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REPUBLIC OF KENYA

Hon. Speaker
may approve for tabling
J. M. Nyegenye, C.B.S.,
Clerk of the senate/secretary, PSC
Date: 11/06/24

THIRTEENTH PARLIAMENT | THIRD SESSION

THE SENATE

APPROVED
RT. HON. SEN
AMASON J. KINGI

STANDING COMMITTEE ON FINANCE AND BUDGET

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11/06/24

REPORT ON THE COUNTY GOVERNMENTS ADDITIONAL
ALLOCATIONS BILL (SENATE BILLS NO. 19 OF 2024)

	CLERK AT THE TABLE
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	DATE
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Clerk's Chambers,
Parliament Buildings,
NAIROBI.

June 2024

	PAPERS LAID
DATE	11/06/2024
TABLED BY	SNL
COMMITTEE	Finance & Budget
CLERK AT THE TABLE	C. CHEROP

Mr. Hon. Speaker
You may appear for the bill.
J. M. Nease, Clerk
Chief of this committee, HSC

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LIST OF ABBREVIATIONS/ACRONYMS

ABDP	Aquaculture Business Development Programme
CCRI	County Climate Resilience Investment
CGAAB	County Government Additional Allocation Bill
CGAAA	County Government Additional Allocation Act
CILOR	Contribution in Lieu of rates
CoG	Council of County Governors
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
DRPNK	Drought Resilience Programme in Northern Kenya
DRPNK	Drought Resilience Programme in Northern Kenya
ELRP	Emergency Locust Response Project
FLLoCA	Financing Locally-Led Climate Action
FSRP	Food Systems Resilience Project
FY	Financial Year
IBP-Kenya	International Budget Partnership-Kenya Chapter
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IGRTC	Intergovernmental Relations Technical Committee
KDSP	Kenya Devolution Support Programme
KISIP	Kenya Informal Settlement Improvement Project
KUSP	Kenya Urban Support Project
MDAs	Ministries State Departments and Agencies
NAVCDP	National Agricultural Value Chain Development Project
PFM	Public Finance Management
UIG	Urban Institutional Grant
UNFPA	United Nations Fund for Population Activities
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, EGH, MP - Chairperson
- 2) Sen. Maureen Tabitha Mutinda, MP - Vice-Chairperson
- 3) Sen. (Dr.) Boni Khalwale, CBS, MP - Member
- 4) Sen. Tabitha Karanja Keroche, MGH, MP - Member
- 5) Sen. Joyce Chepkoech Korir, MP - Member
- 6) Sen. Mohamed Faki Mwinyihaji, CBS, 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 Bill, 2024 (Senate Bills No. 19 of 2024) was published *vide* Kenya Gazette Supplement No. 77 of 28th March, 2024. The Bill was read a First Time in the Senate on Thursday, 30th May, 2024. Thereafter, pursuant to standing order 145 of the Senate Standing Orders, the Bill was committed to the Standing Committee on Finance and Budget for consideration.

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 the Constitution to the county governments for Financial Year 2024/2025. The Bill also provides for the responsibilities of national and county governments.

The First Schedule to the Bill outlines additional allocations amounting to Ksh.8.21 billion to County Governments from the National Governments' share of the revenue raised nationally for FY 2024/2025. The allocations are-

- a) Supplement for Construction of County Headquarters amounting to Ksh.445 million to the following five Counties: Nyandarua, Tana River, Tharaka Nithi, Isiolo, and Lamu.
- b) County Aggregation and Industrial Parks (CAIP) programme to be undertaken in 18 counties with each county receiving Ksh.250 million, totalling Ksh.4.5 billion.
- c) Community Health Promoters (CHPs) Programme amounting to Ksh.3.234 billion to be shared among the forty-seven county governments.
- d) Transfer of Museum function amounting to Ksh.30.184 million.

The Second Schedule to the Bill outlines the conditional allocations to county governments from Road Maintenance Fuel Levy Fund. The allocation is towards the maintenance of county roads for FY 2024/2025, amounting to Ksh.10.522 billion.

The Third Schedule provides unconditional additional allocations to county governments from court fines amounting to Ksh.7.43 million and 20% share of mineral

royalties Ksh.1.055 billion. The total allocation under this Third Schedule is Ksh.1.062 billion.

The Fourth Schedule outlines additional allocations to County Governments from the proceeds of loans or grants from Development Partners for FY 2024/2025 amounting to Ksh.35.66 billion. Additionally, it indicates the beneficiary county for each of the additional allocations. These allocations include-

- a) DANIDA grant for financing Primary Healthcare in Devolved Context amounting to Ksh.487.5 million.
- b) Kenya Informal Settlement Improvement Project (KISIP II)- IDA World Bank funded project amounting to Ksh.10.6 billion.
- c) Emergency Locust Response Project (ELRP) financed by proceeds from an IDA (World Bank) loan amounting to Ksh.1.9 billion.
- d) Financing Locally- Led Climate Action Program, (FLLoCA) County Climate Resilience Investment (CCRI) grant financed by proceeds from a KfW (German Development Bank) loan amounting to Ksh.1.2 billion.
- e) IDA (World Bank) Credit (Financing Locally- Led Climate Action Program, FLLoCA) County Climate Resilience Investment (CCRI) Grants allocation of Ksh.3.712 billion.
- f) IDA (World Bank) loan for the Food Systems Resilience Project – (FSRP) totalling to Ksh.2.25 billion.
- g) IDA (World Bank) Loan for the National Agricultural Value Chain Development Project (NAVCDP) amounting to Ksh.5 billion.
- h) IDA (World Bank) loan to finance Water and Sanitation Development Project (WSDP) totalling to Ksh.5.70 billion.
- i) IDA (World Bank) loan for the Kenya Devolution Support Programme (KDSP) II of Ksh.1.76 billion.
- j) IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) – Urban Institutional Grant (UIG) of Ksh.1.57 billion.
- k) International Fund for Agricultural Development (IFAD) loan for the Kenya Livestock Commercialization Project (KeLCoP) totalling Ksh.378.7 million.

- l) KfW (German Development Bank) Loan for the Drought Resilience Programme in Northern Kenya (DRPNK) of Ksh.781.96 million.
- m) International Fund for Agricultural Development (IFAD) loan for the Aquaculture Business Development Programme (ABDP) of Ksh.245.88 million.
- n) United Nations Fund for Population Activities (UNFPA) grant for the tenth Country Kenya Programme totalling Ksh.65.2 million.

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 Friday, 31st May, 2024, 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 a meeting with the National Treasury and Economic Planning, Commission on Revenue Allocation (CRA), Council of Governors (CoG), and State Department for Housing and Urban Development to deliberate on the Bill on Wednesday, 5th June, 2024.

The Committee, having considered the Bill and analysed stakeholders' submissions made the following observations. That –

- a) the proposed allocation on World Bank- Kenya Informal Settlement Improvement Project amounting to Ksh.10.6 billion had been revised to Ksh.10.4 billion during consideration of FY 2024/25 budget estimates. Further, the allocation is sourced from 2 different development partners but the Bill indicates its only from one.
- b) Following the request from State Department for Agriculture and concurrence from the National Treasury, the request for inclusion of conditional grant from the government of Sweden for Kenya Agricultural Business Development Project (KABDP) amounting to Ksh.733 million be considered. Under this project, the proposed allocation to county governments is Ksh.513.189 million.
- c) Whereas the National Treasury proposed that mineral royalties be deleted from the unconditional allocations under clause 5(3) of the Bill as these funds were included in the County Governments Additional Allocations Act, 2024, the Committee notes

that this allocation is not included in the Supplementary II Estimates approved by the National Assembly, therefore this allocation should be retained in the Bill for transfer to counties in FY 2024/25.

- d) Following the request from State Department for Housing and Urban Development, for inclusion of conditional grant on KUSP, and concurrence from the National Treasury, the request is within the approved fiscal framework as follows-
 - i) inclusion of IDA (World Bank) Credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG) amounting to Ksh.5.890 billion; and
 - ii) IDA (World Bank) Credit: Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG) be amended from Ksh.1.575 billion to Ksh.1.715 billion.
- e) The proposed allocation on the conditional grant on supplement for construction of county Headquarters leaves a balance of Ksh.78.2 million. This proposed allocation should be amended to ensure the whole amount is transferred to the beneficiary counties. However, each beneficiary county of this allocation was to receive Ksh.121 million for 3 years amounting to an aggregate allocation of Ksh.363 million for each respective county. Nyandarua County has so far received a cumulative amount of Ksh.429,399,278 which exceeds its allocation.

The Committee, having considered the Bill recommends that the Senate approves the Bill with amendments, among them-

- a) amendment to clause 4(2) of the Bill to ensure counties which receive allocations for the supplement for county headquarters include the allocation in their budgets;
- b) the First Schedule to the Bill be amended to increase allocation for supplement for construction of county headquarters by Ksh.78.2 million. Further, Nyandarua County should not receive any allocation since its aggregate allocation has exceeded the actual entitlement;
- c) clause 5(4) and the Fourth Schedule to the Bill be amended to indicate that Kenya Informal Settlement Improvement Project (KISIP II) is financed by proceeds from two development partners-IDA World Bank supports amounting

to Ksh.5.156 billion and the French Development Agency (AFD) supports Ksh.5.243 billion;

- d) clause 5(4) and the Fourth Schedule to the Bill be amended to reflect the following two components of the Kenya Urban Support Project (KUSP)-
 - (i) to include Urban Development Grant component of Ksh.5.890 billion;
 - (ii) to increase Urban Institutional Grant component from Ksh.1.575 billion to Ksh.1.715 billion;
- e) clause 5(4) and the Fourth Schedule to the Bill be amended to include a conditional grant financed by the Government of Sweden (Swedish International Development Cooperation Agency - SIDA) to finance the Kenya Agriculture Business Development Project (KADBP) amounting Ksh.560.189 million.
- f) amendment to clause 5(3) to reflect the correct Financial Year (2024/25) to which the unconditional allocations apply;
- g) amendment to clause 5(4)(d) and (e) to expressly provide for the total amount of the conditional allocation for FLLoCA. The actual amounts to each beneficiary county government will be determined upon assessment and meeting set criteria; and
- h) amendment to clause 5(6) to provide that all additional allocations to county governments under clause 5(1), (2), (3) and (4) shall be transferred to the respective County Revenue Fund in accordance with a disbursement schedule approved pursuant to section 17 of the Public Finance Management Act, Cap. 412A.

Acknowledgment

The Committee appreciates all the stakeholders who submitted written memoranda and who appeared before the Committee to present their comments on the Bill.

The Committee also appreciates the offices of the Speaker and the Clerk of the Senate for the support extended to the Committee in discharging its mandate.

Lastly, I take this opportunity to commend the Members of the Committee for their devotion and commitment to duty, which made the consideration of the County Governments Additional Allocations Bill, 2024 successful.

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 Bill, 2024 (Senate Bills No. 19 of 2024).



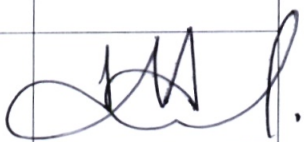


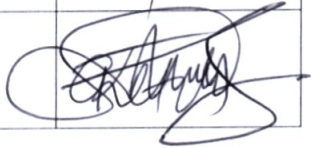
Signature..........

Date..06.10.6.2024

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

**ADOPTION OF THE REPORT OF THE STANDING COMMITTEE ON
FINANCE AND BUDGET ON THE COUNTY GOVERNMENTS
ADDITIONAL ALLOCATIONS BILL, 2024 (SENATE BILLS NO. 19 OF 2024)**

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, EGH, MP	Chairperson	
2.	Sen. Maureen Tabitha Mutinda, MP	Vice-Chairperson	
3.	Sen. (Dr.) Boni Khalwale, CBS, MP	Member	
4.	Sen. Tabitha Karanja Keroche, MGH, MP	Member	
5.	Sen. Joyce Chepkoech Korir, MP	Member	
6.	Sen. Mohamed Faki Mwinyihaji, CBS, MP	Member	
7.	Sen. Richard Momoima Onyonka, MP	Member	
8.	Sen. Shakila Abdalla Mohamed, MP	Member	
9.	Sen. Eddy Gicheru Oketch, MP	Member	

CHAPTER ONE

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

1.1 Introduction

1. The County Governments Additional Allocations Bill, 2024 is prepared according to Article 202(2) of the Constitution which provides that County Governments may be given additional allocations from the National government's share of revenue either conditionally or unconditionally. Additionally, Article 190 of the Constitution allows support to county governments by way of legislation through Parliament to ensure that county governments have adequate resources to enable them to perform their functions. Section 191 of the Public Finance Management (PFM) Act, Cap 412A lists the County Governments Additional Allocations Bill as part of Bills allocating revenue which should be introduced each year to Parliament alongside the Budget Policy Statement (BPS).
2. The principal object of this Bill is to make provisions for the transfer of conditional and unconditional allocations from the national government's share of revenue and from development partners to the county governments, for the financial year 2024/2025. The Bill contains eight clauses and four schedules, with each exclusively expounding on the nature of allocations contained and the amount allocated to each county government.
3. The total county government additional allocations for the FY 2024/25 is Ksh.55.45 billion. Ksh.8.21 billion is for total conditional allocations to county governments from the National Government's share of revenue. Conditional Additional Allocations to County Governments from the Road Maintenance Levy Fund (RMLF) for FY 2024/25 account for Ksh.10.522 billion; and unconditional additional allocations to County Governments from Court Fines as well as the 20% Share of Mineral Royalties for the FY 2024/25 amount to Ksh.1.062 billion. Further, total conditional allocations from development partners in form of loans or grants for the FY 2024/25 amount to Ksh.35.66 billion.

1.2 Contents of the Bill

I. Allocations from the National governments share of revenue

4. The conditional allocations financed from the National Government's share of revenue include the following-
- a. Construction of County Headquarters – Ksh.445 million to facilitate continued support to the counties of Isiolo, Lamu, Tana River, Tharaka Nithi and Nyandarua in the construction of their county headquarters. An amount of Ksh.445 million has been set aside and is distributed as follows: Isiolo (Ksh.60 million), Lamu (Ksh.119 million), Tana River (Ksh.119 million), Tharaka Nithi (Ksh.28 million) and Nyandarua (Ksh.119 million).
 - b. County Aggregation and Industrial Parks (CAIPs) –In FY 2024/25 the programme is scheduled to be undertaken in 18 counties with each county receiving Ksh.250 million. The estimated cost for establishment of an Industrial Park is Ksh.500 million annually, hence the cost will be shared between the benefiting county government and the national government on a 50:50 matching basis.
 - c. Community Health Promoters (CHPs) Programme - Ksh.3.234 billion to be shared among the forty-seven county governments, taking into account the number of Community Health Promoters (CHPs) in each county. The programme was extended from the initial three years to five years under the BETA model of economic revival to accelerate the achievement of Universal Health Coverage through support to the County Governments. Each county government is obligated to provide an equal amount of counterpart funding from their equitable share to match the National Government's contribution.
 - d. Transfer of Museum function - the Intergovernmental Relations Technical Committee vide Gazette Notice No. 13982 dated 11th November 2022 delineated and transferred the Museum function to county governments. The attendant resources to be transferred to the seven (7) counties with Museum stations amount to Ksh.30.18 million. The resources are earmarked for personnel emoluments.

II. Allocations from the Road Maintenance Levy Fund

5. The Second Schedule to the Bill contains conditional additional allocations from the Road Maintenance Levy Fund (RMFL) amounting to Ksh.10.522 billion towards the maintenance of county roads. The allocation criteria of the fund involved allocation of weights considering different factors. The identified five (5) factors are weighted as follows: Length of road (Km)-60%, Climate/Rainfall-5%, Rural Access Index (RAI)-10%, Distribution soil types- 5% and an equal share of 20%. The application of the criteria under the allocation of weights against the five factors resulted to a sharing index for each county government. To arrive at an allocation per county, the sharing index was multiplied with the total allocation of Ksh.10.522 billion.

Allocations from Court Fines and Mineral Royalties

6. The Third Schedule to the Bill contains unconditional additional allocations from court fines emanating from contravention of county legislations amounting to Ksh.7.43 million. The benefiting counties are; Kiambu-Ksh.5.69 million, Kisumu-66.91 million, Kitui-50 million and Machakos -1.62 million. In FY 2023/24 ten counties benefitted from the allocation as compared to four counties scheduled to benefit in FY 2024/25.
7. The Third Schedule also contains unconditional allocations emanating from the twenty percent (20%) share of Mineral Royalties, pursuant to section 183 of the Mining Act, 2016. The law requires the holder of a mineral right to pay royalty to the State in respect of the various mineral classes won by virtue of the mineral right. Section 183(5) of the Mineral Act, 2016 envisages the sharing of mineral royalties as follows: seventy percent shared to the National Government, twenty percent to the County Government and ten percent to the community where the mining operations occur.
8. For FY 2024/25, the allocations from the 20% mineral royalties for the county governments amount to Ksh.1.055 billion. The amount to be shared among twenty-one (21) counties, is from the mineral royalties accrued in the FY 2021/22 as submitted by the State Department for Mining. Analysis shows that the 70% due to the national government is equivalent to Ksh.3.69 billion while the 10% due to the community is Ksh.527.6 million for the FY 2021/22.

III. Conditional allocations financed from proceeds of Loans or grants by Development Partners.

9. The Fourth Schedule to the Bill sets out allocations of Ksh.35.66 billion to counties from development partners spread across fourteen (14) different donor projects. These include allocations from the following:

- a) DANIDA grant for financing Primary Healthcare in Devolved Context amounting to Ksh.487.5 million. The core purpose of the grant is to improve primary healthcare with focus on reproductive, maternal newborn, child and adolescent health (RMNCAH) services at the county level in level 1, 2 and 3 health facilities. The project will be undertaken across all the forty-seven (47) governments.
- b) Kenya Informal Settlement Improvement Project (KISIP II)- IDA World Bank funded project amounting to Ksh.10.6 billion aimed at improving access to basic services and land tenure security of residents in participating urban informal settlements and strengthening institutional capacity for slum upgrading in Kenya by developing sustainable infrastructure in selected informal settlements and in selected urban areas as part of slum upgrading. The project is designed to be implemented in 23 counties with high allocations going to city counties such as Nairobi, Mombasa, Kisumu, Nakuru, and Uasin Gishu. Other counties with a large share but not city counties are; Kiambu, Kilifi, Trans-Nzoia, and Homabay.
- c) Emergency Locust Response Project (ELRP) financed by proceeds from an IDA (World Bank) loan amounting to Ksh.1.9 billion. The main purpose of the financing is to prevent and respond to the threat to livelihoods posed by the desert Locust outbreak and to strengthen Kenya's systems for preparedness. The project will be implemented in fifteen (15) counties with the allocation per county varying between Ksh.142.5 million or Ksh.121 million or Ksh.104.6 million.
- d) Financing Locally- Led Climate Action Program, (FLLoCA) County Climate Resilience Investment (CCRI) grant financed by proceeds from a KfW (German Development Bank) loan amounting to Ksh.1.2 billion. The core objective of the grant is to support county governments to roll out and

implement County Climate Action Plans (CCAP). The program is intended to benefit 16 counties.

- e) IDA (World Bank) Credit (Financing Locally- Led Climate Action Program, Flloca) County Climate Resilience Investment (CCRI) Grants allocation of Ksh.3.712 billion to forty-five (45) counties, excluding Nairobi and Mombasa. The two counties are yet to develop and enact Climate Change laws. The FLLoCA Program Development Objective (PDO) is to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks. The Program is designed to run from February, 2022 to June, 2027. The grant is designed to encourage and financially facilitate County Governments to implement the County Climate Action Plans (CCAPs). The allocation per county shall be determined on a performance-for-results (PforR) basis, where counties will be assessed on certain performance criteria/ conditions.
- f) IDA (World Bank) loan for the Food Systems Resilience Project – (FSRP) totaling to Ksh.2.25 billion going to thirteen (13) counties. The main objective of the grant is to support the counties in preparedness against food insecurity and improve the resilience of food systems. Each county is allocated Ksh.173.1 million and is expected to provide a counterpart funding of Ksh.5 million.
- g) IDA (World Bank) Loan for the National Agricultural Value Chain Development Project (NAVCDP) amounting to Ksh.5 billion to be shared among thirty-three (33) counties. The program targets small-scale farmers participating in value addition of select value chains. The amount is shared equally among the counties with each getting Ksh.151.5 million and expected to give a counterpart funding of Ksh.5 million.
- h) IDA (World Bank) loan to finance Water and Sanitation Development Project (WSDP) totalling to Ksh.5.7 billion allocated among six (6) selected counties in the coastal and north eastern regions. The project targets water and sanitation activities in the counties with a goal of increasing water and sanitation coverage.

- i) IDA (World Bank) loan for the Kenya Devolution Support Programme (KDSP) II of Ksh.1.76 billion was shared equally among the forty-seven (47) counties with each benefitting with Ksh.37.5 million. The purpose of the grant is to incentivize counties to set up core governance and institutional arrangements for management of public resources through capacity-building and institutional strengthening activities. The end objective of the programme is to strengthen counties to deliver on their functions efficiently and effectively.
- j) IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) – Urban Institutional Grant (UIG) of Ksh.1.57 billion. The grant is for providing support towards formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, boards administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments. Each of the forty-five (45) participating County Governments will benefit with Ksh.35 million.
- k) International Fund for Agricultural Development (IFAD) loan for the Kenya Livestock Commercialization Project (KeLCoP) totalling Ksh.378.7 million. The program will be implemented in ten (10) semi-arid, arid, and highland counties. The project is in line with Government's agriculture transformation Agenda of increasing rural small-scale farmers' incomes, food and nutrition security. The project is developed with an aim of increasing incomes of 110,000 poor livestock and pastoralist households, especially youth and women.
- l) KfW (German Development Bank) Loan for the Drought Resilience Programme in Northern Kenya (DRPNK) of Ksh.781.96 million towards Turkana and Marsabit counties. The purpose of the grant is to build drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas in the counties.
- m) International Fund for Agricultural Development (IFAD) loan for the Aquaculture Business Development Programme (ABDP) of Ksh.245.88 million. The money is to be shared among fifteen (15) beneficiary counties

for increasing incomes, food security and nutritional status of the communities of poor rural households involved in aquaculture activities. The funds will be used in procuring solar power back-up for fresh fish markets serving as aggregation and market centres.

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

CHAPTER TWO

OVERVIEW OF PUBLIC PARTICIPATION ON THE BILL

2.1 Introduction

10. 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 Friday, 31st May, 2024 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.
11. The Committee held a meeting with the following stakeholders to deliberate on the Bill on Wednesday, 5th June, 2024—
- a) National Treasury and Economic Planning;
 - b) Commission on Revenue Allocation (CRA);
 - c) Council of Governors (CoG);
 - d) State Department for Housing and Urban Development; and
 - e) State Department for Agriculture

2.2 Submissions by the National Treasury and Economic Planning

12. The National Treasury appeared before the Committee and submitted the following—
- a) That clause 4(2) of the Bill be amended to provide that counties should also include in their Budget allocations for the Construction of County Headquarters Project. These projects were handed over to the five (5) beneficiary county governments that are expected to complete the project within the scope of the contracts and as per the duly signed Intergovernmental Partnership Agreements with the National Government through the State Department for Public Works. As such, these counties are expected to include in their budget estimates, allocations for the grant and ensure that the allocation is used specifically for completion of their headquarters.

- b) That clause 5(3) be amended by deleting the phrase “2023/24” and replacing it with “2024/25. The unconditional allocations are for financial year 2024/25 and not financial year 2023/24.
- c) That clause 5(3)(b) be deleted since Ksh.2,934,923,147.61, being the total sum of 20% mineral royalties due to counties up to and including 30th June, 2022 (from the FY 2016/17 to FY 2021/22) has been included in the County Governments Additional Allocations Act, 2024 for the current FY 2023/24. Thus, the proposed allocation of Ksh.1,055,205,814.07 for mineral royalties in FY 2024/25 is already part of the Ksh.2,934,923,147.61 allocated in FY 2024/25 and as such this would amount to double allocation.
- d) Clause 5(4)(d) be deleted and replaced with “conditional allocations amounting to Kenya shillings one billion, two hundred million financed by proceeds from a KfW (German Development Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant as set out in Column E.
- e) Clause 5(4)(e) be deleted and replaced with “conditional allocations amounting to Kenya shillings three billion, seven hundred and twelve million financed by proceeds from an IDA (World Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant as set out in Column F.
- f) There's need to specify the total amount as the above two components of FLLoCA – CCRIG grant from both KfW and IDA (World Bank) are performance-based conditional additional allocations and so actual allocations to each of the beneficiary county government shall be determined upon carrying out an assessment of each county as per the specified criteria.
- g) That clause 5(5) be amended by inserting the words “and (c)” at the end of paragraph (d) since the allocations to be published by notice in the Kenya Gazette are those determined in terms of both paragraphs (b) and (c) and not paragraph (b) only.
- h) That clause 5(6) be amended by deleting the words “subsection (2)” and replaced with the words “subsections (1), (2), (3) and (4)” since all additional allocations to county governments under subsections (1), (2) (3) and (4) shall

all 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.

- i) That clause 5(7) be amended by deleting the words “subsections (1) and (2)” and replacing with the words “subsections (1), (2), (3) and (4)” since all additional allocations (conditional and unconditional) to county governments are to be appropriated and hence must be included in the budget estimates of the National Government and submitted to Parliament for approval.
- j) Clause 8 be amended by deleting the phrase “section 5(1), (2) and (3)” and replacing with the phrase “section 5(1), (2) and (4)”- in regard to the CGAAB, a county treasury shall report the actual expenditure by the county government of the conditional additional allocations made as either: conditional allocations from national government’s share of revenue [section 5(1)]; conditional allocations for RMLF [section 5(2)]; and conditional allocations financed by proceeds of loans and grants from development partners [section 5(4)]. This shall exclude actual expenditure by the county government of the unconditional additional allocations whose expenditures are considered same to those financed from unconditional equitable share.
- k) That in line with the rationale provided above, the Third Schedule (S.5(3)) in the CGAAB, 2024 (Senate Bills. No. 19 of 2024) be amended by deleting Column C. The National Treasury proposed that Ksh.1,055,205,814.07 unconditional allocations from mineral royalties be revised to nil as the amount is already provided for in the current financial year as part of the Ksh.2,934,923,147 included in the CGAA, 2024 for FY 2023/24.

2.3 Submissions by the State Department for Housing and Urban Development

13. State Department for Housing and Urban Development appeared before the Committee and submitted the following-

- a) Kenya Urban Support Program was allocated a budget of Ksh.8,201,000,000 for the FY 2024/2025 of which Ksh.7,605,000,000 is conditional grants to counties consisting of both Urban Development Grant (UDG) and Urban Investment Grant (UIG) components.

Specifically, Ksh.5,890,000,000 was earmarked for the UDG component (window 3) and Ksh.1,715,000,000 for the UIG component (window 2) within the allocated fiscal framework for the Financial Year 2024/2025.

- b) The UDG component previously excluded from the framework for conditional grants due to unforeseen delay in the signing of the Financing Agreement is now being expedited to have the first disbursements done in the FY 2024/2025.
- c) That the County Government Additional Allocation Bill (CGAAB), 2024 should be revised to include the UDG component amounting to Ksh.5,890,000,000.
- d) KISIP 2 builds on the successes of the first phase of KISIP to reach more settlements and population. The Government received an equivalent of USD 150,000,000 from the World Bank (IDA), EUR 45,000,000 from French Development Agency (AFD) and EUR 4,450,000 delegated grant from EU towards implementation of Second Kenya Informal Settlements Improvement Project (KISIP 2). The Government is contributing counterpart funding equivalent to USD 15,000,000.
- e) KISIP 2 became effective on 17th March, 2021 and is scheduled to close on 31st July, 2025 (IDA funding) and 17th December, 2028 for AFD funding
- f) At the county level, the project is being implemented by 23 counties and the purpose of the conditional grants is to implement infrastructure upgrading works.
- g) In FY 2024/2025, the project had been allocated Ksh.10,600,000,000 as conditional grants to the 23 counties. The funds will come from both financiers IDA (World Bank) and French Development Agency (AFD).
- h) That the figures in the CGAAB were captured as IDA (World Bank) and therefore there should be a separation from both financiers. Additionally, that the AFD funding was reduced in the final draft estimates by Ksh.200,000,000 thus there's need for revision of the previous framework for conditional grants.

2.4 Submissions by Commission on Revenue Allocation

14. CRA appeared before the Committee and submitted as follows-

- a) Clause 5(1)(c) be amended to provide that the conditional allocations for the Community Health Promoters (CHP) project are as set out in Column D and not Column E.
- b) Clause 5(1)(d) be amended to provide that conditional allocations for the transfer of Museum function are as set out in Column E and not Column F.
- c) That in the Budget Policy Statement, 2024 the transferred function of Museums amounting to Ksh.30.2 million was meant for eight (8) stations. The eight stations, as transferred to county governments by the Intergovernmental Relations Technical Committee, are Meru Njuri Ncheke Museum, Narok Museum, Garissa Museum, Wajir Museum, Longaingalani Museum, Kisumu Museum, Kitale Museum and Isiolo Museum. However, the Meru-Njuri Ncheke Museum has not been allocated any resources in Column E of the First Schedule.
- d) Clause 5(4) provides for conditional allocations financed by proceeds of loans or grants from development partners to each county government for FY 2024/25. These are as set out in Column Q and not column P of the Fourth Schedule.
- e) Clause 5(4)(d) be amended by deleting the words “amounting to” after conditional allocations.
- f) Clause 5(5) provides that the sharing of resources for co-financing of FLLoCA- County Climate Resilience Investment (CCRI) by both the German Development Bank and the World Bank shall be allocated on the basis of a criteria.
- g) The Criteria is provided for in 5(b) as: the first fifty percent of the total allocations for the CCRI grant shall be transferred on the basis of factors that reflect relative expenditure needs for climate action, including the variables of a fixed share at 33.3 percent, rural population at 30 percent, rural area at 13.3 percent and poverty at 23.3 percent.
- h) The weights provided in 5(b) are different from the weights in the third basis for revenue sharing. There is need for clarity of the formula to be used to

share the first fifty percent of the County Climate Resilience Investment Grant and its connection with the basis for sharing the equitable share transfers to county governments.

- i) Replace national revenue with nationally raised revenue in clause 5(b).
- j) Clause 5(c) provides that the second fifty percent of the total allocation for the CCRI grant shall be allocated on the basis of the scores for the performance measures, weighted with the basic allocation. The basic allocation needs to be defined in this Act.

2.5 Submissions by the Council of Governors

15. COG appeared before the Committee and submitted as follows-

General comments

- a) That since the introduction of the County Governments Additional Allocations Bill (CGAAB) in the FY 2021/22, it has always been passed late and outside the timeline provided for in the Public Finance Management (PFM) Act. The Senate should ensure that the Bill is considered and passed within the timelines provided in law and in any case not after the beginning of the financial year to which the allocations relate.
- b) Non-disbursement of funds relating to conditional grants as passed by Parliament – the National Treasury has not provided any update on the cause of the delays or any indication on when the funds will be disbursed. The specific allocations yet to be disbursed are as follows-
 - i) Supplement for construction of County Headquarters amounting to Ksh.454,000,000.
 - ii) Conditional grant for transfer of Library Services amounting to Ksh.162,848,690.
 - iii) Allocations for Court Fines amounting to Ksh.108,660,979.
 - iv) Allocation for Mineral Royalties amounting to Ksh.2,934,923,147.60.That the Senate should ensure timely disbursement of these funds to enable implementation of affected counties' budgets.
- c) Inclusion of funds in the CGAAB not meant to be transferred to the counties – that in previous Bills, there have been allocations included that are either

not meant to be transferred or spent directly by the counties. Some of the allocations included in the CGAAB 2024 but being spent at the National level (National Government MDAs) include-

- i) Fertiliser Subsidy Programme amounting to Ksh.5,000,000,000
- ii) Livestock Value Chain Project amounting to Ksh.1,642,868,400
- iii) De-Risking and Value Enhancement (DRIVE) amounting to Ksh.2,165,507,080
- iv) Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) amounting to Ksh.320,886,501

That going forward, only funds meant to be transferred and spent directly by the counties should be included in CGAAB.

- d) Payment of outstanding Contribution in Lieu of Rates (CILOR) – despite several efforts and recommendations by the Senate and the 2023 Budget Policy Statement, the National Treasury is yet to allocate the outstanding CILOR to the beneficiary counties. The Senate should therefore ensure compliance on the same.
- e) Provision for emergency related funds/allocations/grants- the current legal framework for managing additional allocations does not allow for allocation of emergency funds to counties once the CGAAB is passed. That therefore the Senate should legislate on accommodating any funds available to county governments within the FY that may be meant to address emergency situations or any additional budgetary requirements.
- f) That the Senate should provide a way forward on implementation of the provisions in sections 11(4)(c) and 11(5) of the Affordable Housing Act, 2024 on revenue sharing with the county governments.

Specific comments

- g) Column C of the First Schedule be amended to allocate Ksh.250,000,000 to 29 counties as opposed to the current 18, and the new total amount under Column C to be Ksh.7,250,000,000- the remaining 29 counties under phase 2 of the project have made significant progress in the construction of CAIPs. However, 11 Counties are yet to be scheduled for Budgetary allocation by

the National Government in the next FY as per the Bill, namely Tana River, Isiolo, Kisumu, Nairobi, Lamu, Samburu, Bomet, Makueni, Marsabit, Turkana and West Pokot. Additionally, Tana River and Isiolo counties are in advanced stages of construction while the rest are still in procurement stages. The 11 Counties have however allocated a budget for the project under FY 2023/24 and FY 2024/25. It is therefore imperative to have all counties move together towards the completion of the projects for better use of public resources.

- h) Clause 5(1) be amended by inserting a new subsection '(e)' immediately after subsection 5(1)(d) to provide for conditional allocations for payment of outstanding basic salary arrears for county governments healthcare workers as set out in Column G. This is in line with the commitments made by the national government in the return-to-work-formula signed between the national government and KMPDU to pay the outstanding salary arrears accrued. The total amount is Ksh.3.5 billion as per the 2017-2021 CBA. That however, the national government had committed to pay this across two financial years beginning 1st July, 2024 as per the Presidential Directive issued through the Head of Public Service.

COG therefore requested for inclusion of the conditional grant amounting to Ksh.1.75 billion for FY 2024/25.

- i) The Fourth Schedule be amended in Column K by increasing the Urban Institutional Grant (UIG) component allocation from the current Ksh.1.575 billion to Ksh.1.715 billion- the Second Kenya Urban Support Program (KUSP II) has two components, that is, the Urban Institutional Grant (UIG) and an Urban Development Grant (UDG) Component. The updated framework should include Urban Development Grant Component and an increment in the UIG component as requested by the Ministry.

However, the UDG component that was omitted initially has now been properly allocated within the available fiscal framework for the FY 2024/25. Therefore, the Senate should include the UDG component amounting to Ksh.5,889,666,720 and an increment on the UIG component from Ksh.1.575 billion to Ksh.1.715 billion.

- j) The Fourth Schedule be amended by inserting a new column to provide for conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Second Kenya Urban Support Program (KUSP II) amounting to KES 5.8897 billion.
- k) The Fourth Schedule be amended by inserting a new column to provide for conditional allocations financed by proceeds from an IDA (World Bank) loan for the Kenya Water, Sanitation and Hygiene (K-WASH) Program amounting to Ksh.3,860,921,330.90. The programme, supporting 19 counties has a Performance for Results (PforR) component which requires counties to achieve certain results before they are rewarded. The Program is anchored under the National Water and Sanitation Investment Program (NAWASIP) signed by CoG and the Ministry of Water, Sanitation & Irrigation.
- l) That section 191 of Public Finance Management Act be amended by inserting the following subsections immediately after subsection (3A) -
 - (i) new subsection (1) to provide that when the County Governments Additional Allocations Bill is submitted to Cabinet and to Parliament for approval, it shall be accompanied by the proposed disbursement schedule contemplated under Section 17 (7) of the Act; and
 - (ii) new subsection (2) to provide that the Cabinet and the Parliament shall consider the proposed disbursement schedule alongside the County Governments Additional Allocations Bill, and may approve the schedule with or without amendments.
 - (iii) That this is because the approval of the disbursement schedule after the Bill is passed takes an unnecessary additional time which could be cured through concurrent consideration of the two.
- m) The Public Finance Management Act, 2012 be amended by deleting sections 191A to 191 E because the sections had introduced additional bureaucracies and requirements that made it difficult for counties to access conditional grants in a timely manner. That COG had proposed for deletion of the sections after they were suspended for 2 FYs.

2.6 Submissions by State Department for Agriculture

16. The State Department for Agriculture submitted the following-

- a) That there was a conditional grant financing agreement between the government of Sweden and the government of Kenya that was executed and was effective from 1st March 2023 to 30th June, 2027. The government of Sweden had provided Msek 40,000,000 (Swedish Kronors-Forty Million) be the first tranche for Kenya Agricultural business development project (KABDP)
- b) The Kenyan government and respective county governments were to co-finance a portion of the project cost.
- c) The State Department requested for consideration of this conditional grant and its inclusion in the CGAAB 2024

CHAPTER THREE

COMMITTEE OBSERVATIONS

17. The Committee, having considered the Bill and stakeholders' observations, made the following observations-

- a) the proposed allocation for World Bank- Kenya Informal Settlement Improvement Project (KISIP II) amounting to Ksh.10.6 billion had been revised to Ksh.10.4 billion during consideration of FY 2024/25 budget estimates. Further, the allocation is sourced from two different development partners but the Bill indicates its only from one source.
- b) Following the request from State Department for Agriculture and concurrence from the National Treasury, the request for inclusion of conditional grant from the government of Sweden for Kenya Agricultural Business Development Project (KABDP) amounting to Ksh.733 million be considered. Under this project, the proposed allocation to county governments is Ksh.560.189 million.
- c) Whereas the National Treasury proposed that mineral royalties be deleted from the unconditional allocations under clause 5(3) of the Bill as these funds were included in the County Governments Additional Allocations Act, 2024, the Committee notes that this allocation is not included in the Supplementary II Estimates approved by the National Assembly, therefore this allocation should be retained in the Bill for transfer to counties in FY 2024/25.
- d) The request by the State Department for Housing and Urban Development, for inclusion of conditional grant on KUSP, and concurrence from the National Treasury, the appeal is within the approved fiscal framework as follows-
 - i. IDA (World Bank) Credit-Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG) amounting to Ksh.5.890 billion.
 - ii. IDA (World Bank) Credit-Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG) be amended from Ksh.1.575 billion to Ksh.1.715 billion.
- e) The proposed allocation on the conditional grant on supplement for construction of county Headquarters leaves a balance of Ksh.78.2 million. This proposed allocation should be amended to ensure the whole amount is transferred to the

beneficiary counties. However, each beneficiary county of this allocation was to receive Ksh.121 million for 3 years amounting to an aggregate allocation of Ksh.363 million for each respective county. Nyandarua County has so far received a cumulative amount of Ksh.429,399,278 which exceeds county's allocation, and therefore is ineligible to receive any more funding.

- f) The conditional allocations from the Road Maintenance Levy Fund (RMLF) amounting to Ksh.10.522 billion to county governments for the FY 2024/25 may not be effective and sufficient enough to enable county governments manage and maintain road infrastructure. This is because the legal provisions such as the Road Maintenance Levy Fund Act, 1993; Kenya Roads Boards Act, 1999; and Kenya Roads Act of 2007 are pre-2010 Constitution and hence they may not be fully aligned to the devolved system of governance. County governments are not recognized as part of road works implementation agencies.
- g) The unconditional allocations to the county governments from Court Fines and Mineral Royalties are indicated to be accruals of the Financial Year 2021/22 only. The Committee notes that any amount that accrued in the FY 2022/23 has not been included in the Bill for disbursement to benefiting counties and therefore should be considered in the subsequent Financial Years. Further, there is no provision of the mechanism to be used to disburse the 10% mineral royalties due to communities under section 183(5)(c) of the Mining Act, Cap. 306.
- h) The disbursement of Court Fines and Mineral Royalties has faced challenges arising from a lack of framework and mechanism of collection and remittance of the funds directly to beneficiary counties. The National Treasury has since advised that in order to fast track transfer of the funds already in the Consolidated Fund, the concerned MDAs should budget for the amounts in their subsequent budgets.
- i) Most of the projects financed from proceeds of loans or grants by development partners are ongoing and hence the disbursements of the funds allocated in the FY 2024/25 may be based on the successes of the projects. In particular, on the implementation of the FLLoCA Program there are minimum performance conditions to be met by the counties.

- j) The allocations for the County Aggregation and Industrial Parks (CAIPs) in the CGAA Act, 2024 are targeted at thirty-six (36) counties. According to the BPS 2024, the remaining eleven (11) counties will be considered in budget estimates of FY 2025/26.
- k) The Committee acknowledges the submission and request by CoG for inclusion in the Bill an allocation to the county governments under the Kenya Water and Sanitation hygiene (K-WASH) programme. However, the Committee noted that this request is not within the approved fiscal framework and its inclusion would result in distortion of the already approved budget ceiling.

CHAPTER FOUR

COMMITTEE RECOMMENDATIONS

18. The Committee recommends that the Senate approves the Bill with the following amendments-

- a) amendment to clause 4(2) of the Bill ensure that counties which receive allocations for the supplement for county headquarters include the allocations in their respective budgets;
- b) the First Schedule to the Bill be amended to increase allocation for the supplement for construction of county headquarters by Ksh.78.2 million. Further, Nyandarua County should not receive any allocation since its aggregate allocation has exceeded the actual entitlement;
- c) amendment to clause 5(1)(c) and (d) to reflect the correct Columns to which the conditional allocations apply that is Column D and E for Community Health Promoters and Transfer of Museums respectively;
- d) clause 5(4) and the Fourth Schedule to the Bill be amended to indicate that Kenya Informal Settlement Improvement Project (KISIP II) is financed by proceeds from two development partners-IDA World Bank supports amounting to Ksh.5.156 billion and the French Development Agency (AFD) supports Ksh.5.243 billion;
- e) clause 5(4) and the Fourth Schedule to the Bill be amended to reflect the following two components of the Kenya Urban Support Project (KUSP)-
 - (i) to include Urban Development Grant component of Ksh.5.890 billion;
 - (ii) to increase Urban Institutional Grant component from Kshs.1.575 billion to Ksh.1.715 billion;
- f) clause 5(4) and the Fourth Schedule to the Bill be amended to include a conditional grant financed by the Government of Sweden (Swedish International Development Cooperation Agency - SIDA) to finance the Kenya Agriculture Business Development Project (KADBP) amounting Ksh.513.189 million.
- g) amendment to clause 5(3) to reflect the correct Financial Year (2024/25) to which the unconditional allocations apply;

- h) amendment to clause 5(4)(d) and (e) to expressly provide for the total amount of the conditional allocation for FLLoCA. The actual amounts to each beneficiary county government will be determined upon assessment and meeting set criteria;
- i) amendment to clause 5(6) to provide that all additional allocations to county governments under clause 5(1), (2), (3) and (4) shall be transferred to the respective County Revenue Fund in accordance with a disbursement schedule approved pursuant to section 17 of the Public Finance Management Act, Cap. 412A; and
- j) amendment to clause 5(7) to provide that all additional allocations under clause 5(1), (2), (3) and (4) be included in the budget estimates of the national government.

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: Advertisement as published in the media



MINUTES OF HUNDRED AND TWENTY-FIFTH (125TH) MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON THURSDAY, 2ND MAY, 2024 IN THE GROUND FLOOR BOARDROOM, COUNTY HALL, PARLIAMENT BUILDING AT 9:00 A.M.

PRESENT

- | | | |
|---|---|--------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, EGH, MP | - | Chairperson |
| 2. Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chair |
| 3. Sen. Mohamed Mwinyihaji Faki, CBS, MP | - | Member |
| 4. Sen. Richard Momoima Onyonka, MP | - | Member |
| 5. Sen. Eddy Oketch Gicheru, MP | - | Member |

ABSENT WITH APOLOGY

- | | | |
|---|---|--------|
| 1. Sen. Tabitha Karanja Keroche, MGH MP | - | Member |
| 2. Sen. (Dr.) Boni Khalwale, CBS, MP | - | Member |
| 3. Sen. Shakila Abdalla Mohamed, MP | - | Member |
| 4. Sen. Joyce Chepkoech Korir, MP | - | Member |

SECRETARIAT

- | | | |
|----------------------------|---|-------------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Radoli | - | Legal Counsel |
| 4. Ms. Millicent Makina | - | Fiscal Analyst |
| 5. Mr. Kiminza Kioko | - | Fiscal Analyst |
| 6. Mr. Nandemu Barasa | - | Media Relations Officer |
| 7. Mr. Constant Wamayuyi | - | Research officer |
| 8. Mr. Elijah Ichwara | - | Audio Officer |

MIN/SEN/SCF&B/734/2024 **PRELIMINARIES**

The Chairperson called the meeting to order at 9:06 a.m. This was followed by a word of prayer and a round of introduction.

MIN/SEN/SCF&B/735/2024 **ADPOTION OF THE AGENDA**

The agenda was adopted after being proposed by Sen. Eddy Oketch Gicheru, MP, and seconded by Sen. Richard Momoima Onyonka, MP, as listed below-

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes of the 122nd Sitting;
4. Matters Arising from the Minutes of the Previous Sitting;
5. Consideration of the County Governments Additional Allocations Bill, 2024 (*Committee Paper No.91*);
6. Consideration and adoption of the Report on the Public Finance Management (Amendment) Bill, 2024 (Senate Bills No.40 of 2024) (*Committee paper No.83A*);
7. Consideration of stakeholders' submissions on County Public Finance Laws Amendment Bill (Senate Bills No.39 of 2023) (*Committee Paper No.81B*);
8. Pending Legislative Business (*Committee Paper No.77*);
9. Any Other Business; and
10. Adjournment and Date of the Next Meeting.

MIN/SEN/SCF&B/736/2024

CONFIRMATION OF THE MINUTES OF THE PREVIOUS SITTINGS

The Minutes of the Hundred and Twenty-Second (122nd) hybrid meeting held on Wednesday, 24th April, 2024 at 8:00 a.m. were confirmed as true record of the proceedings of the Committee having been proposed by Sen. Richard Momoima Onyonka, MP, and seconded by Sen. Eddy Oketch Gicheru, MP.

MIN/SEN/SCF&B/737/2024

CONSIDERATION OF THE DRAFT COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2024 (COMMITTEE PAPER NO.91)

The Committee considered Paper No.91 regarding the draft County Governments Additional Allocations Bill, 2024, and noted the contents thereof. Thereafter, the meeting was informed that-

- a) The Bill provides for the transfer of conditional and unconditional allocations from the national government's share of revenue and from development partners to the county governments for the Financial Year 2024/2025.
- b) The proposed total county government additional allocations for the FY 2024/25 is Ksh.55.45 billion and is distributed in four Schedules –
 - i. The First Schedule contains conditional allocations to each county government from the National Government's share of revenue. The total allocation amounting to Ksh.8.21 billion.
 - ii. The Second Schedule contains Conditional Additional Allocations to County Governments from the Road Maintenance Levy Fund (RMLF) for FY 2024/25. The total allocation amounting to Ksh.10.522 billion.
 - iii. The Third Schedule contains unconditional additional allocations to County Governments from Court Fines of Ksh.7.43 million and the beneficiary

county governments 20% Share of Mineral Royalties amounting to Ksh.1.055 billion. The total allocations for the FY 2024/25 from the two entitlements amounting to Ksh.1.062 billion.

- iv. The Fourth Schedule contains conditional allocations financed by proceeds of loans and/or grants from development partners. The total allocations for the FY 2024/25 amounting to Ksh.35.66 billion from fourteen (14) different donor projects.

Committee observations

- a) The total allocations towards the construction of the county headquarters by the end of FY 2024/25 will amount to Ksh.1,736.89 million, resulting in a balance of Ksh.78.2 million of the total proposed contribution from the national government. However, as per the schedule, some counties may end up benefitting with amounts above the initially planned contributions from the national government.
- b) Committee report recommending hand over of the management of the projects to counties is before the House awaiting approval, however the multi-agency team spearheaded by IGRTC has since prepared the intergovernmental agreements and the projects handed over to the counties.
- c) Despite, the national government commitment on the allocation towards the county CAIPs, some benefiting counties are struggling with providing the matching Ksh.250 million within their budgets. This posed a risk of stalling of the projects.
- d) The CHPs Programme requires Ksh.3.23 billion as counterpart funding from the counties. However, counties indicated that they may not be able to accommodate this amount within their budget if the proposed county equitable share by the National Treasury is not enhanced.
- e) Meru-Njuri-Njeke Museum in Meru County was part of the delineated and transferred Museums as per the 2024 BPS. However, the Bill does not include Ksh.15.7 million for the Meru-Njuri-Njeke Museum.
- f) The conditional allocations from the Road Maintenance Levy Fund (RMLF)- The legal provisions on distribution of the fund may not be fully aligned to the devolved system of governance. This is because county governments are not recognized as part of road works implementation agencies. Further, in the classification of public roads (First Schedule of the Kenya Roads Act) no specific roads is designated for county governments as required by the Constitution.
- g) The unconditional allocations to the county governments from court fines and Mineral Royalties are indicated to be accruals of the Financial Year 2021/22 only. It is not clear if there were any amount that accrued in the FY 2022/23 and when these will be disbursed to the benefiting counties.
- h) Further, disbursements of court fines and Mineral Royalties has faced challenges arising from lack of frameworks and mechanism of collection and remittance of the funds directly to beneficiary counties. National Treasury has since advised that in order to fast track transfer of the funds already in Consolidated Fund, the concerned MDAs should budget for the amounts in their subsequent budgets.

- i) A review of implementation of the FLLoCA Program showed that counties such as Mombasa and Nairobi are yet to meet the Minimum Access Conditions for the County Climate Institutional Support (CCIS) Grant, hence have not benefitted from the initial (level I) allocations of Ksh.22 million. Further, other counties are falling behind in meeting Minimum Performance Conditions for them to access the County Climate Resilience Investment (CCRI) Grant (level II).

The Committee resolved that once the Bill is read a First Time, key stakeholders such as the National Treasury, Commission on Revenue Allocation and the Council of Governors be invited to a meeting to submit their views and proposals on the Bill.

MIN/SEN/SCF&B/738/2024

CONSIDERATION OF THE REPORT ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2023 (SENATE BILLS NO.40 OF 2023) (COMMITTEE PAPER NO.83A)

The Committee considered the report on the Public Finance Management (Amendment) Bill, 2023 (Senate Bills No.40 of 2023) and noted the contents thereof. The report contained the overview of the Bill, submissions from stakeholders, Committee observations and recommendations (which will translate to Committee's amendments to the Bill).

MIN/SEN/SCF&B/739/2024

ADOPTION OF THE REPORT ON THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL, 2023 (SENATE BILLS NO.40 OF 2023)

Having considered the draft report on the Public Finance Management (Amendment) Bill, 2023 (Senate Bills No.40 of 2023), the Committee unanimously adopted the report having been proposed by Sen. Maureen Tabitha Mutinda, MP, and seconded by Sen. Eddy Oketch Gicheru, MP, with the following recommendations-

- a) Clause 2 of the Bill, *proposed new section 160A* of the PFM Act be amended to provide for-
- establishment of a Revenue Collection System Committee. This Committee will be mandated to design, develop and coordinate implementation of Integrated County Revenue Management System (ICRMS).
 - the membership of the Committee which should comprise representatives from the National Treasury, Kenya Revenue Authority, Commission on Revenue Allocation, Council of Governors and State Department for Devolution.
 - timeline within which the committee should ensure the system is available for adoption by the counties.
 - timeline within which the county governments should adopt or transition to the ICRMS.
- b) Clause 2 of the Bill, *proposed new section 160B* of the PFM Act be amended to provide-

- That each county treasury shall prepare and submit a quarterly report on the status of the adoption and implementation of the ICRMS.
- That the quarterly report shall be submitted to the respective county assembly, the Senate, Commission on Revenue Allocation and the Controller of Budget.
- c) clause 3, *proposed new section 191F(1)* of the PFM Act be amended to provide that in case where a function is transferred from the national government to county government, the Cabinet Secretary in determining the cost of the transferred function, shall do so in consultation with the respective county government.
- d) clause 3 of the Bill, *proposed new section 191G(6)* of the PFM Act be amended to provide that Auditor-General's Special Audit on the financial and non-financial performance of an entity to which a county government function is transferred to, shall be submitted to Parliament and respective county assembly.

MIN/SEN/SCF&B/740/2024

**CONSIDERATION OF STAKEHOLDERS'
SUBMISSIONS ON COUNTY PUBLIC FINANCE
LAWS AMENDMENT BILL (SENATE BILLS
NO.39 OF 2023) (COMMITTEE PAPER NO.81B)**

Committee considered Paper No.81B on stakeholders' submissions on the on the County Public Finance Laws Amendment Bill (Senate Bills No.39 of 2023), a Bill that seeks to provide for financial autonomy of county assemblies. Following deliberations, the Committee resolved-

- a) the proposed new sub-sections 109A.2(b), (c) and (d) of PFM Act, that stipulates the monies such as grants, gifts, donations or bequests, levies/fees, monies accruing to or received any other source, to be paid into the proposed County Assembly Fund, be deleted. This was attributed to the following-
 - the Fund should only receive funds appropriated by the county assembly, which should be channelled through County Revenue Fund;
 - Any grants, levies or other revenue should be factored in the Appropriation Act; and
 - That the Fund being an equivalent of a county exchequer accounts should only receive funds through an Appropriation Act.
- b) Since the Bill designates the Clerk of the County Assembly as the Administrator of the County Assembly Fund, section 19 of the County Assembly Services Act, 2017 which provide the roles of the Clerk should be amended to introduce the new role as the Administrator of the County Assembly Fund.
- c) Proposed new section 109A. (10) contradicts section 136 of the PFM Act that provides that any unspent balances at the end of a financial year lapses, and unutilized funds should be reappropriated. Thus, the section should be deleted or rephrased to provide that the at the end of the FY, any unutilized funds shall lapse and should be repaid into the CRF for rebudgeting in the subsequent FY.

- d) Proposed new section 190A. (11) of the PFM Act should be amended to provide that financial reports shall be submitted to National Treasury, County Treasury, County Assembly, Commission on Revenue Allocation, and Controller of Budget. Further, specify the timelines within which the financial reports shall be submitted to the named agencies.
- e) Proposed new section 109B.(c) of the PFM Act that provide that the administrative expenses as may be incurred by the Fund be deleted. This is because the expenses from the Fund are majorly recurrent in nature and shall be utilized in line with the recurrent budget ceilings proposed by CRA and approved by the Senate.
- f) For clarity, proposed new section 109D (2) be amended to provide that the Clerk of the County Assembly shall design the guidelines on the authority to incur expenditure.
- g) Clause 8 of the Bill on amendment of section 134 of the PFM Act be amended by deleting the word “Service” in the phrase “County Assembly Service Fund” since the Bill provides for establishment of County Assembly Fund.

The Committee took note of the proposal by SOCATT on establishment of a County Assembly Budget Office. The office is meant to offer professional and technical guidance to the members of the county assembly to enable them make informed decisions on public finance. The office will emulate the Parliamentary Budget Office established under section 9 of the PFM, Cap.412A. The Committee, aware of standing order 147, noted that the proposal was outside the subject matter.


The Committee, thus, resolved to sponsor an amendment Bill providing for establishment of county assembly budget office and any other related matter.

MIN/SEN/SCF&B/741/2024 **ANY OTHER BUSINESS**

The Committee considered an invitation by the State Department for Agriculture to a retreat on sensitization on the World Bank Agriculture portfolio projects/initiatives: the National Agricultural Value Chain Development Project (NAVCDP) and Food Systems Resilience Project (FSRP) that was scheduled for 2nd to 4th May, 2024 in Mombasa County. The Committee observed that the notice was short and resolved not to attend the retreat.

MIN/SEN/SCF&B/742/2024 **ADJOURNMENT AND THE DATE OF THE NEXT MEETING**

The meeting adjourned at 11:24 a.m. Next meeting shall be by notice.

SIGNATURE.......... DATE.....09/5/2024.....

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



**MINUTES OF HUNDRED AND FORTIETH (140TH) MEETING OF THE SENATE
STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON
WEDNESDAY, 5TH JUNE, 2024 IN VICTORIA HALL 2 AT ARGYLE GRAND
HOTEL, MACHAKOS COUNTY AT 9:00 A.M.**

PRESENT

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

ABSENT WITH APOLOGY

- | | | |
|--|---|--------|
| 1. Sen. Tabitha Karanja Keroche, MGH, MP | - | Member |
| 2. Sen. Joyce Chepkoech Korir, MP | - | Member |
| 3. Sen. Mohamed Mwinyihaji Faki, CBS, MP | - | Member |

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Makara | - | Deputy Director, PBO |
| 4. Ms. Lucy Radoli | - | Legal Counsel |
| 5. Mr. Abdirahman Gorod | - | Fiscal Analyst |
| 6. Mr. Constant Wamayuyi | - | Research officer |
| 7. Ms. Shirley Milimu | - | Audio Officer |
| 8. Mr. Stephen Maru | - | Sergeant-At-Arms |

IN ATTENDANCE

COUNCIL OF GOVERNORS (COG)

- | | | |
|---------------------------------|---|----------------------------------|
| 1. Hon. FCPA. Ahmed Abdullahi | - | Vice Chair, COG, Governor, Wajir |
| 2. Hon. Benjamin Chesire Cheboi | - | Governor, Baringo County |
| 3. Ms. Mary Mwati | - | CEO |
| 4. Mr. Emmanuel Munabi | - | Secretariat |

5. Mr. Stephen Momanyi - Programme Officer

COMMISSION ON REVENUE ALLOCATION

1. CPA. James Katule - CEO
2. Ms. Lineth Oyugi - Director, Fiscal Affairs
3. CPA. Roble Nuno - Director
4. Ms. Caroline Kinyulusi - Head of Communication
5. Ms. Mary Thiong'o - Communications Officer
6. Ms. Nelly Muse - Communications Officer

STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

1. Mr. Said Athman - Housing Secretary
2. Mr. George Arwa - Project Coordinator, KISIP
3. Ms. Lillian Kieni - Project Coordinator, KUSP
4. Mr. Theuri wagura - Project Accountant, KISIP
5. Ms. Ann Wamuyu - Finance Officer
6. Ms. Purity Kananu - Project Accountant, KUSP

MIN/SEN/SCF&B/815/2024 PRELIMINARIES

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

MIN/SEN/SCF&B/816/2024 ADPOTION OF THE AGENDA

The agenda was adopted after being proposed by Sen. (Dr.) Boni Khalwale, CBS, MP and seconded by Sen. Shakila Abdalla Mohamed, MP, as listed below-

1. Prayer;
2. Adoption of the Agenda;
3. Meeting with the stakeholders-
 - a) Commission on Revenue Allocation;
 - b) Council of Governors; andto consider the County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024), and County Governments Additional Allocations Bill, 2024 (Senate Bills No. 19 of 2024).
4. Meeting with the stakeholders-
 - a) State Department for Housing and Urban Development;
 - b) State Department for Agriculture; and
 - c) State Department for Water and Sanitationto consider County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024).
5. Any Other Business; and
6. Adjournment and Date of the Next Meeting.

Submissions by Commission on Revenue allocation

Upon invitation, the Commission submitted the following comments on the two Bills-

a) Comments on the County Allocation of Revenue Bill, 2024

- The First Schedule to the Bill should be amended to reflect county equitable share allocation as Ksh. 400,116,788,147, the figure that was passed by Parliament in the mediated version of the Division of Revenue Bill, 2024.
- The second paragraph of the Bill should be amended to capture the revised equitable share allocation of Ksh. 400.117 billion instead of Ksh. 415.952 billion and the amount shared using the Formula should be revised from Ksh. 257.70 billion to Ksh. 241.87 billion.

b) Comments on the County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024).

- Clause 5(1) (c) be amended to provide that the conditional allocations for the Community Health Promoters (CHP) project as set out in Column D and not Column E.
- Clause 5(1) (d) conditional allocations for the Transfer of Museum function as set out in Column E and not Column F.
- In the 2024 BPS, the transferred function of Museums amounting to Ksh. 30.2 million was meant for eight (8) stations. The eight stations as transferred to county governments by the Intergovernmental Relations Technical Committee vide Gazette Notice No. 13982 dated 11th November 2022 included Meru-Njuri Ncheke Museum yet it has not been allocated any resources.
- Clause 5(4) of the Bill be amended to provide the correct column for conditional allocations from the proceeds of loans or grants from development partners to each county set out in the Fourth Schedule
- Clause 5(4) (d) of the Bill be amended by deleting the words “amounting to” after the conditional allocations.
- There is need for clarity of the formula to be used to share the first fifty percent of the FLLoCA, County Climate Resilience Investment Grant as provided under sub clause 5(5)(b). The weights provided are different from the weights in the third basis for revenue sharing.

- Clause 5 (5) (c) provides that the second fifty percent of the total allocation for the FLLoCA-CCRI grant shall be allocated on the basis of the scores with the basic allocation. The basic allocation needs to be defined in the Bill.

Submissions by Council of Governors

Upon invitation, the Vice-Chairperson of the CoG Technical Committee on Finance and Planning submitted the following comments on the two Bills-

a) Comments on the County Allocation of Revenue Bill, 2024

- The Council of Governors, on behalf of the 47 Counties, appreciated the Senate for the continued support of devolution, specifically the Senate's push to increase the counties equitable share of revenue from Ksh.385.4 billion to Ksh.400.1 billion through the mediation process.
- CoG proposed a consequential amendment to section 191 by introduction of a new sub section to provide that when the County Allocation of Revenue Bill (CARB) is submitted to the Cabinet and to the Parliament for approval, it shall be accompanied by the proposed disbursement schedule contemplated under Section 17 (7) of the Act. This is to avoid the unnecessary delays, and ensure the Bill and disbursement schedule are considered concurrently.

b) Comments on the County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024).

The Council submitted the following general comments-

- That since the introduction of the County Governments Additional Allocations Bill (CGAAB) in the FY 2021/22, it has always been passed late and outside the timeline provided for in the Public Finance Management (PFM) Act.
- There was non-disbursement of funds relating to conditional grants as passed by the Parliament. The National Treasury had not provided any update on cause of delay. The specific allocations yet to be disbursed -
 - Supplement for construction of County Headquarters amounting to Ksh. 454,000,000
 - Conditional grant for transfer of Library Services amounting to Ksh. 162,848,690
 - Allocations for Court Fines amounting to Ksh. 108,660,979
 - Allocation for Mineral Royalties amounting to Ksh. 2,934,923,147.60
- CoG requested Senate to follow up on the matter to ensure the funds are disbursed to the counties.
- There was inclusion of funds in the CGAAB not meant to be transferred directly to counties. Some are spent at the MDAs. For instance-
 - Fertilizer Subsidy Programme amounting to Ksh. 5,000,000,000
 - Livestock Value Chain Project amounting to Ksh. 1,642,868,400

- De-Risking and Value Enhancement (DRIVE) amounting to Ksh. 2,165,507,080
- Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) amounting to Ksh. 320,886,501.
- Only funds meant to be transferred and spent directly by the counties should be included in CGAAB.
- Payment of outstanding Contribution in Lieu of Rates (CILOR)-the National Treasury is yet to allocate the outstanding CILOR to the beneficiary counties.
- the current legal framework for managing additional allocations does not allow for allocation of emergency funds to counties once the CGAAB is passed.
- the Senate should legislate on accommodating any funds available to county governments within the FY that maybe meant to address emergency situations or any additional budgetary requirements.
- the Senate should provide a way forward on implementation of the provisions in sections 11(4)(c) and 11(5) of the Affordable Housing Act, 2024 on revenue sharing with the county governments.

The Council submitted the following specific comments on the Bill

- Column C of the First Schedule should be amended to allocate Ksh. 250,000,000 to 29 counties as opposed to the current 18, and the new total amount under the Column C to be Ksh. 7,250,000,000.
- Clause 5(1) be amended by inserting a new subsection to provide for conditional allocations for payment of outstanding basic salary arrears for county governments healthcare workers amounting to Ksh.1.75 billion for the FY 2024/25.
- The Fourth Schedule be amended by increasing the Second Kenya Urban Support Program (KUSP) Urban Institutional Grant (UIG) component allocation from Ksh.1.575 billion to Ksh.1.715 billion as requested by the relevant Ministry.
- the Fourth Schedule should be amended to provide for conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Second Kenya Urban Support Program (KUSP II)- Urban Development Grant (UDG) component allocation amounting to Ksh. 5,889,666,720. This was omitted initially and has now been properly allocated within the available fiscal framework for the FY 2024/25.
- The Fourth Schedule be amended to provide for conditional allocations financed by proceeds from an IDA (World Bank) loan for the Kenya Water, Sanitation and Hygiene (K-WASH) Program amounting to Ksh. 3,860,921,330.90.

- Section 191 of Public Finance Management Act, Cap 412A be amended by inserting the following new subsection immediately after subsection (3A) to provide that when the County Governments Additional Allocations Bill is submitted to the Cabinet and to the Parliament for approval, it shall be accompanied by the proposed disbursement schedule contemplated under section 17(7) of the Act.
- The Public Finance Management Act, Cap 412A be amended by deleting sections 191A to 191 E- the sections had introduced additional bureaucracies and requirements that made it difficult for counties to access conditional grants in a timely manner. COG proposed repeal of the sections after they were suspended for two financial years, 2023/2024 and 2024/2025.

The Council was informed that the cash disbursement schedules on County allocation of Revenue Bill and County Governments Additional Allocations Bill cannot be processed concurrently with the Bills. This is because the Bills have to be passed and enacted before consideration of the cash disbursements schedules.

Submissions by the State Department for Housing and Urban Development


Upon invitation, the State Department submitted the following-

- the Second Kenya Informal Settlements Improvement Project KISIP II builds on the successes of first phase of KISIP to reach more settlements and population.
- the Government of Kenya received an equivalent of USD 150,000,000 from the World Bank (IDA), EUR 45,000,000 from French Development Agency (AFD) and EUR 4,450,000 delegated grant from EU towards implementation of Second Kenya Informal Settlements Improvement Project (KISIP II).
- The Government is contributing counterpart funding equivalent to USD 15,000,000.
- In Financial Year 2024/2025, the project had been allocated Kshs. 10,600,000,000 as conditional grants to 23 counties. The funds will come from both financiers IDA (World Bank) and French Development Agency (AFD).
- The figures in the CGAAB were however captured as IDA (World Bank).
- The State Department requested for disintegration of the amounts to indicate the funds from the financiers separately.
- Additionally, the AFD funding was reduced in the final draft estimates by Ksh. 200,000,000 thus necessitating a revision of the previously framework for conditional grants.

MIN/SEN/SCF&B/818/2024

**ADJOURNMENT AND THE DATE OF THE
NEXT MEETING**

There being no other business, the meeting was adjourned at 11:55 a.m. Next meeting was to be held on Wednesday, 5th June, 2024 at 12.00 p.m.

SIGNATURE.......... DATE. 06/06/2024.....

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



MINUTES OF HUNDRED AND FORTY-FIRST (141ST) MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON WEDNESDAY, 5TH JUNE, 2024 IN VICTORIA HALL 2 AT ARGYLE GRAND HOTEL, MACHAKOS COUNTY AT 12:00 P.M.

PRESENT

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

ABSENT WITH APOLOGY

- | | | |
|--|---|--------|
| 1. Sen. Tabitha Karanja Keroche, MGH, MP | - | Member |
| 2. Sen. Joyce Chepkoech Korir, MP | - | Member |
| 3. Sen. Mohamed Mwinyihaji Faki, CBS, MP | - | Member |

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Makara | - | Deputy Director, PBO |
| 4. Ms. Lucy Radoli | - | Legal Counsel |
| 5. Mr. Abdirahman Gorod | - | Fiscal Analyst |
| 6. Mr. Constant Wamayuyi | - | Research officer |
| 7. Ms. Shirley Milimu | - | Audio Officer |
| 8. Mr. Stephen Maru | - | Sergeant-At-Arms |

IN ATTENDANCE

THE NATIONAL TREASURY AND ECONOMIC PLANNING

- | | | |
|-------------------------------|---|---------------------|
| 1. Prof. Njuguna Ndung'u, EGH | - | Cabinet Secretary |
| 2. Mr. Joshua Musyoka | - | Principal Economist |
| 3. Ms. Elizabeth Nzioka | - | Director |
| 4. Mr. Duncan Gathenge | - | Administration |

- | | |
|-------------------------|----------------------|
| 5. Mr. Patrick Macharia | - Economist |
| 6. Mr. Timothy Odipo | - Economist |
| 7. Mr. Bernard K. Njora | - Economist |
| 8. CPA. Isabella Kogei | - Personal Assistant |
| 9. Ms. Ruth Macharia | |

COUNCIL OF GOVERNORS

- | | |
|---------------------------------|------------------------------------|
| 1. Hon. FCPA. Ahmed Abdullahi | - Vice Chair, COG, Governor, Wajir |
| 2. Hon. Benjamin Chesire Cheboi | - Governor, Baringo County |
| 3. Ms. Mary Mwiti | - CEO |
| 4. Mr. Emmanuel Munabi | - Secretariat |
| 5. Mr. Stephen Momanyi | - Programme Officer |

COMMISSION ON REVENUE ALLOCATION

- | | |
|---------------------------|----------------------------|
| 1. CPA. James Katule | - CEO |
| 2. Ms. Lineth Oyugi | - Director, Fiscal Affairs |
| 3. CPA. Roble Nuno | - Director |
| 4. Ms. Caroline Kinyulusi | - Head of Communication |
| 5. Ms. Mary Thiong'o | - Communications Officer |
| 6. Ms. Nelly Muse | - Communications Officer |

STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

- | | |
|----------------------|------------------------------|
| 1. Mr. Said Athman | - Housing Secretary |
| 2. Mr. George Arwa | - Project Coordinator, KISIP |
| 3. Ms. Lillian Kieni | - Project Coordinator, KUSP |
| 4. Mr. Theuri wagura | - Project Accountant, KISIP |
| 5. Ms. Ann Wamuyu | - Finance Officer |
| 6. Ms. Purity Kananu | - Project Accountant, KUSP |

MIN/SEN/SCF&B/819/2024 PRELIMINARIES

The Chairperson called the meeting to order at 12:10 p.m. This was followed by a word of prayer, and a round of introduction.

MIN/SEN/SCF&B/820/2024 ADPOTION OF THE AGENDA

The agenda was adopted after being proposed by Sen. (Dr.) Boni Khalwale, CBS, MP and seconded by Sen. Shakila Abdalla Mohamed, MP, as listed below-

1. Prayer;
2. Adoption of the Agenda;
3. Meeting with the National Treasury and Economic Planning to consider the County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024), and County Governments Additional Allocations Bill, 2024 (Senate Bills No. 19 of 2024).

4. Any Other Business; and
5. Adjournment and Date of the Next Meeting.

MIN/SEN/SCF&B/821/2024

**MEETING WITH THE NATIONAL TREASURY
AND ECONOMIC PLANNING TO SUBMIT
VIEWS ON THE COUNTY ALLOCATION OF
REVENUE BILL, 2024 AND COUNTY
GOVERNMENTS ADDITIONAL
ALLOCATIONS BILL, 2024**

Upon invitation, the Cabinet Secretary (CS) submitted the following comments on the two Bills-

Comments on the County Allocation of Revenue Bill, 2024

The Cabinet Secretary submitted that

- a) The mediated version of the Division of Revenue Bill, 2024 has recommended allocation of Ksh. 400,116,788,147 as equitable share to county governments in FY 2024/25. This Bill has since then been enacted by Parliament, and awaits assent by His Excellency the President.
- b) The National Treasury recommended that the Published County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024) be amended to indicate allocation amounting to Ksh. 400,116,788,147 as equitable share to county governments in FY 2024/25, as contained in the approved Division of Revenue Bill, 2024

**Comments on the County Governments Additional Allocations Bill (CGAAB), 2024
(Senate Bills No.19 of 2024)**

The Cabinet Secretary submitted that the National Treasury reviewed the CGAAB, 2024 against the proposed allocations to respective Ministries, Departments and Agencies (MDAs) as contained in the final Budget Estimates for FY 2024/25 to ensure consistency in the amounts allocated to additional allocations to county governments, and proposed that-

- a) Clause 4(2) of the Bill be amended to provide that allocations for construction of County Headquarters project should be included in the respective county governments' appropriation Bill. These projects were handed over to the five beneficiary counties thus counties are expected to include the allocation in their budget estimates.
- b) Clause 5(3) be amended by deleting the phrase "2023/24" "and replacing therefore with the phrase "2024/25". The unconditional allocations are for FY 2024/25 and not 2023/24.

- c) Clause 5(3)(b) be deleted. This is because the proposed allocation of Ksh. 1,055,205,814.07 for mineral royalties in FY 2024/25 is already part of the Ksh. 2,934,923,147.61 (20% mineral royalties from FY 2016/17 to 2021/22) allocated in FY 2023/24 and as such this would amount to double allocation.
- d) Sub-clause 4(d) be amended to provide that “conditional allocations amounting to Kenya Shillings One Billion, two hundred million financed by proceeds from a KfW (German Development Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant is as set out in Column E;
- e) Sub-clause 4(e) be amended to provide that “conditional allocations amounting to Kenya Shillings Three Billion, Seven Hundred and Twelve million financed by proceeds from an IDA (World Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant is as set out in Column F.
- f) Subclause 5(5)(d) be amended to provide that the Cabinet Secretary shall publish by notice in the Kenya Gazette the first fifty percent of total allocation (based on formula for allocating the share of national revenue among counties) and the second fifty percent (based on scores for the performance measures) the County Climate Resilience Investment (CCRI).
- g) Subclause 5(6) be amended to provide that all additional allocations shall be transferred to the respective County Revenue Fund in accordance with the published cash disbursement schedule pursuant to section 17 of the PFM Act.
- h) Subclause 5(7) of the Bill be amended to provide that all additional allocations to county governments are to be appropriated and hence must be included in the budget estimates of the National Government and submitted to Parliament for approval.
- i) Clause 8 of the Bill be amended to provide that a county treasury shall report on the actual expenditure by the county government of the conditional additional allocations. This shall exclude actual expenditure by the county government of the unconditional additional allocations whose expenditures are considered same to those financed from unconditional equitable share.
- j) The Second Schedule be amended by deleting column outlining the Ksh. 1,055,205,814.07 unconditional allocations from mineral royalties. This is because the amount is already provided for in the current financial year as part of the Ksh. 2,934,923,147 included in the CGAAA, 2024 for FY 2023/24.

Following deliberations,


1. The National Treasury informed the meeting that regarding the requests by the Council of Governors, and the relevant Ministries, that the Bill may be amended to-
 - a) Split Kshs. 10.6 billion funding from the World Bank and the French Development Agency to indicate the two sources of the funds separately for the funding of Second Kenya Informal Settlements Improvement Project (KISIP II).
 - b) Include Ksh. 5.8897 billion for the Kenya Urban Support Programme (KUSP) Urban Development Grant (UDG) which had been omitted.

- c) Revise the allocation to KUSP, Urban Investment Grant (UIG) component from Kshs. 1.575 billion to Kshs. 1.715 billion.
 - d) Include Ksh. 733 billion (SIDA- grant) for funding of the Kenya Agricultural Business Development Project (KABDP).
2. Regarding the request by the Council of Governors for inclusion of a new conditional grant (the Grant from IDA-World Bank) on the Kenya-Wash, Sanitation and Hygiene (K-WASH) program amounting to Ksh. 3.86 billion, whose agreement were recently signed, the National Treasury indicated that this allocation would not be accommodated within the current approved fiscal framework. The allocation may be considered in the next budget cycle.
 3. Regarding the issue of transfer of Museum Function, the National Treasury indicated that the Statement Department for Culture did not include Meru County as a beneficiary of the transferred museum function in their submission for inclusion in the Budget. However, they will follow up and respond in writing.
 4. Regarding non-disbursement of funds relating to some conditional grants as passed by the Parliament in CGAAB, the National Treasury indicated that some of the allocations were included in the Bill before the financing agreement had been finalised. The Committee resolved that no additional allocations should be included in the CGAAB before development and signing of the financing agreement.

The Chairperson thanked all the stakeholders present for availing themselves and been patient throughout the meetings. He also indicated that the proposals submitted will be carefully considered and necessary amendments to the Bill will be forwarded to the Senate for consideration.

MIN/SEN/SCF&B/822/2024 **ADJOURNMENT AND THE DATE OF THE NEXT MEETING**

There being no other business, the meeting was adjourned at 2:36 p.m. Next meeting was to be held on Thursday, 6th June, 2024 at 10:00 a.m.

SIGNATURE.......... DATE.....06/06/2024.....

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



MINUTES OF HUNDRED AND FORTY-SECOND (142ND) MEETING OF THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET HELD ON THURSDAY 6TH JUNE, 2024 IN NYATI MEETING ROOM AT ARGYLE GRAND HOTEL, MACHAKOS COUNTY AT 10:00 A.M.

PRESENT

- | | | |
|---|---|--------------------|
| 1. Sen. (Capt.) Ali Ibrahim Roba, EGH, MP | - | Chairperson |
| 2. Sen. (Dr)Boni Khalwale, CBS, MP | - | Member |
| 3. Sen. Mohamed Mwinyihaji Faki, CBS, MP | - | Member |
| 4. Sen. Richard Momoima Onyonka, MP | - | Member |
| 5. Sen. Shakila Abdalla Mohamed, MP | - | Member |
| 6. Sen. Eddy Oketch Gicheru, MP | - | Member |

ABSENT WITH APOLOGY

- | | | |
|--|---|-------------------------|
| 1. Sen. Maureen Tabitha Mutinda, MP | - | Vice-Chairperson |
| 2. Sen. Tabitha Karanja Keroche, MGH, MP | - | Member |
| 3. Sen. Joyce Chepkoech Korir,MP | - | Member |

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Mr. Christopher Gitonga | - | Clerk Assistant |
| 2. Ms. Beverlyne Chivadika | - | Clerk Assistant |
| 3. Ms. Lucy Makara | - | Deputy Director, PBO |
| 4. Ms. Lucy Radoli | - | Legal Counsel |
| 5. Mr. Abdirahman Gorod | - | Fiscal Analyst |
| 6. Mr. Constant Wamayuyi | - | Research officer |
| 7. Ms. Shirley Milimu | - | Audio Officer |
| 8. Mr. Stephen Maru | - | Sergeant-At-Arms |

MIN/SEN/SCF&B/823/2024 **PRELIMINARIES**

The Chairperson called the meeting to order at 10.25 a.m. This was followed by a word of prayer and a round of introduction.

MIN/SEN/SCF&B/824/2024 **ADPOTION OF THE AGENDA**

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

1. Prayer;
2. Adoption of the Agenda;
3. Confirmation of Minutes of the 138th, 139th, 140th and 141st Sittings;
4. Matters arising from the Minutes of the previous sittings;
5. Consideration and adoption of the draft report on the County Allocation of Revenue Bill, 2024 (Senate Bill No.25 of 2024);
6. Consideration and adoption of the draft report on the County Governments Additional Allocations Bill, 2024 (Senate Bills No. 19 of 2024);
7. Any Other Business; and
8. Adjournment and Date of the Next Meeting.

MIN/SEN/SCF&B/825/2024 **CONFIRMATION OF MINUTES OF THE PREVIOUS SITTINGS**

- a) The Minutes of Hundred and Thirty-Eighth (138th) meeting held on Tuesday, 4th June, 2024 at 9:00 a.m. were confirmed as a true record of the proceedings of Committee having been proposed by Sen. Eddy Oketch Gicheru, MP and seconded by Sen. Richard Momoima Onyonka, MP.
- b) The Minutes of Hundred and Thirty-Ninth (139th) meeting held on Tuesday 4th June, 2024 at 2:40 p.m. were confirmed as a true record of the proceedings of the Committee having been proposed by Sen. Mohamed Faki CBS, MP and seconded by Sen. Shakila Abdalla, MP.
- c) The Minutes of Hundred and Fortieth (140th) meeting held on Wednesday 5th June, 2024 at 9:00 a.m. 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. Shakila Abdalla, MP.
- d) The Minutes of Hundred and Thirty-First (141st) meeting held on Wednesday, 5th June, 2024 at 12:00 p.m. were confirmed as a true record of the proceedings of Committee having been proposed by Sen. Eddy Oketch Gicheru, MP, and seconded by Sen. Richard Momoima Onyonka, MP.

MIN/SEN/SCF&B/826/2024 **CONSIDERATION OF THE DRAFT REPORT ON THE COUNTY ALLOCATION OF REVENUE BILL, 2024 (SENATE BILLS NO. 25 2024)**

The Committee considered the draft report on the County Allocation of the Revenue Bill, 2024 (Senate Bill No. 25 2024) and noted the contents thereof. The Committee further

made the following amendments to the previously approved adjustments of the county assemblies recurrent expenditure budget ceiling for the FY 2024/2025 for the following county assemblies-

- a) Embu County Assembly- Extra provision to cater for public participation (Kshs.14,800,000) was dropped. The final revised adjustment stood at Kshs.25 million.
- b) Baringo County Assembly-The Committee reviewed the approved adjusted recurrent ceiling by dropping provision for expenditure on the Speaker's residence furniture and equipment of Kshs.3 million. The final revised adjustment stood at Kshs.27 million.
- c) Elgeyo- Marakwet County Assembly - The adjusted amount to cater for Multimedia system (Hansard) was revised from Kshs.25 million to Kshs 20 million. The revised amount now stood at Kshs.30 million.
- d) Nandi County Assembly- The adjusted amount to cater for equipping of the County Assembly Office Complex (Hansard and Chamber) was reduced from Kshs. 46,961,000 to Kshs.25 million. The final revised adjustment stood at Kshs. 74,345,000.

MIN/SEN/SCF&B/827/2024

ADOPTION OF THE REPORT ON THE COUNTY ALLOCATION OF REVENUE BILL, 2024 (SENATE BILLS NO. 25 OF 2024)

The Committee having considered the draft report on the County Allocation of Revenue Bill, 2024, unanimously adopted it having been proposed by Sen. Eddy Oketch Gicheru, MP, and seconded by Sen. Mohamed Mwinyihaji Faki, CBS, MP, with the recommendation that the Senate approves the Bill with amendments to-

- a) the First Schedule to the Bill to reflect the allocation to the respective county governments of the total county equitable share of Ksh. 400,116, 788,147.
- b) the Second Schedule to the Bill to reflect adjusted recurrent expenditure ceilings for certain county assemblies.

MIN/SEN/SCF&B/828/2024

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

The Committee considered the draft report on the County Governments Additional Allocations Bill, 2024 (Senate Bill No. 19 of 2024) and noted the contents thereof.

The Committee having considered the draft report on the County Governments Additional Allocations Bill, 2024, unanimously adopted the report having been proposed by Sen. Eddy Oketch Gicheru, MP, and seconded by Sen. Mohamed Mwinyihaji Faki, CBS, MP, with the recommendation that the Senate approves the Bill with the following amendments-

- a) amendment to clause 4(2) of the Bill ensure that counties which receive allocations for the supplement for county headquarters include the allocation in their budgets;
- b) the First Schedule to the Bill be amended to increase allocation for supplement for construction of county headquarters by Ksh. 78.2 million. Further, Nyandarua County should not receive any allocation since its aggregate allocation has exceeded the actual entitlement;
- c) amendment to clause 5(1)(c) and (d) to reflect the correct Columns to which the conditional allocations apply that is Column D and E for Community Health Promoters and Transfer of Museums respectively;
- d) clause 5(4) and the Fourth Schedule to the Bill be amended to indicate that Kenya Informal Settlement Improvement Project (KISIP II) is financed by proceeds from two development partners-IDA World Bank supports amounting to Ksh. 5.156 billion and the French Development Agency (AFD) supports Ksh. 5.243 billion;
- e) clause 5(4) and the Fourth Schedule to the Bill be amended to reflect the following two components of the Kenya Urban Support Project (KUSP)-
 - i. to include Urban Development Grant component of Ksh. 5.890 billion;
 - ii. to increase Urban Institutional Grant component from 1.575 billion to Ksh. 1.715 billion;
- f) clause 5(4) and the Fourth Schedule to the Bill be amended to include a conditional grant financed by the Government of Sweden (Swedish International Development Cooperation Agency - SIDA) to finance the Kenya Agriculture Business Development Project (KADBP) amounting Kshs.560.189 million.
- g) amendment to clause 5(3) to reflect the correct Financial Year (2024/25) to which the unconditional allocations apply;
- h) amendment to clause 5(4)(d) and (e) to expressly provide for the total amount of the conditional allocation for FLLoCA. The actual amounts to each beneficiary county government will be determined upon assessment and meeting set criteria;
- i) amendment to clause 5(6) to provide that all additional allocations to county governments under clause 5(1), (2), (3) and (4) shall be transferred to the respective

County Revenue Fund in accordance with a disbursement schedule approved pursuant to section 17 of the Public Finance Management Act, Cap. 412A; and
j) amendment to clause 5(7) to provide that all additional allocations under clause 5(1), (2), (3) and (4) be included in the budget estimates of the national government.

MIN/SEN/SCF&B/830/2024 **ADJOURNMENT AND THE DATE OF THE NEXT MEETING**

The meeting adjourned at 1:01 p.m. The date and time of the next meeting shall be by notice.

SIGNATURE..... DATE.....

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

10th June, 2024

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

RE: COMMITTEE STAGE AMENDMENTS TO THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, SENATE BILLS NO. 19 OF 2024

NOTICE is given that Sen. Ali Ibrahim Roba, Chairperson, Committee on Finance and Budget intends to move the following amendment to the County Governments Additional Allocations Bill, Senate Bills No. 19 of 2024, at the Committee Stage-

CLAUSE 4

THAT clause 4 of the Bill be amended in subclause (2) by deleting the words “except allocations under section 5(1)(a)” appearing immediately after the words “this section shall”.

CLAUSE 5

THAT clause 5 of the Bill be amended –

(a) in subclause (1) by –

(i) deleting the words “Column E” appearing immediately after the words “set out in” appearing in paragraph (c) and substituting therefor the words “Column D”;

(ii) deleting the words “Column F” appearing immediately after the words “set out in” appearing in paragraph (d) and substituting therefor the words “Column E”;

(b) in the introductory clause to subclause (3) by deleting the words “year 2023/24” appearing immediately after the words “Government for the” and substituting therefor the words “year 2024/25”;

(c) by deleting subclause (4) and substituting therefor the following new subclause—

(4) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial

year 2024/25 shall be as set out in Column S of the Fourth Schedule comprising —

- (a) conditional allocations from a grant by DANIDA to finance Primary Healthcare in Devolved Context as set out in Column B;
- (b) conditional allocations financed by proceeds from an IDA (World Bank) loan to finance the Kenya Informal Settlement Improvement Project (KISIP II) as set out in Column C;
- (c) conditional allocations financed by proceeds from an AFD (French Development Agency) loan to finance the Kenya Informal Settlement Improvement Project (KISIP II) as set out in Column D;
- (d) conditional allocations financed by proceeds from an IDA (World Bank) loan to finance Emergency Locust Response Project (ELRP) as set out in Column E;
- (e) conditional allocations financed by proceeds from a KfW (German Development Bank) loan for co- financing of FLLoCA – County Climate Resilience Investment (CCRI) Grant amounting to Kenya shillings one billion, two hundred million as set out in Column F;
- (f) conditional allocations financed by proceeds from an IDA (World Bank) loan for the FLLoCA - County Climate Resilience Investment (CCRI) Grant amounting to Kenya shillings three billion, seven hundred and twelve million as set out in Column G;
- (g) conditional allocations financed by proceeds from an IDA (World Bank) loan for the Food Systems Resilience Project - FSRP) as set out in Column H;
- (h) conditional allocations financed by proceeds from an IDA (World Bank) loan for the National Agricultural Value Chain Development Project (NAVCDP) as set out in Column I;
- (i) conditional allocations from an IDA (World Bank) loan to finance Water and Sanitation Development Project (WSDP) as set out in Column J;

- (j) conditional allocations financed by proceeds from an IDA (World Bank) loan for the Kenya Devolution Support Programme (KDSP) II as set out in Column K;
 - (k) conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) as set out in Column L;
 - (l) conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG) as set out in Column M;
 - (m) conditional allocations financed by proceeds from an International Fund for Agricultural Development (IFAD) loan for the Kenya Livestock Commercialization Project (KeLCoP) as set out in Column N;
 - (n) conditional allocations financed by proceeds from a KfW (German Development Bank) Loan for the Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column O;
 - (o) conditional allocations financed by proceeds from an International Fund for Agricultural Development (IFAD) loan for the Aquaculture Business Development Programme (ABDP) as set out in Column P;
 - (p) conditional allocations financed by proceeds from a grant financed by the United Nations Fund for Population Activities (UNFPA) for the tenth Country Program as set out in Column Q;
 - (q) conditional allocations financed by proceeds from a Swedish International Development Cooperation Agency (SIDA) grant for co-financing of the Kenya Agricultural Business Development Project (KABDP) as set out in Column R; and
- (i) in subclause (5) by inserting the words “and c” immediately after the words “of paragraph (b)” appearing in paragraph (d);
 - (ii) in subclause (6) by deleting the words “subsection (2)” appearing immediately after the words “allocation under” and substituting therefor the words “subsections (1),(2),(3) and (4)”; and
 - (iii) in subclause (7) by deleting the words “subsection (2)” appearing immediately after the words “allocation under” and substituting therefor the words “subsections (1),(2),(3) and (4)”.

FIRST SCHEDULE

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

FIRST SCHEDULE (S.5(1))

Conditional Additional Allocations to County Governments from National Government's Share of Revenue in FY 2024/25 (Kenya Shillings)							
SN	COUNTY	FY 2023/24 Total Conditional Additional Allocations	FY 2024/25 Supplement Construction of County Headquarters	County Aggregation and Industrial Parks (CAIP) Programme	Community Health Promoters (CHPs) Project	Transfer of Museum Function	Total Conditional Additional Allocations
		Column A	Column B	Column C	Column D	Column E	Column F
1	Baringo	92,926,764		250,000,000	63,810,000		313,810,000
2	Bomet	132,634,641			74,070,000		74,070,000
3	Bungoma	492,962,800			107,400,000		107,400,000
4	Busia	376,591,665			66,390,000		66,390,000
5	Elgeyo/Marakwet	64,400,155		250,000,000	37,200,000		287,200,000
6	Embu	363,131,838			60,300,000		60,300,000
7	Garissa	264,807,925			74,520,000	2,462,567	76,982,567
8	Homa Bay	415,917,803			88,620,000		88,620,000
9	Isiolo	64,333,234	115,350,161		21,630,000	1,093,656	138,073,817
10	Kajiado	41,355,485		250,000,000	50,070,000		300,070,000
11	Kakamega	294,386,469		250,000,000	127,500,000		377,500,000
12	Kericho	140,552,947		250,000,000	45,690,000		295,690,000
13	Kiambu	409,665,074			94,680,000		94,680,000
14	Kilifi	138,924,099		250,000,000	116,100,000		366,100,000
15	Kirinyaga	367,510,449			36,660,000		36,660,000

Conditional Additional Allocations to County Governments from National Government's Share of Revenue in FY 2024/25 (Kenya Shillings)							
SN	COUNTY	FY 2023/24 Total Conditional Additional Allocations	FY 2024/25 Supplement Construction of County Headquarters	County Aggregation and Industrial Parks (CAIP) Programme	Community Health Promoters (CHPs) Project	Transfer of Museum Function	Total Conditional Additional Allocations
		Column A	Column B	Column C	Column D	Column E	Column F
16	Kisii	186,645,942		250,000,000	88,200,000		338,200,000
17	Kisumu	130,537,637			89,940,000	6,350,388	96,290,388
18	Kitui	179,499,580		250,000,000	74,100,000		324,100,000
19	Kwale	90,011,220		250,000,000	52,140,000		302,140,000
20	Laikipia	76,547,852		250,000,000	25,230,000		275,230,000
21	Lamu	62,515,370	264,732,161		14,520,000		279,252,161
22	Machakos	445,350,986			83,250,000		83,250,000
23	Makueni	173,836,213			113,700,000		113,700,000
24	Mandera	13,777,962		250,000,000	18,540,000		268,540,000
25	Marsabit	2,389,320			60,090,000	2,878,080	62,968,080
26	Meru	488,329,627			111,480,000		111,480,000
27	Migori	394,621,807			88,380,000		88,380,000
28	Mombasa	262,131,098			71,610,000		71,610,000
29	Murang'a	452,896,800			46,050,000		46,050,000
30	Nairobi	14,721,991			224,010,000		224,010,000
31	Nakuru	484,883,209			99,390,000		99,390,000
32	Nandi	378,705,606			96,660,000		96,660,000
33	Narok	139,655,079		250,000,000	49,800,000	2,812,116	302,612,116
34	Nyamira	342,563,428			44,370,000		44,370,000
35	Nyandarua	242,624,039	0	250,000,000	41,610,000		291,610,000
36	Nyeri	156,487,648		250,000,000	74,250,000		324,250,000
37	Samburu	12,431,664			46,140,000		46,140,000

Conditional Additional Allocations to County Governments from National Government's Share of Revenue in FY 2024/25 (Kenya Shillings)							
SN	COUNTY	FY 2023/24 Total Conditional Additional Allocations	FY 2024/25 Supplement Construction of County Headquarters	County Aggregation and Industrial Parks (CAIP) Programme	Community Health Promoters (CHPs) Project	Transfer of Museum Function	Total Conditional Additional Allocations
		Column A	Column B	Column C	Column D	Column E	Column F
38	Siaya	423,929,548			63,810,000		63,810,000
39	Taita Taveta	50,418,729		250,000,000	41,070,000		291,070,000
40	Tana River	136,049,566	95,045,250		28,890,000		123,935,250
41	Tharaka Nithi	174,459,830	47,981,059	250,000,000	37,950,000		335,931,059
42	Trans Nzoia	366,941,692			67,200,000	12,343,968	79,543,968
43	Turkana	12,815,035			74,250,000		74,250,000
44	Uasin Gishu	379,487,557			61,980,000		61,980,000
45	Vihiga	97,662,444		250,000,000	43,380,000		293,380,000
46	Wajir	11,656,907		250,000,000	60,810,000	2,244,060	313,054,060
47	West Pokot	72,161,965			77,490,000		77,490,000
	GRAND TOTAL	10,116,848,690	523,108,631	4,500,000,000	3,234,930,000	30,184,835	8,288,223,466

FORUTH SCHEDULE

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

FOURTH SCHEDULE (S.5(4))

Conditional Additional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2024/25 (Kenya Shillings)																				
S N	County	FY 2024/25																		
		Total Loans and Grants for FY 2023/24	DANIDA Grant to finance Primary Health Care in Devolved Context	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	AFD- Kenya Informal Settlement Improvement Project-II (KISIP II)	IDA(World Bank) - Emergency Locust Response Project(ELRP)	KfW(Germany Development Bank) loan for Co-Financing of ELLoCA -County Climate Resilience Investment/CCBUCGrant	IDA (World Bank)-loan for the Financing of ELLoCA -County Climate Resilience Investment/CCBUCGrant	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	IDA World Bank Loan for the National Agricultural Value Chain Development Project(NAVCDP)	IDA (World Bank) loan for the Water & Sanitation Development Project (WSDP)	IDA (World Bank)-Kenya Devolution Support Program-II (KDSP II)	IDA (World Bank)Credit: Kenya Urban Support Project(KUSP)-Urban Institutional Grant(UG)	IDA (World Bank) Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant	International Fund for Agricultural Development(IFAD)-loan Development	KfW (German Development Bank) loan for Drought Resilience Programme In Northern	International Fund for Agricultural Development(IFAD) for the Aquaculture Business Development Project	United Nations Fund For Population Activities(UNFPA) Grant-	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	Total Loans and Grants for FY 2024/25
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S
1	Baringo	315,951,823	7,848,750			121,025,000			173,076,923.08			37,500,000	35,000,000	18,190,995	40,150,000			9,620,000	10,918,919	453,330,587
2	Bomet	416,348,367	8,482,500						151,515,152			37,500,000	35,000,000	18,278,289					10,918,919	261,694,859
3	Bungoma	725,703,372	13,698,750	297,400,170					151,515,152			37,500,000	35,000,000	100,434,139	37,950,000			7,400,000	10,918,919	691,817,130
4	Busia	494,609,948	9,262,500						151,515,152			37,500,000	35,000,000	76,464,543	33,550,000		22,585,560		10,918,919	376,796,673
5	Elgeyo/Marakwet	438,967,355	5,947,500	261,751,540	239,000,000	121,025,000			173,076,923.08			37,500,000	35,000,000	18,278,289	40,150,000				10,918,919	942,648,171
6	Embu	432,399,863	6,630,000			104,600,000			151,515,152			37,500,000	35,000,000	52,595,562			10,237,551		10,918,919	408,997,184
7	Garissa	969,813,544	10,822,500			142,500,000			173,076,923.08		450,000,000	37,500,000	105,000,000	342,462,888				9,620,000	10,918,919	1,281,901,230
8	Homa Bay	925,853,896	10,383,750	500,000,000	487,020,992				151,515,152			37,500,000	35,000,000	54,661,088			12,909,422		10,918,919	1,299,909,323
9	Isiolo	311,037,485	6,532,500			142,500,000			173,076,923.08			37,500,000	35,000,000	63,661,198				9,620,000	10,918,919	478,809,540

Conditional Additional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2024/25 (Kenya Shillings)																				
S/N	County	FY 2024/25																		
		Total Loans and Grants for FY 2023/24	DANIDA Grant to finance Primary Health Care in Devolved Context	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	AfD- Kenya Informal Settlement Improvement Project-II (KISIP II)	IDA(World Bank)- Emergency Locust Response Project(ELRP)	KfW(Germany Development Bank) loan for Co-Financing of FLLoCA -County Climate Resilience Investment/CCBICGrant	IDA (World Bank)-loan for the Financing of FLLoCA -County Climate Resilience Investment/CCBICGrant	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	IDA World Bank Loan for the National Agricultural Value Chain Development Project(NAVCDP)	IDA (World Bank) loan for the Water & Sanitation Development Project (WSDP)	IDA (World Bank)-Kenya Devolution Support Program-II (KDSP II)	IDA (World Bank)Credit: Kenya Urban Support Project(KUSP)-Urban Institutional Grant(UG)	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant	International Fund for Agricultural Development(IFAD)-loan	KfW (German Development Bank) loan for Drought Resilience Programme in Northern	International Fund for Agricultural Development(IFAD) for the Aquaculture Business Development Project (ABDP)	United Nations Fund For Population Activities(UNFPA) Grant -	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	Total Loans and Grants for FY 2024/25
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S
10	Kajiado	471,830,160	9,896,250		180,626,011					151,515,152		37,500,000	35,000,000	227,801,862			10,509,643		10,918,919	663,767,837
11	Kakamega	718,303,924	16,038,750		110,000,000					151,515,152		37,500,000	35,000,000	120,740,969	33,500,000		24,417,125		10,918,919	539,680,914
12	Kericho	425,238,177	8,287,500							151,515,152		37,500,000	35,000,000	43,550,249					10,918,919	286,771,819
13	Kiambu	619,767,708	14,527,500		464,543,092					151,515,152		37,500,000	35,000,000	1,331,483,863			19,395,531		10,918,919	2,064,884,057
14	Kilifi	1,933,698,769	16,087,500	417,190,432	343,080,069					151,515,152	1,700,000,000	37,500,000	35,000,000	157,132,672					10,918,919	2,868,424,743
15	Kirinyaga	321,850,768	6,532,500							151,515,152		37,500,000	35,000,000	31,719,708			13,779,259		10,918,919	286,965,537
16	Kisii	497,975,162	11,992,500							151,515,152		37,500,000	35,000,000	90,993,018			21,486,575		10,918,919	359,406,163
17	Kisumu	712,753,681	10,530,000	655,000,000	195,000,000					151,515,152		37,500,000	35,000,000	340,394,236			15,407,244		10,918,919	1,451,265,550
18	Kitui	572,895,523	13,601,250			121,025,000				151,515,152		37,500,000	35,000,000	41,801,769					10,918,919	411,362,090
19	Kwale	1,360,841,563	11,992,500		120,188,971					151,515,152	1,000,000,000	37,500,000	35,000,000	81,159,202				6,660,000	10,918,919	1,454,934,743
20	Laikipia	113,806,027	6,435,000						173,076,923.08			37,500,000	35,000,000	77,214,879					10,918,919	340,145,721
21	Lamu	226,554,314	3,997,500	28,128,530	282,000,000				173,076,923.08			37,500,000	35,000,000	20,547,228					10,918,919	591,169,100

Conditional Additional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2024/25 (Kenya Shillings)																					
S N	County	FY 2024/25																			
		Total Loans and Grants for FY 2023/24	DANIDA Grant to finance Primary Health Care in Devolved Context	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	AFD- Kenya Informal Settlement Improvement Project-II (KISIP II)	IDA(World Bank)- Emergency Locust Response Project(ELRP)	KfW(Germany Development Bank) loan for Co-Financing of FLLoCA -County Climate Resilience	IDA (World Bank)-loan for the Financing of FLLoCA -County Climate Resilience	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	IDA World Bank Loan for the National Agricultural Value Chain Development Project(NAVCDF)	IDA (World Bank) loan for the Water & Sanitation Development Project (WSDP)	IDA (World Bank)-Kenya Devolution Support Program-II (KDSP II)	IDA (World Bank)Credit: Kenya Urban Support Project(KUSP)-Urban Institutional Grant(UG)	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant	International Fund for Agricultural Development(IFAD)-loan	KfW (German Development Bank) loan for Drought Resilience Programme in Northern	International Fund for Agricultural Development(IFAD) for the Aquaculture Business Development Project	United Nations Fund For Population Activities(UNFPA) Grant -	SWEDEN - Kenya Agricultural Business Development Project (KAEDP)	Total Loans and Grants for FY 2024/25	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S	
22	Machakos	497,315,830	11,943,750			104,600,000				151,515,152		37,500,000	35,000,000	90,174,566			12,262,438		10,918,919	453,914,825	
23	Makueni	427,861,686	11,407,500							151,515,152		37,500,000	35,000,000	40,167,542					10,918,919	286,509,113	
24	Mandera	394,543,782	15,746,250			142,500,000			173,076,923.08			37,500,000	35,000,000	142,013,441					10,918,919	556,755,533	
25	Marsabit	752,548,603	10,432,500			142,500,000			173,076,923.08			37,500,000	35,000,000	29,373,188	41,250,000	462,435,270			10,918,919	942,486,800	
26	Meru	632,068,340	12,382,500	193,506,111		104,600,000				151,515,152		37,500,000	35,000,000	106,048,304			23,306,984		10,918,919	674,777,970	
27	Migori	476,656,818	10,432,500							151,515,152		37,500,000	35,000,000	112,844,666			13,617,785		10,918,919	371,829,021	
28	Mombasa	1,344,390,789	10,871,250	860,000,000							1,000,000,000	37,500,000							10,918,919	1,919,290,169	
29	Murang'a	340,120,990	9,701,250							151,515,152		37,500,000	35,000,000	70,743,658					10,918,919	315,378,978	
30	Nairobi	443,556,020	24,521,250	60,000,000	690,000,000							37,500,000						8,950,000	10,918,919	831,890,169	
31	Nakuru	708,709,964	16,136,250	128,000,000	422,000,000					151,515,152		37,500,000	35,000,000	671,683,509	38,280,000				10,918,919	1,511,033,829	
32	Nandi	548,601,906	8,238,750	208,354,058						151,515,152		37,500,000	35,000,000	33,993,380					10,918,919	485,520,258	
33	Narok	429,841,625	12,382,500							151,515,152		37,500,000	35,000,000	71,238,901					7,400,000	10,918,919	325,955,472

Conditional Additional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2024/25 (Kenya Shillings)																				
S N	County	FY 2024/25																		
		Total Loans and Grants for FY 2023/24	DANIDA Grant to finance Primary Health Care in Devolved Context	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	AFD- Kenya Informal Settlement Improvement Project-II (KISIP II)	IDA(World Bank)-Emergency Locust Response Project(ELRP)	KfW(Germany Development Bank) loan for Co-Financing of FLOCA -County Climate Resilience Investment/CCBUC Grant	IDA (World Bank) -loan for the Financing of FLOCA -County Climate Resilience Investment/CCBUC Grant	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	IDA World Bank Loan for the National Agricultural Value Chain Development Project(NAVCDP)	IDA (World Bank) loan for the Water & Sanitation Development Project (WSDP)	IDA (World Bank)-Kenya Devolution Support Program-II (KDSP II)	IDA (World Bank)Credit: Kenya Urban Support Project(KUSP)-Urban Institutional Grant(UIG)	IDA (World Bank) Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant	International Fund for Agricultural Development(IFAD)-loan for Agricultural Development	KfW (German Development Bank) loan for Drought Resilience Programme in Northern	International Fund for Agricultural Development(IFAD) for the Aquaculture Business Development Project (ABDP)	United Nations Fund For Population Activities(UNFPA) Grant -	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	Total Loans and Grants for FY 2024/25
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S
34	Nyamira	594,601,640	7,410,000	148,123,322						151,515,152		37,500,000	35,000,000	19,817,128					10,918,919	410,284,520
35	Nyandarua	442,239,423	7,507,500	288,462,533						151,515,152		37,500,000	35,000,000	36,556,578					10,918,919	567,460,681
36	Nyeri	476,036,010	8,336,250		360,603,076					151,515,152		37,500,000	35,000,000	64,819,483			19,315,146		10,918,919	688,008,026
37	Samburu	371,327,699	7,117,500			142,500,000			173,076,923.08			37,500,000	35,000,000	25,375,442	41,250,000				10,918,919	472,738,784
38	Siaya	435,499,920	8,921,250							151,515,152		37,500,000	35,000,000	45,218,472	33,550,000		13,838,473		10,918,919	336,462,265
39	Taita Taveta	1,314,783,304	6,532,500		190,626,011					151,515,152	850,000,000	37,500,000	35,000,000	18,278,289					10,918,919	1,300,370,870
40	Tana River	345,479,159	9,018,750						173,076,923.08	151,515,152		37,500,000	35,000,000	18,278,289					10,918,919	435,308,032
41	Tharaka Nithi	525,182,222	6,045,000	168,945,347		104,600,000				151,515,152		37,500,000	35,000,000	66,362,245			12,810,384		10,918,919	593,697,047
42	Trans Nzoia	797,444,171	8,872,500	621,834,073						151,515,152		37,500,000	35,000,000	131,267,528	39,050,000				10,918,919	1,035,958,171
43	Turkana	987,506,777	16,233,750			142,500,000			173,076,923.08			37,500,000	105,000,000	286,858,966		319,534,140		5,920,000	10,918,919	1,097,542,698
44	Uasin Gishu	926,935,857	9,750,000	320,000,000	670,000,000					151,515,152		37,500,000	35,000,000	385,055,948					10,918,919	1,619,740,018
45	Vihiga	392,745,156	7,166,250							151,515,152		37,500,000	35,000,000	18,278,289					10,918,919	260,378,609

Conditional Additional Allocations from proceeds of loans or grants from Development Partners for Financial Year 2024/25 (Kenya Shillings)																				
S N	County	FY 2024/25																		
		Total Loans and Grants for FY 2023/24	DANIDA Grant to finance Primary Health Care in Devolved Context	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	AFD- Kenya Informal Settlement Improvement Project-II (KISIP II)	IDA(World Bank)- Emergency Locust Response Project(ELRP)	KfW(Germany Development Bank) loan for Co-Financing of FLLoCA -County Climate Resilience Investment (CCRI) Grants	IDA (World Bank)-loan for the Financing of FLLoCA -County Climate Resilience Investment (CCRI) Grants	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	IDA World Bank Loan for the National Agricultural Value Chain Development Project(NAVCDP)	IDA (World Bank) loan for the Water & Sanitation Development Project (WSDP)	IDA (World Bank)-Kenya Devolution Support Program-II (KDSP II)	IDA (World Bank)Credit: Kenya Urban Support Project(KUSP)-Urban Institutional Grant(UG)	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Devolvement Grant	International Fund for Agricultural Development(IFAD)-loan	KfW (German Development Bank) loan for Drought Resilience Programme in Northern	International Fund for Agricultural Development(IFAD) for the Aquaculture Business Development Project (ABDP)	United Nations Fund For Population Activities(UNFPA) Grant-I-	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	Total Loans and Grants for FY 2024/25
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column S
46	Wajir	1,173,364,095	13,162,500		488,615,663	142,500,000			173,076,923.08		700,000,000	37,500,000	35,000,000	72,942,053					10,918,919	1,673,716,058
47	West Pokot	287,043,448	7,702,500			121,025,000			173,076,923.08			37,500,000	35,000,000	23,043,492					10,918,919	408,266,834
	GRAND TOTAL	29,072,606,661	487,500,000	5,156,696,115	5,243,303,885	1,900,000,000	1,200,000,000	3,712,000,000	2,250,000,000	5,000,000,000	5,700,000,000	1,762,500,000	1,715,000,000	5,890,000,000	378,730,000	781,969,410	245,879,120	65,190,000	513,189,193	42,001,957,724

* Both IDA (World Bank) Loan for the FLLoCA – County Climate Resilience Investment (CCRI) and KfW (Germany Development Bank) Loan for Co-Financing of FLLoCA - County Climate Resilience Investment (CCRI) Grants are to be allocated among County Governments on the basis of the Criteria in Section 6(2) (f) of the County Government Additional Allocations Act, 2024.

Dated 10th June, 2024



Sen. Ali Roba,
Chairperson,
Committee on Finance and Budget.



REPUBLIC OF KENYA

THE NATIONAL TREASURY & ECONOMIC PLANNING

VIEWS OF THE NATIONAL TREASURY ON THE COUNTY ALLOCATION OF REVENUE BILL, 2024 (SENATE BILLS NO. 25 OF 2024) AND THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2024 (SENATE BILLS. NO. 19 OF 2024) SUBMITTED TO THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET.

I. County Allocation of Revenue Bill, 2024 (*Senate Bills No. 25 of 2024*)

a. National Treasury Submission

1. The National Treasury prepared and submitted to Parliament the County Allocation of Revenue Bill (CARB), 2024 on **15th February, 2024**.
2. The Bill provided for the allocation of an equitable share of revenue raised nationally among the county governments, in accordance with the resolution approved by Parliament under Article 217 of the Constitution for the financial year 2024/25.
3. The Bill proposed to allocate an equitable share of **Ksh. 391,116,788,147** to the 47 county governments in accordance with the third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

b. Published County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024)

4. The Published County Allocation of Revenue Bill, 2024 (*Senate Bills No. 25 of 2024*) proposes to allocate an equitable share of **Ksh. 415,952,200,000** to the 47 county governments in accordance with the third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

5. This is in variance from what was submitted to Parliament by the National Treasury by **Ksh. 24,385,411,583**.

c. Mediation on Division of Revenue Bill, 2024

6. As you are aware, the equitable share between the two levels of Government is determined by Parliament via the Division of Revenue Bill enacted pursuant to Article 218 of the Constitution. This Bill once enacted, determines the equitable share to county governments, thus informing what is to be shared among the 47 counties through the County Allocation of Revenue Bill.
7. Although the National Assembly passed the Division of Revenue Bill, 2024 with an allocation of **Ksh. 391,116,788,147** as equitable share to county governments in FY 2024/25, as proposed by the National Treasury, the Senate passed the Bill with an amendment that allocated **Ksh. 415,952,200,000** as equitable share to county governments
8. This occasioned appointment of a Mediation Committee pursuant to Article 113 of the Constitution to come up with an agreed version of the Division of Revenue Bill, 2024 for approval by Parliament.
9. The Committee has since prepared a mediated version of the Division of Revenue Bill, 2024 which has recommended allocation of **Ksh. 400,116,788,147** as equitable share to county governments in FY 2024/25. This Bill has since then been enacted by Parliament, and awaits assent by His Excellency the President.

d. Recommendation on Published County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024)

10. The National Treasury recommends that the Published County Allocation of Revenue Bill, 2024 (*Senate Bills No. 25 of 2024*) **be amended** to indicate allocation amounting to **Ksh. 400,116,788,147** as equitable share to county governments in FY 2024/25, as contained in the approved Division of Revenue Bill, 2024.

II. The County Governments Additional Allocations Bill, 2024 (*Senate Bills. No. 19 of 2024*)

We have reviewed the CGAAB, 2024 (*Senate Bills. No. 19 of 2024*) against the proposed allocations to respective Ministries, Departments and Agencies (MDAs) as contained in the final Budget Estimates for FY 2024/25 to ensure consistency in the amounts allocated to additional allocations to county governments.

In this regard, and in order to ensure that the additional allocations in the proposed Bill are aligned to the final budgetary allocations, we wish to propose that the CGAAB, 2024 (*Senate Bills. No. 19 of 2024*) be amended in: -

Clause 4

- Sub-Clause (2) as follows:
 - by deleting the phrase “except allocations under section 5(1)(a)” appearing immediately after the words “this section shall”

Rationale

Counties should also include in their Budget, allocations for the Construction of County Headquarters Project. These projects were handed over to the five (5) beneficiary county governments that are expected to complete the project within the scope of the contracts and as per the duly signed Intergovernmental Partnership Agreements with the National Government through the State Department for Public Works. As such, these counties are expected to include in their budget estimates, allocations for the grant and ensure that the allocation is used specifically for completion of their headquarters.

Clause 5

- i. sub-clause (3) as follows:
 - by deleting the phrase “2023/24” appearing immediately after the words “for the financial year “and replacing therefor with the phrase “2024/25”

Rationale

The unconditional allocations are for financial year 2024/ 25 and not financial year 2023/ 24.

- by deleting paragraph (b)

Rationale

Ksh. 2,934,923,147.61, being the total sum of 20% mineral royalties due to counties up to and including 30th June, 2022 (from the FY 2016/17 to FY 2021/22) (*see attached schedule*), has been included in the County Governments Additional Allocations Act, 2024 for the current FY 2023/24. Thus the proposed allocation of **Ksh. 1,055,205,814.07** for mineral royalties in FY 2024/25 is already part of the **Ksh. 2,934,923,147.61** allocated in FY 2023/25 and as such this would amount to double allocation.

ii. sub-clause (4) as follows:

- by deleting paragraph (d) and replacing therefor the following paragraph: -
(d) conditional allocations amounting to Kenya Shillings One Billion, two hundred million financed by proceeds from a KfW (German Development Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant as set out in Column E;
- by deleting paragraph (e) and replacing therefor the following paragraph: -
(e) conditional allocations amounting to Kenya Shillings Three Billion, Seven Hundred and Twelve million financed by proceeds from an IDA (World Bank) loan for co-financing of FLLoCA - County Climate Resilience Investment (CCRI) Grant as set out in Column F;

Rationale

To specify the total amount as the above two components of FLLoCA – CCRI grant from both KfW and IDA (World Bank) are performance-based conditional additional allocations and so actual allocations to each the beneficiary county government shall be determined upon carrying out an assessment of each county as per the specified criteria.

iii. sub-clause (5) as follows:

- by inserting the words “and (c)” at the end of paragraph (d): - ✓

Rationale

The allocations to be published by notice in the Kenya Gazette are those determined in terms of **both** paragraphs (b) and (c) and not paragraph (b) only.

iv. sub-clause (6) as follows:

- by deleting the words “subsection (2)” appearing immediately after the words “allocation under “and replacing therefor with the words “subsections (1), (2), (3) and (4)”

Rationale

All additional allocations to county governments under subsections (1), (2) (3) and (4) shall all be transferred to the respective County Revenue Fund in accordance with a payment schedule (read County Governments Additional Allocations Cash Disbursement Schedule) published in the Kenya Gazette by the Cabinet Secretary in accordance with Section 17 of the Public Finance Management Act.

v. sub-clause (7) as follows:

- by deleting the words “subsections (1) and (2)” appearing immediately after the words “allocations under “and replacing therefor with the words “subsections (1), (2), (3) and (4)”

Rationale

All additional allocations (conditional and unconditional) to county governments are to be appropriated and hence must be included in the budget estimates of the National Government and submitted to Parliament for approval

Clause 8

Paragraph (b) as follows:

- by deleting the phrase “section 5(1), (2) and (3)” appearing immediately after the words “made under “and replacing therefor with the phrase “section 5(1), (2) and (4)”

Rationale


In regard to the CGAAB, a county treasury shall report the actual expenditure by the county government of the conditional additional allocations made as either: conditional allocations from National Government’s Share of Revenue [section 5(1)]; conditional allocations for RMLF [section 5(2)]; and conditional allocations financed by proceeds of loans and grants from development partners [section 5(4)].

This shall exclude actual expenditure by the county government of the unconditional additional allocations whose expenditures are considered same to those financed from unconditional equitable share.

SECOND SCHEDULE

THAT, in line with the rational provided above, the Third Schedule (S.5(3)) in the CGAAB, 2024 (Senate Bills. No. 19 of 2024) be amended as follows:

- By deleting Column C. The National Treasury is of the view that **Ksh. 1,055,205,814.07** unconditional allocations from mineral royalties be revised to **nil** as the amount is already provided for in the current financial year as part of the **Ksh. 2,934,923,147** included in the CGAAA, 2024 for FY 2023/24.



NJUGUNA NDUNG'U, EGH
CABINET SECRETARY

3RD JUNE, 2024

Encls



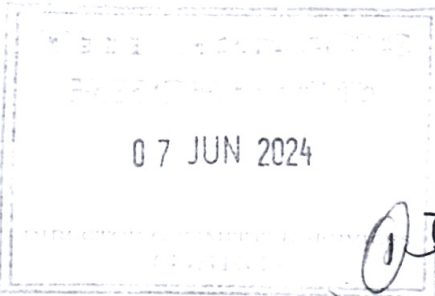
REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

Telegraphic Address: 22921
FINANCE – NAIROBI
FAX NO. 310833
Telephone: 2252299

THE NATIONAL TREASURY
P.O. BOX 30007 -00100
NAIROBI
KENYA

When Replying Please Quote

IGFR/CG/01/J (28)



6th June, 2024

Mr. J.M. Nyegenye, C.B.S.
Clerk/Chief Executive Officer
Parliamentary Service Commission
Parliament Buildings
NAIROBI.

Dear

Mr. Nyegenye

DSEC
DDSEC (BW)
Kindly deal
Wobah
07/06/2024

Kindly deal

07/06/2024

**RE: FOLLOW-UP ON THE MEETING OF THE STANDING COMMITTEE ON
FINANCE AND BUDGET**

Reference is made to your letter Ref No. Ref. SEN/DSEC/F&B/2024/060 dated 5th June, 2024 on the above subject matter.

Further, reference is made to the meeting of the Standing Committee on Finance and Budget that was held on **Wednesday, 5th June, 2024**, at which the CS/NT&EP was in attendance and at which matters concerning the County Governments Additional Allocations Bill (CGAAB), 2024 (*Senate Bills No.19 of 2024*) were deliberated. We wish to confirm in writing as follows:-

a) *State Department for Housing and Urban Development requested for:*

- i. *splitting of Ksh. 10.6 billion - (funding from the World Bank and the French Development Agency) to indicate the two sources of the funds for the funding of Kenya Informal Settlements Improvement Project (KISIP II);*

Response

The National Treasury concurs with the request by the State Department to split the above conditional allocation (*see attached revised KISIP II frameworks*). However, the National Treasury noted that in the draft budget estimates for FY 2024/25 the KISIP II project, has been allocated **Ksh. 10.4 billion**. Thus as we concur with the splitting, the total allocation in the Bill should be revised to Ksh. 10.4 billion as captured in the revised frameworks.

- ii. *Inclusion of Ksh. 5.8897 billion for the Kenya Urban Support Programme (KUSP) Urban Development Grant (UDG) which had been omitted; and*

3 Mr. Githungo
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10/06/24

- iii. *Revision of the allocation to KUSP - Urban Investment Grant (UIG) from **Ksh. 1.575 billion to 1.715 billion**;*

Response

The National Treasury concurs with the requests under KUSP since the requested amounts are already contained in the draft budget estimates of the State Department for FY 2024/25 (*see attached revised KUSP frameworks*).

- b) *State Department for Agriculture requested for inclusion of **Ksh. 1.03 billion** (SIDA Grant) for funding of the Kenya Agricultural Business Development Project (KABDP);*

Response

The National Treasury concurs partially with this request. It should be noted, while the State Department had requested **Ksh. 1.03 billion**, the allocation in the draft budget estimates for FY 2024/25 under the KABDP is for transfer to county governments **Ksh. 513 million**. Thus, the National Treasury advised that only **Ksh. 513 million** is available for inclusion in the Bill for transfer to county governments as a conditional grant (*see attached KABDP framework*).

- c) *The Council of Governors (CoG) requested for inclusion of a new conditional grant (the Grant from IDA-World Bank) on the Kenya-Wash, Sanitation and Hygiene (K-WASH); program amounting to **Ksh. 3.86 billion** whose agreement were recently signed;*

Response

The National Treasury declines this request. The financial year 2024/25 budget has been prepared under a very tight fiscal framework and the fiscal space allocated to projects under foreign financing cannot, therefore, accommodate the **Ksh. 3.86 billion** for K-WASH as requested by the CoG.

- d) ***Ksh.78.2 million** additional allocations for Construction of County Headquarters.*

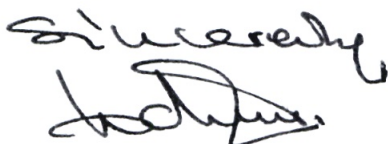
It should be noted that, this request was made in the meeting with the understanding that should it be granted, it would bring to an end the commitment/obligation of the National Governments' contributions to the conditional allocation.

Response

In view of the above, the National Treasury concurs with this request to include additional **Ksh. 78.2 million** in the Bill, bringing to an end the commitment/obligation of the National Governments' contribution to the conditional allocation.

Submitted for your information and further necessary action.

Yours



NJUGUNA NDUNG'U, E.G.H.
CABINET SECRETARY

Encls.

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 / State Department for 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"> • Maintain a database of informal settlements for purposes of consideration for infrastructure improvement; subject the informal settlements to the agreed illegibility criteria for determination of interventions; • Ensure programme allocations as per Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2024/2025 • Receive and review quarterly and annual financial and non-financial reports from the counties and consolidate • Receive exchequer requests from the counties and instruct the National Treasury to disburse the funds • Submit quarterly and annual financial and performance reports to the National Treasury • 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 approved activities for submission to the National Project Coordination Team; • Ensure that prior to submission of the AWP&B, it is approved by the County Executive and captured accordingly in the county budget and approved by the County Assembly • The County accounting officer, upon approval of the budget by respective county assembly shall submit on a quarterly basis, a disbursement request to the SDHUD through the county Treasury; and • Submit quarterly and annual financial and performance reports to the SDHUD

	<ul style="list-style-type: none"> • Ensure funds are spent for the purpose for which they were disbursed in a fair, efficient and economical manner 		
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; • County must have opened a Special Purpose Agreement in a commercial bank • County has formed and operationalized the Single Fiduciary Management Unit • SDHUD will ensure that the funds disbursed by IDA are subsequently disbursed to the counties within 7 days after receipt of funds • The county ensure that the funds disbursed from National Government are subsequently credited to the SPA within 7 days after receipt of funds • 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 24 spending units. 		
Allocation: 2024/2025	KES 5,156,696,115		
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 IDA	Total Allocation
1	NAIROBI	60,000,000	60,000,000
2	MOMBASA	860,000,000	860,000,000
3	NAKURU	128,000,000	128,000,000
4	KISUMU	655,000,000	655,000,000

5	KILIFI	417,190,432	417,190,432
6	UASIN GISHU	320,000,000	320,000,000
7	TRANS-NZOIA	621,834,073	621,834,073
8	MERU	193,506,111	193,506,111
9	HOMABAY	500,000,000	500,000,000
10	LAMU	28,128,530	28,128,530
11	BUNGOMA	297,400,170	297,400,170
12	THARAKA NITHI	168,945,347	168,945,347
13	NYANDARUA	288,462,533	288,462,533
14	NYAMIRA	148,123,322	148,123,322
15	ELGEYO MARAKWET	261,751,540	261,751,540
16	NANDI	208,354,058	208,354,058
	Total	5,156,696,115	5,156,696,115

FRAMEWORK FOR MANAGEMENT KISIP II

1. AFD – 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 / State Department for 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"> • Maintain a database of informal settlements for purposes of consideration for infrastructure improvement; subject the informal settlements to the agreed illegibility criteria for determination of interventions; • Ensure programme allocations as per Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2024/2025 • Receive and review quarterly and annual financial and non-financial reports from the counties and consolidate • Receive exchequer requests from the counties and instruct the National Treasury to disburse the funds • Submit quarterly and annual financial and performance reports to the National Treasury • 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 approved activities for submission to the National Project Coordination Team; • Ensure that prior to submission of the AWP&B, it is approved by the County Executive and captured accordingly in the county budget and approved by the County Assembly • The County accounting officer, upon approval of the budget by respective county assembly shall submit on a quarterly basis, a disbursement request to the SDHUD through the county Treasury; and • Submit quarterly and annual financial and performance reports to the SDHUD

	<ul style="list-style-type: none"> • Ensure funds are spent for the purpose for which they were disbursed in a fair, efficient and economical manner 																				
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; • County must have opened a Special Purpose Agreement in a commercial bank • County has formed and operationalized the Single Fiduciary Management Unit • SDHUD will ensure that the funds disbursed by IDA are subsequently disbursed to the counties within 7 days after receipt of funds • The county ensure that the funds disbursed from National Government are subsequently credited to the SPA within 7 days after receipt of funds • 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 24 spending units. 																				
Allocation: 2024/2025	KES 5,243,303,885																				
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.																				
	<table border="1"> <thead> <tr> <th></th> <th>COUNTY</th> <th>Donor AFD</th> <th>Total Allocation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NAIROBI</td> <td>690,000,000</td> <td>690,000,000</td> </tr> <tr> <td>2</td> <td>NAKURU</td> <td>422,000,000</td> <td>422,000,000</td> </tr> <tr> <td>3</td> <td>KISUMU</td> <td>195,000,000</td> <td>195,000,000</td> </tr> <tr> <td>4</td> <td>KILIFI</td> <td>343,080,069</td> <td>343,080,069</td> </tr> </tbody> </table>		COUNTY	Donor AFD	Total Allocation	1	NAIROBI	690,000,000	690,000,000	2	NAKURU	422,000,000	422,000,000	3	KISUMU	195,000,000	195,000,000	4	KILIFI	343,080,069	343,080,069
	COUNTY	Donor AFD	Total Allocation																		
1	NAIROBI	690,000,000	690,000,000																		
2	NAKURU	422,000,000	422,000,000																		
3	KISUMU	195,000,000	195,000,000																		
4	KILIFI	343,080,069	343,080,069																		

5	KAKAMEGA	110,000,000	110,000,000
6	KIAMBU	464,543,092	464,543,092
7	UASIN GISHU	670,000,000	670,000,000
8	WAJIR	488,615,663	488,615,663
9	HOMABAY	487,020,992	487,020,992
10	TAITA TAVETA	190,626,011	190,626,011
11	LAMU	282,000,000	282,000,000
12	KAJIADO	180,626,011	180,626,011
13	NYERI	360,603,076	360,603,076
14	KWALE	120,188,971	120,188,971
15	ELGEYO MARAKWET	239,000,000	239,000,000
	Total	5,243,303,885	5,243,303,885

1. IDA (World Bank) credit: Second Kenya Urban Support Project (KUSP2)- Urban Development Grant (UDG)	
Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing & Urban Development.
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 2024/25 • 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.
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 • Urban board has adopted urban area budget based on the budget ceiling. • Urban IDeP submitted by the municipal administrator, and reviewed and approved by the municipal board • Urban spatial plan completed and approved • Board adopts a SWM policy and operations • Previous year's UDG projects completed.
Accounting officer of the County	Accounting officer responsible for Housing and Urban Development in the County government

Government responsible		
Accounting officer of the County Government responsible	<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: 2024/25	KES : 5,890,000,000.00	
Purpose of the grant	Provide support to urban boards and administrators within the respective participating County Govts for financing infrastructure investments in urban areas.	
Allocation criteria	<p>Based on financing agreement between the IDA and the Government of Kenya.</p> <p>-UDG Performance Allocation of us\$ 18.00 per capita</p> <p>-UDG Minimum floor of us\$ 400,000</p> <p>-WHR UDG 20.00 per capita</p> <p>1st year 80% of 40% of maximum allocation.(Maximum allocation scaled down to align with the fiscal space for financial year 2024/2025)</p>	
S/no	County	UDG 2024/25KES
1	Baringo	18,190,994.98
2	Bomet	18,278,288.91
3	Bungoma	100,434,139.34
4	Busia	76,464,542.57
5	Elgeyo Marakwet	18,278,288.91
6	Embu	52,595,562.10
7	Garissa	342,462,887.54
8	Homa bay	54,661,088.29
9	Isiolo	63,661,197.60
10	Kajiado	227,801,862.29
11	Kakamega	120,740,968.66
12	Kericho	43,550,248.90
13	Kiambu	1,331,483,863.25
14	Kilifi	157,132,671.70
15	Kirinyaga	31,719,707.71
16	Kisii	90,993,017.81
17	Kisumu	340,394,235.68
18	Kitui	41,801,769.20

19	Kwale	81,159,201.77
20	Laikipia	77,214,878.62
21	Lamu	20,547,228.24
22	Machakos	90,174,566.29
23	Makueni	40,167,542.14
24	Mandera	142,013,440.80
25	Marsabit	29,373,187.54
26	Meru	106,048,304.21
27	Migori	112,844,665.96
28	Muranga	70,743,657.60
29	Nakuru	671,683,508.50
30	Nandi	33,993,379.73
31	Narok	71,238,901.23
32	Nyamira	19,817,127.79
33	Nyandarua	36,556,577.82
34	Nyeri	64,819,483.34
35	Samburu	25,375,442.40
36	Siaya	45,218,471.76
37	Taita Taveta	18,278,288.91
38	Tana River	18,278,288.91
39	Tharaka Nithi	66,362,245.49
40	Trans Nzoia	131,267,527.78
41	Turkana	286,858,966.24
42	Uasin Gishu	385,055,947.58
43	Vihiga	18,278,288.91
44	Wajir	72,942,053.18
45	West Pokot	23,043,491.86
	TOTAL	5,890,000,000.04

2. IDA (World Bank) credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	
Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing & Urban Development.
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 2024/25 • 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"> • County government has committed itself to participation in KUSP • County government has drawn up its County Urban Institutional Development Strategy (CUIDS)
Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Accounting officer of the County Government responsible	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the relevant department for the FY 2024/25 • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Housing and Urban Development • Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2024/25	KES: 1,715,000,000.00
Purpose of the grant	Provide support to participating County Governments for the formulation of urban development plans including the

		establishment and operation of urban institutional arrangements such as charters, boards administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments.
Allocation criteria		Based on financing agreement between the IDA and the Government of Kenya.
County		UIG ALLOCATION 2024/25KES
1	Baringo	35,000,000.00
2	Bomet	35,000,000.00
3	Bungoma	35,000,000.00
4	Busia	35,000,000.00
5	Elgeyo Marakwet	35,000,000.00
6	Embu	35,000,000.00
7	Garissa	105,000,000.00
8	Homa bay	35,000,000.00
9	Isiolo	35,000,000.00
10	Kajiado	35,000,000.00
11	Kakamega	35,000,000.00
12	Kericho	35,000,000.00
13	Kiambu	35,000,000.00
14	Kilifi	35,000,000.00
15	Kirinyaga	35,000,000.00
16	Kisii	35,000,000.00
17	Kisumu	35,000,000.00
18	Kitui	35,000,000.00
19	Kwale	35,000,000.00
20	Laikipia	35,000,000.00
21	Lamu	35,000,000.00
22	Machakos	35,000,000.00
23	Makueni	35,000,000.00
24	Mandera	35,000,000.00
25	Marsabit	35,000,000.00
26	Meru	35,000,000.00
27	Migori	35,000,000.00
28	Muranga	35,000,000.00
29	Nakuru	35,000,000.00
30	Nandi	35,000,000.00
31	Narok	35,000,000.00
32	Nyamira	35,000,000.00
33	Nyandarua	35,000,000.00
34	Nyeri	35,000,000.00
35	Samburu	35,000,000.00
36	Siaya	35,000,000.00
37	Taita Taveta	35,000,000.00
38	Tana River	35,000,000.00

39	Tharaka Nithi	35,000,000.00
40	Trans Nzoia	35,000,000.00
41	Turkana	105,000,000.00
42	Uasin Gishu	35,000,000.00
43	Vihiga	35,000,000.00
44	Wajir	35,000,000.00
45	West Pokot	35,000,000.00
	TOTAL	1,715,000,000

1. Sweden – Kenya Agricultural Business Development Project (KABDP)-2024/2025 FY	
Ministry/State Department Responsible	Ministry of Agriculture And Livestock Development (MoA&LD)
Accounting officer of National Government Responsible	Principal Secretary, State Department for Agriculture
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 2024/025 • 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
Condition	<ul style="list-style-type: none"> • Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; • Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ; • GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable 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 And Livestock Development 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. Conditional Grant – National & County Government to contribute Counterpart Funds
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 based on the previous year's activity and budget performance and share with the National Government Secretariat; • Ensure that the project 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 all the funds to the project account through project CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Allocation: 2024/2025	KES 513,189,193
Purpose of the grant	<ol style="list-style-type: none"> 1. Business development knowledge and skills of the Agriculture Priority Value Chain Actors (PVCAs) and Value Chain Organizations (VCO) enhanced. 2. Marketed volumes of agriculture priority value chains (PVCAs) products increased. 3. Resilience of agriculture priority value chains (PVCAs) businesses to environment and climate change enhanced. 4. Agricultural business development policy and institutional environment for priority VCAs strengthened
Allocation criteria	Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.

Allocation by County		
Serial No.	Implementing Unit	Donor (Ksh)
1	Baringo	10,918,919
2	Bomet	10,918,919
3	Bungoma	10,918,919
4	Busia	10,918,919
5	Elgeyo-Marakwet	10,918,919
6	Embu	10,918,919
7	Garissa	10,918,919
8	Homabay	10,918,919
9	Isiolo	10,918,919
10	Kajiado	10,918,919
11	Kakamega	10,918,919

12	Kericho	10,918,919
13	Kiambu	10,918,919
14	Kilifi	10,918,919
15	Kirinyaga	10,918,919
16	Kisii	10,918,919
17	Kisumu	10,918,919
18	Kitui	10,918,919
19	Kwale	10,918,919
20	Laikipia	10,918,919
21	Lamu	10,918,919
22	Machakos	10,918,919
23	Makueni	10,918,919
24	Mandera	10,918,919
25	Marsabit	10,918,919
26	Meru	10,918,919
27	Migori	10,918,919
28	Mombasa	10,918,919
29	Muranga	10,918,919
30	Nairobi	10,918,919
31	Nakuru	10,918,919
32	Nandi	10,918,919
33	Narok	10,918,919
34	Nyamira	10,918,919
35	Nyandarua	10,918,919
36	Nyeri	10,918,919
37	Samburu	10,918,919
38	Siaya	10,918,919
39	TaitaTaveta	10,918,919
40	Tana River	10,918,919
41	Tharaka-Nithi	10,918,919
42	Trans Nzoia	10,918,919
43	Turkana	10,918,919
44	Uasin Gishu	10,918,919
45	Vihiga	10,918,919
46	Wajir	10,918,919
47	West Pokot	10,918,919
	Total County	513,189,193



COUNCIL OF GOVERNORS

**LEGISLATIVE MEMORANDUM ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2024 (SENATE
BILLS NO. 19 OF 2024)**

TO

THE SENATE STANDING COMMITTEE ON FINANCE AND BUDGET

FROM

THE COUNCIL OF GOVERNORS



COUNCIL OF GOVERNORS

THE COUNCIL OF GOVERNORS,

In recognition of the fact that sovereign power of the state is exercised at two levels of government, that is, the National Government and the County Governments, whose distinctness is recognized by Article 6 (2);

In further recognition of the need to ensure that all legislation is cognizant of devolved governments; and

Aware of the need for coordinated action between the National and County Governments to ensure that legislation properly respond to the key issues, and further reflects the spirit and purpose of devolution.

Having reviewed the County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024), the Council of Governors on behalf of the 47 County Governments submits the proposals highlighted herein below for consideration:

A. GENERAL COMMENTS

1. **Perennial delays in consideration and passage of the County Governments Additional Allocations Bill, 2024** – The Council notes that since the introduction of the County Governments Additional Allocations Bill (CGAAB) in the FY 2021/22, it has always been passed late and outside the timeline provided for in the Public Finance Management (PFM) Act. Section 42 of the PFM Act 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.”* Specifically on the three Bills so far:

- The CGAAB for FY 2021/22 was assented to on 22nd April 2022 as opposed to by 30th June 2021
- The CGAAB for FY 2022/23 was assented to on 12th December 2022 as opposed to by 30th June 2022
- The CGAAB for FY 2023/24 was assented to on 4th March 2024 as opposed to by 30th June 2023



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The delayed consideration and passage of the Bill has affected the Counties absorption and budget implementation for the FYs to which the allocations relate and, in most cases, loss of donor funds on programmes that are performance/absorption based. **We therefore urge the Senate to ensure that the Bill is considered and passed within the timelines provided in law and in any case not after the beginning of the Financial Year to which the allocations relate.**

2. **Non-disbursement of funds relating to conditional grants as passed by Parliament** – The Council is concerned about the status of disbursement of additional allocation funds for the current FY as per the County Governments Additional Allocations Act (CGAAA), 2024 and the disbursement schedule approved by the Senate. The National Treasury has not provided any update on the cause of the delays or any indication on when the funds will be disbursed noting that there is only one month remaining to the close of the FY. The specific allocations yet to be disbursed are as follows:
 - Supplement for construction of County Headquarters amounting to **Ksh.454,000,000**
 - Conditional grant for transfer of Library Services amounting to **Ksh.162,848,690**
 - Allocations for Court Fines amounting to **Ksh.108,660,979**
 - Allocation for Mineral Royalties amounting to **Ksh.2,934,923,147.60**

We request the Senate to cause disbursement of these funds without any further delay to enable implementation of affected Counties' budgets.

3. **Inclusion of funds in the CGAAB not meant to be transferred to the Counties** – In previous Bills, there have been allocations included that are either not meant to be transferred or spent directly by the Counties. This creates a misleading impression among the members of the public on the amount available to the Counties for various critical programmes. This also creates a budgeting, reporting and accountability quagmire since Counties are not the direct spending entities. Some of the allocations included in the CGAAA 2024 but being spent at the National level (National Government MDAs) include:
 - Fertilizer Subsidy Programme amounting to **Ksh.5,000,000,000**
 - Livestock Value Chain Project amounting to **Ksh.1,642,868,400**
 - De-Risking and Value Enhancement (DRIVE) amounting to **Ksh.2,165,507,080**



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- Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) amounting to **Ksh.320,886,501**
We urge that, going forward, only funds meant to be transferred and spent directly by the Counties should be included in CGAAB.
4. **Payment of outstanding Contribution in Lieu of Rates (CILOR)** – Despite several efforts and recommendations by the Senate and the 2023 Budget Policy Statement, the National Treasury is yet allocate the outstanding CILOR to the beneficiary Counties. The Senate should therefore ensure compliance on the same.
 5. **Provision for emergency related funds/allocations/grants** – While it is possible for the National government to accommodate any new/emergency allocations anytime within the FY and the budgeting cycle, the current legal framework for managing additional allocations does not allow for allocation of emergency funds to Counties once the CGAAB is passed. **We therefore propose that the Senate legislates on accommodating any funds available to County governments within the FY that maybe meant to address emergency situations or any additional budgetary requirements.**
 6. **Implementation of the provisions of the Affordable Housing Act, 2024 on revenue sharing with the County governments-** Section 11 4 (c) of the Act provides that not less than point five percent (0.5%) of the monies of the Fund be allocated to the county rural and urban affordable housing committees for the administration of the County Committees as may be approved by the Cabinet Secretary for the time being responsible for the National Treasury. Section 11 (5) further provides that the monies under subsection (4)(c) shall be appropriated **as a conditional grant to county governments.** The Council vide a letter to the National Treasury (attached) requested for a consultative meeting on operationalization of these provisions of the law given that the County Committees are in place. However, to date, there is no consultation that has taken place or clarity on how this will be implemented yet section 34 (5) obligates County Governments to establish these committees **within 30 days** after the commencement of the Act which commenced on 22nd March 2024. The Counties have so far established these committees as per the law.



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Section 11 (3) further provides that County Governments may be allocated out of the fund monies in accordance with the Public Finance Management Act (Cap. 412A) and on such conditions as may be prescribed by the Cabinet Secretary for the time being responsible for the National Treasury. **We therefore request the Senate to provide a way forward on implementation of these two Sections on the Affordable Housing Act.**

B. SPECIFIC CONCERNS

The Council proposes the following specific amendment to the County Governments Additional Allocations Bill, 2024:

Section	Provision	CoG’s Proposal	Rationale/Justification
<p>Clause Conditional allocations to county governments 5(1)</p>	<p>5. (1) Conditional allocations to each county government from the National Government share of revenue for the financial year 2024/25 shall be as set out in Column F of the First Schedule, comprising — (b) conditional allocations for the</p>	<p>Column C of the First Schedule be amended as per the attached schedule to allocate Ksh.250,000,000 to 29 Counties as opposed to the current 18.</p> <p>The new total amount under the Column C to be Ksh.7,250,000,000.</p>	<p>The remaining 29 Counties under phase 2 of the project have made significant progress in the construction of CAIPs. However, the following 11 Counties are yet to be scheduled for Budgetary allocation by the National Government in the next FY as per the Bill, namely Tana River, Isiolo, Kisumu, Nairobi, Lamu, Samburu, Bomet, Makueni, Marsabit, Turkana and West Pokot. Additionally, Tana River and Isiolo Counties are in advanced stages of construction while the rest are still in procurement</p>



COUNCIL OF GOVERNORS

	<p>County Aggregation and Industrial Parks (CAIP) programme as set out in Column C ;</p>		<p>stages. The 11 Counties have however allocated budget for the project under FY 2023/24 and FY 2024/25. It is therefore imperative to have all Counties move together towards the completion of the projects for better use of public resources.</p>
	<p>New Section – Outstanding Basic Salary Arrears for County Governments Healthcare Workers.</p>	<p>Clause 5 (1) be amended by inserting a new subsection immediately after subsection 5 (1)(d)</p> <p>(e) conditional allocations for payment of Outstanding Basic Salary Arrears for County Governments Healthcare Workers as set out in Column G.</p>	<p>As part of the commitments made by the National government in the Return-to-work-formula signed between the national government and KMPDU was the payment of the outstanding salary arrears accrued. The total amount is Ksh.3.5 billion as per the 2017-2021 CBA. However, the National government has committed to pay this across two financial years beginning 1st July 2024 as the Presidential Directive issued through the Head of Public Service vide a letter Ref No. EOP/CAB.26/4A/VOL.III/ (181) dated 29th May 2024 (attached). The Council of Governors therefore requests for inclusion of the conditional grant amounting to Ksh.1.75 billion for the FY 2024/25.</p>



COUNCIL OF GOVERNORS

	Component	<p>column to provide for: -</p> <p>() conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Second Kenya Urban Support Program (KUSP II) amounting to KES 5.8897 billion.</p>	
	New section (Column)- K-WASH	<p>The Fourth Schedule be amended by inserting a new column to provide for:-</p> <p>() conditional allocations financed by proceeds from an IDA (World Bank) loan for the Kenya Water, Sanitation and Hygiene (K-WASH) Program amounting to Ksh.3,860,921,330.90 as per the attached schedule.</p>	<p>The programme, supporting 19 Counties has a Performance for Results (PforR) component which requires Counties to achieve certain results before they are rewarded. The Program is anchored under the National Water and Sanitation Investment Program (NAWASIP) signed by the Council of Governors and Ministry of Water, Sanitation & Irrigation 17th January 2022. The main objective is to increase sustainable access to improved water and sanitation services, eliminate open defecation, and improve the financial performance of Water Services Providers in peri-urban counties, including refugee-selected coun...</p>



COUNCIL OF GOVERNORS

	Component	<p>column to provide for: -</p> <p>() conditional allocations financed by proceeds from an IDA (World Bank) Loan for the Second Kenya Urban Support Program (KUSP II) amounting to KES 5.8897 billion.</p>	
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COUNCIL OF GOVERNORS

			<p>hosting counties. The Ministry has already made a request for budgetary allocation of the same through the national Treasury although this has not been granted on the pretext of a tight fiscal space. Exclusion of this allocation in the next FY will deny the Counties the opportunity to qualify for the funds that negates the objective of the K-WASH as a Program for Results.</p> <p>We therefore urge the Senate to provide for this allocation as requested by both the Council of Governors and the Ministry of Water.</p>
<p>Consequential Amendments No. 18 of 2012</p>	<p>Proposed amendment to the Public Finance Management Act, 2012</p>	<p>Section 191 of Public Finance Management Act is amended by inserting the following new subsections immediately after subsection (3A)— (1) When the County Governments Additional Allocations Bill is submitted to Cabinet and to Parliament for approval, it shall be accompanied by the</p>	<p>Approval of the disbursement schedule after the Bill is passed takes an unnecessary additional time which could be cured through concurrent consideration of the two.</p>



COUNCIL OF GOVERNORS

		<p>proposed disbursement schedule contemplated under Section 17 (7) of the Act.</p> <p>(2) Cabinet and Parliament shall consider the proposed disbursement schedule alongside the County Governments Additional Allocations Bill, and may approve the schedule with or without amendments</p>	
	<p>Repeal of Sections 191 A to 191 E of the Public Finance Management Act, 2012</p>	<p>The Public Finance Management Act, 2012 is amended by deleting Sections 191A to 191 E.</p>	<p>The Sections had introduced additional bureaucracies and requirements that made it difficult for Counties to access conditional grants in a timely manner. The Council had proposed for deletion of the Sections after they were suspended for 2 FYs.</p>



Promoting an Equitable Society

MEMORANDA ON THE COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2024

In accordance with the requirements of Article 205 of the Constitution, the Commission on Revenue Allocation has considered the provisions of The County Governments Additional Allocations Bill, 2024 and makes the follows observations:

1. Conditional Additional Allocations to County Governments from the National Government Share of Revenue for FY 2024/25

Clause 5 (1) provides for conditional additional allocations for each county government. The following corrections should be made on subclauses (c) and (d):

c) the conditonal allocations for the Community Health Promoters (CHP) project are as set out in Column D and *not Column E*

d) conditional allocations for the Transfer of Museum function are as set out in Column E and *not Column F*

Further, reference is made to the Budget Policy Statement, 2024: (Part 4.4.2.4; page 84 on Additional Allocations to the County Governments for FY 2024/25 Paragraph 328 (vii)). The transferred function of Museums amounting to Ksh. 30.2 million was meant for eight (8) stations. The eight stations as transferred to county governments by the Intergovernmental Relations Technical Committee vide Gazette Notice No. 13982 dated 11th November 2022 are: Meru-Njuri Ncheke Museum, Narok Museum, Garissa Museum, Wajir Museum, Longaingalani Museum, Kisumu Musuem, Kitale Musuem and Isiolo Musuem.

The Meru-Njuri Ncheke Museum has not been allocated any resources in the FIRST SCHEDULE (s.5(1)) Column E.

2. Conditional Allocations Financed by Loans and Grants from Development Partners

Clause 5(4) provides for conditional allocations financed by proceeds of loans or grants from development partners to each county government for FY 2024/25. These are as set out in Column Q and *not column P of the Fourth Schedule*

Clause 5(4) (d) delete the words “*amounting to*” after conditional allocations

Clause 5(5) provides that the sharing of resources for co-financing of FLLoCA-County Climate Resilience Investment (CCRI) by both the German Development Bank and the World Bank shall be allocated on the basis of a criteria.

The Criteria is provided for in 5 (b) as: the first fifty percent of the total allocations for the CCRI grant shall be transferred on the basis of factors that reflect relative expenditure needs for climate action, including the variables of a fixed share at 33.3 percent, rural population at 30 percent, rural area at 13.3 percent and poverty at 23.3 percent, whereby the weights are based on the formula for allocating the share of the national revenue among counties

- i. The weights provided in 5(b) are different from the weights in the third basis for revenue sharing. There is need for clarity of the formula to be used to share the first fifty percent of the County Climate Resilience Investment Grant and its connection with the basis for sharing the equitable share transfers to county governments.
- ii. Replace *national revenue* with nationally raise revenue in 5(b)

Clause 5 (c) provides that the second fifty percent of the total allocation for the CCRI grant shall be allocated on the basis of the scores for the performance measures, weighted with the basic allocation. The basic allocation need to be defined in this Act.

REPUBLIC OF KENYA



MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT
STATE DEPARTMENT FOR AGRICULTURE
Office of the Principal Secretary

Telephone: 2718870/9
Website: www.kilimo.go.ke
Email: psagriculturalresearch@kilimo.go.ke
When replying please quot

KILIMO HOUSE
CATHEDRAL ROAD
P.O. Box 30028-00100
NAIROBI



MOA&LD/KABDP/FIN/1/2023/2024 Vol.01(004)

24th April, 2024

The Chairperson

National Assembly Budget & Appropriation Committee
Parliament Building
NAIROBI

DSH

Kindly deal.

The Chairperson

Standing Committee Of Finance & Budget - Senate
NAIROBI

Ep 30/04/2024

The Chairperson

National Assembly Agriculture Committee
Parliament Building
NAIROBI



Dear

Chair,

*3) Mr. Gotoanga
Kindly deal.
Robert
02/05/2024*

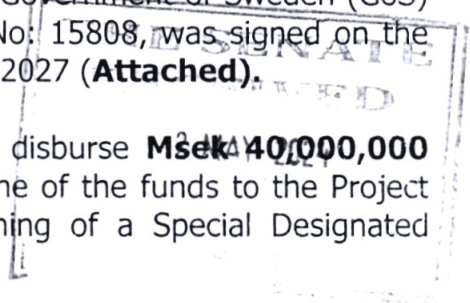
*2) DDSEC (BL)
Kindly deal
02/05/2024*

RE: REQUEST FOR CONSIDERATION TO BE INCLUDED IN THE COUNTY GOVERNMENT ADDITIONAL REVENUE BILL, 2024 FOR KENYA AGRICULTURAL BUSINESS DEVELOPMENT PROJECT (KABDP) - SIDA GRANT CONTRIBUTION NO:15808– FY 2024-2025

KABDP is a Conditional Grant Co-financed by the Government of Kenya (National & 47 County Governments) and the Government of Sweden (GoS)

The Conditional Grant Financing Agreement between the Government of Sweden (GoS) and the Government of Kenya (Gok)- Sida Contribution No: 15808, was signed on the 20th February, 2024, effective 1st March 2023 to 30th June, 2027 (**Attached**).

In addition, The Government of Sweden has agreed to disburse **Msek 40,000,000 (Swedish Kronors -Forty Million)**, being the 1stTranche of the funds to the Project immediately after signing the agreement and the opening of a Special Designated Account in the Central bank.



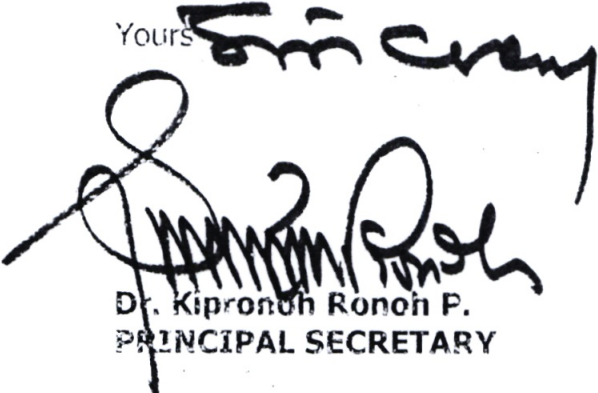
In reference to Article 5.12 of the Grant Financing Agreement- under (Disbursements):

"The Government will ensure that the co-financing by the National Government and the respective counties shall be reflected in the respective Fiscal Year appropriated budgets at the two levels of Government."

The Project was omitted in the Special Issue – **Kenya Gazette Supplement NO.77 (Senate Bills NO.19), Ref: Nairobi,28th March,2024.**

The purpose of this letter is to request you to facilitate the process of considering the Project in the County Government Additional Revenue Bill, 2024 to enable the implementation of the Project.

Yours



**Dr. Kipronoh Ronoh P.
PRINCIPAL SECRETARY**

Attachment:

- i) KABDP Itemized Budget - FY 2024-2025
- ii) KABDP – FY 2024-2025 Frame Work
- iii) KABDP – Signed Grant Financial Agreement
- iv) KABDP – Kenya Gazette Supplement No.77, (Senate Bills No.19) Dated 28th, March,2024

Copy To:

Principal Secretary
The National Treasury
Treasury Building
NAIROBI



**MINISTRY OF LANDS, PUBLIC WORKS, HOUSING AND
URBAN DEVELOPMENT**

State Department for Housing and Urban Development

6th Floor,
Ardhi Building
1st Ngong Avenue
Email.ps@housingandurban.go.ke

OFFICE OF THE PRINCIPAL SECRETARY
P.O. Box 30119 – 00100
Tel: +254 (0) 20 2734886
NAIROBI

REF: MLPWHUD/HUD/KISIP2/1/1/4 VOL. III (19)

DATE: 4th June, 2024

J. M. Nyegenye, CBS
Clerk of the Senate
Parliament Building
NAIROBI

Dear *Mr. Nyegenye,*

**REQUEST FOR CONSIDERATION OF PARTICIPATION IN THE PUBLIC
HEARINGS FOR FINANCIAL YEAR 2024/2025**

Please refer to your letter Ref. SEN/DSE/F&B/2024/055(a) dated 31st May, 2024 on the above subject matter.

This is to forward our submissions as hereunder: -

Second Kenya Informal Settlement Improvement Project (KISIP II)

In Financial Year 2024/2025, the project has been allocated Kshs.10,400,000,000 as conditional grants to 23 participating counties. The funds will come from two financiers IDA (World Bank) and French Development Agency (AFD).

The figures in the County Government Additional Allocation Bill (CGAAB) were all captured as IDA (World Bank). We are therefore requesting this committee to consider a revision of the bill to capture the separation between the two financiers. Additionally, the AFD funding was reduced in the final draft estimates by Ksh.200,000,000 thus necessitating a revision of the previously framework for conditional grants.

Kenya Urban Support Program II

As for Kenya Urban Support Program the UDG component previously excluded from the framework for conditional grants due to unforeseen delay in the signing of the Financing Agreement. Following the signing of the Financing Agreement in 21st December 2023, it is now being expedited to have the first disbursements done in the FY 2024/2025.

This is therefore to request a revision of the Senate Bill No. 19 of 2024, the County Government Additional Allocation Bill (CGAAB), 2024 to include the UDG component amounting to KES.5,889,666,720.

The updated frameworks for conditional grants are herein attached.

Yours *Sincerely,*

A handwritten signature in black ink, appearing to read 'Charles M. Hinga', with a stylized flourish at the end.

Charles M. Hinga, CBS CA(SA)
PRINCIPAL SECRETARY

Copy to: Hon. Alice Wahome, EGH
Cabinet Secretary
Ministry of Lands, Public Works, Housing and
Urban Development
NAIROBI

QS Said Athman, EBS
Housing Secretary
State Department for Housing and Urban Development
NAIROBI

National News

National Prayer Breakfast President publicly meets DP Rigathi Gachagua for the first time since May 19 Ruto calls for calm amid UDA bad blood

Head of State now calls on leaders to work together for common destiny

BY JUSTUS OCHIENG

President William Ruto yesterday sounded a conciliatory tone following weeks of intense anxiety in government pointing to differences between him and his deputy Rigathi Gachagua.

Speaking at this year's annual National Prayer Breakfast at Safari Park Hotel in Nairobi, the Head of State who was publicly meeting his deputy for the first time after May 19 when the DP saw him off at Jomo Kenyatta International Airport for his State visit to the US, called on leaders to embrace the spirit of working together.

"That is why I speak to you leaders as the father figure of the nation that we work together, build bridges and synergy as we have a common destiny."

"There will be no success of one country as against another and



President William Ruto, First Lady Rachel Ruto, Deputy President Rigathi Gachagua, National Assembly Speaker Moses Wetangula (right) and the Majority Leader Kimani Ichungwah (left) arrive for the National Prayer Breakfast at Safari Park Hotel yesterday. PHOTO: IPCS

we must therefore pull together and succeed together as a nation," the Head of State said.

The president spoke amid bad blood between senior leaders in his United Democratic Alliance (UDA) party and in government following recent protests by his

deputy that he was being fought by allies of the Head of State.

Without mentioning names, Mr Gachagua has publicly linked some of the officials to his tribulations, attracting fierce criticism from them. "Some few politicians who are around the Pres-

ident want to meddle with Mt Kenya politics to fight me. Mt Kenya politics are so complicated and what we hate is betrayal."

"As Mt Kenya, we have never interfered with Rift Valley politics and we deserve respect," the DP said in Uasin Gishu over the

weekend.

On Tuesday, UDA Secretary General Cleophas Malala also kicked up another storm when he called on two Cabinet Secretaries Kipchumba Murkomen (Transport) and Moses Kuria (Public Service) to resign for playing politics.

But yesterday, President Ruto, though steered clear of the rivalry in his administration and party, appeared to sound a conciliatory tone, urging leaders to work together.

"I have often reminded my fellow citizens that we might not agree on how to take Kenya forward but we all agree that we have a common cause to take our country to the next level. And that is what matters," he said.

Our democratic culture, he added, is a powerful source of resilience and dynamism and an anchor of unity and strength.

"Regardless of how intense our political contests get, and despite the heat of our debate, we must never forget what a great country God has bequeathed us, and the opportunity we have to build a strong, secure and prosperous nation," President Ruto said.

Mr Gachagua also steered clear

of his protests, instead focusing on President Ruto's recent State visit to the US. "Kenyans were happy you put Kenya on the world map," the DP said.

President Ruto underscored the need for unity for impactful development of every region.

He also lauded heads of parastatals for heeding to his call to cut their recurrent budget by 30 percent.

"I was pleasantly surprised when I called heads of parastatals, chairmen and CEOs and explained to them the situation we are, each to go back and reduce your budgets especially on recurrent expenditure by 30 percent, each and every parastatal was willing to contribute to making sure that we live within our means."

"Each have submitted their reports and reduced their recurrent budget by 30 percent," the president announced.

Former Ethiopian Prime Minister Tamrat Layne who delivered a keynote address at the prayer breakfast urged leaders to remain true to their calling and serve Kenyans.

jochieng@ke.nationmedia.com

COUNTY GOVERNMENT OF KIAMBU



COUNTY PUBLIC SERVICE BOARD
P.O BOX 2362-00900
KIAMBU

VACANCIES

Kiambu County Public Service Board is a body corporate established under Section 57 of the County Governments Act, 2012 pursuant to Article 235 of the Constitution of Kenya 2010. Section 59 of the County Governments Act 2012 outlines the functions of the CPSB among them being "appoint persons to hold or act in offices of the county public service including in the Boards of cities and urban areas within the County and to confirm appointments."

Pursuant to the above constitutional and legal provision, the Board invites applications from suitably qualified persons who wish to be considered for the positions listed below in the Department of Health Services.

REGISTERED CLINICAL OFFICER (ANAESTHETISTS) - JOB GROUP CPSB 09 (K) - (12 POSTS)

For further details on job description, requirements for appointment and how to apply, please visit our website: www.kiambu.go.ke

Secretary/CEO
County Public Service Board
County Government of Kiambu

REPUBLIC OF KENYA



THIRTEENTH PARLIAMENT THE SENATE

The County Allocation of Revenue Bill, 2024 (Senate Bills No.25 of 2024) and the County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024)

RECEIPT OF MEMORANDA

The County Allocation of Revenue Bill, 2024 (Senate Bills No. 25 of 2024) and the County Governments Additional Allocations Bill, 2024 (Senate Bills No.19 of 2024) were read a First Time in the Senate on Thursday, 30th May, 2024 and thereafter stood committed to the Senate Standing Committee on Finance and Budget.

Pursuant to the provisions of Article 118 of the Constitution and standing order 145 (5) of the Senate Standing Orders, the Standing Committee on Finance and Budget now invites interested members of the public to submit any representations that they may have on the Bills.

The representations may be made by way of submission of written memoranda on email to clerk.senate@parliament.go.ke/ financebudgetcomm.senate@parliament.go.ke to be received on or before Friday, 7th June, 2024.

The Bills may be accessed on the Parliament Website at <http://www.parliament.go.ke/the-senate/house-business/bills>

J.M. NYEGENYE, CBS,
CLERK OF THE SENATE.