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REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT | FIRST SESSION

THE SENATE

STANDING COMMITTEE ON FINANCE AND BUDGET

REPORT ON THE COUNTY GOVERNMENTS ADDITIONAL
ALLOCATIONS (NO.2) BILL (SENATE BILLS NO. 4 OF 2022)

Clerk's Chambers,
Parliament Buildings,
NAIROBI.

NOVEMBER, 2022

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LIST OF ABBREVIATIONS/ACRONYMS

ASDSP	Agricultural Sector Development Support Programme
CoG	Council of County Governors
CRA	Commission on Revenue Allocation
DRPNK	Drought Resilience Programme in Northern Kenya
IBP-Kenya	International Budget Partnership-Kenya Chapter
ELRP	Emergency Locust Response Project
FLLoCA	Finance Locally-Led Climate Action
IDEAS	Instruments for Devolution Advice and Support
KCSAP	Kenya Climate Smart Agriculture Project)
KISIP	Kenya Informal Settlement Improvement Project
KUSP	Kenya Urban Support Programme
NARIGP	National Agricultural and Rural Inclusive Growth Project
NAVCDP	National Agricultural Value Chain Development Project
PFM	Public Finance Management
WSDP	Water and Sanitation Development Project

PRELIMINARIES

ESTABLISHMENT AND MANDATE OF THE COMMITTEE

Article 124 (1) of the Constitution of Kenya provides for the establishment of Committees where 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 Committees are established pursuant to standing order 228 of the Senate Standing Orders. The Fourth Schedule to the Senate Standing Orders outlines the subject matter assigned to each specific Committee. The Standing Committee on Finance and Budget 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 schedule 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 Standing Committees of the Senate of the Thirteenth (13th) Parliament on Thursday, 13th October, 2022, the Senate Standing Committee on Finance and Budget as currently constituted is comprised of the following Members-

- | | | |
|--------------------------------------|---|------------------|
| 1) Sen. Capt. Ali Ibrahim Roba, MP | - | Chairperson |
| 2) Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 3) Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 4) Sen. Tabitha Karanja Keroche, MP | - | Member |
| 5) Sen. Joyce 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 |

CHAIRPERSON'S FOREWORD

The County Governments Additional Allocation (No.2) Bill (Senate Bills No. 4 of 2022) was published vide Kenya Gazette Supplement No. 163 of 26th October, 2022, and was introduced in the Senate by way of First Reading on Tuesday, 8th November, 2022. Thereafter, the Bill stood committed to the Standing Committee on Finance and Budget pursuant to standing order 145(1) of the Senate Standing Orders.

The primary object of the Bill is to provide for the transfer of conditional or unconditional allocations from the national government's share of revenue under Article 202(2) of the Constitution and additional allocations from the proceeds of external loans and grants from development partners in line with Article 190 of Constitution to the county governments.

The Bill seeks to provide for additional allocations to county governments for the Financial Year 2022/23. The Bill also has provisions on the responsibilities of national government and county governments pursuant to such allocation.

The First Schedule of the Bill outlines additional allocations amounting to Kshs.5.654 billion to County Governments from the National Governments' share of the revenue raised nationally for FY 2022/23. The two allocations are-

- a) Supplement for Construction of County Headquarters amounting to Kshs. 454 million to the following five Counties: Nyandarua, Tana River, Tharaka Nithi, Isiolo, and Lamu.
- b) Leasing of medical equipment amounting to Kshs.5.2 billion. Each County will receive a total of Kshs.110 .64 million.

The Second Schedule outlines additional allocations to County Governments from the National Governments as loans and grants from Development Partners for FY 2022/23. In the Financial Year 2022/23, the total additional allocations from the development partners amount to Kshs.23.70 billion, translating to a reduction of 26 percent compared to the 2021/22 allocation of Kshs.32.34 billion. These include-

- a) Conditional allocations financed by World Bank to finance the National Agricultural and Rural Inclusive Growth Project (NARIGP) of Kshs.3.563 billion;
- b) Conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) amounting to Kshs.1.999,970 billion;
- c) Conditional allocations from EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program amounting to Kshs.119.997 million;
- d) Conditional allocations from a World Bank credit to finance the Water and Sanitation Development Project (WSDP) amounting to Kshs.5.9 billion;
- e) Conditional allocations from a grant by DANIDA to finance Primary Healthcare in Devolved System Program amounting to Kshs.667 million;
- f) Conditional allocations financed by a credit from the World Bank to finance Locally-Led Climate Action (FLLoCA) Program, Counties Climate Institutional Support (CCIS) (Level 1) for capacity building to counties totaling Kshs.517 million, each of the 47 counties will receive Kshs.11 million;
- g) Conditional allocations financed by the Government of Sweden to finance the Agricultural Sector Development Support Programme (ASDSP II) amounting to Kshs.775.134 million;
- h) Conditional allocations financed by the German Development Bank (KfW) to finance the Drought Resilience Programme in Northern Kenya (DRPNK) amounting to Kshs.825 million;
- i) Conditional allocations financed by the World Bank to finance the Emergency Locust Response Project (ELRP) amounting to Kshs.1.19981 billion;
- j) Conditional allocations financed by the World Bank to finance the Kenya Informal Settlement Improvement Project (KISIP II) amounting to Kshs.2.7 billion; and
- k) Conditional allocations from a World Bank credit to finance the Locally-Led Climate Action Program, (FLLoCA) amounting to Kshs.5.433 billion.

The Third Schedule provides additional allocations from the Equalization Fund for the marginalized areas for the FY 2022/23 totaling Kshs.13.477 billion.

In compliance with the provisions of Standing Order 145 (5) of the Senate Standing Orders, the Committee proceeded to undertake public participation on the Bill. In this regard, the Committee published an advertisement in the Daily Nation and Standard newspapers on Wednesday, 9th November, 2022 inviting members of the public to submit written memoranda to the Committee on the Bill. The Committee also sent invitations to key stakeholders inviting them to submit their comments on the Bill.

The Committee held meetings with the Commission on Revenue Allocation (CRA), and Council of Governors (CoG) to deliberate on the Bill on Monday, 14th November, 2022. The Committee also held a meeting with the National Treasury and Economic Planning on Tuesday, 15th November, 2022 to deliberate on the Bill and also respond to the issues that had been raised by stakeholders on the Bill.

In total, the Committee received written submissions from the following four (4) stakeholders-

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

Observations

The Committee has made various observations which are set out in Chapter Four of this Report-

- a) The total allocation on the Supplement for Construction of County Headquarters project is Kshs. 1.815 billion. The five beneficiary counties were to receive Kshs. 121 million for three financial years. However, the cumulative disbursement for this program is Kshs. 500 million.
- b) The leasing of medical equipment program had a contract of seven years and received funding from FY 2015/16. Some of the contracts were set to expire in December, 2022. However, because of delays in implementation as well as varying start dates, the project is still ongoing and has a proposed allocation of Kshs.5.2 billion for the FY 2022/23.

- c) IDA (World Bank) Credit (Financing Locally-led Climate Action Programme, FLLoCA) programme has two components- one component (level 1 grant) is meant for institutional capacity building of county governments. The second component (level 2) has an allocation of Kshs. 5.43 billion and its disbursement to counties will be based on *minimum performance conditions (MPC)*. The assessments will be carried out by the Ministries, Departments and Agencies to determine the performance allocation for each county in the Financial Year 2022/23.
- d) There is variance between the allocations provided in the budget books and the Bill for the following conditional grants-
- i. German Development Bank (KfW) – Drought Resilience Programme in Northern Kenya- This programme has an allocation of 825 million comprising of Ksh. 387 million to Marsabit County and Ksh. 438 million to Turkana County. However, in the budget books, it is noted that only Ksh. 400 million has been provided under this programme.
 - ii. The EU Grant (Instruments for Devolution Advice and Support IDEAS- This program has an allocation of Kshs. 119,997,019. However, it was noted that in the budget books, there is an allocation of Ksh.36 million only.
- e) The Bill allocates funds to counties from Equalization Fund whereas-
- i. the Constitution requires any withdrawal from the fund be appropriated by the Parliament.
 - ii. The Equalization Fund is separate from the National Government's share of revenue and therefore cannot form part of any additional allocations from National Government.
 - iii. The implementation and management of a fund is different from implementation and management of general resources allocated to county governments. Funds have distinctly laid out procedures for management including implementation and audit. Such earmarked funds are accounted for separately from other general government revenues.

- f) The transfer of library services function to thirty-three (33) county governments had remained outstanding for an inordinately long period of time. The Committee noted that the National Treasury had set aside Kshs. 424,616,047.20, to effect the transfer of the library

Recommendations

After consideration of the Bill, the Committee recommends that the Senate approves the County Governments Additional Allocation (No.2) Bill (Senate Bills No. 4 of 2022) with proposed amendments.

Key amendments is deletion of the provision of allocations from Equalisation Fund. Consequently, the Committee recommends that the National Treasury and Economic Planning should within 7 days prepare and submit to Parliament a draft bill on appropriation for Equalization Fund for the allocations which were reflected in the Bill (for FY 201/22 and FY 2022/23).

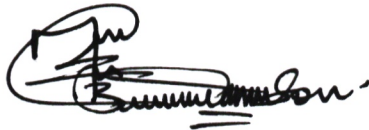
Acknowledgment

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 to the Senate on the County Governments Additional Allocations (No.2) Bill (Senate Bills No. 4 of 2022).



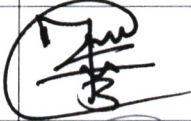


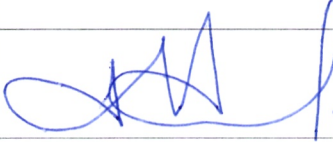
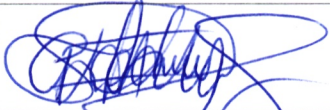
Signature.....

Date..22/11/2022

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

**ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON
FINANCE AND BUDGET ON THE COUNTY GOVERNMENTS
ADDITIONAL ALLOCATION (NO.2) BILL (SENATE BILLS NO. 4 OF 2022)**

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

	Name	Designation	Signature
1.	Sen. Capt. Ali Ibrahim Roba, MP	Chairperson	
2.	Sen. Maureen Tabitha Mutinda, MP	Vice-Chairperson	
3.	Sen. (Dr.) Boni Khalwale, CBS, MP	Member	
4.	Sen. Tabitha Karanja Keroche, MP	Member	
5.	Sen. Joyce 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

INTRODUCTION

1.1 Background

1. The County Governments Additional Allocations (No.2) Bill (Senate Bills No. 4 of 2022) was published on 26th October, 2022, Kenya Gazette supplement no. 163. The Bill is sponsored by the Standing Committee on Finance and Budget. The Bill was read a First Time on Tuesday, 8th November, 2022 and referred to the Committee pursuant to standing order 145(1).
2. The County Governments Additional Allocations (No.2) Bill, 2022 provides for the transfer of additional allocations from the National government's share of revenue and from external loans and grants from development partners to the county governments for the FY 2022/23.
3. The Bill is in compliance with the High Court Ruling No.252 of 2016 which held that conditional and non-conditional grants should be transferred to counties through an agreement that respects the institutional and functional integrity of both levels of government.
4. The Bill is in line with article 190 of the Constitution which provides that Parliament may legislate for additional support to county governments, in which the support could be financial and take the form of conditional or unconditional allocation. Equally, the Bill is consistent with article 202 (2) of the Constitution, which provides for the transfer of additional allocations from the National government's share of revenue.

1.2 Contents of Governments Additional Allocation (No.2) Bill (Senate Bills No. 4 of 2022

5. The Bill defines additional allocations as additional resources allocated to County Governments from the National Government's share of revenue or in the form of loans and grants from development partners.

The object of the Bill as set out in clause 3 is to provide for additional allocations for the Financial Year 2022/2023 pursuant to Article 202 (2) of the Constitution

and including loans and grants from development partners; and to facilitate the transfer of conditional and unconditional allocations made to counties under the Bill from the Consolidated Fund to the respective County Revenue Funds and Special Purpose Accounts.

7. Clause 4(1) gives the additional allocations to County Government from the National Government share of revenue for the financial year 2022/23 as well as development partners in form of loans and grants while Clause 4(2) highlights that the additional allocations will be included in the respective county governments appropriation bills for the Financial Year 2022/23. Clause 4 (3) provides obligates the National Treasury to facilitate any agreement between a county government and a development partner. The National Treasury is required to table the agreements in Parliament before inclusion in the Budget Policy Statement.
8. Clause 5 outlines the conditional allocations to county governments from the National Government share of revenue for the Financial Year 2022/23 as well as proceeds of loans and grants from development partners to each county government. The Bill proposes that the County Government allocations will be transferred to respective County Revenue Fund in accordance with a disbursement schedule published in the Gazette by the Cabinet Secretary as per Section 17 of the PFM Act, 2012.
9. Specifically, the Conditional allocations from the National Government share of revenue goes towards the construction of county headquarters and leasing of medical equipment. The proceeds from loans or grants from development partners allocated to the targeted county government are under the following programs;
 - i. Conditional Allocations financed by the World Bank credit to Finance Agricultural and Rural Inclusive Growth Project (NARIGP)
 - ii. Conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP)
 - iii. Conditional allocations from EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program.

- iv. Conditional allocations from a World Bank credit to finance Water and Sanitation Development Project (WSDP).
 - v. Conditional allocations from a grant by DANIDA to finance Universal Healthcare in Devolved System Program.
 - vi. Conditional allocations from a World Bank credit to finance Locally-Led Climate Action Program, (FLLoCA) for County Climate Institutional Support (CCIS).
 - vii. Conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II).
 - viii. Conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK).
 - ix. Conditional allocations financed by a credit from World Bank to finance Emergency Locust Response Project (ELRP).
 - x. Conditional allocations financed by a loan from the World Bank to finance Kenya Informal Settlement Improvement Project (KISIP II).
 - xi. Conditional allocations financed by a grant from the World Bank to finance Locally- Led Climate Program (FLLoCA) for County Climate Resilience Investment (CCRI) grant.
10. The County Governments will receive the allocation after meeting the agreed conditions set at the beginning of the financial year. The allocations will be included in the budget estimates of the National Government and submitted to Parliament for approval. This is however conditional to the National Government and the respective County Government entering into an intergovernmental agreement and in case of a loan or grant by a development partner, the Cabinet Secretary and the responsible development partner have agreed in writing that the funds shall be transferred to the County Government.
11. Clause 6 provides for additional allocations to the respective county government from the Equalization Fund for the Financial Year 2022/23, while clause 7

provides for reporting on transfers of all additional allocations and requires the Cabinet Secretary to publish by fifteenth (15th) day of each subsequent month, a monthly report on actual transfers of all additional allocations to County Governments.

12. Clauses 8 and 9 of the bill require the county treasuries to reflect all transfers of conditional allocations by the National Government to the respective County Governments in its books of accounts; and to report on the same as part of the consolidated quarterly and annual reports as per PFM Act, 2012.

CHAPTER TWO

OVERVIEW OF PUBLIC PARTICIPATION ON THE BILL

13. The Committee pursuant to the provisions of Article 118 of the Constitution and Standing Order 145 (5) of the Senate Standing Orders, proceeded to undertake public participation on the Bill. In this regard, the Committee published an advertisement in the *Daily Nation* and *Standard* newspapers on Wednesday, 9th November, 2022 inviting members of the public to submit written memoranda on the Bill. The advertisement was also posted on the Parliament website and social media platforms. A copy of the advertisement is attached as *Appendix 5*.
14. Additionally, the Committee sent invitations to key stakeholders inviting them to a meeting and submit their comments on the Bill.
15. In response to the advertisement and invitations, the Committee received written submissions from one stakeholder. Additionally, copies of the stakeholder submissions on the Bill are attached collectively as *Appendix 3*.

2.1 Attendance by Stakeholders

16. The Committee held meetings with key stakeholders and deliberated on the Bill in the County Hall, Ground Floor Boardroom on Monday, 14th November, 2022 and Tuesday, 15th November, 2022 where it received written and oral submissions.
17. The distribution of the participants was as follows –
 - (a) The key stakeholders**
 - 1) The Commission on Revenue Allocation (CRA)
 - 2) The Council of Governors
 - 3) The National Treasury and Economic Planning
 - (b) Civil Society organisation**
 - 1) International Budget Partnership (IBP) – Kenya Chapter

The submission by each stakeholder is as summarised below.

2.2 The Commission on Revenue Allocation

18. The definition of “additional allocations” under clause 2 be expanded to include Equalization Fund conditional allocation to read “additional allocations to mean additional resources including money allocated from the equalization fund, other monies from the National Government’s share of revenue, and loans and grants from development partners. Further, amend clause 4, by introducing subclause (d) to read “allocations to beneficiary counties with areas defined as marginalized from the Equalization Fund.”
19. Since inception 2011/2012 – 2022/2023 the equalization fund had been allocated a total of Ksh 57.7 billion. Of the money allocated only Ksh 12.4 billion had been appropriated to 14 counties leaving a balance of Ksh. 42.3 billion. The bill was allocating kshs. 13.48 billion leaving a balance of Kshs 29.4 billion. CRA therefore petitioned Parliament to hasten the process of allocation and appropriation of the balance to the beneficiary counties.

2.3 The Council of County Governors

20. The Council noted that Article 204 3 (b) of the Constitution provides for equalization fund to be used indirectly through a conditional grant to counties where marginalized communities exist. It was important to take cognizance of Article 204(3) (a) of the Constitution that provides that the national government may use Equalisation Fund— *(a) only to the extent that the expenditure of those funds has been approved in an Appropriation Bill enacted by Parliament.*
21. Clauses 2, 3, and 4 should be amended to expand the scope and include allocations from Equalisation Fund.
22. Clause 5 (1) be amended by inserting a new subclause (c). This is to allow inclusion to the bill a Conditional allocation for the library function. Library function was supposed to be transferred to county governments in 2019 and the total resources earmarked to be transferred for the 59 libraries in 33 Counties amounted to Ksh. 424,616,047.20

23. Clause 5(2) and the second schedule- the proposed allocation for some conditional allocations varied from the amounts in the financing framework.

These conditional allocations as listed and should be amended as follows-

- a) IDA (World Bank) Credit (National Agricultural and Rural inclusive Growth Project (NARIGP) include additional allocation amounting to Kshs.636,867,790.
- b) IDA (World Bank) Credit- Kenya Climate Smart Agriculture project (KCSAP) include additional allocation amounting to Kshs. 2,099,501,343.
- c) IDA (World Bank) Credit- Financing Locally led Climate Action (FLLoCA) programme, County Climate Institutional Support- CCIS grant- level 1 include additional allocation amounting to Kshs.517,000,000.
- d) Sweden – Agricultural Sector Development Support Programme (ASDP) II include an additional allocation amounting to Kshs.94,000,000.
- e) IDA (World Bank) – Emergency Locust Response Project (ELRP) to include an additional allocation of Kshs.190,000 to Turkana County. The allocation to Turkana County for the FY 2022/23 was Kshs.102,108,500 as per the financing agreement. The total allocation for this conditional allocation is Kshs.1,200,000,000.
- f) Introduce a conditional allocation on IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG) and Urban Development Grant (UDG). The State Department for Housing and Urban Development had indicated via a letter Ref. No. MLPWHUD/HUD/UD/5/14/1(22) that there was Kshs. 122 million, which emanated from foreign exchange gains, and it should be disbursed to the counties in the current Financial Year 2022/23. The disbursement should be under the Urban Development Grant and the Urban Institutional Grant and amounting to Kshs. 70, 479,000 and 51,541,000 respectively.

- g) There was a new conditional allocation for the National Agriculture Value Chain Development Project (NAVCDP) whose financing agreement had been finalised and signed. This additional allocation should be included in the Bill.

2.4 International Budget Partnership, Kenya (IBP-K)

24. IBP in their submission noted that from the FY 2020/21 some conditional grants were collapsed to be part of the equitable share. The action was largely anticipated to impact some services, especially those provided by Level 5 hospitals. The impact of this had not been evaluated. A study should be instituted to understand the implications of this action and how the effect has been mitigated.
25. Additionally, IBP noted that there were no clear criteria for allocating conditional grants from the national government revenue. For instance, all the counties were receiving an equal amount of KShs 110,638,298 for medical equipment leasing. However, it was apparent that not all the counties received the same equipment. In addition, there were specific issues raised over time regarding the structure and implementation of medical equipment leasing.
26. Whereas it had been ten years since the onset of devolution, counties were still receiving funds to supplement the construction of county headquarters. Does this allocation imply that the counties still did not have headquarters to operate from? An assessment report is necessary detailing the progress made in regards to previous allocations.

2.5 The National Treasury and Economic planning

27. The provision on the allocations from the Equalization Fund in the bill should be deleted. Treasury had reconsidered the proposal and noted that the provisions should be processed in a separate bill. This separate Bill will be drafted and submitted to Parliament for consideration and approval.

28. The Intergovernmental Budget and Economic Council (IBEC) on 31st of May 2022 and further from the advisory of the Attorney General resolved that funds emanating from court fines relating to county legislation should be transferred to the respective county Revenue Funds. Thus, it's prudent to amend the bill to include such funds.
29. The amounts regarding each conditional allocations proposed in the Bill are obtained from the relevant state departments. Clarifications on any variances require consultations to ensure the allocations are harmonised in accordance with the financing agreements.
30. The implementation of the leasing of medical equipment program was ongoing, however, some contracts were due to expire in December, 2022. The allocations in this program are due to financial obligations which must be met with the FY 2022/23.
31. Though the conditional allocations on Supplement for the construction of the county headquarters was expected by FY 2019/20, the implementation of the program was delayed due to revisions of the original project designs, contract sums and procurement challenges. A total of Kshs 1.8 billion was to be disbursed, however, for that last FY only Kshs 500 million has been expended. Thus, there was need to provide allocations until the projects are completed as envisioned.
32. On 21st November, 2022 the National Treasury submitted-revised allocations which were harmonised with rationalised draft budget estimates for FY 2022/23. Further proposed that the request for transfer of library function be held in abeyance until the beginning if the FY 2023/24.
33. In the submission, indicated that there were no allocations for disbursement to county governments under EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program. Further, the proposed allocations under FLLoCA- level 2 be pended until level 1 is implemented and an assessment is carried out to determine the counties whose performance meets the intended criteria.

CHAPTER THREE

SUMMARY OF STAKEHOLDERS SUBMISSIONS

34. This section presents stakeholders' proposals, committee resolution and justification.

a) Allocations from Equalization Fund

35. Stakeholders requested for amendment of the Bill to ensure its scope adequately facilitates transfer of allocations from the Equalisation fund to the respective County Revenue Fund (CRF). The Committee noted that Resources allocated from Equalisation Fund should be processed under a separate Bill as envisaged under Article 204(3)(b) of the Constitution. Any expenditure/ withdrawal from the Equalisation Fund requires appropriation Bill approved by the Parliament.

b) Variances between the allocations in the Bill and the allocations in the financing agreement.

36. The COG highlighted variances on several conditional allocations (from proceeds of loans and grants from development partners). The Committee considered the matter and brought it to the attention of the National Treasury. The National Treasury submitted that the proposed conditional allocations from Ministries State Departments and Agencies (MDAs) in the bill would be reviewed to reflect the allocations as contained in the rationalised draft Budget Estimates for FY 2022/23. The conditional allocations should be revised as follows-

- i under the Supplement for Construction of County Headquarters, the amount be **reduced from Ksh. 454,000,000 to Ksh. 163,000,000** in line with the final rationalised budget estimates for the State Department for Public Works.
- ii under the IDA (World Bank) credit National Agricultural Rural Inclusive Project (NARIGP), the amount be **increased from Ksh. 3,563,132,210 to Ksh. 3,900,000,001** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research.

- iii Include in the Bill the IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP), a **new project** with a rationalised budget of **Ksh. 1,820,000,000**. This is in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research.
- iv under the IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP), the amount be **increased from Ksh. 1,999,970,000 to Ksh. 2,200,002,000** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research.
- v under the IDA (World Bank) credit Water & Sanitation Development Project (WSDP) the amount be **reduced from Ksh. 5,900,000,000 to Ksh. 3,500,000,000** in line with the rationalised budget estimates for the Ministry of Water, Sanitation and Irrigation.
- vi under the DANIDA Grant (Primary Health in Devolved Context), the amount be **increased from Ksh. 667,000,000 to Ksh. 1,018,125,009** in line with the rationalised budget estimates for the Ministry of Health as confirmed by the respective project manager (framework attached)
- vii the IDA (World Bank) Credit -Financing Locally- Led Climate Action (FLLoCA) Program "Level 1 Grant" known as the County Climate Institutional Support (CCIS) Grant be **increased** as rationalised budget from **Ksh. 517,000 to Ksh. 1,034,000,000** where each of the 47 counties is allocated Ksh. 22,000,000.
- viii The FLLoCA- Level 2 Programme known as the County Climate Resilience Investments (CCRI) Grant has been pending in FY 2022/23. The CCRI Grant is a performance-based additional allocation and so the disbursements will be made upon carrying out an assessment of the beneficiary counties to determine the allocation to each county. There is,

therefore, a need to first determine the eligible county governments' performance score for purposes of determining the Performance grant allocation for the financial year 2022/2023 and hence the reason for pending FLLoCA Level 2.

- ix under the Sweden- Agricultural Sector Development Support Programme (ASDSP) 11), the amount be **reduced from Ksh. 775,134,775 to Ksh. 655,175,274** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research.
- x under the German Development Bank (KfW) - Drought Resilience Programme in Northern Kenya (DRPNK), the amount be **reduced from Ksh. 825,000,000 to Ksh. 410,000,000** in line with the rationalised budget estimates for the Ministry of Water, Sanitation and Irrigation.
- xi under the World Bank - Emergency Locust Response Project (ELRP) the amount be **increased from Kshs 1,199,810,000 to Kshs 1,200,000,000** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research. The additional Ksh. 190,000 is an addition to the allocation of Turkana County.
- xii under the World Bank - Kenya Informal Settlement Improvement Project (KISIP 11) the allocated amount be **reduced from Ksh. 2,700,000,000 to Ksh. 1,300,000,000** and is aligned to the rationalised budget estimates for the State Department for Housing and Urban Development.
- xiii the IDA (World Bank) credit Kenya Urban Support Programme (KUSP) be included as a new project with a rationalised budget **of Ksh. 122,020,000.08** in line with the rationalised budget estimates for the State Department for Housing and Urban Development.

c) Transfer of library function to the Counties

37. The CoG requested these services to be transferred to the counties together with the attendant resources. The Committee considered this issue and noted that though the allocation may not be an additional allocation to the county governments, its vital to ring-fence the allocations for the first few financial years to ensure transfer of the library function is seamless and the services are not hampered. Further, transferring the function involves transfer of payroll and attendant budgets such as leave allowance. Noting the second quarter of the Financial Year is ongoing, it poses a challenge transferring such a function whereas the county governments had not provided for this expenditure in their budgets.

CHAPTER FOUR

COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

3.1 Observations

38. The Committee, having considered the bill and the submissions from the stakeholders, made the following observations-
- a) The Supplement for Construction of County Headquarters project ought to have been implemented within three financial years with a total allocation of Ksh. 1.815 billion. The five beneficiary counties were to receive each Kshs. 121 million for the three financial years. However, the cumulative disbursement for this program at 30th June 2022 is Ksh. 500 million.
 - b) The leasing of medical equipment program had a contract of seven years and received funding as from FY 2015/16. Some of the contracts were set to expire in December, 2022. However, because of delays in implementation as well as varying start dates, the project is still ongoing and has a proposed allocation of Kshs.5.2 billion for the FY 2022/23.
 - c) Approximately Ksh. 15.836 billion approved under the County Governments Additional Allocations Act (CGAAA), 2022 for Financial Year 2021/22 was not disbursed. The National Treasury indicated that this was due to delay in the enactment of County Governments Additional Allocation Act, 2022 and failure by some County Governments to adhere to the requirements of specific conditional allocations. The National Treasury committed to ensure the funds are allocated and disbursed in subsequent financial years to the beneficiary counties, subject to these counties fulfilling the conditions for access of these funds and evidence of demonstrable capacity to absorb the same funds.
 - d) IDA (World Bank) Credit (Financing Locally-led Climate Action Programme, FLLoCA); The programme has two components: one component (level 1 grant) is meant for institutional capacity building of county governments. The second component (level 2) has an allocation of Kshs. 5.43 billion and its performance-based additional allocation. Its

disbursement to counties will be based on *minimum performance conditions (MPC)*. The assessments will be carried out by the Ministries, Departments and Agencies to determine the performance and allocation to each county.

- e) There is variance between the allocations provided in the budget books and the Bill for the following conditional grants-
- iii. German Development Bank (KfW) – Drought Resilience Programme in Northern Kenya- This programme has an allocation of 825 million comprising of Ksh. 387 million to Marsabit County and Ksh. 438 million to Turkana County. However, in the budget books, it is noted that only Ksh. 400 million has been provided under this programme.
 - iv. The EU Grant (Instruments for Devolution Advice and Support IDEAS- This program has an allocation of Kshs. 119,997,019. However, it was noted that in the budget books, there is an allocation of Ksh.36 million only.
- f) The Bill allocates funds to counties from Equalization Fund whereas-
- i. the Constitution requires any withdrawal from the fund be appropriated by the Parliament.
 - ii. The Equalization Fund is separate from the National Government's share of revenue and therefore cannot form part of any additional allocations from National Government.
 - iii. The implementation and management of a fund is different from implementation and management of general resources allocated to county governments. Funds have distinctly laid out procedures for management including implementation and audit. Such earmarked funds are accounted for separately from other general government revenues.
- g) The transfer of library services function to thirty-three (33) county governments had remained outstanding for an inordinately long period of time. The Committee noted that the National Treasury had set aside Kshs. 424,616,047.20, to effect the transfer of the library function (a total of 59 libraries) to their respective county governments.

3.2 Recommendations

39. The Committee recommends that

- a) The Bill be approved with the following amendments-
 - i) Deletion of clause 6 providing for allocations from the Equalization Fund.
 - ii) Amendments of clause 5(2) to reflect-
 - additional conditional allocations on IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP) and IDA (World Bank) credit Kenya Urban Support Programme (KUSP), and
 - deletion of provision on conditional grants on EU grant to finance Instruments for Devolution Advice & Support (IDEAS) and World Bank credit to Finance Locally- Led Climate Action (FLLoCA)- Level 2.
 - iii) Deletion of the First Schedule and replacing therefor with the new schedule attached.
 - iv) Deletion of the Second Schedule and replacing therefor with the new schedule attached.
 - v) Deletion of the Third Schedule providing for allocations from the Equalisation Fund to respective county governments.
- b) The National Treasury in collaboration with the Council of Governors, State Department of Sports and the Arts and the Intergovernmental Relations Technical Committee should ensure that all the mechanisms are put in place to allow seamless operations (including transfer of payroll and mechanisms for collection of revenue under this function) once the transfer of the library function is implemented. This function should be transferred in the beginning of the Financial year 2023/24.
- c) The National Treasury and Economic Planning should within 7 days prepare and submit to Parliament a draft bill on appropriation for Equalization Fund for the allocations which were reflected in the Bill (for FY 201/22 and FY 2022/23).

- d) The National Treasury and Planning should within 30 days submit to the Senate a report indicating when the funds allocated to Equalization Fund in the previous financial Years will be disbursed for utilisation as intended by the Constitution.

FIRST SCHEDULE

(s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial Year 2022/23 (Kenya Shillings)

Additional allocations to County Governments from National Government Revenue in Financial Year 2022/2023 (Kenya Shillings)					
S/N.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
1.	Baringo	153,297,872	-	110,638,298	110,638,298
2.	Bomet	153,297,872	-	110,638,298	110,638,298
3.	Bungoma	153,297,872	-	110,638,298	110,638,298
4.	Busia	153,297,872	-	110,638,298	110,638,298
5.	Elgeyo/Marakwet	153,297,872	-	110,638,298	110,638,298
6.	Embu	153,297,872	-	110,638,298	110,638,298
7.	Garissa	153,297,872	-	110,638,298	110,638,298
8.	Homa Bay	153,297,872	-	110,638,298	110,638,298
9.	Isiolo	221,297,872	40,000,000	110,638,298	150,638,298
10.	Kajiado	153,297,872	-	110,638,298	110,638,298
11.	Kakamega	153,297,872	-	110,638,298	110,638,298
12.	Kericho	153,297,872	-	110,638,298	110,638,298
13.	Kiambu	153,297,872	-	110,638,298	110,638,298
14.	Kilifi	153,297,872	-	110,638,298	110,638,298
15.	Kirinyaga	153,297,872	-	110,638,298	110,638,298
16.	Kisii	153,297,872	-	110,638,298	110,638,298
17.	Kisumu	153,297,872	-	110,638,298	110,638,298
18.	Kitui	153,297,872	-	110,638,298	110,638,298
19.	Kwale	153,297,872	-	110,638,298	110,638,298
20.	Laikipia	153,297,872	-	110,638,298	110,638,298
21.	Lamu	191,297,872	22,000,000	110,638,298	132,638,298
22.	Machakos	153,297,872	-	110,638,298	110,638,298
23.	Makueni	153,297,872	-	110,638,298	110,638,298
24.	Mandera	153,297,872	-	110,638,298	110,638,298
25.	Marsabit	153,297,872	-	110,638,298	110,638,298
26.	Meru	153,297,872	-	110,638,298	110,638,298
27.	Migori	153,297,872	-	110,638,298	110,638,298
28.	Mombasa	153,297,872	-	110,638,298	110,638,298
29.	Murang'a	153,297,872	-	110,638,298	110,638,298
30.	Nairobi	153,297,872	-	110,638,298	110,638,298
31.	Nakuru	153,297,872	-	110,638,298	110,638,298
32.	Nandi	153,297,872	-	110,638,298	110,638,298
33.	Narok	153,297,872	-	110,638,298	110,638,298
34.	Nyamira	153,297,872	-	110,638,298	110,638,298

Conditional allocations to County Governments from National Government Revenue in Financial Year 2022/23 (Kenya Shillings)

Additional allocations to County Governments from National Government Revenue in Financial Year 2022/2023 (Kenya Shillings)					
S/N.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
35.	Nyandarua	228,297,872	59,000,000	110,638,298	169,638,298
36.	Nyeri	153,297,872	-	110,638,298	110,638,298
37.	Samburu	153,297,872	-	110,638,298	110,638,298
38.	Siaya	153,297,872	-	110,638,298	110,638,298
39.	Taita Taveta	153,297,872	-	110,638,298	110,638,298
40.	Tana River	228,297,872	42,000,000	110,638,298	152,638,298
41.	Tharaka Nithi	229,297,872	-	110,638,298	110,638,298
42.	Trans Nzoia	153,297,872	-	110,638,298	110,638,298
43.	Turkana	153,297,872	-	110,638,298	110,638,298
44.	Uasin Gishu	153,297,872	-	110,638,298	110,638,298
45.	Vihiga	153,297,872	-	110,638,298	110,638,298
46.	Wajir	153,297,872	-	110,638,298	110,638,298
47.	West Pokot	153,297,872	-	110,638,298	110,638,298
	GRAND TOTAL	7,537,000,000	163,000,000	5,200,000,000	5,363,000,000

LIST OF APPENDICES

Appendix 1: Signed minutes of the sittings of the Committee on considering the Bill

Appendix 2: Proposed Committee amendments

Appendix 3: Copies of submissions

Appendix 4: Copy of the Bill

Appendix 5: Advertisement as published in the media



MINUTES OF THE FIFTH MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON TUESDAY, 22ND NOVEMBER, 2022 AT THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDINGS FROM 10.00 A.M.

PRESENT

- | | | |
|--------------------------------------|---|-------------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, MP | - | Chairperson |
| 2. Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 3. Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 4. Sen. Tabitha Karanja Keroche, MP | - | Member |
| 5. Sen. Mohamed Faki Mwinyihaji, MP | - | Member |
| 6. Sen. Eddy Gicheru Oketch, MP | - | Member |

ABSENT WITH APOLOGY

- | | | |
|-------------------------------------|---|--------|
| 7. Sen. Joyce Chepkoech Korir, MP | - | Member |
| 8. Sen. Richard Momoima Onyonka, MP | - | Member |
| 9. Sen. Shakila Abdalla Mohamed, MP | - | Member |

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Makara | - | Deputy Director, PBO |
| 4. Ms. Millicent Makena | - | Fiscal Analyst |
| 5. Ms. Lucy Radoli | - | Legal Counsel |
| 6. Mr. Kiminza Kioko | - | Fiscal Analyst |
| 7. Ms. Joan Mahinda | - | Researcher |
| 8. Mr. Tonkei Sekento | - | Researcher |
| 9. Ms. Shirley Milimu | - | Audio Officer |

MIN/SEN/SCF&B/24/2022

PRELIMINARIES

The Chairperson called the meeting to order at 10.23 a.m. This was followed by a word of prayer.

MIN/SEN/SCF&B/25/2022

ADOPTION 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. Adoption of the Agenda;
3. Confirmation of Minutes of the 2nd, 3rd and 4th sittings held on 9th, 14th and 15th November 2022 respectively;
4. Matters arising from the Minutes of the previous sittings;
5. Consideration and adoption of the Report on the County Governments Additional Allocations (No.2) Bill (Senate Bills No.4 of 2022) (*Committee Paper No. 4*);
6. Any Other Business; and
7. Date of the Next Meeting and Adjournment.

MIN/SEN/SCF&B/26/2022 CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

- a) The Minutes of the Second sitting held on Wednesday, 9th November, 2022 were confirmed as a true record of the proceedings of the Committee having been proposed by Sen. Mohamed Faki Mwinyihaji, MP, and seconded by MP. Sen. (Dr.) Boni Khalwale, CBS, MP,
- b) The Minutes of the Third sitting held on Monday, 14th November, 2022 were confirmed as a true record of the proceedings of the Committee having been proposed by Sen. Eddy Gicheru Oketch, MP, and seconded by Sen. Mohamed Faki Mwinyihaji, MP.
- c) The Minutes of the Fourth sitting held on Tuesday, 15th November, 2022 were confirmed as a true record of the proceedings of the Committee having been proposed by Sen. Mohamed Faki Mwinyihaji, MP, and seconded by Sen. Maureen Tabitha Mutinda, MP.

MIN/SEN/SCF&B/27/2022 CONSIDERATION AND ADOPTION OF THE REPORT ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO.2) BILL (SENATE BILLS NO.4 OF 2022)-COMMITTEE PAPER No.4

The considered the Committee Paper No. 4 which highlighted-

- a) Public participation on the Bill-Meetings and submissions from keys stakeholders including-
 - i. The National Treasury and Economic Planning;
 - ii. The Commission on Revenue Allocation;
 - iii. The Council of Governors; and
 - iv. The International Budget Partnership-Kenya.
- b) The key issues that were raised by various stakeholders.
- c) Reporting by the Committee


Committee was requested to consider and adopt the Report on the County Governments Additional Allocation (No.2) Bill (Senate Bills No. 4 of 2022) for tabling.

The Committee considered the report on the County Governments Additional Allocation (No.2) Bill (Senate Bills No. 4 of 2022), and unanimously adopted the report having been proposed by Sen. Mohamed Faki Mwinyihaji, MP, and seconded by Sen. Maureen Tabitha Mutinda, MP with the following recommendations-

- a) The Bill be approved with the following amendments-
 - i. Deletion of clause 6 providing for allocations from the Equalization Fund.
 - ii. Amendments of clause 5(2) to reflect-
 - additional conditional allocations on IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP) and IDA (World Bank) credit Kenya Urban Support Programme (KUSP), and
 - deletion of provision on conditional grants on EU grant to finance Instruments for Devolution Advice & Support (IDEAS) and world Bank credit to Finance Locally- Led Climate Action (FLLoCA)- Level 2.
 - iii. Deletion of the First Schedule and replacing therefor with the new schedule attached.
 - iv. Deletion of the Second Schedule and replacing therefor with the new schedule attached.
 - v. Deletion of the Third Schedule providing for allocations from the Equalization Fund to respective county governments.
- b) The National Treasury in collaboration with the Council of Governors, State Department of Sports and the Arts and the Intergovernmental Relations Technical Committee should ensure that all the mechanisms are put in place to allow seamless operations (including transfer of payroll and mechanisms for collection of revenue under this function) once the transfer of the library function is implemented. This function should be transferred in the beginning of the Financial Year 2023/24.
- c) The National Treasury and Economic Planning should within 7 days prepare and submit to Parliament a draft bill on appropriation for Equalization Fund for the allocations which were reflected in the Bill (for FY 201/22 and FY 2022/23).
- d) The National Treasury and Planning should within 30 days submit to the Senate a report indicating when the funds allocated to Equalization Fund in the previous financial Years will be disbursed for utilization as intended by the Constitution.

MIN/SEN/SCF&B/28/2022 ADJOURNMENT AND DATE OF NEXT MEETING

There being no other business for consideration, the meeting adjourned at 11.31 a.m. The next meeting to be held on Wednesday, 23rd November, 2022 at 10:00 a.m.

SIGNATURE..........DATE...22/11/2022...

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

(CHAIRPERSON)



MINUTES OF THE FOURTH MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON TUESDAY, 15TH NOVEMBER, 2022 AT THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDINGS FROM 9.00 A.M.

PRESENT

- | | | |
|--------------------------------------|---|-------------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, MP | - | Chairperson |
| 2. Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 3. Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 4. Sen. Tabitha Karanja Keroche, MP | - | Member |
| 5. Sen. Joyce 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 |

SECRETARIAT

- | | | |
|----------------------------|---|-------------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Makara | - | Deputy Director, PBO |
| 4. Dr. Abel Mutua | - | Fiscal Analyst |
| 5. Ms. Lucy Radoli | - | Legal Counsel |
| 6. Mr. Kiminza Kioko | - | Fiscal Analyst |
| 7. Ms. Joan Mahinda | - | Researcher |
| 8. Mr. Tonkei Sekento | - | Researcher |
| 9. Ms. Shirley Milimu | - | Audio Officer |
| 10. Mr. Barasa Emmanuel | - | Media Relations Officer |

IN ATTENDANCE

THE NATIONAL TREASURY

- | | | |
|---------------------------|---|---|
| 1. Mr. Albert Mwenda | - | Director General, Budget, Fiscal & Economic Affairs |
| 2. Ms. Josephine Kanyi | - | Senior Deputy Director, IGFRD |
| 3. Mr. Samuel K. Kiptorus | - | Senior Deputy Director, IGFRD |

MIN/SEN/SCF&B/19/2022 **PRELIMINARIES**

The Chairperson called the meeting to order at 9.22a.m. This was followed by a word of prayer and thereafter a round of introductions.

MIN/SEN/SCF&B/20/2022 **ADOPTION OF THE AGENDA**

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

1. Prayer;
2. Introductions;
3. Adoption of the Agenda;
4. Confirmation of minutes of the 2nd Sitting;
5. Matters arising from the previous minutes;
6. Meeting with the Cabinet Secretary for the National Treasury and Economic Planning to deliberate on the County Governments Additional Allocations (No.2) Bill (Senate Bills No.4 of 2022)-
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

MIN/SEN/SCF&B/21/2022 **CONFIRMATION OF MINUTES OF THE 2ND SITTING AND MATTERS ARISING**

The confirmation of Minutes of the 2nd meeting held on Wednesday, 9th November 2022, were deferred for consideration in the next meeting.

MIN/SEN/SCF&B/22/2022 **SUBMISSIONS ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO.2) BILL (SENATE BILLS NO.4 OF 2022)**

Submission by the National Treasury

The Director General of Budget, Fiscal and Economic Affairs, Mr. Albert Mwenda conveyed the apologies of the Cabinet Secretary and thereafter informed the Committee as follows-

- a) The proposal to process allocations from equalization fund stands receded since the proposal would not be in conformity with Article 204(3)(b) of the Constitution. The allocation should be processed through a separate bill;
- b) The total additional allocations for the FY 2021/22 were Kshs.32.3439 billion. County Governments received Kshs.12.23902 billion in the FY 2021/22 which comprised Kshs.225.02 million from the National Government's share of revenue and Kshs.12.014 billion from external loans and grants;
- c) A total of Kshs.15.836 billion approved under the additional allocations for FY 2021/22 were not disbursed due to delay in the enactment of the County Governments Additional Allocation Act, 2022, and failure by some county governments to adhere to requirements of specific conditional allocations;

- d) The National Government was expected to contribute Kshs.605 million for three FYs from FY 2017/18-2019/20, totaling Kshs.1,815 million to supplement the construction of five county headquarters, each to get an allocation of Kshs.121 million in each of the three FYs. However, only Kshs 500 million had been disbursed in the last 3 financial years. The projects were supposed to have been completed in FY 2019/20. Actual commencement was delayed due to revisions of original project designs, subsequent revisions of the contract sums, and procurement challenges. The implementation of this project is within the mandate of the State Department of Public Works;
- e) County Governments have received Kshs.39.813 billion towards the Leasing of Medical Equipment Programme since its inception in FY 2015/16. Some contracts were expiring as from December 2022;
- f) The beneficiary counties of the additional allocations towards the Medical Equipment Programme have not signed new agreements with the National Treasury since the initial contracts were about to expire.

The Committee sought clarification on the following-

- a) There is a variance in the proposed additional allocations from proceeds of loans and grants in the Bill and allocations in the framework for the FY 2022/23, and budget books and the Bill relating to
 - i) IDA (World Bank) Credit (National Agricultural and Rural inclusive growth Project (NARIGP);
 - ii) IDA (World Bank) Credit- Kenya Climate Smart Agriculture project (KCSAP);
 - iii) IDA (World Bank) Credit- Financing Locally led Climate Action (FLLoCA) programme, County Climate Institutional Support- CCIS grant- level 1;
 - iv) Sweden – Agricultural Sector Development Support Programme (ASDP) II; and
 - v) IDA (World Bank) – Emergency Locust Response Project (ELRP).
 - vi) German Development Bank (KfW) – Drought Resilience Programme in Northern Kenya.
 - vii) The EU Grant -Instruments for Devolution Advice and Support (**IDEAS**)
- b) There is a need to include in the Bill-
 - i. Additional allocations for the National Agriculture Value Chain Development Project whose financing agreement was recently finalized and signed.
 - ii. Kshs.122 million under the Kenya Urban Support Program (KUSP) emanating from foreign exchange gains.
 - iii. Additional unconditional from court fines imposed under county legislation in the Bill.

The National Treasury provided the following additional response-

- a) National Treasury had not received any communication from line ministries regarding the differences in proposed additional allocations provided in the budget books and the Bill;
- b) Further, the new signed financing agreement for additional conditional allocations may be included in the bill once communication from the line ministry is received;
- c) Upon expiry of MES contracts, the county governments interested with extension of the contract will have to sign new agreements.

After deliberations, the Committee resolved that-

- a) The National Treasury should consult the relevant line ministries and Council of Governors (CoG) and submit to the Committee a written memorandum clarifying the difference identified between the allocations proposed in the Bill and financing framework for the FY 2022/23 or budget books. This must be submitted by Wednesday, 16th November, 2022. Further provide information on the way forward regarding the allocations approved for FY 2021/22 but not disbursed;
- b) Equalization Fund should be processed separately and not under the County Governments Additional Allocations as contemplated in Article 203 (3) (a). Consequently, the National Treasury and Economic Planning should draft and submit Equalization Fund Bill by 25th November, 2022. The bill should provide for utilization of equalization funds which were earmarked for disbursement to counties through the County Governments Additional Allocations (No. 2) Bill (Senate Bills No. 4 of 2022); and
- c) Within 30 days, the Cabinet Secretary should prepare and submit to the Committee a written commitment clearly spelling out timelines on how the National Treasury and Economic Planning intends to comply with offsetting the equalization fund balance (arrears) of Kshs.42.88 billion approved by Parliament in previous financial years.

MIN/SEN/SCF&B/23/2022

ADJOURNMENT AND DATE OF NEXT MEETING

There being no other business for consideration, the meeting adjourned at 11.10a.m. The next meeting shall be by Notice.

SIGNATURE  DATE 22/11/2022

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

(CHAIRPERSON)



MINUTES OF THE THIRD MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON MONDAY, 14TH NOVEMBER, 2022 AT THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDINGS FROM 10.00 A.M.

PRESENT

- | | |
|--------------------------------------|--------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, MP | - Chairperson |
| 2. Sen. Maureen Tabitha Mutinda, MP | - Vice-Chairperson |
| 3. Sen. (Dr.) BoniKhalwale, CBS, MP | - Member |
| 4. Sen. Joyce ChepkoechKorir, MP | - Member |
| 5. Sen. Mohamed FakiMwinyihaji, MP | - Member |
| 6. Sen. Richard MomoimaOnyonka, MP | - Member |
| 7. Sen. ShakilaAbdalla Mohamed, MP | - Member |
| 8. Sen. Eddy GicheruOketch, MP | - Member |

ABSENT WITH APOLOGY

- | | |
|-------------------------------------|----------|
| 1. Sen. Tabitha Karanja Keroche, MP | - Member |
|-------------------------------------|----------|

SECRETARIAT

- | | |
|----------------------------|---------------------------|
| 1. Mr. Christopher Gitonga | - Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - Clerk Assistant |
| 3. Ms. Lucy Makara | - Deputy Director, PBO |
| 4. Dr. Abel Mutua | - Fiscal Analyst |
| 5. Ms. Lucy Radoli | - Legal Counsel |
| 6. Mr. KiminzaKioko | - Fiscal Analyst |
| 7. Ms. Joan Mahinda | - Researcher |
| 8. Mr. TonkeiSekento | - Researcher |
| 9. Ms. Shirley Milimu | - Audio Officer |
| 10. Mr. Barasa Emmanuel | - Media Relations Officer |

IN ATTENDANCE

a. THE COMMISSION ON REVENUE ALLOCATION

- | | |
|---------------------------|------------------------------------|
| 1. Dr. Jane Kiringai, EBS | - Chairperson |
| 2. CPA. James Katule | - CEO |
| 3. Ms. Lineth Oyugi | - Director, Economic Affairs |
| 4. Ms. Jecinter Hezron | - Manager, Stakeholders Engagement |

b. THE COUNCIL OF GOVERNORS

1. Hon. FCPA. Ahmed Abdullahi - Governor, Wajir County/Vice-Chair, CoG
2. Hon. FCPA. Fernandes Barasa - Governor, Kakamega County/Chair, CoG
Technical Committee on Finance & Economic Affairs.
3. Hon. Mutula Kilonzo Jnr., CBS - Governor, Makueni County
4. Hon. Abullsamad Nassir - Governor, Mombasa County
5. Mr. Kizito Wangalwa - Director Committees, CoG
6. Dr. Noah Akala - Chief of Staff, Mombasa County
7. Ms. Zipporah Muthama - Senior Legal Officer
8. Mr. Stephen Momanyi - Programme Officer

MIN/SEN/SCF&B/14/2022 PRELIMINARIES

The Chairperson called the meeting to order at 10.14 am. This was followed by a word of prayer and thereafter a round of introductions.

MIN/SEN/SCF&B/15/2022 ADOPTION OF THE AGENDA

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

1. Prayer;
2. Introductions;
3. Adoption of the Agenda;
4. Meeting with stakeholders to deliberate on the County Governments Additional Allocations (No.2) Bill (Senate Bills No.4 of 2022)-
 - a) The Commission on Revenue Allocation (CRA)
 - b) The Council of Governors (CoG)
 - c) The Cabinet Secretary for National Treasury and Economic Planning
5. Any Other Business; and
6. Date of the Next Meeting and Adjournment.

MIN/SEN/SCF&B/16/2022 STAKEHOLDERS' SUBMISSIONS ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO.2) BILL (SENATE BILLS NO.4 OF 2022)

1. Submission by Commission on Revenue Allocation

The Chairperson of the Commission on Revenue Allocation (CRA), Dr. Jane Kiringai, presented to the Committee on the Commission's proposals on the County Governments Additional Allocations (No.2) Bill (Senate Bills No.4 of 2022) as follows-

- a) Since the inception of the Equalization Fund (2011/12- 2022/23), a total of Ksh.55.28 billion is due to the Fund. However, only Ksh12.4 billion, being

allocations, under the First Policy was appropriated to 14 counties. The balance of Ksh42. 88 billion is yet to be appropriated to beneficiary counties;

- b) The Bill allocates Ksh.13.48 billion, leaving a balance of Ksh29.4 billion. Parliament should fast-track the allocation of this balance to beneficiary counties to hasten development;
- c) The PFM (Equalization Fund) Regulations provide for the establishment of committees at the county level for the identification and prioritization of projects;
- d) The identified projects will inform the appropriation bill that will be tabled in Parliament in line with Article 204; and
- e) The Equalization Fund Advisory Board should fast-track the establishment of committees in beneficiary counties and the identification of projects.

After deliberations, it was unanimously resolved that allocation from Equalisation Fund should be processed under a separate Bill as contemplated in Article 204 (3) (a) of the Constitution.

The CRA Chairperson informed the Committee that the Commission had prepared a breakfast meeting on 24th November, 2022 and invited the Committee to the meeting to deliberate on the proposals on the Division of Revenue for FY 2022/23. The Committee indicated that it will discuss the matter and revert.

2. Submission by Council of Governors

The Vice Chairperson, CoG, Hon. FCPA. Ahmed Abdullahi and the Chairperson of the CoG Technical Committee on Finance and Economic Affairs, Hon. FCPA. Fernandes Barasa, made the following submissions-

- a) There is a variance between the proposed additional allocations from proceeds of loans and grants from development partners in the Bill and the conditional allocation framework for the Financial Year 2022/23. The variance relates to the following conditional allocations-
 - i. IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project (NARIGP));
 - ii. IDA (World Bank) Credit- Kenya Climate Smart Agriculture Project (KCSAP);
 - iii. IDA (World Bank) Credit- Financing Locally led Climate Action (FLLoCA) programme, County Climate Institutional Support- CCIS grant- level 1;
 - iv. Sweden – Agricultural Sector Development Support Programme (ASDP) II; and
 - v. IDA (World Bank) – Emergency Locust Response Project (ELRP).
- b) The National Treasury should urgently prepare the Equalization Fund Bill for introduction, consideration and approval by Parliament to facilitate the utilization

of the Equalization Fund. This is in accordance with Article 204(3)(a) of the Constitution;

- c) The Senate should fast-track passage of the County Governments Additional Allocations Bill, 2022 to enable utilization of funds as budgeted for under the current FY 2022/23;
- d) The Bill should provide for the provision on transfer of library services and the attendant resources;
- e) Regarding the Managed Equipment Service (MES) Health Program, some contract would expire by December 2022. However, 26 county governments had expressed the desire to renew the contracts; and
- f) The National Treasury had not disbursed allocations as envisaged in the County Governments Additional Allocations Act, 2022. The balance should be included in the new Bill for disbursement in the FY 2022/23.

The Committee further noted that there is need to include in the Bill-

- a) The additional allocations on the National Agriculture Value Chain Development Project whose financing agreement was recently finalized and signed; and
- b) Kes. 122million under Kenya Urban Support Program (KUSP) emanating from foreign exchange gains for disbursement to benefiting counties;

3. Submission by National Treasury

The Chairperson informed the Committee that vide a letter Ref. No. MOF/TE 200/01 'E' (36), dated 14th November, the Cabinet Secretary could not attend the scheduled meeting and had requested rescheduling of the meeting to a later date.

The Committee resolved to reschedule the meeting with the Cabinet Secretary, National Treasury, and Economic Planning to Tuesday, 15th November at 9.00 a.m.

MIN/SEN/SCF&B/17/2022


ANY OTHER BUSINESS

The Committee considered the invitation by the CRA and it was observed that most Members will not be available. It was therefore resolved that the consultative breakfast meeting be held on Wednesday, 23rd November, 2022.

MIN/SEN/SCF&B/18/2022

ADJOURNMENT AND DATE OF NEXT MEETING

The meeting was adjourned at 12.47p.m. next meeting to be held on Tuesday, 15th November, 2022, at 9.00a.m.

SIGNATURE:.......... DATE: 22/11/2022

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

(CHAIRPERSON)



MINUTES OF THE SECOND MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON WEDNESDAY, 9TH NOVEMBER, 2022 AT THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDINGS FROM 10.00 A.M.

PRESENT

1. Sen. (Cpt.) Ali Ibrahim Roba, MP	-	Chairperson
2. Sen. Maureen Tabitha Mutinda, MP	-	Vice-Chairperson
3. Sen. (Dr.) BoniKhalwale, CBS, MP	-	Member
4. Sen. Mohamed FakiMwinyihaji, MP	-	Member
5. Sen. ShakilaAbdalla Mohamed, MP	-	Member
6. Sen. Joyce ChepkoechKorir, MP	-	Member
7. Sen. Eddy GicheruOketch, MP	-	Member

ABSENT WITH APOLOGY

8. Sen. Tabitha KaranjaKeroche, MP)	-	Member
9. Sen. Richard MomoimaOnyonka, MP	-	Member

SECRETARIAT

1. Mr. Boniface Lenairoshi	-	Deputy Director,
2. Mr. Christopher Gitonga	-	Clerk Assistant
3. Ms. Beverlyne Chivadika	-	Clerk Assistant
4. Ms. Lucy Makara	-	Deputy Director, PBO
5. Ms. Lucy Radoli	-	Legal Counsel
6. Mr. KiminzaKioko	-	Fiscal Analyst
7. Ms. Joan Mahinda	-	Researcher
8. Mr. TonkeiSekento	-	Researcher
9. Mr. Ichwara Elijah	-	Audio Officer
10. Ms. Shirley Milimu	-	Audio Officer
11. Mr. AbdallaMbore	-	Serjeant-at-Arms
12. Mr. Barasa Emmanuel	-	Media Relations Officer

MIN/SEN/SCF&B/08/2022

PRELIMINARIES

The Chairperson called the meeting to order at 10.15 am. This was followed by a word of prayer and thereafter a round of introductions.

MIN/SEN/SCF&B/09/2022

ADOPTION OF THE AGENDA

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

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes of the previous sitting;
4. Matters arising from the minutes of the previous sitting;
5. Briefing on the mandate of the Committee (*Committee Paper No. 2*);
6. Consideration of the County Governments Additional Allocations (No.2) Bill, (Senate Bills No.4 of 2022) (*Committee Paper No. 3*);
7. Any Other Business; and
8. Date of the Next Meeting and Adjournment.

MIN/SEN/SCF&B/10/2022

CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The Minutes of the First (1st) sitting held on Tuesday, 18th October, 2022 were confirmed as a true record of the proceedings of the Committee having been proposed by Sen. (Dr.) Boni Khalwale, CBS, MP, and seconded by Sen. Eddy Gicheru Oketch, MP.

MIN/SEN/SCF&B/11/2022

BRIEFING ON THE MANDATE OF THE COMMITTEE- (COMMITTEE PAPER No. 2)

The Deputy Director, presented Committee Paper No. 2 which highlighted-

- a) The mandate of the Standing Committee on Finance and Budget as established pursuant to Article 124 (1) of the Constitution and standing orders of the Senate Standing Orders;
- b) Government Ministries and Departments that the Committee oversees;
- c) Independent Commissions/Offices that the Committee oversees; and
- d) The Linkage with County Governments.

The Committee noted the contents of the paper.

MIN/SEN/SCF&B/12/2022

CONSIDERATION OF THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO.2) BILL (SENATE BILLS NO.4 OF 2022)

The Committee considered and deliberated on Committee Paper No. 3 on the County Governments Additional Allocations (No.2) Bill, Senate Bills No.4 of 2022 which highlighted the contents and analysis of the Bill.

The Committee observed that-

- a) The Equalization Fund should be processed through a separate legislation as contemplated under Article 204 (3) (a) of the Constitution. Any expenditure from

the Equalization Fund must be approved in an Appropriation Bill enacted by Parliament;

- b) The Commission on Revenue Allocation (CRA) Second Policy for identifying marginalized areas and sharing the Equalization Fund increased the number of counties from 14 to 34 counties and some counties do not qualify to benefit from the Fund.

Processing of the Bill by the Committee

The Committee resolved to-

- a) Invite the Cabinet Secretary for the National Treasury and Economic Planning, the Commission on Revenue Allocation (CRA), and the Council of Governors (CoG) to a meeting on Monday, 14th November, 2022 from 10:00 a.m. to deliberate on the Bill;
- c) Hold a report writing meeting on Tuesday, 15th November, 2022;
- d) Adopt and table a report on the Bill on Wednesday, 16th November, 2022;
- e) Additionally, request the National Treasury and Economic Planning to provide additional information on-
- i. The status of disbursement of funds to counties approved by the Parliament in the County Governments Additional Allocations Act, 2022 for the FY 2021/22;
 - ii. The status of implementation of the Supplementary Construction of County Headquarters program which was to be implemented from the Financial Year 2017/18 to 2019/20; and
 - iii. The extent of implementation of the Leasing of Medical Equipment Program which was to be implemented for seven (7) years from 2015/16;
 - iv. The conditions that counties are required to fulfill in order to benefit from the IDA (World Bank) locally-led climate program (FLLOCA) level-2.

MIN/SEN/SCF&B/13/2022

**ADJOURNMENT AND DATE OF
NEXT MEETING**

There being no other business for consideration, the meeting adjourned at 11.53 am.

SIGNED

DATE 22/11/2022

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

CHAIRPERSON

22nd November, 2022

**The Clerk of the Senate
Parliament Buildings
NAIROBI**

RE: COMMITTEE STAGE AMENDMENTS TO THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (NO. 2) BILL, SENATE BILLS NO. 4 OF 2022

NOTICE is given that Sen. (Capt.) Ali Roba, Chairperson, Committee on Finance and Budget intends to move the following amendment to the County Governments Additional Allocations (No. 2) Bill, Senate Bills No. 4 of 2022, at the Committee Stage-

CLAUSE 5

THAT clause 5 of the Bill be amended in subsection (2) by

- (a) deleting paragraph (b) and substituting therefor the following new paragraph (b)-
(b) conditional allocation financed by a World Bank credit to finance the National Agricultural Value Chain Development Project (NAVCDP) as set out in Column C of the Second Schedule;

- (b) deleting paragraph (c) and substituting therefor the following new paragraph-
(c) conditional allocation financed by a World Bank credit to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column D of the Second Schedule;

- (c) deleting paragraph (k) and substituting therefor the following new paragraph-
(k) conditional allocation financed by a credit from IDA (World Bank) to finance the Kenyan Urban Support Programme (KUSP) as set out in Column L of the Second Schedule.

CLAUSE 6

THAT that the Bill be amended by deleting clause 6.

FIRST SCHEDULE

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

FIRST SCHEDULE					
Conditional allocation to County Governments from National Government Revenue in Financial Year 2022/23 (Kenya Shillings)					
S/NO.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
1	Baringo	153,297,872	-	110,638,298	110,638,298
2	Bomet	153,297,872	-	110,638,298	110,638,298
3	Bungoma	153,297,872	-	110,638,298	110,638,298
4	Busia	153,297,872	-	110,638,298	110,638,298
5	Elgeyo/Marakwet	153,297,872	-	110,638,298	110,638,298
6	Embu	153,297,872	-	110,638,298	110,638,298
7	Garissa	153,297,872	-	110,638,298	110,638,298
8	Homa Bay	153,297,872	-	110,638,298	110,638,298
9	Isiolo	221,297,872	40,000,000	110,638,298	150,638,298
10	Kajiado	153,297,872	-	110,638,298	110,638,298
11	Kakamega	153,297,872	-	110,638,298	110,638,298
12	Kericho	153,297,872	-	110,638,298	110,638,298
13	Kiambu	153,297,872	-	110,638,298	110,638,298
14	Kilifi	153,297,872	-	110,638,298	110,638,298
15	Kirinyaga	153,297,872	-	110,638,298	110,638,298
16	Kisii	153,297,872	-	110,638,298	110,638,298
17	Kisumu	153,297,872	-	110,638,298	110,638,298
18	Kitui	153,297,872	-	110,638,298	110,638,298
19	Kwale	153,297,872	-	110,638,298	110,638,298
20	Laikipia	153,297,872	-	110,638,298	110,638,298
21	Lamu	191,297,872	22,000,000	110,638,298	132,638,298
22	Machakos	153,297,872	-	110,638,298	110,638,298
23	Makueni	153,297,872	-	110,638,298	110,638,298
24	Mandera	153,297,872	-	110,638,298	110,638,298
25	Marsabit	153,297,872	-	110,638,298	110,638,298
26	Meru	153,297,872	-	110,638,298	110,638,298
27	Migori	153,297,872	-	110,638,298	110,638,298
28	Mombasa	153,297,872	-	110,638,298	110,638,298

FIRST SCHEDULE

**Conditional allocation to County Governments from National Government Revenue in
Financial Year 2022/23 (Kenya Shillings)**

S/NO.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
29	Murang'a	153,297,872	-	110,638,298	110,638,298
30	Nairobi	153,297,872	-	110,638,298	110,638,298
31	Nakuru	153,297,872	-	110,638,298	110,638,298
32	Nandi	153,297,872	-	110,638,298	110,638,298
33	Narok	153,297,872	-	110,638,298	110,638,298
34	Nyamira	153,297,872	-	110,638,298	110,638,298
35	Nyandarua	228,297,872	59,000,000	110,638,298	169,638,298
36	Nyeri	153,297,872	-	110,638,298	110,638,298
37	Samburu	153,297,872	-	110,638,298	110,638,298
38	Siaya	153,297,872	-	110,638,298	110,638,298
39	Taita Taveta	153,297,872	-	110,638,298	110,638,298
40	Tana River	228,297,872	42,000,000	110,638,298	152,638,298
41	Tharaka Nithi	229,297,872	-	110,638,298	110,638,298
42	Trans Nzoia	153,297,872	-	110,638,298	110,638,298
43	Turkana	153,297,872	-	110,638,298	110,638,298
44	Uasin Gishu	153,297,872	-	110,638,298	110,638,298
45	Vihiga	153,297,872	-	110,638,298	110,638,298
46	Wajir	153,297,872	-	110,638,298	110,638,298
47	West Pokot	153,297,872	-	110,638,298	110,638,298
	Grand Total	7,536,999,984	163,000,000	5,200,000,006	5,363,000,006

SECOND SCHEDULE

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

SECOND SCHEDULE														
Additional Allocation from proceeds of loans or grants from Development Partners in Financial Year 2022/23 (Figures in Kenya Shillings)														
S/NO.	COUNTY	Total Loans and Grants for FY 2021/22	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP)	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	IDA (World Bank) Kenya Urban Support Programme (KUSP)	Total Loans and Grants
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
1	Baringo	528,317,166	-	-	95,457,110	-	16,391,813	22,000,000	15,602,822	-	69,207,700	-	2,339,914.88	220,999,360
2	Bomet	653,181,658	-	70,000,000	83,323,430	-	17,715,375	22,000,000	15,449,895	-	-	-	2,339,914.88	210,828,615
3	Bungoma	542,772,196	167,273,890	-	-	-	28,609,313	22,000,000	5,344,642	-	-	30,000,000	3,534,474.20	256,762,319
4	Busia	447,133,112	-	70,000,000	125,328,154	-	19,344,375	22,000,000	22,058,143	-	-	-	2,339,914.88	261,070,587
5	Elgeyo Marakwet	702,054,383	-	-	85,593,752	-	12,421,125	22,000,000	9,380,361	-	75,879,000	8,024,004	2,339,914.88	215,638,157
6	Embu	453,821,524	176,406,685	70,000,000	-	-	13,846,500	22,000,000	8,651,752	-	67,688,700	-	2,339,914.88	360,933,552
7	Garissa	1,087,727,785	-	-	75,269,050	400,000,000	22,602,375	22,000,000	27,426,035	-	80,912,850	-	2,339,914.88	630,550,225
8	Homa Bay	454,463,421	161,590,307	70,000,000	-	-	21,686,063	22,000,000	23,936,219	-	-	30,000,000	2,339,914.88	331,552,504
9	Isiolo	592,196,554	-	-	259,805,034	-	13,642,875	22,000,000	19,697,797	-	84,469,550	-	2,339,914.88	401,955,171
10	Kajiado	576,204,540	-	-	75,231,220	-	20,667,938	22,000,000	9,772,303	-	-	-	3,534,474.20	131,205,935

SECOND SCHEDULE														
Additional Allocation from proceeds of loans or grants from Development Partners in Financial Year 2022/23 (Figures in Kenya Shillings)														
S/NO.	COUNTRY	Total Loans and Grants for FY 2021/22	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP)	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	IDA (World Bank) Kenya Urban Support Programme (KUSP)	Total Loans and Grants
25	Marsabit	753,314,489	-	-	55,194,559	-	21,787,875	22,000,000	12,880,713	190,000,000	93,873,850	-	2,339,914.88	388,076,812
26	Meru	778,344,871	195,158,825	70,000,000	-	-	25,860,375	22,000,000	9,945,897	-	75,983,000	20,000,000	2,339,914.88	421,288,012
27	Migori	391,091,244	187,184,982	70,000,000	-	-	21,787,875	22,000,000	10,084,066	-	-	-	4,729,033.52	315,785,957
28	Mombasa	1,313,902,680	-	-	-	575,000,000	22,704,188	22,000,000	4,612,847	-	-	100,000,000	-	724,317,035
29	Murang'a	454,929,372	197,147,434	70,000,000	-	-	20,260,688	22,000,000	17,092,147	-	-	-	2,339,914.88	328,840,184
30	Nairobi City	866,791,349	-	-	-	-	51,211,688	22,000,000	31,569,932	-	-	100,000,000	-	204,781,620
31	Nakuru	819,285,259	187,911,173	70,000,000	-	-	33,699,938	22,000,000	5,232,658	-	-	20,000,000	3,534,474.20	522,398,243
32	Nandi	524,798,208	248,247,739	70,000,000	-	-	17,206,313	22,000,000	4,652,516	-	-	16,519,088	2,339,914.88	380,965,571
33	Narok	645,955,988	243,107,598	70,000,000	-	-	25,860,375	22,000,000	10,076,723	-	-	-	2,339,914.88	373,384,611
34	Nyamira	563,367,518	181,161,414	-	-	-	15,475,500	22,000,000	4,781,637	-	-	-	2,339,914.88	225,758,466
35	Nyandarua	663,889,689	-	70,000,000	75,718,650	-	15,679,125	22,000,000	4,486,557	-	-	25,000,000	2,339,914.88	215,234,247
36	Nyeri	680,265,672	-	70,000,000	124,713,230	-	17,409,938	22,000,000	15,674,770	-	-	30,000,000	2,339,914.88	282,137,853
37	Samburu	470,939,351	174,103,490	-	-	-	14,864,625	22,000,000	25,141,706	-	91,588,750	-	2,339,914.88	330,038,466
38	Siaya	540,152,675	-	-	75,368,050	-	18,631,688	22,000,000	9,337,829	-	-	-	2,339,914.88	127,677,482

SECOND SCHEDULE

Additional Allocation from proceeds of loans or grants from Development Partners in Financial Year 2022/23 (Figures in Kenya Shillings)

S/N/O.	COUNTY	Total Loans and Grants for FY 2021/22	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally- Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World bank - Kenya Informal Settlement Improvement Project (KISIP II)	IDA (World Bank) Kenya Urban Support Programme (KUSP)	Total Loans and Grants
39	Taita Taveta	1,379,682,318	-	70,000,000	124,522,005	575,000,000	13,642,875	22,000,000	17,921,715	-	-	30,000,000	2,339,914,88	855,426,510
40	Tana River	468,563,507	-	70,000,000	82,386,194	-	18,835,313	22,000,000	11,666,855	-	-	-	2,339,914,88	207,230,277
41	Tharaka Nithi	600,288,742	-	-	122,240,640	-	12,624,750	22,000,000	16,071,032	-	68,827,500	20,000,000	2,339,914,88	264,103,837
42	Trans Nzoia	571,686,484	192,666,099	70,000,000	-	-	18,529,875	22,000,000	9,462,022	-	-	50,000,000	2,339,914,88	364,997,911
43	Turkana	786,247,615	155,480,180	-	-	-	33,903,563	22,000,000	34,606,056	220,000,000	102,108,500	-	2,339,914,88	570,438,214
44	Uasin Gishu	608,853,967	-	70,000,000	84,379,280	-	20,362,500	22,000,000	9,199,487	-	-	50,000,000	2,339,914,88	256,281,182
45	Vihiga	417,314,928	155,402,308	-	-	-	14,966,438	22,000,000	4,417,622	-	-	-	2,339,914,88	199,126,283
46	Wajir	1,160,065,181	-	-	78,101,121	500,000,000	27,489,375	22,000,000	35,110,369	-	89,529,250	50,000,000	2,339,914,88	804,570,030
47	West Pokot	559,953,126	-	-	114,909,620	-	16,086,375	22,000,000	24,578,642	-	70,759,700	-	2,339,914,88	250,674,252
	Total	32,343,890,515	3,900,000,001	1,820,000,000	2,200,002,000	3,500,000,000	1,018,125,009	1,034,000,000	655,175,274	410,000,000	1,200,000,000	1,300,000,000	122,020,000.08	17,159,322,284.08

THIRD SCHEDULE


THAT the Bill be amended by deleting the Third Schedule.

CLAUSE 1

THAT the Bill be amended by deleting Clause 1 and substituting therefor the following clause-

Short title and commencement.

1. This Act may be cited as the County Governments Additional Allocations (No.2) Act and shall be deemed to have come into force on 1st July, 2022.

Dated..........November, 2022.

Sen. (Capt.)Ali Roba,
Chairperson, Committee on Finance and Budget.



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921
FINANCE- NAIROBI
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THE NATIONAL TREASURY
P O BOX 30007 - 00100
NAIROBI
KENYA

When Replying Please Quote

REF: IGFR/CG/01/E/36

18th NOVEMBER, 2022

Mr. J. M. Nyegenye, CBS
Clerk of the Senate/Secretary
Parliamentary Service Commission
NAIROBI

Dear *Bw. Nyegenye,*

RE: INVITATION TO A MEETING TO SUBMIT VIEWS ON THE COUNTY GOVERNMENTS
ADDITIONAL ALLOCATIONS (NO.2) BILL (CGAAB) (SENATE BILLS NO.4 OF 2022)

Refer to your letter Ref. No. SEN/DSEC/F & B/CORR/2022/09 dated 14th November, 2022.

The Cabinet Secretary National Treasury and Economic Planning was represented in this meeting by the Director General Budget Fiscal and Economic Affairs (DGBFEA). During the deliberations, matters of Equalization Fund were addressed as well as variances in five projects listed below:

- i. IDA (World Bank) Credit – National Agricultural and Rural Inclusive Growth Project (NARIGP)
- ii. IDA (World Bank) Credit – Financial Locally led Climate Action (FLLoCA) Programme, County Climate Institutional Support – CCIS grant – level 1
- iii. IDA (World Bank) Credit – Kenya Climate Smart Agriculture Project (KCSAP);
- iv. Sweden – Agricultural Sector Development Support Programme (ASDF) II; and
- v. IDA (World Bank) – Emergency Locust Response Project (ELRP)

In addition, there was a request to include in the bill the following.:

- a. The additional allocations for the National Agriculture Value Chain Development Project whose financing agreement was recently finalized and signed;
- b. Ksh.122 million under Kenya Urban Support Programme emanating from foreign exchange gains relating to disbursement to benefiting counties.
- c. Additional unconditional allocation from court fines imposed under county legislation

The National Treasury convened a very urgent meeting on 16th November, 2022 at 9.00 a.m. involving Council of Governors, all implementing ministries, the Resource Mobilization Department and officers from Intergovernmental Fiscal Relations Department.

The agenda was to address all the variances identified, new projects to be included and incorporating the changes in the new County Government Additional Allocations (No.2) Bill (CGAAB), 2022. The meeting was informed of Treasury Supplementary Budget Circular (copy attached) that required the budget for 2022/2023 FY be reduced across board with regard to recurrent and development expenditure No.8/22 dated 7/11/2022.

In regards to Development expenditure the circular directed:

- i. The removal of all new projects;
- ii. Rationalization of projects with implementation challenges;
- iii. Review of counterpart funds; and
- iv. Scaling down on externally funded projects with absorption between 60% to 65%

In view of this, the meeting agreed to include;

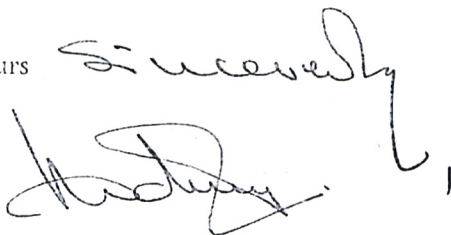
- i. The additional allocations for the National Agriculture Value Chain Development Project whose financing agreement was recently finalized and signed;
- ii. Ksh.122 million under Kenya Urban Support Programme emanating from foreign exchange gains relating to disbursement to benefiting counties.

The National Treasury supports the inclusion of Additional unconditional allocation from court fines imposed under county legislation subject to:

- a) the Judiciary providing the schedule of court fines and fees collected;
- b) amendment of Public Finance Management Act (PFMA) 2012 to exclude deposit of court fines into the Consolidated Fund

On the CGAAB 2022, all your recommendations were incorporated in addition to revision required by the supplementary circular. Attached is a detailed report highlighting the amendments to be included in the bill as well as their rationale.

Yours



NJUGUNA NDUNG'U, CBS
CABINET SECRETARY

(Encls.)



REPUBLIC OF KENYA
THE NATIONAL TREASURY & PLANNING

CLARIFICATION OF ISSUES RAISED BY THE SENATE IN REGARDS TO THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2022.

Reference is made to your letter Ref. No. SEN/DSEC/F&B/CORR/2022/09 dated 14th November, 2022 on the above subject matter.

In the letter, you invited the Cabinet Secretary to the National Treasury and Economic Planning (CS/NT&EP) for a meeting on **Tuesday, 15th November 2022 at 9:00 a.m. at the Ground Floor Boardroom, County Hall, Parliament Buildings** to submit his views on County Governments Additional Allocations (No.2) Bill (Senate Bill No. 4 of 2022). In addition, you requested the Cabinet Secretary to provide information on a number of issues relating to allocations vis-à-vis disbursements under the County Governments Additional Allocations Act, 2022 for Financial Year 2021/22. The CS/NT&EP was represented by National Treasury's Director General of the Directorate of Budget, Fiscal and Economic Affairs. In the meeting, a number of issues were found to be unclear (copy attached). As such, the National Treasury was asked to provide clarification on the same upon consultation with representatives from development partners and implementing state departments.

We have further reviewed the issues and the draft County Governments Additional Allocations Bill, 2022 against the proposed allocations to respective Ministries State Departments and Agencies (MDAs) as contained in the rationalised draft Budget Estimates for FY 2022/23. The views and clarification herein follow the guidelines for revision of the estimates of expenditure and revenues for the financial year 2022/23 as provided for by the National Treasury vide **Treasury Circular No. 08/2022 Ref No. ES1/02'H'(19) dated 7th November 2022**. This will ensure consistency in the amounts allocated for additional conditional allocations to County Governments.

Having reviewed the issues raised by the Senate Finance and Budget Committee, and the draft County Governments Additional Allocations Bill 2022, comments are as follows:

Issue 1: Approximately Ksh. 15.836 billion approved under the County Governments Additional Allocations Act (CGAAA), 2022 for Financial Year 2021/22 was not disbursed

This lower than planned disbursement was due to delay in the enactment of County Governments Additional Allocation Act, 2022 and failure by some County Governments to adhere to the requirements

of specific conditional allocations. For this reason, the Exchequer could not disburse all funds allocated for additional conditional allocations to County Governments. The National Treasury will ensure the funds are allocated and disbursed in subsequent financial years to the beneficiary counties, subject to these counties fulfilling the conditions for access of these funds and evidence of demonstrable capacity to absorb the same funds.

Issue 1 & 2: Variances between allocations in the proposed bill and allocations in the financing frameworks

On Wednesday 16th November 2022, the National Treasury held a consultative meeting with the project managers and accountants from implementing MDAs and respective desk officers from the Resource Mobilization Department of the National Treasury. In the meeting (minutes attached), it was reported that the need to rationalise expenditures and mobilise revenues to achieve a deficit financing target of 5.8 percent of the Gross Domestic Product (GDP) has had an implication on projects financed from proceeds of loans and grants from development partners. As such, there are further changes to the additional conditional allocations both from national government's share of revenue and proceeds of loans and grants from development partners

In this regard, and in order to ensure that the additional allocations in the proposed Bill are aligned to the proposed allocations to MDAs in rationalised draft Budget Estimates for FY 2022/23, we wish to propose amendments to the County Governments Additional Allocations Bill, 2022, as follows: -

- a) That the County Governments Additional Allocations Bill, 2022 be amended in sub-section (5) paragraph (g) of section 5 as follows; -

by deleting the word "loan"; appearing immediately after the words "financed by a" and substituting therefor the word "grant"

Rationale

The donor funds are in the form of a grant as opposed to a loan.

- b) That the County Governments Additional Allocations Bill, 2022 be amended by replacing the First Schedule (i.e. s. 5 (1)) with the new proposed First Schedule attached herein.

Rationale

The purpose of revising the First Schedule is to align the Schedule with the proposed amendment above and to ensure that allocations in the schedule are consistent with allocations for the same in the rationalised Budget Estimates for FY 2022/23. The allocations have been aligned as follows: -

- i. In column B, under the Supplement for Construction of County Headquarters, the amount is reduced **from Ksh. 454,000,000 to Ksh. 163,000,000** in line with the final rationalised budget estimates for the State Department for Public Works and confirmed by the

implementing MDA. The revised allocation per county are the proposed allocations for the construction of county headquarters after the budget rationalisation.

- ii. In column B also, under the Conditional Grant-Leasing of Medical Equipment, the funded budget amount is retained at **Ksh. 5,200,000,000** in line with the final rationalised budget estimates for the Ministry of Health.
- c) That the County Governments Additional Allocations Bill, 2022 be amended by replacing the Second Schedule (i.e. s. 5 (2)) with the new proposed Second Schedule attached herein.

Rationale

The purpose of revising the Second Schedule is to align the Schedule with the proposed amendment above and to ensure that allocations in the schedule are consistent with allocations for the same in the rationalised Budget Estimates for FY 2022/23. The allocations have been aligned as follows: -

- i. In column B, under the IDA (World Bank) credit National Agricultural Rural Inclusive Project (NARIGP), the amount is increased from **Ksh. 3,563,132,210** to **Ksh. 3,900,000,001** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research and as confirmed by the project manager (**framework attached**).
- ii. In column C, the IDA (World Bank) credit National Agricultural Value Chain Development Project (NAVCDP), is included as a new project with a rationalised budget of **Ksh. 1,820,000,000**. in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research and as confirmed by project manager (**framework attached**).
- iii. In column D, under the IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP), the amount is increased from **Ksh. 1,999,970,000** to **Ksh. 2,200,002,000** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research and as confirmed by the responsible project manager (**framework attached**).
- iv. In Column E under the IDA (World Bank) credit Water & Sanitation Development Project (WSDP) the amount is reduced from as **Ksh. 5,900,000,000** to **Ksh. 3,500,000,000** in line with the rationalised budget estimates for the Ministry of Water, Sanitation and Irrigation and as confirmed by the project manager (**framework attached**).
- v. In Column F under the DANIDA Grant (Primary Health in Devolved Context), the amount is increased from **Ksh. 667,000,000** to **Ksh. 1,018,125,009** in line with the rationalised

budget estimates for the Ministry of Health as confirmed by the respective project manager (**framework attached**)

- vi. In column G the IDA (World Bank) Credit -Financing Locally- Led Climate Action (FLLoCA) Program “Level 2 Grant” known as the County Climate Institutional Support (CCIS) Grant has a rationalised budget amounting to **Ksh. 1,034,000,000** where each of the 47 counties is allocated **Ksh. 22,000,000**. The FLLoCA- Level 2 Programme known as the County Climate Resilience Investments (CCRI) Grant has been pending in FY 2022/23. The CCRI Grant is a performance-based additional allocation and so the disbursements will be made upon carrying out an assessment of the beneficiary counties to determine the allocation to each county. There is, therefore, a need to first determine the eligible county governments’ performance score for purposes of determining the Performance grant allocation for the financial year 2022/2023 and hence the reason for pending FLLoCA- Level 2. This is in line with the rationalised budget estimates for the National Treasury, as confirmed by the respective project manager for FLLoCA (**framework attached**).
- vii. In column H, under the Sweden- Agricultural Sector Development Support Programme (ASDSP) II), the amount is reduced from **Ksh. 775,134,775** to **Ksh. 655,175,274** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research and confirmed by the respective project manager (**framework attached**).
- viii. In Column I, under the German Development Bank (KfW) - Drought Resilience Programme in Northern Kenya (DRPNK), the amount is reduced from **Ksh. 825,000,000** to **Ksh. 410,000,000** in line with the rationalised budget estimates for the Ministry of Water, Sanitation and Irrigation and confirmed by the respective project manager (**framework attached**).
- ix. In Column J, under the World Bank - Emergency Locust Response Project (ELRP) the amount is increased from **Kshs 1,199,810,000** to **Kshs 1,200,000,000** in line with the rationalised budget estimates for the State Department for Crops Development and Agricultural Research and confirmed by the respective project manager and project accountant (**attached framework**). The additional **Ksh. 190,000** is an addition to the allocation of Turkana County.
- x. In Column K, under the World Bank - Kenya Informal Settlement Improvement Project (KISIP II) the allocated amount is reduced from **Ksh. 2,700,000,000** to **Ksh. 1,300,000,000** and is aligned to the rationalised budget estimates for the State Department for Housing

and Urban Development and confirmed by the respective project manager and project accountant (**framework attached**).

- xi. In column L, the IDA (World Bank) credit Kenya Urban Support Programme (KUSP) is included as a new project with a rationalised budget of **Ksh. 122,020,000.08** in line with the rationalised budget estimates for the State Department for Housing and Urban Development and as confirmed by project manager and project accountant (**framework attached**).
- d) The National Treasury is also requesting that the transfer of libraries functions and the attendant costs amounting to **Ksh. 424,616,047.20** being total amount for personnel emoluments, Operations and Maintenance (O&M) and Leave allowance, be held in abeyance until the next financial year 2023/24.

Rationale

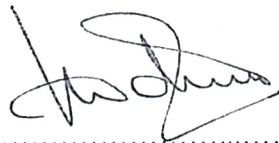
This is meant to allow submission of the list of the staff to be transferred to each and every County Government

- e) That the County Governments Additional Allocations Bill, 2022 be amended by entirely deleting Third Schedule

Rationale

Equalization fund is well established under Article 204 (1) of the constitution and, therefore, should not be included in the County Governments Additional Allocations Bill, 2022 as conditional allocations.

Dated..... 18/11 / 2022.....



NJUGUNA NDUNG'U, CBS
CABINET SECRETARY

FIRST SCHEDULE

(s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial Year 2022/23 (Kenya Shillings)

Additional allocations to County Governments from National Government Revenue in Financial Year 2022/2023 (Kenya Shillings)					
S/N.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
1.	Baringo	153,297,872	-	110,638,298	110,638,298
2.	Bomet	153,297,872	-	110,638,298	110,638,298
3.	Bungoma	153,297,872	-	110,638,298	110,638,298
4.	Busia	153,297,872	-	110,638,298	110,638,298
5.	Elgeyo/Marakwet	153,297,872	-	110,638,298	110,638,298
6.	Embu	153,297,872	-	110,638,298	110,638,298
7.	Garissa	153,297,872	-	110,638,298	110,638,298
8.	Homa Bay	153,297,872	-	110,638,298	110,638,298
9.	Isiolo	221,297,872	40,000,000	110,638,298	150,638,298
10.	Kajiado	153,297,872	-	110,638,298	110,638,298
11.	Kakamega	153,297,872	-	110,638,298	110,638,298
12.	Kericho	153,297,872	-	110,638,298	110,638,298
13.	Kiambu	153,297,872	-	110,638,298	110,638,298
14.	Kilifi	153,297,872	-	110,638,298	110,638,298
15.	Kirinyaga	153,297,872	-	110,638,298	110,638,298
16.	Kisii	153,297,872	-	110,638,298	110,638,298
17.	Kisumu	153,297,872	-	110,638,298	110,638,298
18.	Kitui	153,297,872	-	110,638,298	110,638,298
19.	Kwale	153,297,872	-	110,638,298	110,638,298
20.	Laikipia	153,297,872	-	110,638,298	110,638,298
21.	Lamu	191,297,872	22,000,000	110,638,298	132,638,298
22.	Machakos	153,297,872	-	110,638,298	110,638,298
23.	Makueni	153,297,872	-	110,638,298	110,638,298
24.	Mandera	153,297,872	-	110,638,298	110,638,298
25.	Marsabit	153,297,872	-	110,638,298	110,638,298
26.	Meru	153,297,872	-	110,638,298	110,638,298
27.	Migori	153,297,872	-	110,638,298	110,638,298
28.	Mombasa	153,297,872	-	110,638,298	110,638,298
29.	Murang'a	153,297,872	-	110,638,298	110,638,298
30.	Nairobi	153,297,872	-	110,638,298	110,638,298
31.	Nakuru	153,297,872	-	110,638,298	110,638,298
32.	Nandi	153,297,872	-	110,638,298	110,638,298
33.	Narok	153,297,872	-	110,638,298	110,638,298

			-		
34.	Nyamira	153,297,872	-	110,638,298	110,638,298
35.	Nyandarua	228,297,872	59,000,000	110,638,298	169,638,298
36.	Nyeri	153,297,872	-	110,638,298	110,638,298
37.	Samburu	153,297,872	-	110,638,298	110,638,298
38.	Siaya	153,297,872	-	110,638,298	110,638,298
39.	Taita Taveta	153,297,872	-	110,638,298	110,638,298
40.	Tana River	228,297,872	42,000,000	110,638,298	152,638,298
41.	Tharaka Nithi	229,297,872	-	110,638,298	110,638,298
42.	Trans Nzoia	153,297,872	-	110,638,298	110,638,298
43.	Turkana	153,297,872	-	110,638,298	110,638,298
44.	Uasin Gishu	153,297,872	-	110,638,298	110,638,298
45.	Vihiga	153,297,872	-	110,638,298	110,638,298
46.	Wajir	153,297,872	-	110,638,298	110,638,298
47.	West Pokot	153,297,872	-	110,638,298	110,638,298
	GRAND TOTAL	7,537,000,000	163,000,000	5,200,000,000	5,363,000,000

1. Sweden – Agricultural Sector Development Support Programme (ASDSP) II-2022/023 FY	
Ministry/State Department Responsible	Ministry of Agriculture Livestock ,Fisheries and Cooperative (MoALFC)
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops Development and Research
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2022/023 • Receive quarterly and annual financial and non-financial reports from the counties and consolidate • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Government Secretariat; • Ensure that the programme AWP&B , upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; • The County accounting officer , upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; • Ensure disbursement of Ksh. 2.75 million in the first half of the year programme account through programme CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> • Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; • Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ;

	<ul style="list-style-type: none"> • GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; • Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture Livestock, Fisheries and Irrigation and Governors of each County on prudent management of the programme funds; • Funding will be triggered by counterpart funds from both levels of GoK (national and counties; and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State department for crops will additionally submit consolidated report for all the 48 spending units.
Allocation: 2022/023	KES 655,175,274
Purpose of the grant	To develop sustainable priority value chains so as to contribute to the sector goal of transforming crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security.
Allocation criteria	Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.

Allocation by County

S/No.	Counties	SIDA/EU Contribution
1	Baringo	15,602,822
2	Bomet	15,449,895
3	Bungoma	5,344,642
4	Busia	22,058,143
5	Elgeyo-Marakwet	9,380,361
6	Embu	8,651,752
7	Garissa	27,426,035
8	Homabay	23,936,219
9	Isiolo	19,697,797
10	Kajiado	9,772,303
11	Kakamega	11,287,905
12	Kericho	9,250,013
13	Kiambu	23,255,565
14	Kilifi	11,235,089
15	Kirinyaga	8,108,733
16	Kisii	10,517,407

17	Kisumu	4,830,936
18	Kitui	11,636,683
19	Kwale	5,505,017
20	Laikipia	17,399,539
21	Lamu	14,604,297
22	Machakos	15,857,697
23	Makueni	5,415,761
24	Mandera	20,314,865
25	Marsabit	12,880,713
26	Meru	9,945,897
27	Migori	10,084,066
28	Mombasa	4,612,847
29	Muranga	17,092,147
30	Nairobi	31,569,932
31	Nakuru	5,252,658
32	Nandi	4,652,516
33	Narok	10,076,723
34	Nyamira	4,781,637
35	Nyandarua	4,496,557
36	Nyeri	15,674,770
37	Samburu	25,141,706
38	Siaya	9,337,829
40	TaitaTaveta	17,921,715
39	Tanariver	11,668,855
41	Tharaka Nithi	16,071,032
42	TransNzoia	9,462,022
43	Turkana	34,606,056
44	Uasingishu	9,199,487
45	Vihiga	4,417,622
46	Wajir	35,110,369
47	West Pokot	24,578,642
	Total	655,175,274

I. Framework for Management of DANIDA Grant (Primary Health Care in Devolved Context)

DANIDA Grant (Primary Health Care in Devolved Context)	
Ministry/State Department Responsible	Ministry of Health
Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the Ministry plans. • Ensure funds are included in the budget estimates of the Ministry for the FY 2022/23. • Initiate requests for transfer of funds from the Danish Government to the National Treasury • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • The disbursement of FY 2021/22 Tranche 2 will be based on the achievement by the various counties of the mandatory PHC requirements for FY21/22. All counties should ensure they have disbursed and documented the DANIDA-PHC 75% funds and the counterpart 25% funds to the health facilities by latest 31st December, 2022. • In order to be eligible for support counties must allocate a minimum of 22% of the annual budget (excluding conditional grants) to health, and forward verification of this allocation annually. For counties spending less than 30% of their budgets on health, the annual allocations for health must increase incrementally per annum. • The grant shall be used exclusively to supplement operations and maintenance (O&M) costs as defined in the GoK Chart of Accounts. • The Danish support will decrease by 40% of the FY 2020/21 allocation for gazetted public Level 2 &3 health facilities. In order to maintain the same level of funding for O&M as the previous year, Counties must budget for and replenish 40% of the amount, and show evidence of expenditure accordingly. • The DANIDA-PHC has additional support for community health (Level 1) activities through gazetted Level 2 &3 public health facilities exclusively to costs defined in the Addendum to the Development Engagement Document (DED).

	<ul style="list-style-type: none"> Counties shall appropriate the funds accordingly in the County annual workplans and budgets. Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties Counties shall distribute the grants according to clear criteria shared to the Project Management Team The Counties shall ensure timely disbursements of funds through the government's integrated financial management information system (IFMIS) through the respective County Special Purpose Account for Health and to eligible health facilities within 25 working days after receipt from National Treasury. Counties not complying with the above conditions and statutory planning, budgeting and reporting as well as having qualified Annual Audit Reports from the Office of Auditor General will not be eligible for further support. 			
Accounting Officer of Government Responsible	Chief Officer, Department of Health			
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> General administration and coordination of the conditional grant Ensure funds are included in the budget estimates of the county for the FY 2022/23; Initiate requests for transfer of funds from the County Revenue Funds to the special purpose accounts and to the health facility through IFMIS within the stipulated time period; Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations. 			
Allocation: FY 2022/23	KES 1,018,125,000			
Purpose of the grant	To improve primary healthcare with focus on reproductive, maternal newborn, child and adolescent health (RMNCAH) services at the county level.			
Allocation criteria	Based on financing agreement between the DANIDA and the Government of Kenya: The grant will be allocated as a conditional grant to each County based on the CRA ratio			
Allocation by County				
	Amount (KES)			
County	Estimated Danida Support to level 2 and 3	Estimated Danida Support to level 1	Danida FY21/22 Tranche 2	Total Danida Support FY 2022/23
Baringo	8,694,000	2,052,750	5,645,063	16,391,813

Vihiga	7,938,000	1,874,250	5,154,188	14,966,438
Wajir	14,580,000	3,442,500	9,466,875	27,489,375
West Pokot	8,532,000	2,014,500	5,539,875	16,086,375
Total	540,000,000	127,500,000	350,625,000	1,018,125,000

Source: Ministry of Health

**FRAMEWORK FOR ADMINISTRATION OF DROUGHT RESILIENCE PROGRAMME
IN NORTHERN KENYA FOR FY 2022/23**

German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	
Ministry/State Department Responsible	Ministry of Water, Sanitation and Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Water, Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Fiduciary responsibility for the project funds; • Ensure programme allocations are as per Annual Investment Plans & are included in the budget estimates of the Ministry for the FY 2022/23; • Endorses and transmits Withdrawal Applications and payment request to the National Treasury; • Review of quarterly progress reports and transmission to KfW; • Review of Annual Investment Plans (AIPs) against Programme eligibility criteria and approval through JPSC; • Procurement of Implementation Support Consultant (ISC); • Capacity building of county staff; • Monitor and evaluate performance of funds allocated and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • KfW will initiate disbursements upon recruitment of an Implementation Support Consultant (ISC) who supports the CPCUs and NPCU in all their functions; • Loan effectiveness is conditional upon issuance of Legal Opinion by the Attorney General; • Opening by the National Treasury of 2 EURO and 2 Kshs designated Bank Accounts at CBK for the Loan and Grant funds respectively; • Opening of disposition fund accounts at the CBK by each County Government; • Both levels of Government ensure that sufficient partner contributions have been budgeted for and is provided in time for programme implementation; • Signing of Separate Agreement spelling out implementation modalities and adherence to the requirements therein on prudent use and management of the program funds; • Community commitment to provide its partner contribution in kind; • Evidence of the use of funds is to be presented to KfW at the latest four months after the preceding replenishment or at the last period evidenced if no replenishment has been effected;

	<ul style="list-style-type: none"> • Annual audit report by external auditor be submitted 3 months after the end of the FY; • Implementation must be within the predetermined clusters.
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture or Water ❖ Turkana County: Chief Officer for Agriculture and Land Reclamation ❖ Marsabit County: Chief Officer for Agriculture
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Overall coordination and quality assurance, primary responsibility for effective and efficient implementation; • Bears fiduciary responsibility for the funds transferred to the county as conditional grants • Preparation of Annual Investment Plans upon approval by Joint Programme Steering Committee (JPSC) is submitted to the County Treasury and captured in county budget. • Signs withdrawal applications and payment requests and transmits them to the County Treasury; • Financial and technical reporting and transmission of quarterly progress reports to National Programme Coordinating Unit (NPCU); • Defines ad hoc committees for tender evaluation; • Participate in Tender Committee at Ministry of Water & Sanitation and Irrigation for ISC procurement.
Allocation in FY 2022/23	KES 410,000,000
Purpose of the conditional allocation	To ensure that drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by constructing and rehabilitating relevant infrastructure.
Allocation criteria	Based on financing agreement between the Government of the Federal Republic of Germany and the Government of Kenya; and approved Annual Investment Plans (AIPs) prepared by the county governments.
Allocation by County	
County	Allocation (Ksh.)
Marsabit (Loan)	190,000,000
Turkana (Grant)	220,000,000
TOTAL	410,000,000

Source: Ministry of Water, Sanitation and Irrigation

I. IDA (World Bank) Credit (Emergency Locust Response Project - ELRP) – FY 2022/2023

Ministry/State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crop Development
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture and Livestock Development who will trigger the disbursements • Ensure that the County Project Coordinating Unit has the required human capacity to implement the project • Submit quarterly and annual financial and performance reports to the National Treasury
Conditions	<ul style="list-style-type: none"> ▪ To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country ▪ The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities ▪ Ensure project budgets are included in the annual budget estimates of the ministry ▪ Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury ▪ Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture and Livestock Development and Governors of the participating Counties on prudent management of the Project funds

	<ul style="list-style-type: none"> ▪ Monitor and evaluate performance of the allocation and report to the National Treasury ▪ Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2022/2023	KES . 1,200,000,000.00 - IDA
Purpose of the grant	To Mitigate against the drought situation in the 15 counties that were also adversely affected by the Desert Locust infestation. Towards this end, several microprojects and sub projects have been developed and approved by the County Project Steering Committees and National Technical Advisory Committee to mitigate against drought and therefore, the funds will be utilized to support the interventions in the 15 counties.
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and Annual Work plans and Budgets.

	County	IDA Contribution	County Government counterpart contributions	Total
1	Turkana	102,108,500.00		102,108,500.00
2	Samburu	91,588,750.00		91,588,750.00
3	Marsabit	93,873,850.00		93,873,850.00
4	Isiolo	84,469,550.00		84,469,550.00
5	Mandera	91,274,250.00		91,274,250.00
6	Wajir	89,529,250.00		89,529,250.00
7	Meru	75,983,000.00		75,983,000.00
8	Elgeyo Marakwet	75,879,000.00		75,879,000.00
9	Garissa	80,912,850.00		80,912,850.00
10	Kitui	70,223,000.00		70,223,000.00
11	West Pokot	70,759,700.00		70,759,700.00
12	Tharaka Nithi	68,827,500.00		68,827,500.00
13	Embu	67,688,700.00		67,688,700.00
14	Machakos	67,674,400.00		67,674,400.00
15	Baringo	69,207,700.00		69,207,700.00
	Total	1,200,000,000.00		1,200,000,000.00

IDA (World Bank) Credit (Financing Locally- Led Climate Action Program, FLLoCA)' CCIS GRANT	
Ministry/State Department Responsible	The National Treasury and Planning
Accounting Officer Responsible for the National Government	Principal Secretary, The National Treasury- The National Treasury and Economic Planning
Responsibilities of the National Government Accounting officer	To ensure that the program is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	County Executive Committee Member in Charge of Finance and Planning
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury & Planning through Financing Locally- Led Climate Action Program who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2022/23 to the Project Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<p>1st Cycle (Grant Government FY22/23) – Conditions to be met by end of 2022/2023:</p> <ol style="list-style-type: none"> 1. CG has signed a FLLoCA Participation Agreement 2. The CG has opened an SPA to receive funds from both the CCIS and the CCRI Grants 3. The Governor has appointed a CECM in Charge of Climate Change 4. A Governor approved workplan and budget for use of the CCIS <p>2nd Cycle Onwards (Grants Government FY22/23):</p> <ol style="list-style-type: none"> 5. Timely reporting (to TNT&P/PIU) on activities and use of funds for the period of 12 months ending 31st March

	6. Proper use of the CCIS Grant, i.e., within the eligible set of activities and for the intended purposes as per the plan.
Allocation 2022/23	KShs 1,034,000,000
Purpose of the grant	The objective of the CCIS Grant is to kickstart CGs for the project, by putting in place institutional arrangements, like a CECM in charge of climate change; a CCCU; county legislation to enable establishment of a CCCF, in order to be able to visualize county budgets and expenditure for climate action; and prepare, in a participatory manner and guided by climate risk assessments, CCAPs.
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.

Allocation by County		
County	IDA	Total
	(a)	c = a
Mombasa	22,000,000	22,000,000
Kwale	22,000,000	22,000,000
Kilifi	22,000,000	22,000,000
Tana River	22,000,000	22,000,000
Lamu	22,000,000	22,000,000
Taita Taveta	22,000,000	22,000,000
Garissa	22,000,000	22,000,000
Wajir	22,000,000	22,000,000
Mandera	22,000,000	22,000,000
Marsabit	22,000,000	22,000,000
Isiolo	22,000,000	22,000,000
Meru	22,000,000	22,000,000

Tharaka Nithi	22,000,000	22,000,000
Embu	22,000,000	22,000,000
Kitui	22,000,000	22,000,000
Machakos	22,000,000	22,000,000
Makueni	22,000,000	22,000,000
Nyandarua	22,000,000	22,000,000
Nyeri	22,000,000	22,000,000
Kirinyaga	22,000,000	22,000,000
Murang'a	22,000,000	22,000,000
Kiambu	22,000,000	22,000,000
Turkana	22,000,000	22,000,000
West Pokot	22,000,000	22,000,000
Samburu	22,000,000	22,000,000
Transzoia	22,000,000	22,000,000
Uasin Gishu	22,000,000	22,000,000
Elgeyo Marakwet	22,000,000	22,000,000
Nandi	22,000,000	22,000,000
Baringo	22,000,000	22,000,000
Laikipia	22,000,000	22,000,000
Nakuru	22,000,000	22,000,000
Narok	22,000,000	22,000,000
Kajiado	22,000,000	22,000,000
Kericho	22,000,000	22,000,000
Bomet	22,000,000	22,000,000
Kakamega	22,000,000	22,000,000
Vihiga	22,000,000	22,000,000
Bungoma	22,000,000	22,000,000
Busia	22,000,000	22,000,000
Siaya	22,000,000	22,000,000
Kisumu	22,000,000	22,000,000
Homabay	22,000,000	22,000,000
Migori	22,000,000	22,000,000
Kisii	22,000,000	22,000,000

Nyamira	22,000,000	22,000,000
Nairobi	22,000,000	22,000,000
TOTAL	1,034,000,000	1,034,000,000

**1. IDA (World Bank) Credit (Kenya Climate Smart Agriculture Project - KCSAP)
IDA Credit Number 59450KE – FRAMEWORKS FOR 2022/2023**

Ministry/State Department Responsible	Ministry of Agriculture, Livestock Fisheries and Cooperatives
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development & Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the intended beneficiaries and the Country as a whole.
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements • Ensure disbursement of Counterpart funds as per the approved budget • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury

	<p>-Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds</p> <p>- Monitor and evaluate performance of the allocation and report to the National Treasury</p> <p>- Ensure that annual audits are undertaken as per the Financing agreement</p>		
Allocation 2022/23	KCSAP Counties.....Ksh 2,200,002,000.00		
Purpose of the grant	To increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”		
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.		
Allocation per County			
County	IDA (a)	County Contribution (b)	Total (a+b)
Baringo	95,457,110.00	5,557,400.00	101,014,510.00
Bomet	83,323,430.00	1,025,680.00	84,349,110.00
Busia	125,328,154.00	6,905,460.00	132,233,614.00
Elgeyo Marakwet	85,593,752.00	5,000,000.00	90,593,752.00
Kajiado	75,231,220.00	3,431,800.00	78,663,020.00
Kakamega	99,110,439.00	3,795,600.00	102,906,039.00
Kericho	72,680,579.00	839,680.00	73,520,259.00
Kisumu	70,007,432.00	22,265,900.00	92,273,332.00
Laikipia	66,193,250.00	20,120,000.00	86,313,250.00
Machakos	68,040,614.00	23,184,615.00	91,225,229.00
Nyandarua	75,718,650.00	3,000,000.00	78,718,650.00

Nyeri	124,713,230.00	9,001,550.00	133,714,780.00
Siaya	75,368,050.00	6,304,850.00	81,672,900.00
Taita-Taveta	124,522,005.00	21,288,181.00	145,810,186.00
Tharaka-Nithi	122,240,640.00	10,077,300.00	132,317,940.00
Uasin-Gishu	84,379,280.00	6,628,080.00	91,007,360.00
West-Pokot	114,909,620.00	5,343,800.00	120,253,420.00
Garissa	75,269,050.00	3,000,000.00	78,269,050.00
Isiolo	259,805,034.00	1,281,800.00	261,086,834.00
Lamu	5,236,636.00	1,784,000.00	7,020,636.00
Mandera	81,191,951.00	28,865,400.00	110,057,351.00
Marsabit	55,194,559.00	12,799,600.00	67,994,159.00
Tana-River	82,386,194.00	16,526,500.00	98,912,694.00
Wajir	78,101,121.00	3,998,400.00	82,099,521.00
Total	2,200,002,000.00	222,025,596.00	2,422,027,596.00

FRAMEWORK FOR MANAGEMENT KISIP II

1. World Bank – KISIP II

Allocation to Kenya Informal Settlement Improvement Project 2 (KISIP2) *to improve access to basic services and land tenure security of residents in participating urban informal settlements and strengthen institutional capacity for slum upgrading in Kenya.*

Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing and Urban Development (vote:1094.....)
Accounting officer of National Government Responsible	Principal Secretary, State Department for Housing and Urban Development
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2022/2023 • Receive quarterly and annual financial and non-financial reports from the counties and consolidate • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Housing
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Project Coordination Team; • Ensure that the programme AWP&B upon approval by County Implementation Team is submitted to the County Treasury and captured accordingly; • The County accounting officer, upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury

Conditions	<ul style="list-style-type: none"> • Duly signed Participation Agreement between the Cabinet Secretary, Ministry of Lands, Public Works, Housing and Urban Development and Governors of each county on prudent management of the programme funds; • GoK will ensure that the funds disbursed by IDA are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; • Both levels will adhere to the requirements of Participation Agreement; • County Governments have carried out environmental and social safeguards and implemented relocation action plans if any; and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State Department for Housing and Urban Development will additionally submit consolidated report for all the 48 spending units. 			
Allocation: 2022/2023	KES 1,300,000,000			
Purpose of the grant	To develop sustainable infrastructure in selected informal settlements in selected urban areas as part of slum upgrading			
Allocation criteria	Based on the county readiness criteria and the settlement eligibility criteria as detailed in Project Appraisal Document and Project Operation Manual			
		Donor	Gok	Total Allocation
1	NAIROBI	100,000,000		100,000,000
2	MOMBASA	100,000,000		100,000,000
3	NAKURU	200,000,000		200,000,000
4	KISUMU	200,000,000		200,000,000
5	KILIFI	200,000,000		200,000,000
6	KAKAMEGA	50,000,000		50,000,000
7	KIAMBU	40,456,908		40,456,908
8	UASIN GISHU	50,000,000		50,000,000
9	TRANS-NZOIA	50,000,000		50,000,000
10	WAJIR	50,000,000		50,000,000
11	MERU	20,000,000		20,000,000
12	HOMABAY	30,000,000		30,000,000
13	TAITA TAVETA	30,000,000		30,000,000
14	LAMU	50,000,000		50,000,000

15	BUNGOMA	30,000,000		30,000,000
16	NYERI	30,000,000		30,000,000
17	THARAKA NITHI	20,000,000		20,000,000
18	NYANDARUA	25,000,000		25,000,000
19	ELGEYO MARAkwET	8,024,004		8,024,004
20	NANDI	16,519,088		16,519,088
	Total	1,300,000,000		1,300,000,000

STATE DEPARTMENT FOR HOUSING AND URBAN DEPARTMENT

VOTE 1094

KENYA URBAN SUPPORT PROGRAMME

FRAMEWORK FOR MANAGING CONDITIONAL GRANTS

IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG) and Urban Development Grant (UDG)	
Ministry/State Department Responsible	Ministry of Transport, Infrastructure, Housing & Urban Development. Vote 1094
Accounting officer of National Government Responsible	Principal Secretary - State Department of Housing and Urban Development.
Responsibilities of the National Government Accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2022/23 • Submit quarterly and annual financial and performance reports to the National Treasury and World Bank • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • Municipal status is established • Municipal Board is established • Municipal Administration is in place • Municipal Budget Vote is included in the County budget • County Government reports on municipal budget vote to Controller of budget • County Government has committed itself to participation in KUSP • The Annual Urban area investment plan is available • Use of previous UDG is in accordance with eligible investment menu. • Municipal absorptive capacity • Municipal procurement & contract management are within prescribed budget thresholds and contracting procedures.
Counties must meet the following Performance Standards	<ul style="list-style-type: none"> • Municipal manager's Job Description publicly available. • Quarterly board meetings held. • Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once a year. • Urban board has made key documents publicly available • Urban board publishes its annual calendar of citizens' fora

	<ul style="list-style-type: none"> • Urban board has adopted urban area budget based on the budget ceiling. • Urban Integrated Development Plan submitted by the municipal administrator, and reviewed and approved by the municipal board • Urban spatial plan completed and approved • Board adopts a Solid Waste Management policy and operations • Previous year's UDG projects completed.
Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Supporting and guiding Municipal Boards/Administrations in preparing budgets and forwarding them for approval by the County Assembly • Establishing urban institutions for effective urban management; • Monitor and evaluate performance of the allocation and report to the County Treasury. • capacity building and technical backstopping of Municipal Boards/Administrations; • Managing the flow of Program funds at this level, and consolidating the fiscal reporting from Municipal Boards for onward submission to the National Treasury; and State Department of Housing and Urban Development • Generally exercising oversight on the performance of the Municipal Boards.
Allocation: 2022/23 - UIG	51,541,000.00
Allocation: 2022/23- UDG	70,479,000.00
Purpose of the grant	Provide support to urban boards and administrators within the respective participating County Govts and financing infrastructure investments in urban areas.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya.

STATE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (VOTE 1094)

KENYA URBAN SUPPORT PROGRAM (KUSP)

1094105001-2630203

DISBURSEMENT SCHEDULE FY 2022/ 2023

URBAN INSTITUTIONAL GRANT (UIG)

	COUNTIES	UIG ALLOCATION (KES)
1	Baringo	1,145,355.56
2	Bomet	1,145,355.56
3	Bungoma	1,145,355.56
4	Busia	1,145,355.56
5	Elgeyo Marakwet	1,145,355.56
6	Embu	1,145,355.56
7	Garissa	1,145,355.56
8	Homa Bay	1,145,355.56
9	Isiolo	1,145,355.56
10	Kajiado	1,145,355.56
11	Kakamega	1,145,355.56
12	Kericho	1,145,355.56
13	Kiambu	1,145,355.56
14	Kilifi	1,145,355.56
15	Kirinyaga	1,145,355.56
16	Kisii	1,145,355.56
17	Kisumu	1,145,355.56
18	Kitui	1,145,355.56
19	Kwale	1,145,355.56
20	Laikipia	1,145,355.56
21	Lamu	1,145,355.56
22	Machakos	1,145,355.56
23	Makueni	1,145,355.56
24	Mandera	1,145,355.56
25	Marsabit	1,145,355.56
26	Meru	1,145,355.56
27	Migori	1,145,355.56
28	Muranga	1,145,355.56
29	Nakuru	1,145,355.56
30	Nandi	1,145,355.56
31	Narok	1,145,355.56
32	Nyamira	1,145,355.56
33	Nyandarua	1,145,355.56
34	Nyeri	1,145,355.56
35	Samburu	1,145,355.56
36	Siaya	1,145,355.56

37	Taita Taveta	1,145,355.56
38	Tana River	1,145,355.56
39	Tharaka Nithi	1,145,355.56
40	Trans Nzoia	1,145,355.56
41	Turkana	1,145,355.56
42	Uasin Gishu	1,145,355.56
43	Vihiga	1,145,355.56
44	Wajir	1,145,355.56
45	West Pokot	1,145,355.56
	Total	51,541,000.2

URBAN DEVELOPMENT GRANT (UDG)

SNO	COUNTY	MUNICIPALITY	UDG ALLOCATION KES
1.	Baringo	Kabarnet	1,194,559.32
2.	Bomet	Bomet	1,194,559.32
3.	Bungoma	Bungoma	1,194,559.32
4.	Bungoma	Kimilili	1,194,559.32
5.	Busia	Busia	1,194,559.32
6.	Elgeyo Marakwet	Iten	1,194,559.32
7.	Embu	Embu	1,194,559.32
8.	Garissa	Garissa	1,194,559.32
9.	Homa Bay	Homabay	1,194,559.32
10.	Isiolo	Isiolo	1,194,559.32
11.	Kajiado	Kajiado	1,194,559.32
12.	Kajiado	Ngong	1,194,559.32
13.	Kakamega	Kakamega	1,194,559.32
14.	Kakamega	Mumias	1,194,559.32
15.	Kericho	Kericho	1,194,559.32
16.	Kiambu	Karuri	1,194,559.32
17.	Kiambu	Kiambu	1,194,559.32
18.	Kiambu	Kikuyu	1,194,559.32
19.	Kiambu	Limuru	1,194,559.32
20.	Kiambu	Ruiru	1,194,559.32
21.	Kiambu	Thika	1,194,559.32
22.	Kilifi	Kilifi	1,194,559.32
23.	Kilifi	Malindi	1,194,559.32
24.	Kirinyaga	Kirinyaga	1,194,559.32
25.	Kisii	Kisii	1,194,559.32
26.	Kisumu	Kisumu	1,194,559.32
27.	Kitui	Kitui	1,194,559.32
28.	Kwale	Kwale	1,194,559.32
29.	Laikipia	Rumuruti	1,194,559.32
30.	Lamu	Lamu	1,194,559.32

SNO	COUNTY	MUNICIPALITY	UDG ALLOCATION KES
31.	Machakos	Kangundo	1,194,559.32
32.	Machakos	Machakos	1,194,559.32
33.	Machakos	Mavoko	1,194,559.32
34.	Makueni	Wote	1,194,559.32
35.	Mandera	Mandera	1,194,559.32
36.	Marsabit	Marsabit	1,194,559.32
37.	Meru	Meru	1,194,559.32
38.	Migori	Awendo	1,194,559.32
39.	Migori	Migori	1,194,559.32
40.	Migori	Rongo	1,194,559.32
41.	Muranga	Muranga	1,194,559.32
42.	Nakuru	Naivasha	1,194,559.32
43.	Nakuru	Nakuru	1,194,559.32
44.	Nandi	Nandi	1,194,559.32
45.	Narok	Narok	1,194,559.32
46.	Nyamira	Nyamira	1,194,559.32
47.	Nyandarua	Oi Kalou	1,194,559.32
48.	Nyeri	Nyeri	1,194,559.32
49.	Samburu	Maralal	1,194,559.32
50.	Siaya	Siaya	1,194,559.32
51.	Taita Taveta	Mwatate	1,194,559.32
52.	Tana River	Hola	1,194,559.32
53.	Tharaka Nithi	Kathwana	1,194,559.32
54.	Trans Nzoia	Kitale	1,194,559.32
55.	Turkana	Lodwar	1,194,559.32
56.	Uasin Gishu	Eldoret	1,194,559.32
57.	Vihiga	Vihiga	1,194,559.32
58.	Wajir	Wajir	1,194,559.32
59.	West Pokot	Kapenguria	1,194,559.32
	Total		70,479,000.00

I. IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project; NARIGP)¹	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock, Fisheries and Cooperatives
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development and Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Cooperatives who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2022/23 to the Project Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities

	<ul style="list-style-type: none"> - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2022/23	Kes 3,900,000,000 - IDA
Purpose of the grant	To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and Annual Work plans and Budgets.

Allocation by County

County	IDA Contribution	County Government counterpart contributions	Total
	(a)	(b)	c = a+b
Bungoma	167,273,890	6,500,000	173,773,890
Embu	176,406,685	6,500,000	182,906,685
Homa Bay	161,590,307	6,500,000	168,090,307
Kiambu	222,775,969	6,500,000	229,275,969
Kilifi	192,539,152	6,500,000	199,039,152
Kirinyaga	178,744,304	6,500,000	185,244,304
Kisii	171,890,010	6,500,000	178,390,010
Kitui	169,475,223	6,500,000	175,975,223
Kwale	151,305,671	6,500,000	157,805,671
Makueni	190,427,548	6,500,000	196,927,548

Meru	195,158,825	6,500,000	201,658,825
Migori	187,184,982	6,500,000	193,684,982
Murang'a	197,147,434	6,500,000	203,647,434
Nakuru	187,911,173	6,500,000	194,411,173
Nandi	248,247,739	6,500,000	254,747,739
Narok	243,107,598	6,500,000	249,607,598
Nyamira	181,161,414	6,500,000	187,661,414
Samburu	174,103,490	6,500,000	180,603,490
Trans Nzoia	192,666,099	6,500,000	199,166,099
Turkana	155,480,180	6,500,000	161,980,180
Vihiga	155,402,308	6,500,000	161,902,308
Total	3,900,000,000	136,500,000	4,036,500,000

I. IDA (World Bank) Credit (National Agricultural Value Chain Development Project; NAVCDP)¹	
Ministry/State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crop Development
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture and Livestock Development who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2022/23 to the Project Account; and • Submit quarterly and annual financial and performance reports to the National Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities

	<ul style="list-style-type: none"> - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture and Livestock Development and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2022/23	Kes 1,820,000,000 - IDA
Purpose of the grant	To increase market participation and value addition for targeted farmers in select value chains in project areas
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and Annual Work plans and Budgets.

Allocation by County

County	IDA Contribution	County Government counterpart contributions	Total
	(a)	(b)	c = a+b
Kwale	70,000,000.00	5,000,000	75,000,000
Kilifi	70,000,000.00	5,000,000	75,000,000
Tana River	70,000,000.00	5,000,000	75,000,000
Taita/Taveta	70,000,000.00	5,000,000	75,000,000
Meru	70,000,000.00	5,000,000	75,000,000
Embu	70,000,000.00	5,000,000	75,000,000
Kitui	70,000,000.00	5,000,000	75,000,000
Machakos	70,000,000.00	5,000,000	75,000,000
Makueni	70,000,000.00	5,000,000	75,000,000
Nyandarua	70,000,000.00	5,000,000	75,000,000
Nyeri	70,000,000.00	5,000,000	75,000,000

Kirinyaga	70,000,000.00	5,000,000	75,000,000
Murang'a	70,000,000.00	5,000,000	75,000,000
Kiambu	70,000,000.00	5,000,000	75,000,000
Trans Nzoia	70,000,000.00	5,000,000	75,000,000
Uasin Gishu	70,000,000.00	5,000,000	75,000,000
Nandi	70,000,000.00	5,000,000	75,000,000
Nakuru	70,000,000.00	5,000,000	75,000,000
Narok	70,000,000.00	5,000,000	75,000,000
Kericho	70,000,000.00	5,000,000	75,000,000
Bomet	70,000,000.00	5,000,000	75,000,000
Kakamega	70,000,000.00	5,000,000	75,000,000
Busia	70,000,000.00	5,000,000	75,000,000
Homa Bay	70,000,000.00	5,000,000	75,000,000
Migori	70,000,000.00	5,000,000	75,000,000
Kisii	70,000,000.00	5,000,000	75,000,000
Total	1,820,000,000	130,000,000	1,950,000,000

IDA (World Bank) Credit 6029 & 6030 KE: Water and Sanitation Development Project (WSDP)

Ministry/ State Department Responsible	Ministry of Water, Sanitation and Irrigation
Accounting Officer of National Government Responsible	PS, Ministry of Water, Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the Ministry for FY 2022/2023 and reflected in CARA. • Initiate request for disbursement of funds supported by approved procurement and work plans. • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the County Government. • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee. • The funds shall be used only for approved Water and Sanitation activities under the Programme. • Upon receipt of a disbursement, the Principal Secretary National Treasury shall be informed of the disbursement details through Principal Secretary Ministry of Water, Sanitation and Irrigation. • County Government MUST provide a report/proof of utilization of funds released before requesting for additional transfers.
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Accounting officer responsible for Water and Sanitation in the County Government
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2022/23. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Principal Secretary, Ministry of Water, Sanitation and Irrigation • Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2022/23	Kshs. 3,500,000,000
Purpose of the Grant/Loan	For implementation of Water and Sanitation activities
Allocation Criteria	Based on the Subsidiary/County Participation Agreement and approved procurement and work plans.
Allocation by County	
1. Wajir	Kshs. 500,000,000
2. Garissa	Kshs. 400,000,000
3. Mombasa	Kshs. 575,000,000
4. Taita Taveta	Kshs. 575,000,000
5. Kwale	Kshs. 550,000,000
6. Kilifi	Kshs. 900,000,000
TOTAL	Kshs.3,500,000,000



COUNCIL OF GOVERNORS

LEGISLATIVE MEMORANDUM ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (No.2) BILL, 2022

**From
THE COUNCIL OF GOVERNORS**

MEMORANDUM ON COUNTY GOVERNMENTS ADDITIONAL ALLOCATION (No.2) BILL, 2022

The Council of Governors,

In recognition of Article 1(4) of the Constitution of Kenya, that sovereign power of the people is exercised at the national level and the county level;

In further recognition of Article 6 (2) that governments at the national and county levels are distinct; and

Aware of the need for coordination and consultation between the National Government and County Governments to ensure that legislation responds to the key issues facing devolution, and further reflects the spirit and objects of devolution.

The Council of Governors makes the following comments on the bill:

GENERAL COMMENTS

1. Article 218 of the Constitution requires that the Annual Division and Allocation of Revenue Bills be introduced in Parliament at least two months before the end of each Financial Year. Further, Section 42 of the Public Finance Management Act, 2012 provides that: *“Parliament shall consider the Division of Revenue Bill, the County Allocation of Revenue Bill, and a County Governments Additional Allocations Bill not later than thirty days after the Bills have been introduced with a view to approving them, with or without amendments.”* However, the provisions of the law have not been adhered to as the County Governments Additional Allocations Bill (No.2), 2022 is yet to be passed.
2. The Council recognizes that in line with Article 204 (3)(b), the Bill provides for Equalisation Fund to be used indirectly through a conditional grant to Counties in which marginalised communities exist. It is paramount to take cognizance of Article 204(3)(a) of the Constitution which provides that the national government may use the Equalisation Fund— *(a) only to the extent that the expenditure of those funds has been approved in an Appropriation Bill enacted by Parliament.*

SPECIFIC CONCERNS

Section	Provision	CoG's proposal	Rationale/Justification
<p>Clause 2 Interpretation</p>	<p>“additional allocations” means additional resources allocated to county governments from the National Government’s share of revenue or in the form of loans and grants from development partners.</p>	<p>Amend the clause to read as follows: “additional allocations” means additional resources allocated to county governments from the National Government’s share of revenue; resources in the form of loans and grants from development partners <u>or resources allocated to county governments through the Equalisation Fund.</u></p>	<p>The definition as provided for in the Bill excludes resources emanating from the Equalisation Fund whereas Article 204(3)(b) recognizes indirect use of the Equalisation Fund through conditional grants to Counties.</p>
<p>Clause 3 Object</p>	<p>The object of this Act is to– (a) provide, pursuant to Article 202(2) of the Constitution, for additional allocations for the financial year 2022/23; (b) provide for additional allocations from proceeds of loans and grants from development partners; and (c) facilitate the transfer of conditional and unconditional allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds and special</p>	<p>Amend the provision to include sub-clause (d) immediately after sub-clause (c) to read as follows: <u>(d) provide for allocations from the Equalisation Fund</u></p>	

	purpose accounts.		
Clause 4 Additional allocations to county governments.	<p>4. (1) Additional allocations shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of -</p> <p>(a) additional allocations from the National Government and development partners required for functions transferred to counties from the National Government pursuant to Article 187 of the Constitution;</p> <p>(b) additional allocations provided for under Article 202(2) of the Constitution; and</p> <p>(c) additional allocations in the form of loans and grants from development partners.</p>	<p>Amend the provision to include sub-clause (d) immediately after sub-clause (c) to read as follows:</p> <p><u>(d) allocations from the Equalisation Fund provided for under Article 204(3)(b) of the Constitution.</u></p>	
	<p>(2) Additional funds allocated under this section shall be included in the respective county governments' appropriation bills</p>	<p>Amend Clause 4 to include a clause immediately after sub-clause (2) to read as follows:</p> <p><u>Allocations from the equalisation fund under this section shall be included in the Appropriation Bill</u></p>	<p>Article 204(3)(a) of the Constitution provides THAT: <i>The national government may use the Equalisation Fund—</i> <i>(a) only to the extent that the expenditure of those funds has been approved in an Appropriation Bill enacted by Parliament.</i></p>
Clause 5 Conditional allocations to	<p>5. (1) Conditional allocations to each county government from National Government share of revenue for the</p>	<p>Amend the clause to include a new sub-clause immediately after (b) to read as follows:</p>	<p>The library function was transferred to county governments in 2019.</p>

county governments.	<p>financial year 2022/23 shall be as set out in Column D of the First Schedule, comprising —</p> <p>(a) conditional allocations for the construction of county headquarters as set out in Column B of the First Schedule; and</p> <p>(b) conditional allocations for the leasing of medical equipment as set out in Column C of the First Schedule.</p>	<p>(c) Conditional allocation for the library function as set out in column D of the First Schedule.</p>	<p>The total resources earmarked to be transferred for the 59 libraries to the 33 Counties amounts to Ksh. 424,616,047.20. (See attached letters)</p>
	<p>5 (2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2022/23 shall be as set out in Column M of the Second Schedule comprising of:</p> <p>(a) conditional allocations financed by a World Bank credit to finance Agricultural and Rural Inclusive Growth Project (NARIGP) as set out in Column B of the Second Schedule</p>	<p>Amend Column B of the Second Schedule to include additional allocations amounting to Kshs.636,867,790.</p>	<p>The revised total allocation for FY 2022/23 amounts to Kshs.4,200,000,000. (See revised framework attached)</p>
	<p>(b) conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column C of the Second Schedule;</p>	<p>Amend Column C of the Second Schedule to include additional allocations amounting to Kshs.2,099,501,343</p>	<p>The revised total allocation for FY 2022/23 amounts to Kshs.4,099,471,343. (See revised framework attached)</p>

	<p>(f) conditional allocations from a World Bank credit to finance Locally-Led Climate Action Program, (FLLoCA) for County Climate Institutional Support (CCIS) as set out in Column G of the Second Schedule.</p>	<p>Amend Column G of the Second Schedule to include additional allocation amounting to Kshs.517,000,000.</p>	<p>The amount provided for in the Bill (Kshs.517,000,000) is the total allocation for the current FY 2022/23 only.</p> <p>The allocation for the previous FY 2021/22 amounting to Kshs.517,000,000 was not disbursed hence the need to be included in the current FY bring the total to Kshs.1,034,000,000. That is; Kshs.22,000,000 per County.</p>
	<p>(g) conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column H of the Second Schedule</p>	<p>Amend Colum H of the Second Schedule to include an additional Kshs.94,000,000.</p>	<p>The total allocation for the FY 2022/23 is Kshs.869,134,775. This includes a contribution of Kshs.94,000,000 (Kshs.2,000,000, per County) from the Ministry of Agriculture Livestock, Fisheries and Cooperative (MoALFC) as per the financing agreement between the Government of Sweden and the Government of Kenya and approved work plans. (See attached).</p>
	<p>(i) conditional allocations financed by a credit from World Bank to finance Emergency Locust Response Project (ELRP) as set out in Column J</p>	<p>Amend column J of the Second Schedule to include an additional allocation of Kshs.190,000 to Turkana County.</p>	<p>The total allocation to Turkana County for the FY 2022/23 is Kshs.102,108,500 as per the financing agreement. (see</p>

	of the Second Schedule		attached schedule) The total allocation in Column J of the Second Schedule should therefore total to Kshs.1,200,000,000.
	New Insertion	Introduce a new clause immediately after clause (k) to read as follows: <u>Conditional allocations financed by IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG) and Urban Development Grant (UDG) as set out in Column M of the Second Schedule.</u>	In the current Financial Year 2022/23, the State Department for Housing and Urban Development is required to disburse the Urban Development Grant and the Urban Institutional Grant and amounting to Kshs. 70, 479,000 and 51,541,000 respectively. (see attached letter and schedule).

RECOMMENDATION

1. The National Treasury to urgently prepare the Appropriation Bill for introduction and consideration by Parliament to facilitate utilization of the Equalisation Fund. This is in accordance with Article 204(3)(a) of the Constitution.
2. The Senate to fast-track passage of the County Governments Additional Allocations Bill, 2022 to enable utilization of funds as budgeted for under the current FY 2022/23.



Promoting an Equitable Society

Submission on the County Governments Additional Allocations (No.2) Bill, 2022

The Commission is mandated under Article 205 states “When a Bill that includes provisions dealing with the sharing of revenue, or any financial matter concerning county governments is published, the Commission on Revenue Allocation shall consider those provisions and may make recommendations to the National Assembly and the Senate. We would like to provide the following recommendations on the County Governments Additional Allocation Bill 2022 as follows:

No.	Clause	Bill	Recommendation
1.	Section 2 Interpretation	In the definition “additional allocations” means additional resources allocated to county governments from the National Government’s share of revenue or in the form of loans and grants from development partners	Expand interpretation clause to include Equalization fund conditional allocation to read “additional allocations means additional resources including money allocated from the equalization fund, other monies from the National Government’s share of revenue, and loans and grants from development partners,”
2.	Section 4	Add (d)	Allocations to beneficiary counties with areas defined as marginalised from the Equalization Fund

General Comments-

- a) Since Inception of the Equalisation Fund (2011/12- 2022/23), a total of Ksh 55.28 is due to the Fund as shown in Table 1. Between FY 2013/14 and 2022/23, Parliament has allocated through the various Division of Revenue Acts, a total of Ksh. 57.7 billion. However, only Ksh 12.4 billion, being allocations under the First Policy was appropriated to 14 counties. The balance of Ksh 42. 88 billion is yet to be appropriated to beneficiary areas. This Bill allocates Ksh. 13.48 billion, leaving a balance of Ksh 29.4 billion. Parliament should fast track allocation of this balance to beneficiary counties to hasten development.

Table 1: Cumulative Fund Resources (Kshs. Billions)

S/no.	Financial Year	Audited /Approved year	Audited/Approved Accounts	Equalisation Fund Entitlement	Actual Allocation (DORA)
1.	2011/12	2010/11	468	2.34	0
2.	2012/13	2011/12	529	2.65	0
3.	2013/14	2011/12	529	2.65	3.4
4.	2014/15	2012/13	777	3.88	3.4
5.	2015/16	2012/13	777	3.88	6.0
6.	2016/17	2013/14	936	4.68	6.0
7.	2017/18	2013/14	936	4.68	7.7
8.	2018/19	2013/14	936	4.68	4.7
9.	2019/20	2014/15	1,038	5.19	5.8
10.	2020/21	2016/17	1,358	6.79	6.8
11.	2021/22	2016/17	1,358	6.79	6.8
12.	2022/23	2017/2018	1,414	7.07	7.1
Total Amount				55.28	57.7

Source CRA 2022.

- a) The PFM (Equalisation Fund) regulations provides for establishment of committees at the county level for identification and prioritisation of projects. The identified projects will inform the appropriation bill that is to be tabled in Parliament in line with Article 204. The Equalisation Fund Advisory Board should fast tract the establishment of committees in beneficiary counties and identification of projects.



**International
Budget
Partnership**

Kenya

MEMORANDUM TO THE SENATE ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS (No. 2) BILL, 2022

This memorandum has been prepared by the International Budget Partnership Kenya (IBP Kenya). IBP Kenya is a non-profit organization working to advance transparency, accountability, participation, and equity in national and county budgeting processes. IBP Kenya's work is focused on strengthening the impact of citizen and civil society organizations (CSOs) advocacy on budget policies and outcomes at national and sub-national levels of governance. Citizen advocacy, evidence generation, technical assistance to both levels of governments and CSOs, learning, and networking are integral components of IBP Kenya's work.

In response to the public notice requesting memoranda on the County Governments Additional Allocations (No. 2) Bill, Senate Bills No. 4 of 2022, this memorandum raises the following four issues:

- 1. Whereas the Bill specifies that it shall be prepared and agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement, this is the second one being prepared for the FY 2022/23.** In May 2022, the Senate, through a letter **REF: SEN/DCS/SCF&B/2022/016 (F)**, requested IBP Kenya to share their views on the County Governments Additional Allocations Bill, 2022. We note that this is the second Bill drafted for FY 2022/23 that has been developed. It will be essential to clarify at which point of the budget cycle it should be produced. Will this be an annual bill accompanying the Budget Policy Statement (BPS), Division of Revenue Bill, and the County Allocation of Revenue Bill?

The Senate needs to state how the implementation in the FY 2021/22 fared on and highlight any adjustments made in this Bill to address any gaps that have been identified. In particular, it will be good for the Senate to highlight to the public the progress made in its implementation, the challenges faced, and the lesson learned that would be carried forward to ensure that the consequent Bills are implemented better.

- 2. There is no clear criteria for allocating conditional grants from the national government revenue.** As highlighted in Column C of the First Schedule of the County Governments Additional Allocations Bill, 2022, all the counties are receiving an equal amount of KShs 110,638,298 for medical equipment leasing. However, it is apparent that not all the counties are at the same level, and their requirements are very diverse. In addition, there are specific issues raised over time regarding the structure and implementation of medical equipment leasing. What lessons have informed consequent decisions that the Senate has taken on the subject?

Similarly, Column G of the Second Schedule allocates an equal amount of KShs 11 million to each county to finance the Locally-led Climate Action Program. It is worth noting that in the Bill published in May 2022, the amount allocated towards this was KShs 125 million per county. What is the rationale for reducing the allocations from KShs 125 million to 11 million? Does it mean that all the counties with their diversities will implement a similar program given the equal



allocations? There needs to be a clear criterion highlighting the allocations and how they are adjusted yearly. Therefore, we call upon the Senate Standing Committee on Finance and Budget to ensure that an explicit criterion for determining equitable allocations to the counties is implemented to ensure resources are distributed equitably. In addition, the Senate should ensure that all conditional grants follow the same Medium Term Expenditure Framework (MTEF), which means the conditional grants allocations should include projections for two outer years. This will help counties be prepared when donor funds are discontinued in any given financial year.

3. **Whereas it has been ten years since the onset of devolution, counties are still receiving funds to supplement the construction of county headquarters.** The County Governments Additional Allocations (No. 2) Bill has identified five counties in FY 2022/23 to receive an additional allocation of various amounts ranging from KShs 24 million to KShs 121 million to supplement the construction of county headquarters. Does it mean the counties still do not have headquarters to operate from? Have there been assessment reports toward all the previous allocations directed towards the county to construct their headquarters? How far are they, and when are they likely to be completed? It will also be good for the Senate to highlight the criteria used to arrive at the five counties listed in Column B of the Bill.
4. **What is the impact of the collapse of conditional grants into equitable share?** From the FY 2020/21, the conditional grants were collapsed to be part of the equitable share. This action was largely anticipated to impact some services, especially those provided by the level 5 hospitals. Is there any study done to understand the impact of this action? We recommend that the Senate institute a study to understand the implications of this action and how the effect has been mitigated.

Signed on November 14, 2022, in Nairobi

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SPECIAL ISSUE

Kenya Gazette Supplement No. 163 (Senate Bills No. 4)



REPUBLIC OF KENYA

KENYA GAZETTE SUPPLEMENT

SENATE BILLS, 2022

NAIROBI, 26th October, 2022

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**THE COUNTY GOVERNMENTS ADDITIONAL
ALLOCATIONS (NO. 2) BILL, 2022**

ARRANGEMENTS OF CLAUSES

Clause

- 1 — Short title.
- 2 — Interpretation.
- 3 — Object.
- 4 — Additional allocations to county governments.
- 5 — Conditional allocations to county governments.
- 6 — Equalization Fund.
- 7 — Report on actual transfers.
- 8 — Books of accounts to reflect national government transfers.
- 9 — Reporting.

**THE COUNTY GOVERNMENTS ADDITIONAL
ALLOCATIONS (NO. 2) BILL, 2022**

A Bill for

AN ACT of Parliament to provide for the additional allocations to county governments for the 2022/2023 financial year; the responsibilities of National Government and county governments pursuant to such allocation; and for connected purposes

ENACTED by Parliament of Kenya, as follows—

1. This Act may be cited as the County Governments Additional Allocations (No. 2) Act, 2022.

Short title.

2. In this Act —

Interpretation.

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to finance;

“additional allocations” means additional resources allocated to county governments from the National Government’s share of revenue or in the form of loans and grants from development partners; and

“county executive committee member” means the county executive committee member in charge of matters relating to finance.

3. The object of this Act is to—

Object.

- (a) provide, pursuant to Article 202(2) of the Constitution, for additional allocations for the financial year 2022/23;
- (b) provide for additional allocations from proceeds of loans and grants from development partners; and
- (c) facilitate the transfer of conditional and unconditional allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds and special purpose accounts.

4. (1) Additional allocations shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of—

Additional allocations to county governments.

- (a) additional allocations from the National Government and development partners required for functions transferred to counties from the National Government pursuant to Article 187 of the Constitution;
- (b) additional allocations provided for under Article 202(2) of the Constitution; and
- (c) additional allocations in the form of loans and grants from development partners.

(2) Additional funds allocated under this section shall be included in the respective county governments' appropriation bills.

(3) The National Treasury shall facilitate any agreement between a county government and a development partner and shall table the agreements in the National Assembly and the Senate before inclusion in the Budget Policy Statement.

5. (1) Conditional allocations to each county government from the National Government share of revenue for the financial year 2022/23 shall be as set out in Column D of the First Schedule, comprising —

Conditional allocations to county governments.

- (a) conditional allocations for the construction of county headquarters as set out in Column B of the First Schedule; and
- (b) conditional allocations for the leasing of medical equipment as set out in Column C of the First Schedule.

(2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2022/23 shall be as set out in Column M of the Second Schedule comprising of —

- (a) conditional allocations financed by a World Bank credit to finance Agricultural and Rural Inclusive Growth Project (NARIGP) as set out in Column B of the Second Schedule;
- (b) conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column C of the Second Schedule;

- (c) conditional allocations from EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column D of the Second Schedule;
- (d) conditional allocations from a World Bank credit to finance Water and Sanitation Development Project (WSDP) as set out in Column E of the Second Schedule;
- (e) conditional allocations from a grant by DANIDA to finance Universal Healthcare in Devolved System Program as set out in Column F of the Second Schedule;
- (f) conditional allocations from a World Bank credit to finance Locally-Led Climate Action Program, (FLLoCA) for County Climate Institutional Support (CCIS) as set out in Column G of the Second Schedule.
- (g) conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column H of the Second Schedule;
- (h) conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column I of the Second Schedule;
- (i) conditional allocations financed by a credit from World Bank to finance Emergency Locust Response Project (ELRP) as set out in Column J of the Second Schedule;
- (j) conditional allocations financed by a loan from the World Bank to finance Kenya Informal Settlement Improvement Project (KISIP II) as set out in Column K of the Second Schedule; and
- (k) conditional allocations financed by a grant from the World Bank to finance Locally- Led Climate Program (FLLoCA) for County Climate

Resilience Investment (CCRI) grant as set out in Column L.

(3) Conditional allocations under subsection 2(k) shall be allocated among county governments on the basis of a criteria to be determined as follows —

- (a) the accounting officer responsible for the conditional allocation shall in each eligible county government carry out or cause to be carried out, in accordance with the intergovernmental agreement between the National Government and each eligible county government, an assessment to determine the eligible county governments' performance score for purposes of determining the Performance allocation for the financial year 2022/2023;
- (b) the allocation to the eligible county governments shall be on the basis of the criteria comprising the performance score determined under paragraph (a) and the Revenue Sharing formula approved by Parliament in accordance with Article 217 of the Constitution; and
- (c) the Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of paragraph (b).

(4) Each county government's allocation under subsection (1)(a) shall —

- (a) be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act; and
- (b) only be accessed by each county government after meeting conditions set by the Cabinet Secretary responsible for that function at the beginning of the financial year.

(5) A county governments' allocation under subsection (2) shall be transferred to the respective County Revenue Fund in accordance with a payment schedule

published in the Kenya Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act.

(6) The county governments' allocations under subsections (1) and (2) shall, subject to subsection (7), be included in the budget estimates of the National Government and shall be submitted to Parliament for approval.

(7) Allocations shall not be included in the budget estimates under subsection (5) unless —

- (a) the National Government and the respective county governments have entered into an intergovernmental agreement in accordance with this Act; or
- (b) in the case of a loan or grant by a development partner, the Cabinet Secretary and the responsible development partner have agreed in writing that the funds shall be transferred to the county government.

6. Additional allocations to the respective county government from the Equalization Fund for the financial year 2022/23 shall be as set out in the Third Schedule.

Equalization Fund.

7. The Cabinet Secretary shall publish, by the 15th day of each subsequent month, a monthly report on actual transfers of all additional allocations to county governments disbursed pursuant to this Act.

Report on actual transfers.

8. Each county treasury shall reflect all transfers of conditional allocations by the National Government to the respective county government in its books of accounts.

Books of accounts to reflect national government transfers.

9. A county treasury shall, as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, report on—

Reporting.
No. 18 of 2012.

- (a) actual transfers received by the county government from the National Government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury;

- (b) the actual expenditure by the county government of the allocations made under section 5(1) and (2);
- (c) the extent of compliance with the provisions of this Act and with the conditions of allocations as set out in the intergovernmental agreement entered into by the national government, the development partner and the county government;
- (d) an explanation of any material problems in the expenditure of any allocations made under this Act or compliance with any conditions of allocations set out in an intergovernmental agreement; and
- (e) any other information that may be required by the relevant intergovernmental agreement.

FIRST SCHEDULE

(s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial Year 2022/23 (Kenya Shillings)

Additional allocations to County Governments from National Government Revenue in Financial Year 2022/2023 (Kenya Shillings)					
S/N.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
1	Baringo	153,297,872	-	110,638,298	110,638,298
2	Bomet	153,297,872	-	110,638,298	110,638,298
3	Bungoma	153,297,872	-	110,638,298	110,638,298
4	Busia	153,297,872	-	110,638,298	110,638,298
5	Elgeyo/Marakwet	153,297,872	-	110,638,298	110,638,298
6	Embu	153,297,872	-	110,638,298	110,638,298
7	Garissa	153,297,872	-	110,638,298	110,638,298
8	Homa Bay	153,297,872	-	110,638,298	110,638,298
9	Isiolo	221,297,872	102,000,000	110,638,298	212,638,298
10	Kajiado	153,297,872	-	110,638,298	110,638,298
11	Kakamega	153,297,872	-	110,638,298	110,638,298
12	Kericho	153,297,872	-	110,638,298	110,638,298
13	Kiambu	153,297,872	-	110,638,298	110,638,298
14	Kilifi	153,297,872	-	110,638,298	110,638,298
15	Kirinyanga	153,297,872	-	110,638,298	110,638,298
16	Kisii	153,297,872	-	110,638,298	110,638,298
17	Kisumu	153,297,872	-	110,638,298	110,638,298
18	Kitui	153,297,872	-	110,638,298	110,638,298
19	Kwale	153,297,872	-	110,638,298	110,638,298
20	Laikipia	153,297,872	-	110,638,298	110,638,298
21	Lamu	191,297,872	24,000,000	110,638,298	134,638,298
22	Machakos	153,297,872	-	110,638,298	110,638,298
23	Makueni	153,297,872	-	110,638,298	110,638,298
24	Mandera	153,297,872	-	110,638,298	110,638,298
25	Marsabit	153,297,872	-	110,638,298	110,638,298

Additional allocations to County Governments from National Government Revenue in Financial Year 2022/2023 (Kenya Shillings)					
S/N.	County	FY 2021/22	FY 2022/23		
		Total Conditional Grants from the National Government Revenue	Supplement for Construction of County Headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
26	Meru	153,297,872	-	110,638,298	110,638,298
26	Meru	153,297,872	-	110,638,298	110,638,298
27	Migori	153,297,872	-	110,638,298	110,638,298
28	Mombasa	153,297,872	-	110,638,298	110,638,298
29	Murang'a	153,297,872	-	110,638,298	110,638,298
30	Nairobi	153,297,872	-	110,638,298	110,638,298
31	Nakuru	153,297,872	-	110,638,298	110,638,298
32	Nandi	153,297,872	-	110,638,298	110,638,298
33	Narok	153,297,872	-	110,638,298	110,638,298
34	Nyamira	153,297,872	-	110,638,298	110,638,298
35	Nyandarua	228,297,872	121,000,000	110,638,298	231,638,298
36	Nyeri	153,297,872	-	110,638,298	110,638,298
37	Samburu	153,297,872	-	110,638,298	110,638,298
38	Siaya	153,297,872	-	110,638,298	110,638,298
39	Taita Taveta	153,297,872	-	110,638,298	110,638,298
40	Tana River	228,297,872	104,000,000	110,638,298	214,638,298
41	TharakaNithi	229,297,872	103,000,000	110,638,298	213,638,298
42	Trans Nzoia	153,297,872	-	110,638,298	110,638,298
43	Turkana	153,297,872	-	110,638,298	110,638,298
44	Uasin Gishu	153,297,872	-	110,638,298	110,638,298
45	Vihiga	153,297,872	-	110,638,298	110,638,298
46	Wajir	153,297,872	-	110,638,298	110,638,298
47	West Pokot	153,297,872	-	110,638,298	110,638,298
	GRAND TOTAL	7,537,000,000	454,000,000	5,200,000,000	5,654,000,000

SECOND SCHEDULE

(s. 5(2))

Additional Allocations from proceeds of loans or grants from Development Partners in Financial Year 2022/23

(Figures are in Kenya Shillings)

Additional allocations from loans and grants from development partners for financial year 2022/23 (Figures in Kenya Shillings)

S/N	County	FY 2021/22	FY 2022/23											
		Total Loans and Grants	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit Financing Locally-led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant (Level I)	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	IDA (World Bank) Credit Financing Locally-Led Climate Action Program, FLLoCA	Total Loans and Grants
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
1	Baringo	528,317,166	100,298,617	95,457,110	15,626,168	-	10,738,700	11,000,000	15,157,989	-	69,207,700	-	-	317,486,284
2	Bomet	653,181,658	-	83,323,430	-	-	11,605,800	11,000,000	15,590,699	-	-	-	-	121,519,929
3	Bungoma	542,772,196	-	-	-	-	18,742,700	11,000,000	15,837,026	-	-	36,424,018	-	82,003,744
4	Busia	447,133,112	-	125,328,154	-	-	12,673,000	11,000,000	15,096,539	-	-	-	-	164,097,693
5	Elgeyo/Marakwet	702,054,383	-	85,593,752	-	-	8,137,400	11,000,000	14,162,596	-	75,879,000	8,324,295	-	203,097,043
6	Embu	453,821,524	260,577,564	-	-	-	9,071,200	11,000,000	17,252,897	-	67,688,700	-	-	365,590,361
7	Garissa	1,087,727,785	-	75,269,050	-	450,000,000	14,807,400	11,000,000	19,237,689	-	80,912,850	-	-	651,226,989
8	Homa Bay	454,463,421	169,429,682	-	-	-	14,207,100	11,000,000	16,961,327	-	-	150,000,000	-	361,598,109

SN	County	FY 2021/22	FY 2022/23											
		Total Loans and Grants	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	EU Grant (instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)	DANIDA Grant - Primary Health Care in Devolved Context	IDA (World-Bank) Credit (Financing Locally-led Climate Action (FLLoCA) Program, County	Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World Bank - Kenya Informal Settlement Improvement Project(KISIP II)	IDA (World bank) Credit(Financing Locally-Led Climate Action Program, FLLoCA)	Total Loans and Grants
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
9	Isiolo	592,196,554	-	59,773,034	-	-	8,937,800	11,000,000	15,458,346	-	84,469,550	-	-	179,638,730
10	Kajiado	576,204,540	-	75,231,220	-	-	13,540,100	11,000,000	15,549,570	-	-	-	-	115,320,890
11	Kakamega	691,090,920	-	99,110,439	-	-	21,944,300	11,000,000	16,691,828	-	-	-	-	148,746,567
12	Kericho	569,054,323	-	72,680,579	-	-	11,339,000	11,000,000	16,995,122	-	-	-	-	112,014,701
13	Kiambu	589,239,254	400,318,542	-	-	-	19,876,600	11,000,000	17,814,189	-	-	42,456,908	-	491,466,239
14	Kilifi	2,154,008,617	219,997,606	-	-	2,000,000,000	22,011,000	11,000,000	16,633,495	-	-	200,000,000	-	2,469,642,101
15	Kirinyaga	573,638,600	148,043,801	-	-	-	8,937,800	11,000,000	15,419,509	-	-	-	-	183,401,110
16	Kisii	575,643,577	131,476,562	-	-	-	16,408,200	11,000,000	15,840,849	-	-	-	-	174,725,611
17	Kisumu	769,632,733	-	70,007,432	15,626,168	-	14,407,200	11,000,000	17,503,544	-	-	278,640,055	-	407,184,399
18	Kitui	505,225,111	153,298,172	-	-	-	18,609,300	11,000,000	17,077,037	-	70,223,000	-	-	270,207,509
19	Kwale	1,084,696,427	129,364,832	-	-	1,150,000,000	16,408,200	11,000,000	16,384,932	-	-	-	-	1,323,157,964
20	Laikipia	594,808,504	-	66,193,250	-	-	8,804,400	11,000,000	14,580,064	-	-	-	-	100,577,714

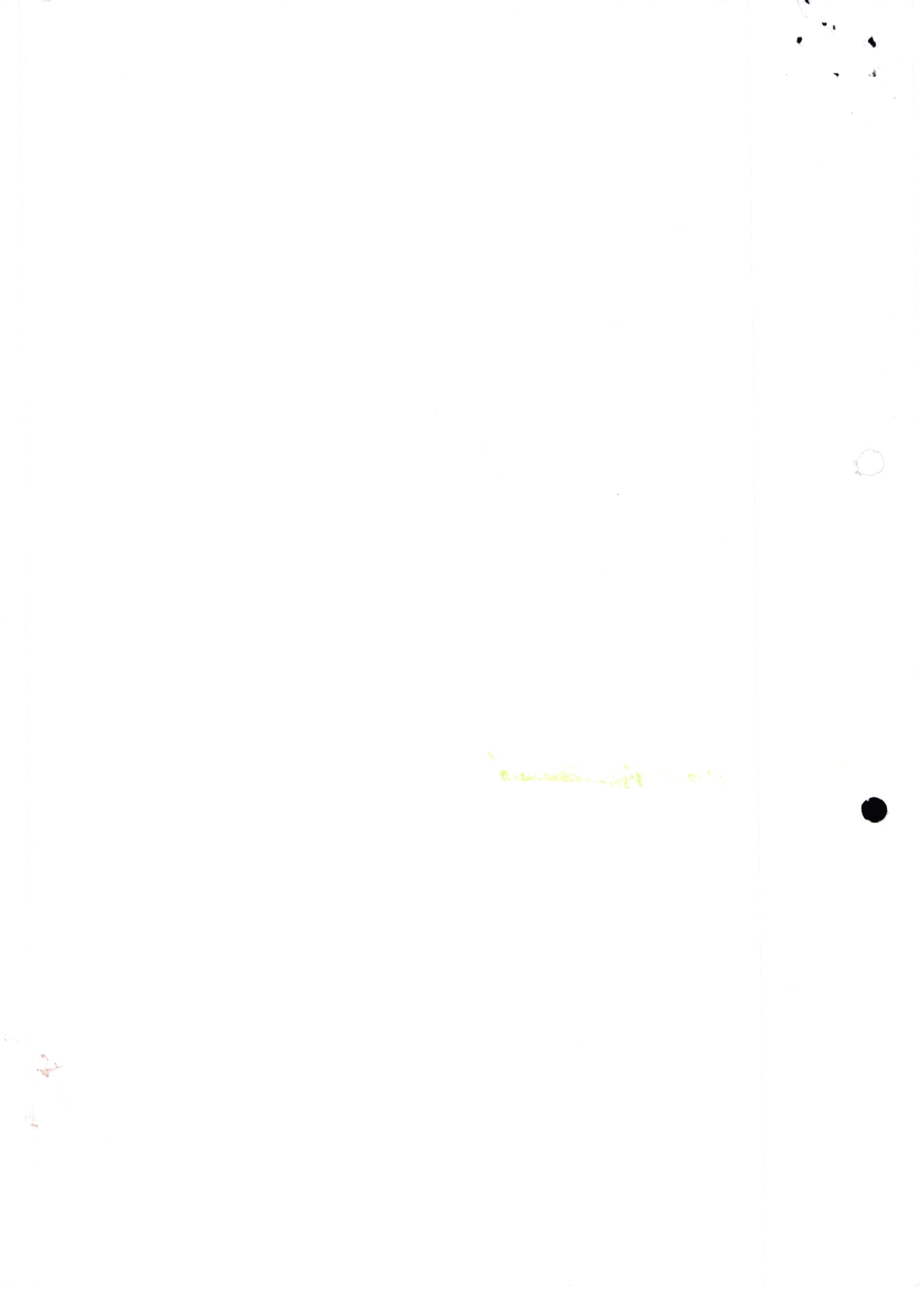
S/N	County	FY 2021/22	FY 2022/23											
		Total Loans and Grants	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) Credit: Water & Sanitation Development Project (WSDP)	DAVIDA Grant - Primary Health Care in Devolved Context	IDA (World Bank) Credit (Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant (Level I), Sweden- Agricultural Sector Development Support Programme (ASDSP) II	German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	World Bank - Emergency Locust Response Project (ELRP)	World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	IDA (World Bank) Credit Financing Locally-Led Climate Action Program, FLLoCA)	Total Loans and Grants	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
21	Lamu	387,821,812	-	5,236,636	-	-	5,469,400	11,000,000	15,214,470	-	-	200,000,000	-	236,920,506
22	Machakos	563,831,924	-	68,040,614	-	-	16,341,500	11,000,000	15,404,784	-	67,674,400	-	-	178,461,298
23	Makueni	600,213,719	182,245,441	-	-	-	15,607,800	11,000,000	16,187,773	-	-	-	-	225,041,014
24	Mandera	607,418,422	-	81,191,951	-	-	21,544,100	11,000,000	18,686,862	-	91,274,250	-	-	223,697,163
25	Marsabit	753,314,489	-	55,194,559	16,140,048	-	14,273,800	11,000,000	18,451,009	387,000,000	93,873,850	-	-	595,933,266
26	Meru	778,344,871	206,960,478	-	-	-	16,941,800	11,000,000	15,209,642	-	75,983,000	-	-	326,094,920
27	Migori	391,091,244	115,188,436	-	-	-	14,273,800	11,000,000	18,146,589	-	-	-	-	158,608,825
28	Mombasa	1,313,902,680	-	-	-	950,000,000	14,874,100	11,000,000	14,414,211	-	-	219,423,444	-	1,209,711,755
29	Murang'a	454,929,372	202,429,735	-	-	-	13,273,300	11,000,000	14,410,294	-	-	-	-	241,113,329
30	Nairobi City	866,791,349	-	-	-	-	33,550,100	11,000,000	20,945,243	-	-	350,000,000	-	415,495,343
31	Nakuru	819,285,259	92,144,660	-	-	-	22,077,700	11,000,000	15,827,494	-	-	300,000,000	-	441,049,854
32	Nandi	524,798,208	155,424,837	-	-	-	11,272,300	11,000,000	14,501,837	-	-	16,519,088	-	208,718,062

S/N	County	FY 2021/22	FY 2022/23												
		<i>Total Loans and Grants</i>	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M
45	Vihiga	417,314,928	67,413,552	-	-	-	-	9,804,900	11,000,000	13,982,977	-	-	-	-	102,201,429
46	Wajir	1,160,065,181	-	78,101,121	15,626,168	550,000,000	18,009,000	11,000,000	22,904,132	-	89,529,250	230,000,000	-	-	1,015,169,671
47	West Pokot	559,953,126	-	114,909,620	-	-	10,538,600	11,000,000	18,793,436	-	70,759,700	-	-	-	226,001,356
	Total	32,243,890,515	3,563,132,210	1,999,970,000	119,997,019	5,900,000,000	667,000,000	517,000,000	775,134,775	825,000,000	1,199,810,000	2,700,000,000	5,433,000,000	23,700,044,004	

THIRD SCHEDULE**Allocations from the Equalization Fund for the Marginalized areas for the FY 2022-2023.**

No.	COUNTY	FY 2021/2022	FY2022/23	TOTAL
1	Baringo	396,090,056.67	410,201,046.07	806,291,103
2	Bomet	12,790,912.52	13,246,597.86	26,037,510
3	Bungoma	39,127,812.29	40,521,768.37	79,649,581
4	Busia	11,968,468.05	12,394,853.22	24,363,321
5	Elgeyo Marakwet	43,344,757.89	44,888,945.66	88,233,704
6	Garissa	419,977,632.76	434,939,634.02	854,917,267
7	Homa Bay	87,604,010.00	90,724,965.03	178,328,975
8	Isiolo	98,782,717.91	102,301,922.35	201,084,640
9	Kajiado	276,095,875.57	285,931,987.11	562,027,863
10	Kericho	40,527,235.23	41,971,046.75	82,498,282
11	Kilifi	359,394,892.38	372,198,590.51	731,593,483
12	Kisumu	16,198,087.17	16,775,155.52	32,973,243
13	Kitui	264,587,656.25	274,013,779.30	538,601,436
14	Kwale	164,949,142.52	170,825,572.79	335,774,715
15	Laikipia	79,416,251.80	82,245,512.14	161,661,764
16	Lamu	38,352,059.72	39,718,379.07	78,070,439
17	Machakos	8,602,649.08	8,909,124.56	17,511,774
18	Mandera	501,519,700.07	519,386,695.35	1,020,906,395
19	Marsabit	308,685,487.79	319,682,627.39	628,368,115
20	Meru	19,921,432.69	20,631,147.87	40,552,581
21	Migori	118,331,949.45	122,547,609.14	240,879,559
22	Murang'a	3,780,709.85	3,915,400.33	7,696,110
23	Nakuru	4,283,648.32	4,436,256.33	8,719,905
24	Nandi	77,713,331.50	80,481,924.10	158,195,256
25	Narok	513,675,602.75	531,975,660.69	1,045,651,263
26	Samburu	432,475,053.34	447,882,284.07	880,357,337
27	Siaya	17,167,277.61	17,778,874.06	34,946,152
28	Taita taveta	8,876,797.24	9,193,039.44	18,069,837
29	Tana River	294,306,383.64	304,791,257.45	599,097,641
30	Tharaka Nithi	29,293,164.07	30,336,753.83	59,629,918

No.	COUNTY	FY 2021/2022	FY2022/23	TOTAL
31	Trans Nzoia	4,978,023.58	5,155,369.20	10,133,393
32	Turkana	761,584,245.26	788,716,224.55	1,550,300,470
33	Wajir	486,048,672.49	503,364,501.43	989,413,174
34	West Pokot	680,106,212.55	704,335,479.10	1,384,441,692
	Total	6,620,557,910.01	6,856,419,984.67	13,476,977,895



MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the transfer of conditional allocations from national governments share of revenue and from development partners to the County Governments for the financial year 2022/23.

Clause 1 of the Bill provides for the short title while **clause 2** defines the various terms used in the Bill.

Clause 3 of the Bill contains the object of the Bill which is to provide for the allocation of conditional grants to county governments for the financial year 2022/23; and to provide for the transfer of these conditional allocations from the Consolidated Fund to the respective County Revenue Fund.

Clause 4 of the Bill provides for conditional allocations to be made to county governments.

Clause 5 of the Bill provides for the specific conditional allocations from the National Government and development partners to the county governments.

Clause 6 of the Bill provides for the transfer of funds from the Equalization Fund.

Clause 7 of the Bill provides for reports on actual transfers.

Clause 8 of the Bill provides for county government books of accounts to reflect National Government transfers.

Clause 9 provides for reporting.

Dated the 19th October, 2022.

ALI IBRAHIM ROBA,
Chairperson,
Standing Committee on Finance and Budget.

