>50,335,186</b>	
KILIFI	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kilifi County for development expenses (provision of basic services including water, roads, health facilities and electricity)	<b>567,971,694</b>	
	GANZE	BAMBA	90,777,267
		GANZE	28,298,389
		JARIBUNI	35,290,499
		SOKOKE	48,662,265
		<b>Constituency Total</b>	<b>203,028,421</b>
	KALOLENI	KALOLENI	43,836,412
		KAYAFUNGO	38,637,394
		MARIAKANI	7,947,162
		MWANAMWINGA	23,382,934
		<b>Constituency Total</b>	<b>113,803,902</b>
	KILIFI NORTH	MATSANGONI	7,493,881
		<b>Constituency Total</b>	<b>7,493,881</b>
	MAGARINI	ADU	60,758,522
		GARASHI	64,212,939
		GONGONI	22,548,055
		MAGARINI	24,418,099
		MARAFI	22,209,676
		<b>Constituency Total</b>	<b>194,147,291</b>
	MALINDI	GANDA	7,189,235
		JILORE	6,679,031
		KAKUYUNI	21,048,014
		<b>Constituency Total</b>	<b>34,916,280</b>
	RABAI	MWAWESA	7,129,149
		RURUMA	7,452,770
		<b>Constituency Total</b>	<b>14,581,919</b>
	KISUMU	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kisumu County for development expenses (provision of basic services including water, roads, health facilities and electricity)	<b>25,598,736</b>

	MUHORONI	CHEMILIL	6,126,662
		OMBEYI	6,919,375
		<b>Constituency Total</b>	<b>13,046,037</b>
	NYANDO	AWASI/ONJIKO	6,465,041
		KABONYO/KANYAGWAL	6,087,659
		<b>Constituency Total</b>	<b>12,552,699</b>
<b>KITUI</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kitui County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>418,142,557</b>
	KITUI EAST	CHULUNI	6,805,528
		ENDAU/MALALANI	45,958,396
		MUTITO/KALIKU	6,404,955
		VOO/KYAMATU	47,517,469
		ZOMBE/MWITIKA	33,003,016
		<b>Constituency Total</b>	<b>139,689,364</b>
	KITUI SOUTH	ATHI	7,367,385
		IKANGA/KYATUNE	19,817,832
		KANZIKO	44,035,645
		MUTHA	25,780,048
		<b>Constituency Total</b>	<b>97,000,910</b>
	MWINGI CENTRAL	NGUNI	40,801,543
		NUU	14,589,298
		WAITA	6,326,948
		<b>Constituency Total</b>	<b>61,717,790</b>
	MWINGI NORTH	KYUSO	25,888,625
		MUMONI	19,668,144
		NGOMENI	27,259,007
		THARAKA	6,373,331
		TSEIKURU	40,545,387
<b>Constituency Total</b>		<b>119,734,493</b>	
<b>KWALE</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Kwale County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>307,802,559</b>
	KINANGO	CHENGONI/SAMBURU	31,351,178
		KASEMENI	29,196,516
		KINANGO	15,839,508
		MACKINNON ROAD	23,341,822
		MWAVUMBO	15,274,489
		NDAVAYA	32,558,168
		PUMA	24,031,230

		<b>Constituency Total</b>	<b>171,592,911</b>
	LUNGA LUNGA	DZOMBO	9,103,553
		MWERENI	26,236,491
		PONGWE/KIKONENI	24,682,688
		VANGA	24,429,695
		<b>Constituency Total</b>	<b>84,452,427</b>
	MATUGA	MKONGANI	23,624,332
		TSIMBA GOLINI	8,091,579
		WAA	6,714,872
		<b>Constituency Total</b>	<b>38,430,782</b>
	MSAMBWENI	RAMISI	13,326,438
		<b>Constituency Total</b>	<b>13,326,438</b>
LAIKIPIA	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Laikipia County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>125,505,910</b>
	LAIKIPIA NORTH	MUGOGODO EAST	39,139,165
		MUGOGODO WEST	28,043,287
		SEGERA	13,449,772
		SOSIAN	37,189,006
		<b>Constituency Total</b>	<b>117,821,229</b>
	LAIKIPIA WEST	SALAMA	7,684,681
<b>Constituency Total</b>		<b>7,684,681</b>	
LAMU	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Lamu County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>60,609,888</b>
	LAMU EAST	BASUBA	14,977,221
		FAZA	5,524,748
		KIUNGA	6,486,124
		<b>Constituency Total</b>	<b>26,988,093</b>
	LAMU WEST	HINDI	6,527,235
		MKUNUMBI	7,279,891
		SHELLA	5,932,700
		WITU	13,881,970
		<b>Constituency Total</b>	<b>33,621,796</b>
MACHAKOS	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Machakos County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>13,595,244</b>
	MASINGA	KIVAA	6,473,474

		MUTHESYA	7,121,770
		<b>Constituency Total</b>	<b>13,595,244</b>
		The amount required in the year ending 30 <sup>th</sup> June, 2024 in Mandera County for development expenses (provision of basic services including water, roads, health facilities and electricity)	<b>792,579,415</b>
MANDERA	BANISSA	BANISSA	18,579,218
		DERKHALE	18,879,648
		GUBA	17,816,020
		KILIWEHIRI	19,449,937
		MALKAMARI	27,335,959
		<b>Constituency Total</b>	<b>102,060,782</b>
	LAFEY	ALANGO GOF	8,759,904
		FINO	17,024,361
		LAFEY	25,149,672
		SALA	8,364,601
		WARANQARA	38,777,595
		<b>Constituency Total</b>	<b>98,076,132</b>
	MANDERA EAST	ARABIA	33,163,245
		LIBEHIA	62,146,825
		KHALALIO	41,322,289
		NEBOI	19,369,823
		TOWNSHIP	41,369,725
		<b>Constituency Total</b>	<b>197,371,906</b>
	MANDERA NORTH	ASHABITO	40,836,330
		GUTICHA	36,658,773
		MAROTHILE	16,731,310
		RHAMU	15,597,056
		RHAMU-DIMTU	40,211,225
		<b>Constituency Total</b>	<b>150,034,694</b>
	MANDERA SOUTH	ELWAK NORTH	16,045,065
		ELWAK SOUTH	16,993,791
		KUTULO	58,097,873
		SHIMBIR FATUMA	38,641,610
		WARGADUD	17,185,645
		<b>Constituency Total</b>	<b>146,963,984</b>
	MANDERA WEST	DANDU	26,517,946
		GITHER	27,708,070
		LAGSURE	9,007,626
TAKABA		8,868,480	
TAKABA SOUTH		25,969,793	
<b>Constituency Total</b>		<b>98,071,916</b>	

MARSABIT	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Marsabit County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>494,061,721</b>
	LAISAMIS	KARGI/SOUTH HERR	36,594,471
		KORR/NGURUNIT	47,810,520
		LAISAMIS	41,767,136
		LOGO LOGO	12,729,795
		LOIYANGALANI	56,937,265
		<b>Constituency Total</b>	<b>195,839,186</b>
	MOYALE	BUTIYE	20,071,880
		GOLBO	53,642,023
		HEILLU/MANYATTA	15,136,396
		OBBU	7,183,964
		URAN	17,771,746
		<b>Constituency Total</b>	<b>113,806,010</b>
	NORTH HERR	DUKANA	34,789,783
		ILLERET	9,717,063
		MAIKONA	44,346,616
		NORTH HERR	39,288,852
		TURBI	26,859,488
		<b>Constituency Total</b>	<b>155,001,802</b>
	SAKU	KARARE	20,137,237
MARSABIT CENTRAL		4,267,159	
SAGANTE/JALDESA		5,010,327	
<b>Constituency Total</b>		<b>29,414,723</b>	
MERU	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Meru County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>31,482,946</b>
	IGEMBE SOUTH	AKACHIU	12,634,922
		<b>Constituency Total</b>	<b>12,634,922</b>
	SOUTH IMENTI	ABOGETA EAST	6,399,684
		<b>Constituency Total</b>	<b>6,399,684</b>
	TIGANIA EAST	KARAMA	5,874,722
		MUTHARA	6,573,617
		<b>Constituency Total</b>	<b>12,448,339</b>
MIGORI	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Migori County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>187,006,547</b>

	KURIA WEST	NYAMOSENSE/KOMOSOKO	7,500,206
		<b>Constituency Total</b>	<b>7,500,206</b>
	NYATIKE	GOT KACHOLA	13,967,355
		KALER	14,675,737
		MACALDER/KANYARUANDA	20,049,743
		MUHURU	31,986,825
		NORTH KADEM	34,634,824
		<b>Constituency Total</b>	<b>115,314,484</b>
	SUNA WEST	WASIMBETE	28,461,780
		WIGA	21,940,870
		<b>Constituency Total</b>	<b>50,402,651</b>
	URIRI	NORTH KANYAMKAGO	13,789,206
		<b>Constituency Total</b>	<b>13,789,206</b>
<b></b>			
<b>MURANG'A</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Murang'a County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>5,974,866</b>
	GATANGA	ITHANGA	5,974,866
		<b>Constituency Total</b>	<b>5,974,866</b>
<b></b>			
<b>NAKURU</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Nakuru County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>6,769,687</b>
	RONGAI	SOIN	6,769,687
		<b>Constituency Total</b>	<b>6,769,687</b>
<b></b>			
<b>NANDI</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Nandi County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>122,814,691</b>
	NANDI HILLS	KAPCHORUA	13,040,766
		<b>Constituency Total</b>	<b>13,040,766</b>
	TINDERET	CHEMILIL/CHEMASE	12,364,008
		SONGHOR/SOBA	85,140,781
		TINDERET	12,269,136
		<b>Constituency Total</b>	<b>109,773,924</b>
<b></b>			
<b>NAROK</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Narok County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>811,790,062</b>
	EMURUA DIKIRR	ILKERIN	8,110,553

		KAPSASIAN	7,668,869	
		MOGONDO	7,717,359	
		<b>Constituency Total</b>	<b>23,496,781</b>	
	KILGORIS		ANGATA BARIKOI	40,542,225
			KEYIAN	26,478,943
			KILGORIS CENTRAL	39,326,801
			KIMENTET	42,655,776
			LOLGORIAN	64,483,853
			SHANKOE	12,951,164
			<b>Constituency Total</b>	<b>226,438,762</b>
	NAROK EAST		ILDAMAT	26,078,370
			KEEKONYOKIE	14,030,604
			MOSIRO	55,846,230
			<b>Constituency Total</b>	<b>95,955,203</b>
	NAROK NORTH		MELILI	35,224,089
			NAROK TOWN	7,316,786
			NKARETA	15,273,435
			OLOKURTO	43,679,346
			OLORROPIL	21,994,631
			OLPUSIMORU	35,995,719
			<b>Constituency Total</b>	<b>159,484,005</b>
	NAROK SOUTH		LOITA	67,807,556
			MAJI MOTO/NAROOSURA	89,667,258
			MELELO	8,081,037
			OLOLULUNG'A	14,430,123
			<b>Constituency Total</b>	<b>179,985,974</b>
	NAROK WEST		ILMOTIOK	8,116,878
MARA			23,396,638	
NAIKARRA			40,843,709	
SIANA			54,072,112	
<b>Constituency Total</b>			<b>126,429,337</b>	
SAMBURU	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Samburu County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>683,464,328</b>	
	SAMBURU EAST		WAMBA EAST	35,695,289
			WAMBA NORTH	46,438,030
			WAMBA WEST	73,284,868
			WASO	44,164,250
			<b>Constituency Total</b>	<b>199,582,437</b>
	SAMBURU NORTH		ANGATA NANYOKIE	43,275,610
BAAWA			52,884,096	

		EL BARTA	42,158,222
		NACHOLA	45,041,295
		NDOTO	58,472,092
		NYIRO	80,583,733
		<b>Constituency Total</b>	<b>322,415,048</b>
	SAMBURU WEST	LODOKEJEK	40,175,384
		LOOSUK	28,062,261
		MARALAL	20,597,896
		PORO	51,495,794
		SUGUTA MARMAR	21,135,507
		<b>Constituency Total</b>	<b>161,466,842</b>
SIAYA	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Siaya County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>33,635,500</b>
	BONDO	CENTRAL SAKWA	6,797,095
		WEST SAKWA	6,505,098
		<b>Constituency Total</b>	<b>13,302,193</b>
	GEM	SOUTH GEM	6,794,987
		WEST GEM	6,070,792
		<b>Constituency Total</b>	<b>12,865,779</b>
	RARIEDA	SOUTH UYOMA	7,467,528
		<b>Constituency Total</b>	<b>7,467,528</b>
TAITA TAVETA	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Taita Taveta County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>14,028,495</b>
	TAVETA	CHALA	6,666,381
		<b>Constituency Total</b>	<b>6,666,381</b>
	VOI	KASIGAU	7,362,114
		<b>Constituency Total</b>	<b>7,362,114</b>
TANA RIVER	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Tana River County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>465,108,711</b>
	BURA	BANGALE	32,242,981
		CHEWELE	32,016,340
		HIRIMANI	28,631,497
		MADOGO	47,532,227
		SALA	27,432,940
		<b>Constituency Total</b>	<b>167,855,985</b>


	GALOLE	CHEWANI	30,904,223	
		KINAKOMBA	51,042,514	
		WAYU	45,164,629	
		<b>Constituency Total</b>	<b>127,111,365</b>	
	GARSEN	GARSEN CENTRAL	36,395,238	
		GARSEN NORTH	35,076,509	
		GARSEN SOUTH	14,679,954	
		GARSEN WEST	20,460,858	
		KIPINI EAST	27,043,962	
		KIPINI WEST	36,484,840	
		<b>Constituency Total</b>	<b>170,141,361</b>	
	THARAKA NITHI	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Tharaka Nithi County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>46,293,613</b>
MAARA		MWIMBI	11,934,973	
		<b>Constituency Total</b>	<b>11,934,973</b>	
THARAKA		CHIAKARIGA	13,036,550	
		GATUNGA	7,553,967	
		MUKOTHIMA	13,768,123	
		<b>Constituency Total</b>	<b>34,358,640</b>	
TRANS NZOIA		The amount required in the year ending 30 <sup>th</sup> June, 2024 in Trans Nzoia County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>7,867,047</b>
		ENDEBESS	CHEPCHOINA	7,867,047
			<b>Constituency Total</b>	<b>7,867,047</b>
	TURKANA	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Turkana County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>1,203,573,848</b>
LOIMA		KOTARUK/LOBEI	45,782,355	
		LOIMA	34,929,983	
		LOKIRIAMA/LORENGIPPI	64,224,534	
		TURKWEL	75,453,234	
		<b>Constituency Total</b>	<b>220,390,107</b>	
TURKANA CENTRAL		KALOKOL	25,933,953	
		KANGATOTHA	42,435,460	
		KERIO DELTA	67,889,779	
		<b>Constituency Total</b>	<b>136,259,192</b>	
TURKANA EAST	KAPEDO/NAPEITOM	40,914,336		

		KATILIA	27,036,583	
		LOKORI/KOCHODIN	55,424,574	
		<b>Constituency Total</b>	<b>123,375,493</b>	
	TURKANA NORTH		KAALENG/KAIKOR	66,912,592
			KAERIS	41,588,986
			KIBISH	49,166,144
			LAKE ZONE	73,417,690
			LAPUR	70,095,040
			NAKALALE	32,678,340
			<b>Constituency Total</b>	<b>333,858,792</b>
			TURKANA SOUTH	
	KAPUTIR	14,714,740		
	KATILU	34,906,792		
	LOBOKAT	7,409,550		
	LOKICHAR	35,467,595		
	<b>Constituency Total</b>	<b>119,843,070</b>		
	TURKANA WEST		KAKUMA	26,916,411
			KALOBEYEI	49,288,425
			LETEA	63,190,423
			LOKICHOGGIO	32,151,270
			LOPUR	17,353,253
			NANAAM	46,500,224
			SONGOT	34,447,187
	<b>Constituency Total</b>	<b>269,847,194</b>		
WAJIR	The amount required in the year ending 30 <sup>th</sup> June, 2024 in Wajir County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>768,129,691</b>	
	ELDAS		DELLA	26,696,096
			ELDAS	17,611,517
			ELNUR/TULA TULA	41,084,053
			LAKOLEY/BASIR	16,848,320
			<b>Constituency Total</b>	<b>102,239,986</b>
	TARBAJ		ELBEN	33,203,302
			SARMAN	26,493,701
			TARBAJ	34,562,089
			WARGADUD	33,485,812
			<b>Constituency Total</b>	<b>127,744,903</b>
	WAJIR EAST		BARWAGO	8,185,397
			KHOROF/HARAR	40,512,709
			WAGBERI	8,503,747
			<b>Constituency Total</b>	<b>57,201,854</b>

	WAJIR NORTH	BATALU	24,528,784
		BUTE	24,661,606
		DANABA	26,306,064
		GODOMA	17,028,578
		GURAR	24,467,644
		KORONDILE	26,045,691
		MALKAGUFU	13,948,381
		<b>Constituency Total</b>	<b>156,986,747</b>
	WAJIR SOUTH	BENANE	58,258,102
		BUR-DER	24,389,637
		DADAJA BULLA	7,955,595
		DIFF	24,535,109
		HABASSWEIN	28,387,991
		IBRAHIM URE	33,555,385
		LAGBOGHOL SOUTH	40,100,540
		<b>Constituency Total</b>	<b>217,182,359</b>
	WAJIR WEST	ADEMASAJIDE	8,191,722
		ARBAJAHAN	25,653,551
		GANYURE	32,894,439
		HADADO/ATHIBOHOL	30,726,073
		WAGALLA/GANYURE	9,308,056
<b>Constituency Total</b>		<b>106,773,842</b>	
<b>WEST POKOT</b>	The amount required in the year ending 30 <sup>th</sup> June, 2024 in West Pokot County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>1,074,809,591</b>
KACHELIBA	ALALE	118,278,726	
	KAPCHOK	18,800,587	
	KASEI	66,470,907	
	KIWAWA	71,415,878	
	KODICH	46,813,304	
	SUAM	47,183,307	
	<b>Constituency Total</b>	<b>368,962,709</b>	
KAPENGURIA	ENDUGH	83,446,778	
	KAPENGURIA	18,884,918	
	MNAGEI	10,971,489	
	RIWO	111,844,255	
	SOOK	56,918,290	
	<b>Constituency Total</b>	<b>282,065,731</b>	
POKOT SOUTH	BATEI	50,254,017	
	CHEPARERIA	68,684,601	
	LELAN	6,555,697	

		TAPACH	27,276,927
		<b>Constituency Total</b>	<b>152,771,241</b>
	SIGOR	LOMUT	88,509,812
		MASOOL	47,846,361
		SEKERR	52,398,138
		WEI WEI	82,255,599
		<b>Constituency Total</b>	<b>271,009,910</b>
	<i>Sub-class total</i>		<b>10,541,378,000</b>
<b>Total Equalisation Fund</b>			<b>10,867,400,000</b>

Dated 18<sup>th</sup> OCT. 2023 2023.

  
 Sen. Maureen Tabitha Mutinda,  
*Vice-Chairperson,*  
*Committee on Finance and Budget.*



REPUBLIC OF KENYA  
THE NATIONAL TREASURY AND ECONOMIC PLANNING

Equalisation Fund Appropriation Act, 2023

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1. Background

The Equalisation Fund was established under Article 204 (1) of the Constitution of Kenya 2010 (CoK 2010) which requires that one half per cent (0.5%) of all the revenue collected by the National Government each year, calculated on the basis of the most recent audited revenue received, as approved by the National Assembly, to be paid into the Fund.

Article 204 (2) of the CoK 2010 provides that the national government shall use the Equalisation Fund only to provide basic services including water, roads, health facilities and electricity to marginalized areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible. The Fund has a lifespan of 20 years as per Article 204 (6) of the CoK 2010, thus currently has less than 7 years outstanding.

The Fund is operationalized by the Public Finance Management (Equalisation Fund Administration) Regulations, 2021 which were published through Kenya Gazette supplement No. 69, Legal Notice No. 54 of 29<sup>th</sup> April 2021. The Regulations, 2021 provide that the EF shall be utilized *indirectly* as conditional grants to the affected counties in accordance with the Division of Revenue Act and the EF Appropriation Act for the respective FY.

The Equalisation Fund Act, 2023 which was enacted on 30<sup>th</sup> June 2023 appropriated a total of **Ksh.10,330,317,433** being allocation for FY 2021/2022 and FY 2022/23. This amount included **Ksh.10,020,407,910** being allocation for development shared among the 1,424 marginalized areas spread in 34 beneficiary counties and (3% Ksh.10,330,317,433) **Ksh.309,909,523** being recurrent expenditure for Equalisation Fund Secretariat.

During the FY 2022/23 Supplementary Budget Two the Equalisation Fund allocation was revised to zero. This was occasioned by:

- i. The National Treasury encountered shortfall in financing since the revenue collection was below target by over Ksh.100 billion;
- ii. The National Treasury was not able to raise all the projected borrowing; and
- iii. By the time of Supplementary budget II, the Equalisation Fund Appropriation Bill 2023 had not been approved and assented, therefore, the National Treasury did not have authority to expense the funds.

The National Treasury will consider and allocate the **Ksh.10.3 billion** in FY 2023/24 Supplementary Budget. To fast-track implementation of the Fund, the Equalisation Fund will access allocation for FY 2023/24 to implement the Equalisation Fund Appropriation Act, 2023.

The Equalisation Fund Appropriation Act of 2023 will be utilised to implement the Second Marginalisation Policy.

The 34 beneficiary counties have been inducted and sensitized on EF Regulations, 2021 and commenced public participation and identification of projects.

The deadline for submission of project proposals by County Technical Committees to the Fund Board was 31<sup>st</sup> August, 2023. As at 30<sup>th</sup> September, 2023, **14 counties: Busia, Garissa, Homa Bay, Laikipia, Mandera, Marsabit, Nandi, Narok, Samburu, Siaya, Tana River, West Pokot and Tharaka Nithi** have submitted their project proposals.

The project approval and subsequent implementation is projected to commence once the Court Order on the following Petitions is lifted:

**i. Petition number 003 of 2023** in the High Court of Kenya at Garissa and court order dated 31<sup>st</sup> May, 2023. In the Petition, Sahal Sugow Muhamud, Abdi Madow Elmi, Muhamud Mohamed Abdi and Kusuw Degow Maow have petitioned Equalisation Fund Board, Commission on Revenue Allocation, Controller of Budget, the National Treasury and Office of the Attorney General. The questions for determination were:

- a. That the Commission on Revenue Allocation (CRA) published the Second Marginalisation Policy and criteria for sharing revenue among Marginalised areas without conducting effective and efficient public participation as prescribed in Article 10 of the Constitution.
- b. That CRA and Equalisation Fund Board have discriminated against Dadaja Ward in Wajir South Constituency by comparatively allocating it a lower revenue allocation compared to other wards in Wajir South Constituency as a result of discrimination and political interference in contravention to Article 27 of the Constitution of Kenya

**ii. Petition 4 of 2023** in the High Court of Kenya at Garissa. In the Petition, Sahal Sugow Muhamud, Rashid Billow Adan, Muhfuda Hajji, Mahat Mohamed, Mohamed Ibrahim Hussein and Ayub Abdi Osman have petitioned Equalisation Fund Board, the National Assembly, the National Senate, Commission on Revenue Allocation, Office of the Attorney General and Controller of Budget.

The questions for determination were:

- a) What criteria was used by the respondents (Equalisation Fund Board, the National Assembly, the National Senate, Commission on Revenue Allocation, Office of the Attorney General and Controller of Budget) in omitting certain wards in Wajir County from the Equalisation Fund Appropriation Bill, 2023 yet there was no public participation in the entire county;
- b) What was the basis of allocation of funds under the Bill and the creation of fake wards (Ganyure and Wagalla) in Wajir County; and
- c) Why was public participation not carried out in Wajir County and what was the basis of allocating funds in that County. The Appropriation Bill, 2023 mentioned Ganyure and Wagalla wards as beneficiaries do not exist in Wajir county.

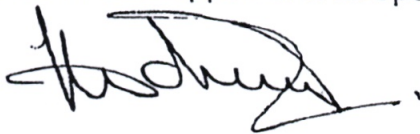
In the Petitions, the Court ordered that pending the hearing and determination of the applications:

- i. An order restraining the respondents from implementing the Commission on Revenue Allocation Second Marginalisation Policy and Criteria 2022/2023 for sharing revenue amongst marginalised areas;
- ii. Conservatory orders issued restraining the Controller of Budget from authorising the withdrawal of Equalisation funds; and
- iii. Conservatory orders issued restraining the National Treasury from disbursing the Equalisation funds.

**Comments on the Proposed Equalisation Fund Appropriation Bill, 2023 (Senate Bills No. 30 of 2023)**

Section		Comments
Amendment of Short Title.	1. This Act may be cited as the Equalisation Fund Appropriation Act, 2023 and shall be deemed to have come into force on 1 <sup>st</sup> July, 2023.	<p>There is the Equalisation Fund Appropriation Act, 2023 which was enacted on 30<sup>th</sup> June, 2023. This Act appropriated allocations for FY 2021/22 and FY 2022/23 and the implementation has commenced.</p> <p>Hence the need to rename the <b>Equalisation Fund Appropriation Bill, 2023 (Senate Bills No. 30 of 2023)</b> differently.</p>
Total Equalisation Fund		<p>The total Equalisation Fund allocation on the Schedule in the Bill is <b>10,807,400,000</b> which contradicts with <b>Section 3 on Issue of Monies out the Fund</b> which has allocated <b>Ksh. 10,867,400,000</b>.</p> <p>These is need to harmonize the figures on <b>Section 3 on Issue of Monies</b> with the amount in the <b>Schedule</b>.</p>

Your continued support and co-operation will be highly appreciated.



Njuguna Ndung'u, CBS

CABINET SECRETARY

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NAIROBI

## COMMISSION ON REVENUE ALLOCATION

**OUR REF:** CRA/CSO/P&S/11/VOL.IV(31)

**DATE:** 9th October 2023

**Mr. Jeremiah M. Nyegenye CBS**  
Clerk of the Senate  
Parliament Buildings  
2nd Floor, County House  
NAIROBI.

Dear *Mr. Nyegenye,*

### **INVITATION TO A MEETING TO SUBMIT VIEWS ON THE EQUALISATION FUND APPROPRIATION BILL, 2023 (SENATE BILLS NO. 30 OF 2023)**

Reference is made to your letter, Ref. SEN/DSEC/F&B/CORR/2023/93(c) dated 27th September, 2023 on the above captioned matter and your invitation to attend the Committee sitting rescheduled from 5<sup>th</sup> to 12<sup>th</sup> October 2023. Detailed below are our views on the Equalisation Fund Appropriation Bill, 2023 for the Committee's consideration:

- i. The Schedule needs to be revised to include a row or an additional schedule for the recurrent expenditure for the Equalisation Fund Board Secretariat. This will provide clarity on how the total sum of the Equalisation Fund adds up to Kshs. 10,867,400,000, as stated in clause (3).
- ii. The amount in clause (3) is different from the sum total of Kshs. 10,807,400,000 presented in the Schedule. The two figures need to be harmonized.
- iii. The Commission confirms that the quantum of resources (Kshs. 10,541,378,000) allocated to the marginalised areas is correct.
- iv. The Bill to introduce clause 7 on lapse of approval. This is necessary, given that the implementation of the projects may in some cases extend beyond one financial year. The Bill should therefore contain a statement that, "*this is a multi-year Bill and that it shall continue to be in force until all the projects identified for implementation under the Bill are completed*".

- v. We have also noted the following ward naming errors which need to be rectified to confirm with their current names based on the IEBC names of Constituencies and Wards as at 2022:

**1. Baringo County**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Baringo South	Mukutan	Mikutani
2.	Tiaty	Kollowa	Kolowa
3.		Loiyamorok	Loiyamorock

**2. Garissa**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Balambala	Jarajara	Jara Jara
2.	Lagdera	Maalamin	Maalimin

**3. Homa Bay**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Ndhiwa	Kabuoch/Pala	KabuochSouth/Pala
2.	Suba South	Kapsingiri West	Kapsingri West

**4. Isiolo**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Isiolo North	Oldonyiro	Oldo/nyiro

**5. Kajiado**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Kajiado South	Entonet/Lengisim	Entonet/Lenkisim
2.		Imbirikani/Esselengei	Mbirikani/Esselenkei
3.	Kajiado West	Ewuaso Kedong	Ewuaso Oonkidong'i
4.		Olodokilan	Iloodokilani

**6. Kitui**

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Kitui East	Mutitu/Kaliku	Mutito/Kaliku

### 7. Kwale

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Kinango	Mackinon road	Mackinnon road
2.		Mwabila*	Mwavumbo

**\*There is currently no ward with the name Mwabila in Kwale County. The area identified is Mwavumbo Ward.**

### 8. Mandera

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Banissa	Kiliwaheri	Kiliwehiri
2.	Lafey	Warankara	Waranqara
3.	Mandera North	Rhamu Dimtu	Rhamu-Dimtu
4.	Mandera- South	Kotulo	Kutulo
5.		Shambir Fatuma	Shimbir Fatuma
6.	Mandera West	Laghsure	Lagsure
7.	Mandera East	Bulla Mpya*	Libehia

**\*There is currently no ward with the name Bulla Mpya in Mandera County. The area identified is Libehia Ward.**

### 9. Wajir

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Wajir East	Barwaqo	Barwago
2.	Wajir South	Diff	Diff
		Habaswein	Habasswein
3.	Wajir West	Wagalla	Wagalla/Ganyure

### 10. West Pokot

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Kapenguria	Mnangei	Mnagei

### 11. Turkana

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Turkana North	Lakezone	Lake Zone
2.	Turkana West	Lokichogio	Lokichoggio

### Samburu

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Samburu North	Angata Nanyukie	Angata Nanyokie
2.	Samburu West	Porro	Poro

### 12. Narok

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Narok North	Olposimoru	Olpusimoru

### 13. Migori

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Kuria West	Nyamosense'komosoko	Nyamosense/Komosoko

### 14. Marsabit

No.	Constituency	Name of the Ward in the Bill	Current name of the Ward
1.	Laisamis	Logologo	Logo Logo

We thank you for the continued support and collaboration.

Yours *Sincerely,*

*James Katule*

CPA James Katule

**COMMISSION SECRETARY/CEO**



**Memorandum to the Senate Standing Committee on Finance and Budget on the  
Equalization Fund Appropriation Bill, 2023**

**(Senate Bills No. 30 of 2023)**

**Submitted on Wednesday, October 6, 2023**

**Contact Person:**

Dr. Abraham Rugo Muriu.

Country Manager, IBP Kenya

Email: [arugo@internationalbudget.org](mailto:arugo@internationalbudget.org)

Mobile: +254721431083

**Introduction**

The International Budget Partnership Kenya (IBP Kenya) is a Kenyan non-profit organization working to advance transparency, accountability, participation, and equity in national and county budgeting processes. The International Budget Partnership Kenya's (IBP Kenya) work is focused on strengthening the impact of civil society advocacy and citizens on budget policies and outcomes at both levels of governance in Kenya. Through deep and sustained engagement, the IBP Kenya provides support to build expertise and skills of civil society actors and citizens involved in budget advocacy. Citizen advocacy, generation of evidence, technical assistance, learning, and networking are all integral components of IBP Kenya's work.

In response to the letter *Ref. SEN/DSEC/F&B/CORR/2023/93(d)* dated September 27, 2023, IBP Kenya is glad to make this submission which highlights our comments based on an analysis of the **Equalization Fund Appropriation Bill, 2023 (Senate Bills No. 30 of 2023)**.

We submit as follows:

**1. Unit of Analysis versus Unit of Allocation.**

Whereas we acknowledge the steps taken to allocate resources equitably across the marginalized areas, we note that the Equalization Fund Appropriation Bill, 2023 uses the Ward as the unit of allocation. The *Second Policy and Criteria for Sharing Revenue Among Marginalized Areas* as developed by the Commission on Revenue Allocation (CRA), adopted the sub-location as the unit to be used in analyzing the degree of deprivation in marginalized areas. Alongside the population size, this in turn determines the share of revenue received by a sublocation from the Equalization Fund.

Therefore, by only including the allocations at the Ward level the Equalization Fund Appropriation Bill, 2023 does not make clear the actual allocation of resources down to the sub-location level intended by the Second Policy. As a result, resources may be allocated in ways that will not reach and benefit the actual intended marginalized areas. A case in point, is Kisanana Ward which has a

total of 22 sub-locations, out of which, 17 have been identified as being marginalized as seen in Figure 1.

Figure 1: Marginalised Areas in Kisanana Ward

No.	County	Constituency	Ward	Marginalised Areas	Allocation Factor
26	Baringo	Mogotio	Kisanana	Kabuswo	0.05202
27	Baringo	Mogotio	Kisanana	Chomiek	0.05226
28	Baringo	Mogotio	Kisanana	Chebirebei	0.04647
29	Baringo	Mogotio	Kisanana	Koituimet	0.06186
30	Baringo	Mogotio	Kisanana	Kabergei	0.05348
31	Baringo	Mogotio	Kisanana	Tinosiek	0.04575
32	Baringo	Mogotio	Kisanana	Kamasai	0.04818
33	Baringo	Mogotio	Kisanana	Chepyuan	0.05850
34	Baringo	Mogotio	Kisanana	Waseges	0.05511
35	Baringo	Mogotio	Kisanana	Mugurin	0.06227
36	Baringo	Mogotio	Kisanana	Kiribot	0.0545
37	Baringo	Mogotio	Kisanana	Molo/Sirwe	0.05687
38	Baringo	Mogotio	Kisanana	Muguyuni	0.05608
39	Baringo	Mogotio	Kisanana	Kibomoi	0.05275
40	Baringo	Mogotio	Kisanana	Nyalibuch	0.04030
41	Baringo	Mogotio	Kisanana	Kapnosgei	0.04585
42	Baringo	Mogotio	Kisanana	Kipnyunguny	0.04004

Source: Second Policy and Criteria for Sharing Revenue Among Marginalised Areas, CRA

How will the Equalization Fund Appropriation Bill, 2023 ensure that the marginalized areas as identified by the policy are not shortchanged? The Senate needs to seek clarification, there is a risk that other sub-locations that are not necessarily identified as marginalized will benefit from the fund at the expense of the much-needed areas.

**Figure 2: Allocation on the basis of Wards**

708 <i>The Equalisation Fund Appropriation Bill, 2023</i>			
SCHEDULE (s. 2, 3(b),4)			
ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND			
A	B	C	D
COUNTY	CONSTITUENCY	WARD	FY 2023/24
BARINGO	The amount required in the year ending 30th June, 2024 in Baringo County for development expenses (provision of basic services including water, roads, health facilities and electricity)		<b>625,963,098</b>
	BARINGO NORTH	BARTABWA	24,113,453
		BARWESSA	25,181,297
		SAIMO/SOI	6,694,843
		<b>Constituency Total</b>	<b>55,989,593</b>
	BARINGO SOUTH	ILCHAMUS	25,365,771
		MOCHONGOI	23,485,185
		<b>Constituency Total</b>	<b>86,919,115</b>
	MOGOTIO	EMINING	11,315,139
		KISANANA	94,922,146
<b>Constituency Total</b>		<b>106,237,285</b>	

Source: *Equalisation Fund Appropriation Bill, 2023*

## 2. Special Purpose Account

The Equalization Fund Appropriation Bill, 2023 in provision 5(2) provides for the establishment of a special purpose account by beneficiary counties for receipt and use of disbursements from the Fund. We acknowledge this provision, as a positive step towards ensuring ease of tracking of the funds disbursed from the Equalisation Fund. We see the checks and balances put in place through provision 5(2) as necessary to ensure transparency, accountability and safeguarding the funds.

5. (1) The funds transferred under section 4 shall not be paid into the County Revenue Fund.

Exclusion from County Revenue Fund.

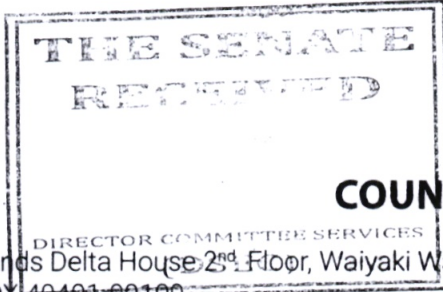
(2) A beneficiary county to which funds are to be transferred shall open a special purpose account in the Central Bank of Kenya into which shall be paid that beneficiary county's allocation of the Fund for the respective financial year.

6. The authorization by the Controller of Budget of a withdrawal from the Equalisation Fund, together with written instructions from the secretary of the Equalisation Fund Advisory Board through National Treasury requesting for the withdrawal, shall be sufficient authority for the Central Bank of Kenya to pay amounts from the Equalisation Fund Account in accordance with the approval and instructions given.

Withdrawals from the Fund.

*Source: Equalisation Fund Appropriation Bill, 2023*

3. Lastly the Senate should consider including clauses that guide on the regularity and detail of reporting on the receipts and use of funds under the Act. This will ensure there is transparency and accountability to Parliament and citizens on the value of money drawn periodically from the implementation of development programmes under the fund. In addition, it will activate monitoring non-financial structures that continuously can be used to measure the impact of this dedicated fund in marginalized areas identified so often.



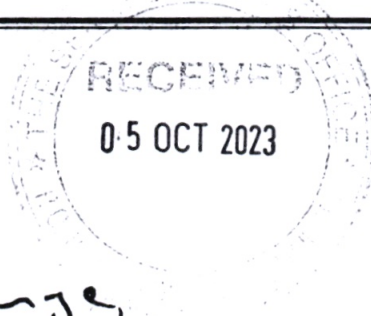
**COUNCIL OF GOVERNORS**

DIRECTOR COMMITTEE SERVICES  
Westlands Delta House, 2<sup>nd</sup> Floor, Waiyaki Way,  
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Our Ref: COG/8/5A Vol.10 (113)

Jeremiah M. Nyegenye, CBS  
Clerk of the Senate  
Parliament of Kenya  
**NAIROBI**



3<sup>rd</sup> October 2023

*DSEL  
DLS.  
Note and deal.  
6/10/2023*

Dear *Mr. Nyegenye*

**SUBMISSION OF VIEWS ON THE EQUALISATION FUND APPROPRIATION BILL, 2023 (SENATE BILLS NO.30 OF 2023)**

We refer to the above subject and your letter Ref: SEN/DSEC/F&B/CORR/2023/93 (b) date 27<sup>th</sup> September 2023.

Based on the principle of consultation and cooperation as envisaged in the Constitution, the Council would like to share our views herein for your consideration in lieu of the Councils' participation on 5<sup>th</sup> October 2023 at 10:20am.

*(2) Mr. Gionge  
You are chasing  
ALB  
09/10/23*

1. The Council appreciates the Senate's commitment to ensure that the outstanding entitlements from the Equalisation Fund are appropriated thereby providing a legal framework for the issuance of monies out of the Fund to Counties in which marginalized areas fall for the provision of crucial basic services.
2. We urge the Senate to expedite the passage of the Equalisation Fund (Administration) Bill, 2023 to provide an elaborate framework for proper management and administration of the Fund as opposed to the existing Public Finance Management (Equalisation Fund) Regulations, 2021.
3. Given that there exists an Equalisation Fund Appropriation Act, 2023, we propose that the short title of the Bill be amended to read "The Equalisation Fund Appropriation (No.2) Act, 2023 to distinguish between the existing Act for the funds relating to the FY 2022/23.

We appreciate your continued support.

Yours *Sincerely,*

Mary Mwiti  
Chief Executive Officer

