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*The County Allocation of Revenue Bill, 2018*

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# County Allocation of Revenue Bill, 2018

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A legislative proposal for submission to Parliament

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**THE COUNTY ALLOCATION OF REVENUE BILL, 2018**

**ARRANGEMENT OF CLAUSES**

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**THIRD SCHEDULE**

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2018/2019.

**A Bill for**

**AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2018/2019 financial year and the responsibilities of national and county governments pursuant to such allocation and for connected purposes.**

**ENACTED** by Parliament of Kenya, as follows—

**PART I— PRELIMINARY**

*Short title.*

1. This Act may be cited as the County Allocation of Revenue Act, 2018.

*Interpretation.*

2. In this Act, unless the context otherwise requires—

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

“conditional allocations” for the purposes of this Act, means additional resources allocated to county governments from revenue raised nationally or in the form of loans and grants from development partners;

No. 16 of 2011.

“revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act; and

“State Organ” has the meaning assigned to it under Article 260 of the Constitution.

Object and purpose of the Act.

3. The object and purpose of this Act is to—
- (a) provide, pursuant to Article 218(1)(b) of the Constitution, 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 2018/2019;
  - (b) provide, pursuant to Article 187(2) and 202 (2) of the Constitution, for conditional allocations for the financial year 2018/2019; and
  - (c) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.

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Equitable allocation of county governments' share of revenue.

4. (1) Each county governments' equitable share of revenue raised nationally, on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution in respect of the financial year 2018/2019 shall be as set out in Column D of the First Schedule.

No. 18 of 2012.

(2) Each county government's allocation under subsection (1) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule approved by the Senate and published in the gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012.

Conditional allocations to county governments.

5. (1) Conditional allocations from national government revenue to each county government for the financial year 2018/2019 shall be as set out in Column H of the Second Schedule, comprising —

- (a) conditional grants for level 5 hospitals as set out in Column B of the Second Schedule;
- (b) conditional allocations for construction of county headquarters as set out in Column C of the Second Schedule
- (c) conditional allocations for development of youth polytechnics as set out in Column G of the Second Schedule;
- (d) conditional allocations to compensate county health facilities for forgone user fees revenue as set out in Column D of the Second Schedule;
- (e) conditional allocations for leasing of medical equipment as set out in Column E of the Second Schedule; and
- (f) conditional allocations from the Road Maintenance Fuel Levy Fund for the repair and maintenance of county roads as set out in Column F, of the Second Schedule.

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(2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2018/2019 shall be as set out in Column K of the Third Schedule, comprising of—

- (a) conditional allocations financed by a grant from the World Bank to finance Transforming Healthcare Systems for Universal Care Project (THSUCP) as set out in Column B of the Third Schedule;
- (b) conditional allocations financed by a World Bank credit to finance Agricultural and Rural Inclusive Growth Project (NARIGP) as set out in Column C of the Third Schedule;
- (c) conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column D of the Third Schedule
- (d) conditional allocation financed by a grant from the World Bank for Kenya Devolution Support Programme (KDSP)- level 1 known as KDSP Capacity Building (“level 1”) Grant as set out in Column E of the Third Schedule;
- (e) conditional allocation financed by a loan from the World Bank for Kenya Urban Support Project (KUSP) as set out in Column F of the Third Schedule;
- (f) conditional allocation from a grant by DANIDA to finance Universal Healthcare in Devolved System Program as set out in Column G of the Third Schedule; and
- (g) Conditional allocation from an EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column H of the Third Schedule.
- (h) Conditional allocation from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column I in the Third Schedule; and
- (i) Conditional allocations amounting to Kenya Shillings four billion (Ksh. 4 billion) financed by a grant from the World Bank for Kenya Devolution Support Programme (KDSP) known as KDSP Performance (“level 2”) Grant as set out in Column J of the Third Schedule which shall be allocated among county government on

the basis of a criteria to be determined as follows;

- i. the Accounting Officer responsible for the grant, shall for each eligible county government, carry out or cause to be carried out, in accordance with the intergovernmental agreement between the National Government and each eligible county government, an assessment to determine the eligible county government's performance score for purposes of determining the Performance ("level 2") grant allocation for the financial year 2018/2019.
- ii. the allocation to the eligible county governments shall be on the basis of the criteria comprising of the performance score determined in paragraph (i) above and the Revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution.
- iii. the Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of paragraph (ii) above.

No. 18 of 2012

(4) Each county government's allocation under subsection (1) (a), (b), (c) (d) and (f) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012, but shall only be accessed by each county government after meeting conditions set by the Cabinet Secretary responsible for that function at the beginning of the financial year and

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such transfers shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

(5) The county governments' allocations under subsection (1) (e) shall be included in the budget estimates of the national government and shall be submitted to Parliament for approval provided that the national government and county governments will have an intergovernmental agreement in line with Article 187 of the Constitution.

(6) A county governments' allocation under subsection (2) (a) ,(b), (c), (d), ( e), (f), (g), (h) and (i) above shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012 provided the Cabinet Secretary and the responsible development partner have agreed in writing that the funds shall be transferred to the county governments and such transfers shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

Report on actual transfers.

6. The National Treasury shall publish a monthly report on actual transfers of all allocations to county governments.

Books of accounts to reflect national government transfers.

7. (1) Each county treasury shall reflect all transfers by the national government to the county governments in its books of accounts.

(2) The estimates of revenue of each county shall separately reflect the total equitable revenue share under section 4 of this Act and any other conditional allocations from the national government transferred to the County Revenue Fund.

No. 18 of 2012

(3) A county treasury shall as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, 2012 report on actual transfers received by the county government from the national government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed

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by the Board, in the format prescribed by the National Treasury.

Financial Misconduct.

8. Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act, 2012.

Cabinet Secretary to make Regulations.

9. The Cabinet Secretary may, with the approval of Parliament make Regulations on—  
 (a) any matter in respect of which Regulations require to be made under this Act; and  
 (b) any subsidiary or incidental administrative or procedural matter necessary for the proper implementation or administration of this Act.

Clarification of revenue sharing formula to apply

10. For the avoidance of doubt the allocation of the equitable share of revenue to the county governments under Section 4 of this Act shall be in accordance with the second determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

**FIRST SCHEDULE (s. 4(1))**

**Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial Year 2018/2019**

| No | County  | 2017/2018        |                 | 2018/2019        |                 |
|----|---------|------------------|-----------------|------------------|-----------------|
|    |         | Allocation ratio | Equitable Share | Allocation ratio | Equitable Share |
|    |         | Column A         | Column B        | Column C         | Column D        |
| 1  | Baringo | 1.65             | 4,983,000,000   | 1.62             | 5,086,800,000   |
| 2  | Bomet   | 1.74             | 5,254,800,000   | 1.89             | 5,934,600,000   |
| 3  | Bungoma | 2.9              | 8,758,000,000   | 2.85             | 8,949,000,000   |
| 4  | Busia   | 1.93             | 5,828,600,000   | 1.9              | 5,966,000,000   |

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|----|-----------------|------|----------------|------|----------------|
| 5  | Elgeyo Marakwet | 1.2  | 3,624,000,000  | 1.2  | 3,768,000,000  |
| 6  | Embu            | 1.36 | 4,107,200,000  | 1.42 | 4,458,800,000  |
| 7  | Garissa         | 2.21 | 6,659,100,000  | 2.21 | 6,939,400,000  |
| 8  | Homa bay        | 2.16 | 6,523,200,000  | 2.13 | 6,688,200,000  |
| 9  | Isiolo          | 1.25 | 3,775,000,000  | 1.25 | 3,925,000,000  |
| 10 | Kajiado         | 1.91 | 5,768,200,000  | 1.91 | 5,997,400,000  |
| 11 | Kakamega        | 3.29 | 9,935,800,000  | 3.29 | 10,330,600,000 |
| 12 | Kericho         | 1.73 | 5,224,600,000  | 1.82 | 5,714,800,000  |
| 13 | Kiambu          | 3.2  | 9,664,000,000  | 2.98 | 9,357,200,000  |
| 14 | Kilifi          | 3.3  | 9,950,900,000  | 3.45 | 10,833,000,000 |
| 15 | Kirinyaga       | 1.46 | 4,409,200,000  | 1.31 | 4,113,400,000  |
| 16 | Kisii           | 2.46 | 7,429,200,000  | 2.45 | 7,693,000,000  |
| 17 | Kisumu          | 2.17 | 6,553,400,000  | 2.2  | 6,908,000,000  |
| 18 | Kitui           | 2.87 | 8,652,300,000  | 2.78 | 8,729,200,000  |
| 19 | Kwale           | 2.4  | 7,248,000,000  | 2.4  | 7,536,000,000  |
| 20 | Laikipia        | 1.49 | 4,499,800,000  | 1.31 | 4,113,400,000  |
| 21 | Lamu            | 0.82 | 2,476,400,000  | 1.13 | 3,548,200,000  |
| 22 | Machakos        | 2.45 | 7,399,000,000  | 2.65 | 8,321,000,000  |
| 23 | Makueni         | 2.26 | 6,825,200,000  | 2.27 | 7,127,800,000  |
| 24 | Mandera         | 3.23 | 9,739,500,000  | 3.23 | 10,142,200,000 |
| 25 | Marsabit        | 2.18 | 6,583,600,000  | 2.23 | 7,002,200,000  |
| 26 | Meru            | 2.55 | 7,701,000,000  | 2.55 | 8,007,000,000  |
| 27 | Migori          | 2.14 | 6,462,800,000  | 2.14 | 6,719,600,000  |
| 28 | Mombasa         | 2.7  | 8,154,000,000  | 2.62 | 8,226,800,000  |
| 29 | Murang'a        | 2.05 | 6,191,000,000  | 1.99 | 6,248,600,000  |
| 30 | Nairobi         | 5.1  | 15,402,000,000 | 5.03 | 15,794,200,000 |
| 31 | Nakuru          | 3.07 | 9,271,400,000  | 3.01 | 9,451,400,000  |

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|----|---------------|------------|------------------------|------------|------------------------|
| 32 | Nandi         | 1.69       | 5,103,800,000          | 1.71       | 5,369,400,000          |
| 33 | Narok         | 2.16       | 6,523,200,000          | 2.03       | 6,374,200,000          |
| 34 | Nyamira       | 1.53       | 4,620,600,000          | 1.52       | 4,772,800,000          |
| 35 | Nyandarua     | 1.58       | 4,771,600,000          | 1.57       | 4,929,800,000          |
| 36 | Nyeri         | 1.64       | 4,952,800,000          | 1.6        | 5,024,000,000          |
| 37 | Samburu       | 1.26       | 3,805,200,000          | 1.41       | 4,427,400,000          |
| 38 | Siaya         | 1.83       | 5,526,600,000          | 1.92       | 6,028,800,000          |
| 39 | Taita taveta  | 1.29       | 3,895,800,000          | 1.29       | 4,050,600,000          |
| 40 | Tana River    | 1.77       | 5,345,400,000          | 1.77       | 5,557,800,000          |
| 41 | Tharaka Nithi | 1.22       | 3,684,400,000          | 1.16       | 3,642,400,000          |
| 42 | Trans Nzoia   | 1.87       | 5,647,400,000          | 1.79       | 5,620,600,000          |
| 43 | Turkana       | 3.34       | 10,071,700,000         | 3.43       | 10,770,200,000         |
| 44 | Uasin Gishu   | 1.89       | 5,707,800,000          | 1.89       | 5,934,600,000          |
| 45 | Vihiga        | 1.46       | 4,409,200,000          | 1.42       | 4,458,800,000          |
| 46 | Wajir         | 2.7        | 8,138,900,000          | 2.7        | 8,478,000,000          |
| 47 | West Pokot    | 1.57       | 4,741,400,000          | 1.57       | 4,929,800,000          |
|    | <b>Total</b>  | <b>100</b> | <b>302,000,000,000</b> | <b>100</b> | <b>314,000,000,000</b> |

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**SECOND SCHEDULE (s. 5(1))**  
**Conditional allocations to County Governments from National Government Revenue in Financial Year 2018/2019 (Figures are in Kenya Shillings)**

| County            | FY 2018/19   |             |             |            |             |             |            |             |          |   |
|-------------------|--|-------------|-------------|------------|-------------|-------------|------------|-------------|----------|---|
|                   | FY 2017/18<br>Total<br>Conditional<br>Grants from the<br>National<br>Government<br>Revenue | Column A    | Column B    | Column C   | Column D    | Column E    | Column F   | Column G    | Column H | Total Conditional<br>Grants from the<br>National<br>Government<br>Revenue |
| 1 Baringo         | 333,374,243  | -           | -           | 13,191,000 | 200,000,000 | 133,931,014 | 35,605,000 | 382,361,298 |          |   |
| 2 Bomet           | 358,153,393  | -           | -           | 16,713,356 | 200,000,000 | 156,252,849 | 47,875,000 | 418,115,315 |          |   |
| 3 Bungoma         | 531,884,312  | -           | -           | 32,837,307 | 200,000,000 | 235,619,376 | 65,500,000 | 544,733,272 |          |   |
| 4 Busia           | 408,177,033  | -           | -           | 16,934,085 | 200,000,000 | 157,079,584 | 61,960,000 | 437,719,682 |          |   |
| 5 Elgeyo/Marakwet | 281,518,265  | -           | -           | 8,788,919  | 200,000,000 | 99,208,158  | 41,800,000 | 345,638,327 |          |   |
| 6 Embu            | 611,940,103  | 301,040,462 | -           | 10,724,225 | 200,000,000 | 117,396,321 | 37,900,000 | 369,028,470 |          |   |
| 7 Garissa         | 727,272,975  | 344,739,884 | -           | 12,964,636 | 200,000,000 | 182,708,358 | 35,335,000 | 423,582,851 |          |   |
| 8 Homa Bay        | 410,977,282  | -           | -           | 22,185,346 | 200,000,000 | 176,094,481 | 46,675,000 | 451,238,758 |          |   |
| 9 Isiolo          | 376,614,697  | -           | 121,000,000 | 3,472,461  | 200,000,000 | 103,341,832 | 21,235,000 | 332,981,008 |          |   |
| 10 Kakajado       | 327,698,687  | -           | -           | 16,955,365 | 200,000,000 | 157,906,319 | 40,345,000 | 401,851,930 |          |   |
| 11 Kakamega       | 968,430,285  | 427,283,237 | -           | 37,789,290 | 200,000,000 | 271,995,701 | 69,910,000 | 537,845,828 |          |   |
| 12 Kericho        | 341,487,512  | -           | -           | 18,048,789 | 200,000,000 | 150,465,707 | 41,005,000 | 404,261,624 |          |   |
| 13 Kiambu         | 921,227,765  | 538,716,763 | -           | 34,671,542 | 200,000,000 | 246,366,927 | 68,110,000 | 541,134,669 |          |   |
| 14 Kilifi         | 506,667,945  | -           | -           | 25,969,864 | 200,000,000 | 285,223,455 | 53,035,000 | 579,099,341 |          |   |
| 15 Kirinyanga     | 295,119,105  | -           | -           | 11,282,570 | 200,000,000 | 108,302,240 | 52,210,000 | 356,924,098 |          |   |
| 16 Kisii          | 871,511,268  | 417,572,254 | -           | 26,138,997 | 200,000,000 | 203,376,725 | 70,090,000 | 459,333,425 |          |   |
| 17 Kisumu         | 756,595,347  | 369,017,341 | -           | 21,299,489 | 200,000,000 | 181,881,624 | 41,650,000 | 431,653,715 |          |   |
| 18 Kitui          | 495,457,373  | -           | -           | 22,499,906 | 200,000,000 | 229,832,234 | 58,465,000 | 519,908,749 |          |   |
| 19 Kwale          | 373,107,313  | -           | -           | 15,209,593 | 200,000,000 | 198,416,317 | 41,860,000 | 457,388,742 |          |   |
| 20 Laikipia       | 286,046,433  | -           | -           | 9,968,208  | 200,000,000 | 109,128,974 | 28,525,000 | 352,456,070 |          |   |

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| 21 | Lamu         | 338,400,604    | -             | 121,000,000 | 2,451,034   | 200,000,000   | 93,421,016    | 31,210,000    | 327,652,503    |
| 22 | Machakos     | 857,806,061    | 383,583,815   | -           | 24,129,039  | 200,000,000   | 219,084,683   | 54,295,000    | 509,170,720    |
| 23 | Makueni      | 433,661,302    | -             | -           | 19,435,760  | 200,000,000   | 187,668,766   | 31,570,000    | 471,236,030    |
| 24 | Mandera      | 532,626,010    | -             | -           | 25,474,920  | 200,000,000   | 267,035,293   | 31,240,000    | 522,341,642    |
| 25 | Marsabit     | 353,093,486    | -             | -           | 6,643,714   | 200,000,000   | 184,361,828   | 26,275,000    | 420,603,637    |
| 26 | Meru         | 836,607,144    | 373,872,832   | -           | 31,648,428  | 200,000,000   | 210,817,337   | 66,025,000    | 501,134,511    |
| 27 | Migori       | 413,106,666    | -             | -           | 21,655,884  | 200,000,000   | 176,921,216   | 31,750,000    | 445,592,880    |
| 28 | Mombasa      | 759,622,516    | 388,439,306   | -           | 23,385,934  | 200,000,000   | 216,604,479   | 39,895,000    | 470,576,746    |
| 29 | Muranga      | 428,174,399    | -             | -           | 20,138,691  | 200,000,000   | 164,520,196   | 65,710,000    | 468,747,297    |
| 30 | Nairobi      | 759,568,406    | -             | -           | 79,423,251  | 200,000,000   | 415,847,530   | 34,570,000    | 725,925,742    |
| 31 | Nakuru       | 889,584,107    | 373,872,832   | -           | 38,723,265  | 200,000,000   | 248,847,131   | 47,800,000    | 523,001,837    |
| 32 | Nandi        | 345,713,873    | -             | -           | 18,086,363  | 200,000,000   | 141,371,626   | 37,255,000    | 388,740,397    |
| 33 | Narok        | 373,105,934    | -             | -           | 20,595,297  | 200,000,000   | 167,827,135   | 30,820,000    | 419,887,198    |
| 34 | Nyamira      | 369,636,128    | -             | -           | 13,175,221  | 200,000,000   | 125,663,667   | 52,915,000    | 422,542,983    |
| 35 | Nyandarua    | 459,581,935    | -             | 121,000,000 | 12,735,922  | 200,000,000   | 129,797,341   | 39,700,000    | 389,123,552    |
| 36 | Nyeri        | 749,086,744    | 407,861,272   | -           | 13,701,379  | 200,000,000   | 132,277,544   | 28,795,000    | 388,190,772    |
| 37 | Samburu      | 277,702,372    | -             | -           | 5,235,578   | 200,000,000   | 116,569,586   | 20,905,000    | 347,162,074    |
| 38 | Siaya        | 367,420,940    | -             | -           | 18,194,808  | 200,000,000   | 158,733,053   | 38,500,000    | 417,575,000    |
| 39 | Taita Taveta | 291,798,675    | -             | -           | 5,296,305   | 200,000,000   | 106,648,770   | 49,675,000    | 361,692,234    |
| 40 | Tana River   | 419,558,308    | -             | 121,000,000 | 5,682,537   | 200,000,000   | 146,332,034   | 24,490,000    | 379,375,406    |
| 41 | TharakaNithi | 396,766,501    | -             | 121,000,000 | 8,218,119   | 200,000,000   | 95,901,220    | 40,090,000    | 342,240,982    |
| 42 | Trans Nzoia  | 373,438,282    | -             | -           | 21,304,915  | 200,000,000   | 147,985,503   | 53,710,000    | 408,400,299    |
| 43 | Turkana      | 594,217,857    | -             | -           | 25,634,941  | 200,000,000   | 283,569,986   | 25,285,000    | 535,563,800    |
| 44 | Uasin Gishu  | 373,197,782    | -             | -           | 20,813,065  | 200,000,000   | 156,252,849   | 33,250,000    | 412,538,532    |
| 45 | Vihiga       | 324,237,222    | -             | -           | 12,657,201  | 200,000,000   | 117,396,321   | 55,000,000    | 380,939,899    |
| 46 | Wajir        | 448,002,378    | -             | -           | 15,784,997  | 200,000,000   | 223,218,356   | 21,295,000    | 467,311,250    |
| 47 | West Pokot   | 324,215,400    | -             | -           | 12,128,484  | 200,000,000   | 129,797,341   | 28,885,000    | 374,474,907    |
|    | GRAND TOTAL  | 23,273,192,369 | 4,326,000,000 | 605,000,000 | 900,000,000 | 9,400,000,000 | 8,269,000,000 | 2,000,000,000 | 25,500,000,000 |

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THIRD SCHEDULE (s. 5(2))

Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2018/2019  
(Figures are in Kenya Shillings)

| County          | 2018/19 FY  |             |             |             |            |               |            |            | Total Loans and Grants |          |          |               |
|-----------------|-------------|-------------|-------------|-------------|------------|---------------|------------|------------|------------------------|----------|----------|---------------|
|                 | Column A    | Column B    | Column C    | Column D    | Column E   | Column F      | Column G   | Column H   |                        | Column I | Column J | Column K      |
| Baringo         | 299,821,230 | 78,899,347  |             | 117,000,000 | 43,729,455 | 52,360,500    | 16,706,250 | 85,000,000 |                        |          |          | 393,695,552   |
| Bomet           | 149,391,438 | 86,405,581  |             | 117,000,000 | 44,888,193 | 168,334,800   | 17,617,500 |            |                        |          |          | 434,246,074   |
| Bungoma         | 298,824,753 | 100,000,000 | 140,435,163 |             | 58,329,310 | 300,977,100   | 29,362,500 |            |                        |          |          | 629,104,073   |
| Busia           | 155,229,716 | 86,622,298  |             | 117,000,000 | 47,393,422 | 101,071,500   | 19,541,250 |            |                        |          |          | 371,628,470   |
| Elgeyo/Marakwet | 142,673,578 | 50,000,000  |             | 117,000,000 | 38,552,919 | 89,802,100    | 12,150,000 |            |                        |          |          | 307,505,019   |
| Embu            | 137,088,346 | 50,000,000  | 140,435,163 |             | 40,595,727 | 119,892,100   | 13,770,000 |            |                        |          |          | 364,692,990   |
| Garissa         | 242,544,407 | 100,000,000 |             | 150,000,000 | 47,755,752 | 233,506,000   | 22,325,625 |            | 1,000,000,000          |          |          | 553,587,377   |
| Homa Bay        | 247,766,983 | 85,820,342  |             |             | 49,500,526 | 119,361,500   | 21,870,000 |            |                        |          |          | 416,987,531   |
| Istio           | 128,629,328 | 66,229,830  | 140,435,163 | 150,000,000 | 38,668,826 | 93,968,100    | 12,656,250 |            |                        |          |          | 361,523,006   |
| Kajiado         | 182,819,277 | 62,478,710  |             | 117,000,000 | 45,860,424 | 265,950,300   | 19,338,750 |            |                        |          |          | 510,628,184   |
| Kakamega        | 259,177,644 | 100,000,000 |             | 117,000,000 | 63,508,830 | 389,118,800   | 33,311,250 |            |                        |          |          | 702,938,880   |
| Kericho         | 123,263,880 | 61,507,974  |             | 117,000,000 | 44,538,343 | 256,299,000   | 17,516,250 |            |                        |          |          | 496,861,567   |
| Kiambu          | 171,860,543 | 50,000,000  | 140,435,163 |             | 60,455,156 | 1,885,993,000 | 32,400,000 |            |                        |          |          | 2,169,283,319 |

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The County Allocation of Revenue Bill, 2018

|              |               |             |             |             |            |               |            |             |             |               |
|--------------|---------------|-------------|-------------|-------------|------------|---------------|------------|-------------|-------------|---------------|
| Kilifi       | 393,492,525   | 100,000,000 | 140,435,163 |             | 61,148,106 | 330,534,500   | 33,361,875 |             | 400,000,000 | 665,479,644   |
| Kitinyanga   | 136,198,212   | 50,000,000  | 140,435,163 |             | 41,078,830 | 71,302,200    | 14,782,500 |             |             | 317,598,693   |
| Kisii        | 272,278,253   | 74,159,514  | 140,435,163 |             | 53,938,093 | 164,053,800   | 24,907,500 | 70,000,000  |             | 527,494,070   |
| Kisumu       | 205,150,974   | 67,364,355  |             | 117,000,000 | 49,642,674 | 773,573,300   | 21,971,250 | 90,000,000  |             | 1,119,551,579 |
| Kitui        | 344,841,672   | 100,000,000 | 140,435,163 |             | 57,462,594 | 232,374,200   | 29,008,125 |             |             | 559,280,082   |
| Kwale        | 321,582,696   | 98,175,267  | 140,435,163 |             | 50,747,782 | 50,000,000    | 24,300,000 | 45,000,000  | 400,000,000 | 408,658,212   |
| Lakipia      | 212,173,539   | 67,077,728  |             | 117,000,000 | 41,121,027 | 50,000,000    | 15,086,250 | 90,000,000  |             | 380,285,005   |
| Lamu         | 94,106,696    | 50,000,000  |             | 150,000,000 | 33,793,559 | 50,000,000    | 8,302,500  |             |             | 292,096,059   |
| Machakos     | 175,585,978   | 95,401,875  |             | 117,000,000 | 53,423,784 | 1,018,320,500 | 24,806,250 |             |             | 1,308,952,409 |
| Makueni      | 294,396,316   | 100,000,000 | 140,435,163 |             | 50,750,604 | 136,261,600   | 22,882,500 | 45,000,000  |             | 495,329,867   |
| Mandera      | 283,179,311   | 100,000,000 |             | 150,000,000 | 58,673,488 | 175,819,500   | 32,653,125 |             |             | 517,146,113   |
| Marsabit     | 315,742,158   | 100,000,000 |             | 150,000,000 | 48,985,872 | 50,000,000    | 22,072,500 | 80,000,000  |             | 451,058,372   |
| Meru         | 4,092,379,277 | 50,000,000  | 140,435,163 |             | 53,939,835 | 116,890,200   | 25,818,750 |             |             | 387,083,948   |
| Migori       | 333,790,711   | 100,000,000 | 140,435,163 |             | 49,609,593 | 518,367,800   | 21,667,500 | 90,000,000  |             | 920,080,056   |
| Mombasa      | 107,425,868   | 50,000,000  |             |             | 53,333,725 |               | 27,337,500 | 600,000,000 |             | 130,671,225   |
| Muranga      | 175,025,300   | 50,000,000  | 140,435,163 |             | 48,244,593 | 62,437,600    | 20,756,250 |             |             | 321,873,606   |
| Nairobi      | 2,290,502,230 | 54,429,184  |             |             | 83,424,144 |               | 51,637,500 |             |             | 189,490,828   |
| Nakuru       | 237,657,424   | 95,036,352  | 140,435,163 |             | 60,282,958 | 1,084,843,300 | 31,083,750 |             |             | 1,411,681,523 |
| Nandi        | 210,116,247   | 97,229,498  | 140,435,163 |             | 44,551,044 | 177,231,700   | 17,111,250 |             |             | 476,558,655   |
| Narok        | 282,870,376   | 100,000,000 | 140,435,163 |             | 49,037,031 | 74,905,300    | 21,870,000 |             |             | 386,247,494   |
| Nyamira      | 149,561,205   | 50,000,000  | 140,435,163 |             | 42,383,765 | 114,705,300   | 15,491,250 |             |             | 363,015,478   |
| Nyandarua    | 166,497,908   | 50,000,000  |             | 117,000,000 | 43,069,316 | 135,543,400   | 15,997,500 | 45,000,000  |             | 406,610,216   |
| Nyeri        | 92,761,342    | 50,000,000  |             | 117,000,000 | 43,740,998 | 236,639,100   | 16,605,000 |             |             | 463,985,098   |
| Samburu      | 318,897,301   | 97,143,610  | 140,435,163 |             | 39,330,852 | 50,000,000    | 12,757,500 | 70,000,000  |             | 409,667,125   |
| Siaya        | 160,144,386   | 56,758,154  |             | 117,000,000 | 46,076,429 | 50,000,000    | 18,528,750 |             |             | 288,363,333   |
| Taita Taveta | 196,900,401   | 50,000,000  |             | 117,000,000 | 39,327,939 | 50,000,000    | 13,061,250 | 90,000,000  | 400,000,000 | 359,389,189   |

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|              |                       |                      |                      |                      |                      |                       |                      |                      |                      |                       |
|--------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| Tana River   | 253,251,635           | 100,000,000          |                      | 150,000,000          | 44,003,842           | 50,000,000            | 17,921,250           | 80,000,000           |                      | 441,925,092           |
| TharakaNithi | 100,798,020           | 50,000,000           |                      | 117,000,000          | 38,536,081           | 50,000,000            | 12,352,500           |                      |                      | 267,888,581           |
| Trans Nzoia  | 230,131,937           | 100,000,000          | 140,435,163          |                      | 46,456,661           | 299,106,900           | 18,933,750           |                      |                      | 604,932,474           |
| Turkana      | 342,211,436           | 100,000,000          | 140,435,163          |                      | 65,446,016           | 95,023,200            | 33,766,875           |                      |                      | 434,671,254           |
| UasinGishu   | 214,773,880           | 81,893,450           |                      | 117,000,000          | 46,739,163           | 630,147,800           | 19,136,250           | 45,000,000           |                      | 939,916,663           |
| Vihiga       | 196,636,664           | 73,956,778           | 140,435,163          |                      | 41,604,116           | 250,950,700           | 14,782,500           |                      |                      | 521,729,257           |
| Wajir        | 353,279,800           | 100,000,000          |                      | 150,000,000          | 53,401,112           | 165,643,500           | 27,286,875           | 45,000,000           | 1,000,000,000        | 541,331,487           |
| West Pokot   | 314,393,341           | 100,000,000          |                      | 117,000,000          | 42,917,546           | 73,392,300            | 15,896,250           | 70,000,000           |                      | 419,206,096           |
| <b>Total</b> | <b>20,407,826,143</b> | <b>3,636,589,847</b> | <b>2,949,138,423</b> | <b>3,039,000,000</b> | <b>2,300,000,000</b> | <b>11,464,702,500</b> | <b>1,012,500,000</b> | <b>1,040,000,000</b> | <b>3,800,000,000</b> | <b>33,241,930,770</b> |

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**MEMORANDUM OF OBJECTS AND REASONS**

The principal object of this Bill is to make provision for the division of revenue raised nationally among the county governments for the financial year 2018/2019.

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

**Section 3** of the Bill contains the objects and the purpose of the Bill which is to provide for the allocation of revenue raised nationally and conditional allocations among county governments for the financial year 2018/19 as well as the transfer of the county allocations from the Consolidated Fund to the respective County Revenue Fund.

**Section 4** of the Bill deals with the allocation of equitable share of revenue raised nationally to each county government.

**Section 5** of the Bill provides for conditional allocations to be made to county governments.

**Section 6** of the Bill provides for the publishing of monthly report by the national government, on actual transfers of all allocations to county governments.

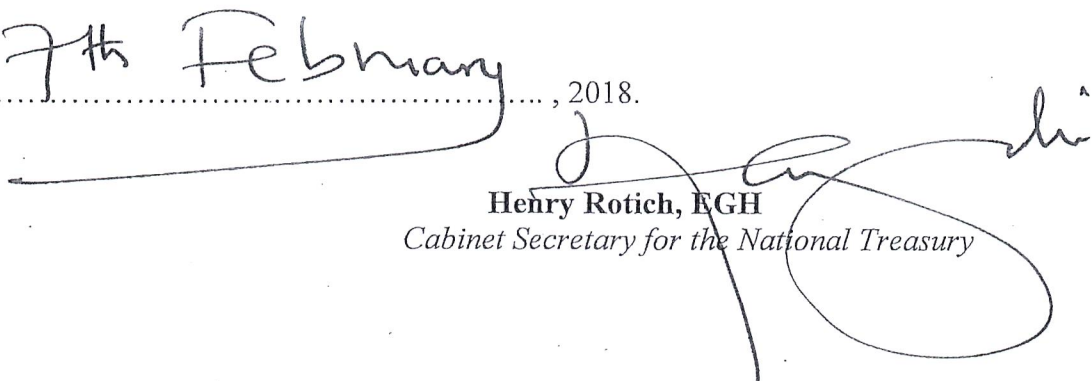
**Section 7** of the Bill provides for a county treasury to reflect the total allocations from the national government separately in the County Finance Bill and reflect all transfers in the books of accounts.

**Section 8** of the Bill deals with what constitutes a financial misconduct.

**Section 9** of the Bill mandates the Cabinet Secretary to make regulations for proper implementation of the Act.

**Section 10** of the Bill provides for use of the second determination of the basis of the division of revenue among counties as approved by Parliament pursuant to Article 217 (7) of the Constitution

Dated on the.....*7th February*....., 2018.

  
**Henry Rotich, EGH**  
*Cabinet Secretary for the National Treasury*

**APPENDIX**

**EXPLANATORY MEMORANDUM TO THE COUNTY ALLOCATON OF REVENUE BILL, 2018**

**Background**

1. This memorandum is prepared in fulfilment of the requirements of Article 218(2) of the Constitution and section 191 of the Public Finance Management Act, 2012, which require that the County Allocation of Revenue Bill tabled in Parliament be accompanied by a memorandum that:
  - (a) explains the revenue allocation as proposed by the Bill;
  - (b) evaluates the Bill against the criteria set out in Article 203(1) of the Constitution;
  - (c) provides a summary of significant deviations from the recommendations of the Commission on Revenue Allocation (CRA) together with the explanation for such deviations;
  - (d) explains the extent, if any, of deviation from the recommendations of the Intergovernmental Budget and Economic Council (IBEC); and
  - (e) explains any assumptions and formulae used in arriving at the respective shares under the County Allocation of Revenue Bill, 2018.

**Explanation of Revenue Allocation as Proposed by the Bill**

2. The County Allocation of Revenue Bill, 2018 proposes to allocate a total of Ksh. 372.7 billion of resources raised nationally to county governments. This is equivalent to 39.8 percent of most recent audited revenues which have been approved by the National Assembly for the financial year 2013/14 (i.e. Ksh. 935.7 billion). This comprises of an equitable share of Ksh. 314 billion or 33.6 percent of the most recent audited revenue and conditional allocations of Ksh. 58.7 billion or 6.3 percent of the most recent audited revenue.
3. The county governments' equitable share of revenue was allocated among the county governments on the second basis of the revenue allocation criteria approved by Parliament in accordance with Article 217 of the Constitution.

4. The Bill proposes to allocate county governments conditional allocations amounting to Ksh. 25.5 billion from the national government share of revenue raised nationally in line with Article 202(2) of the Constitution. This reflects an increase of Ksh 2.2 billion compared to 2017/18 financial year allocations. These allocations are intended to finance national strategic interventions to be implemented by the county governments. Out of the total conditional allocations from the revenue raised nationally, Ksh. 16 .1 billion, will be transferred to the county governments and will be included in the budgets of county governments to be approved by the respective county assemblies. The balance of Ksh. 9.4 billion for the leasing of medical equipment will be included in the National Government budget and shall be managed by the National Government. The additional conditional allocations proposed in the Bill include:

- **Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh 9.4 billion.** This grant which is in its fourth year of implementation, is proposed to increase from Ksh. 6.1 billion in FY 2017/18 to Ksh. 9.4 billion in FY 2018/19 and is intended to facilitate the purchase of modern specialised medical equipment in at least two health facilities in each County Government over the medium term. This will facilitate easy access to specialised health care services and significantly reduce the distance that Kenyans travel in search of such services today. This increase in budgetary allocation by Ksh. 3.3 billion is attributed to the Jubilee government agenda to provide Universal healthcare whose implementation has been extended to county governments. In addition, this may also be attributed to purchase and installation of the Medical Equipment in more counties leading to an increase in estimated cost of maintenance of the equipment.
- **Additional Conditional allocation for level-5 hospitals of Ksh. 4.3 billion.** Level-5 hospitals have continued to play a significant role in providing specialised health care services to Kenyans. These hospitals provide specialised health care services to citizens residing outside their host County, usually for complicated cases referred from lower level health facilities. In order to compensate them for the costs incurred in rendering services to neighbouring Counties, the national government proposes to allocate Ksh. 4.3 billion in financial year 2018/2019 up from Ksh. 4.2 billion allocated in FY 2017/18.
- **Additional Conditional allocation of Ksh. 900 million to compensate county health facilities for forgone user fees.** It is the intention of government to sustain the Government policy of not charging user fees in public health facilities. In this regard, and in furtherance of this policy, the National Government has allocated Ksh. 900 million in

*The County Allocation of Revenue Bill, 2018*

the financial year 2018/19 to compensate county governments for revenue forgone by not charging user fees in the county health facilities. This additional conditional allocation is in its 4<sup>th</sup> year of implementation.

- **Additional Conditional Allocation for Rehabilitation of Youth Polytechnics of Ksh. 2 billion:** this additional conditional allocation which is in its second year of implementation and implemented through the State Department of Vocational and Technical Training, is meant to support county governments in equipping Technical and Vocational Centres and capitation of student fees. The additional conditional allocation aims at enhancing access to quality and relevant vocational skills training.
- **Additional Conditional allocation to supplement county allocation for the construction of county headquarters of Ksh. 605 Million in five counties:** This conditional allocation is intended to further supplement financing for construction of headquarters by five County Governments that did not inherit adequate offices. The five counties are Isiolo; Lamu; Nyandarua; Tana River and Tharaka Nithi. The allocation which is part of a three year plan, beginning financial year 2016/17, to supplement the five counties construct their county headquarters will be shared equally, with each getting an allocation of Ksh. 121 million in FY 2018/19. This marks the second phase of the agreement whereby the National Government will contribute 70 percent of the budget while County Governments will contribute 30 percent. The National Government's contribution will be spread over three financial years.
- **Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 8.3 billion.** This conditional allocation which is in its fourth year of allocation is proposed to amount to Ksh8.3 billion in FY 2018/2019. This allocation is meant to further enhance County Governments' capacity to repair and maintain county roads and is equivalent to 15 percent of the Road Maintenance Fuel Levy Fund.
- **Transforming Health Systems for Universal Care Project conditional allocation of Ksh. 3.6 billion (World Bank credit) :-** This conditional allocation through the Ministry of Health is expected to continue to improve delivery, utilization and quality of primary health care services with focus on reproductive, maternal, new-born, child and adolescent health (RMNCAH) at the county level. This additional conditional allocation amounts to Ksh. 3.6 billion for financial year 2018/19 up from Ksh. 2.75 billion in FY 2017/18.
- **National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 2.9 billion (World Bank credit):** - this additional conditional allocation, which in FY

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2017/18 amounted to Ksh. 1.05 billion is expected to increase to Ksh. 2.9 billion in financial year 2018/19. This additional conditional allocation is meant to further compliment efforts by counties to increase agricultural productivity and profitability of targeted rural communities in selected counties, and to provide immediate and effective response in case of crisis or emergency.

- **Kenya Urban Support Program (KUSP) additional conditional allocation of Ksh.11.5 billion:-**The Program Development Objective (PDO) of this additional conditional allocation is to establish and strengthen urban institutions to deliver improved infrastructure and services in participating counties in Kenya. This allocation will provide capacity building and institutional support to 47 counties; however, direct financial support will be provided to 45 counties other than the city counties of Nairobi and Mombasa, and to 59 potentially eligible urban areas within those counties.
- **Kenya Devolution Support Program (KDSP) County Capacity Building (“level 1”) Grant of Ksh. 2.3 billion.** This is a conditional grant, which is in its second year of implementation, financed by a World Bank credit to support county government’s capacity building under the Kenya Devolution Support Program (KDSP) amounting to Ksh. 2.3 billion. This grant is intended to support capacity building initiatives in the counties in the following areas:
  - Strengthening public financial management (PFM) systems;
  - Strengthening County Human resource management;
  - Improving county planning and Monitoring & Evaluation systems;
  - Civic Education and Public Participation; and,
  - Strengthening Intergovernmental relations.
- **KDSP Performance (“level 2”) Grant amounting to Ksh. 4 billion.** This is a conditional grant financed by a World Bank credit which is intended to incentivise county governments that achieve good results in the following key areas:
  - Strengthening public financial management (PFM) systems;
  - Strengthening County Human resource management;
  - Improving county planning and Monitoring & Evaluation systems;
  - Civic Education and Public Participation; and
  - Strengthening Intergovernmental relations.
- Performance of counties in the above areas is to be assessed by an independent firm to be recruited through a competitive process.
- **EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 1.04 billion:** This grant, which is in its second year of implementation, is expected to increase

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from Ksh. 985.8 million in financial year 2017/18 to Ksh. 1.04 billion in financial year 2018/19. The grant is meant to support National and County government's capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level.

- **IDA – Water And Sanitation Development Project (WSDP) World Bank Credit of ksh. 3.8 billion:** The Project Development Objective (PDO) of this program, financed by this additional conditional allocation, is to improve water supply and sanitation services in six select counties located in the coastal and northeastern regions of Kenya. This will be achieved by investing in water supply and sanitation infrastructure in urban centers in these counties. The project will also improve services by strengthening institutional capacity in areas, such as reducing Non-Revenue Water (NRW), improving billing and revenue collection systems, and developing medium-term business plans. In addition, the WSDP will establish a results-based financing mechanism at the national level to provide incentives to the Water Services Providers (WSPs) to accelerate access to water supply and sanitation services and improve operational and financial performance.

**Evaluation of the Bill against Article 203(1) of the Constitution**

5. **Developmental needs of county governments and their ability to perform the functions assigned to them:** The Bill proposes to allocate equitable share of revenue among county governments on the second basis of the formula for sharing revenue approved by Parliament in accordance with Article 217 of the Constitution. The formula uses parameters that proxy demand for services and therefore expenditure needs of county governments. These parameters include: development factor (1%), population (45%), land area (8%), and poverty (18%). The equitable share of revenue for county governments in 2018/19 reflects an increase of 4 percent compared to the allocation in 2017/18. This means that there is more money in 2018/19 to meet the developmental needs of counties.
6. **Economic disparities among counties as well as disadvantaged areas and groups within counties:** The allocation of the sharable revenue among counties was based on the formula for sharing revenue among counties approved by Parliament in accordance with Article 217 of the Constitution, which takes into account disparities among counties and aims at equitable distribution of resources. It should also be noted that Ksh. 4.7 billion has also been set aside for the Equalization Fund in 2018/19 which translates to 0.5 per cent of last audited revenue accounts of governments and is within the minimum constitutional requirement of 0.5 percent. This Fund will be used to finance development programmes that aim to reduce regional disparities among counties. County Governments are also expected to come up with programs to redress inequalities within counties. In addition, County Governments are

*The County Allocation of Revenue Bill, 2018*

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expected to adhere to the requirement under the Public Procurement and Assets Disposal Act of 2015, to reserve 30% of the public procurements in the counties for disadvantaged groups within the counties, comprising of women, youth and persons living with disabilities.

7. **Stability and Predictability of County Revenue Allocations:** The Division of Revenue Bill, 2018 has proposed that county governments' equitable share of revenue raised nationally be ring-fenced. Variance in revenue raised nationally from the expected revenue is not expected to affect the county governments' allocations of the equitable share of revenue raised nationally. This is because under Section 5 of the DoRB for FY 2018/19, it has been proposed that if the actual revenue raised nationally in the financial year falls short of the expected revenue set out in the Schedule, the shortfall shall be borne by the national government
8. **Fiscal capacity and efficiency:** Fiscal capacity for county governments, that is, the potential revenues that can be generated from the tax bases assigned to the counties when a standard average level of effort is applied. The second generation formula developed by Commission on Revenue Allocation for sharing equitable share of Revenue has provided for fiscal responsibility of (2%) which is the measure used for fiscal capacity and efficiency of county governments. However this measure may have some weakness because of lack of accurate data. For instance it may benefit counties that project lower revenue targets which are easy to achieve. However this challenge will be solved once the study on revenue potentials of each county government is finalized in FY 2018/19.

**Evaluation of Deviations from the recommendations of the Commission on Revenue Allocation**

9. There are no differences between the National Treasury's proposal on the equitable share of revenue allocation among county governments and CRA's recommendations. The Division of Revenue Bill, 2018 proposes to allocate county governments an equitable share of Ksh. 314 billion from the shareable revenue raised nationally. This is in line with the revised position of CRA to allocate to county governments Ksh. 314 billion as equitable share in FY 2018/19.
10. However, the Commission on Revenue Allocation has in the financial 2018/19 proposed new conditional allocations amounting to Ksh. 6 billion relating to cancer interventions that the National Treasury has not included in its proposal. These have resulted in a variance between the National Treasury and the CRA proposals on Vertical Division of FY 2018/19. These include;

*The County Allocation of Revenue Bill, 2018*

- a. Allocation to cater for establishment of two Regional Cancer treatment centres at Ksh. 5.0 billion:** - CRA has proposed an additional conditional allocation of Ksh. 5.0 billion for establishment of two Regional Cancer Centres, at a cost of Ksh. 2.5 billion each. These centres are intended to complement the Governments program of leasing medical equipment for counties with cancer diagnostics equipment. In addition, these cancer diagnostic equipment are intended to ease pressure at Kenyatta National Hospital, Moi Teaching Referral Hospital and Nyeri Level 5 hospital for surgical, chemotherapy and Radiotherapy services.

National Treasury appreciates this proposal which if implemented would boost chances of the country plan to achieve universal healthcare access. Such a program, however, requires careful planning to ensure that adequate human and financial resources can be availed to guarantee the sustainability and viability of such a program. Consultation with the Ministry of Health which provides policy leadership on such matters have not been concluded. It is expected that such a proposal should be discussed and agreed on at MTEF Sector hearings pursuant to provisions of Treasury Circular No. 8/2017 on administration of Intergovernmental Fiscal Transfers when introducing any new additional conditional allocations.

- b. Allocation of Ksh. 1 .0 billion to Ministry of Health for central procurement of drugs through KEMSA:-** CRA has proposed an additional conditional allocation of Ksh. 1.0 billion for a National Cancer Drug Access Programme starting FY 2018/19. This would ensure that cancer conditions are not only properly diagnosed, but also adequately treated. The National Treasury supports the efficiencies that would come with a centralised procurement of cancer drugs at KEMSA through the Ministry of Health. This proposal should be discussed and agreed in MTEF Sector hearings.

11. On the hand, the National Treasury has proposed additional conditional allocations to be financed from the proceeds of loans and grants from Development partners amounting Ksh. 33.2 billion in financial 2018/19 which CRA has not factored. These grants include Kenya Devolution Support Program (KDSP), Instruments for Devolution Advice and Support (IDEAS), DANIDA- Universal Health care for devolved systems, Kenya Climate Smart Agriculture (KCSAP), IDA- National Agriculture & Inclusive Rural Growth, IDA-Water And Sanitation Development Project (WSDP) financed by a World Bank Credit and Kenya Urban Support program.
12. **Other differences have been occasioned by;** - National Treasury proposed increase in additional conditional allocation for Leasing of Medical Equipment to Ksh. 9.4 billion in FY 2018/19 whereas CRA proposed an allocation of Ksh. 4.5 billion.to the National Treasury

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proposal to increase the allocation for Leasing of Medical Equipment is in line with the Jubilee government agenda to provide Universal healthcare whose implementation has been extended to county governments. In addition this may also be attributed to purchase and installation of the Medical Equipment in more counties leading to an increase in estimated cost of maintenance of the equipment.

13. Despite the small differences between the proposals set out in the County Allocation of Revenue Bill, 2018 and the CRA's recommendations notwithstanding, the proposed county governments' equitable share of revenue in the Bill, at 33.6 percent of the most recent audited revenue, as approved by the National Assembly, is way above the minimum threshold required under Article 203(2) of the Constitution.
14. In addition, the National Treasury proposes to provide conditional allocations of Ksh. 58.7 billion which further increases the allocations to county governments to 39.8 percent of the most recent audited revenue.

## ANNEXES: FRAMEWORKS FOR MANAGING ADDITIONAL CONDITIONAL ALLOCATIONS

## I. Additional Conditional Allocations from the National Revenues

## 1. Additional Conditional Allocation to supplement financing for Level 5 hospitals

| Allocation to Supplement Financing for Level 5 Hospitals          |  |
|---|--|
| Ministry/State<br>Responsible                                     | Department<br>Health (Vote 1081)   |
| Accounting officer of National<br>Government Responsible          | Principal Secretary, Ministry of Health  |
| Responsibilities of the National<br>Government accounting officer | (a) Set conditions for transfers and monitor compliance.<br>(b) Initiate requests for disbursements to County Revenue Funds.<br>(c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.  |
| Conditions  | (a) Funds are earmarked for the Level 5 hospital in the receiving County.<br>(b) Hospitals should meet and maintain the norms and standards for Level 5 hospital as set by the Ministry of Health.<br>(c) The level 5 hospital should meet the minimum standards set by Medical Practitioners' and Dentist Board (MPDB) as an internship center for medical doctors.<br>(d) Hospital should routinely report on Hospital Administrative Statistics in the Health Information System (DHIS)<br>(e) Hospitals should provide additional information on <b>referrals from other counties</b> , and <b>specialized medical services provided</b> in standard format. |
| Accounting officer of the County<br>Government responsible        | Accounting officer responsible for health in the County government   |
| Responsibilities of the County<br>Government accounting officer   | (a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2017/18.<br>(b) Ensure hospital prepares an <b>integrated</b> annual workplan that incorporates all income including conditional grants with clear deliverables<br>(c) Supervise operations of the hospital.<br>(d) Ensure quality hospital administrative statistics data in DHIS<br>(e) Prepare financial expenditure reports to County Treasury with copies to The National Treasury and Ministry of Health   |
| Allocation: 2018/19   | <b>KES 4,326,000,000.00</b>  |

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| Purpose of the grant   | To sustain service delivery in designated Level 5 hospitals, targeting medical and surgical subspecialties, inter-county referral services and medical training. |                  |                         |
|--|--|------------------|-------------------------|
| Allocation criteria  | Bed occupancy rate 2017  |                  |                         |
| <b>Allocation by County</b>  |  |                  |                         |
| Hospital   | County   | % occupancy 2017 | Allocation              |
| Machakos   | Machakos   | 79               | 383,583,815.03          |
| Embu   | Embu   | 62               | 301,040,462.43          |
| Garissa  | Garissa  | 71               | 344,739,884.39          |
| Kakamega   | Kakamega   | 123              | 427,283,236.99          |
| Meru   | Meru   | 115              | 373,872,832.37          |
| Mombasa  | Mombasa  | 81               | 388,439,306.36          |
| Nakuru   | Nakuru   | 90               | 373,872,832.37          |
| Nyeri  | Nyeri  | 86               | 407,861,271.68          |
| Kisumu   | Kisumu   | 81               | 369,017,341.04          |
| Thika  | Kiambu   | 103              | 412,716,763.01          |
| Kisii  | Kisii  | 88               | 417,572,254.34          |
| Kiambu- (the hospital was licensed to Level 5 in 2017 and 50% of its patients are from Nairobi and Machakos Counties. The facility has upgraded its facilities and has equipment including MRI and ICU.) | Kiambu   | 120              | 126,000,000.00          |
| <b>Grand Total</b>   |  | <b>1099</b>      | <b>4,326,000,000.00</b> |

Source: Ministry of Health

**2. Additional Conditional allocation to support construction of County headquarters by five (5) counties**

| <b>support construction of County headquarters by five (5) counties</b> |   |
|---|---|
| Ministry/State Department Responsible                                   | Ministry of Land, Housing and Urban Development; State Department of Public Works <i>vote D1111</i>   |
| Accounting officer of National Government Responsible                   | Principal Secretary, State Department of Public Works   |
| Responsibilities of the National Government accounting officer          | Management of implementation of the projects i.e. manage the funds and all technical applications by consultants and contractors towards the construction of the county headquarters.   |
| Conditions  | <p>a) Each County Government to include in its budget estimates for FYs 2016/17, 2017/18 and 2018/19 a contribution totaling Ksh 155.3 million, being the equivalent of 30% of the County Headquarter construction costs, spread over the above FYs, and these estimates to be considered for approval by respective County Assemblies;</p> <p>b) Each County Government to ensure that proceeds from the conditional allocation (including both the contribution from the National Government and from the county) is apportioned between construction costs for County Executive headquarters and County Assembly headquarters in the ratio of 61% and 39%, respectively. The above split is based on the approved costs per m<sup>2</sup> for constructing 7,000 m<sup>2</sup> of County Executive offices and 4,500 m<sup>2</sup> of County Assembly offices.</p> |
| Accounting officer of the County Government responsible                 | Accounting officer responsible for matters relating to public works in the county government  |
| Responsibilities of the County Government accounting officer            | Facilitate on local logistics and provide regular progress brief on the projects.   |
| Allocation: 2018/19   | <b>KES 605,000,000</b>  |
| Purpose of the grant  | Purpose of the grant is to support construction of offices by five (5) County Governments which, in 2013/14, did not inherit adequate facilities that could accommodate the new administration.   |
| Allocation criteria   | Above aggregate allocation shared equally by the five (5) County Governments  |
| <b>Allocation by County</b>   |   |
| Isiolo  |   |
| Lamu  | 121,000,000   |
| Nyandarua   | 121,000,000   |
| Tana River  | 121,000,000   |
| Tharaka Nithi   | 121,000,000   |
| <b>GRAND TOTAL</b>  | <b>605,000,000</b>  |

Source: State Department of Public Works

*The County Allocation of Revenue Bill, 2018***3. Additional Conditional Allocation to support abolishment of user fees in health centers and dispensaries**

| <b>Allocation to support abolishment of user fees in health centers and dispensaries</b> |                     |   |
|--|---------------------|---|
| Ministry/State Responsible   | Department          | Health (Vote 108)   |
| Accounting officer of National Government Responsible                                    | National Government | Principal Secretary, Ministry of Health   |
| Responsibilities of the National Government accounting officer                           |                     | (a) Set conditions for transfers and monitor compliance.<br>(b) Initiate requests for disbursement of funds to County Revenue Funds.<br>(c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.   |
| Conditions   |                     | (a) Funds are earmarked for health centers and dispensaries.<br>(b) Health facilities must have a functional Health Management Committee<br>(c) Health facilities must be gazetted under Cap 253 and have MFL codes<br>(d) Health facilities have approved integrated workplans that incorporate all sources of funds, including conditional grants<br>(f) Health facilities report timely in DHIS and financial transactions are captured in IFMIS |
| Accounting officer of the County Government responsible                                  | County Government   | Accounting officer responsible for health in the County government  |
| Responsibilities of the County Government accounting officer                             |                     | (a) Ensure health centers and dispensaries prepare <b>integrated</b> annual workplans that incorporates all sources of income<br>(b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and MOH  |
| Allocation: 2018/19  |                     | <b>KES 900,000,000.00</b>   |
| Purpose of the grant   |                     | To compensate public dispensaries and health centers for lost revenue on abolishment of user fees.  |
| Allocation criteria  |                     | (a) Sharing among Counties is based on population data from KNBS (2016 projections), and<br>(b) Distribution to recipient health centers and dispensaries in a county is based on outpatient attendance (OPD) workload for 2016/17 as reported routinely in DHIS.   |
| <b>Allocation by County</b>  |                     |   |

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| <b>County</b>   | <b>Population 2016</b> | <b>Allocation</b> |
|-----------------|------------------------|-------------------|
| Baringo         | 690540                 | 13,191,000        |
| Bomet           | 874933                 | 16,713,356        |
| Bungoma         | 1719011                | 32,837,307        |
| Busia           | 886488                 | 16,934,085        |
| Elgeyo-Marakwet | 460094                 | 8,788,919         |
| Embu            | 561406                 | 10,724,225        |
| Garissa         | 678690                 | 12,964,636        |
| Homa Bay        | 1161388                | 22,185,346        |
| Isiolo          | 181781                 | 3,472,461         |
| Kajiado         | 887602                 | 16,955,365        |
| Kakamega        | 1978244                | 37,789,290        |
| Kericho         | 944842                 | 18,048,789        |
| Kiambu          | 1815032                | 34,671,542        |
| Kilifi          | 1359505                | 25,969,864        |
| Kirinyaga       | 590635                 | 11,282,570        |
| Kisii           | 1368359                | 26,138,997        |
| Kisumu          | 1115014                | 21,299,489        |
| Kitui           | 1177855                | 22,499,906        |
| Kwale           | 796212                 | 15,209,593        |
| Laikipia        | 521829                 | 9,968,208         |
| Lamu            | 128310                 | 2,451,034         |
| Machakos        | 1263139                | 24,129,039        |
| Makueni         | 1017449                | 19,435,760        |
| Mandera         | 1333595                | 25,474,920        |

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|               |                   |                       |
|---------------|-------------------|-----------------------|
| Marsabit      | 347794            | 6,643,714             |
| Meru          | 1656774           | 31,648,428            |
| Migori        | 1133671           | 21,655,884            |
| Mombasa       | 1224238           | 23,385,934            |
| Muranga       | 1054247           | 20,138,691            |
| Nairobi       | 4157754           | 79,423,251            |
| Nakuru        | 2027137           | 38,723,265            |
| Nandi         | 946809            | 18,086,363            |
| Narok         | 1078150           | 20,595,297            |
| Nyamira       | 689714            | 13,175,221            |
| Nyandarua     | 666717            | 12,735,922            |
| Nyeri         | 717258            | 13,701,379            |
| Samburu       | 274079            | 5,235,578             |
| Siaya         | 952486            | 18,194,808            |
| Taita Taveta  | 277258            | 5,296,305             |
| Tana River    | 297477            | 5,682,537             |
| Tharaka Nithi | 430213            | 8,218,119             |
| Trans Nzoia   | 1115298           | 21,304,915            |
| Turkana       | 1341972           | 25,634,941            |
| Uasin Gishu   | 1089550           | 20,813,065            |
| Vihiga        | 662596            | 12,657,201            |
| Wajir         | 826334            | 15,784,997            |
| West Pokot    | 634918            | 12,128,484            |
| <b>Total</b>  | <b>47,114,397</b> | <b>900,000,000.00</b> |

Source: Ministry of Health

*The County Allocation of Revenue Bill, 2018***4. Managed Equipment Service (MES) for public hospitals at County level and National Referral Hospitals**

Note: - MES contracts have been signed centrally

-Servicing of contracts to be done centrally over contract period of seven years

-In-kind support to the County is equivalent of the MES services to be received (estimated Total KShs 6.0 B per year over seven years.

| <b>2.Managed Equipment Service for public hospitals at County level and National Referral Hospitals</b> |            |  |
|---|------------|--|
| Ministry/State Responsible  | Department | Health (Vote 108)  |
| Accounting officer of National Government Responsible   |            | Principal Secretary, Ministry of Health  |
| Responsibilities of the National Government accounting officer  |            | (a) Ensure budget is available under MOH<br>(b) Ensure compliance with contractual obligations binding all parties<br>(c) Ensure payments to equipment suppliers as per contract                 |
| Conditions  |            | As per contract agreement  |
| Accounting officer of the County Government responsible   |            | Accounting officer responsible for health in the County government   |
| Responsibilities of the County Government accounting officer  |            | As per contract agreement  |
| Allocation: 2018/19   |            | <b>KES 9,400,000,000</b>   |
| Purpose of the grant  |            | To support provision of specialized medical services in public hospitals in an effort to improve access to specialized medical services for all Kenyans, especially those living in rural areas. |
| Allocation criteria   |            | Allocation to MOH is based on annual MES Contract commitments  |
| <b>Allocation by County government – This is a centralized service contract.</b>                        |            |  |

Source: Ministry of Health

**5. Additional Conditional Allocation from the Road Maintenance Fuel Levy Fund**

| <b>Conditional Allocation from the Road Maintenance Fuel Levy Fund</b> |   |
|--|---|
| Ministry/State Department Responsible                                  | Transport and Infrastructure  |
| Accounting Officer of the National Government Responsible              | Principal Secretary, State Department of Infrastructure   |
| Responsibilities of the National Government accounting officer         | <ul style="list-style-type: none"> <li>• Initiate request for disbursement of funds</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the National Treasury.</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>   |
| Conditions   | <ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the county government</li> <li>• Work plans must be prepared and shared with the State Department of Infrastructure with copies to the National Treasury</li> <li>• The allocation must be used for the maintenance of county roads</li> <li>• County government must provide a report/proof that funds were used to maintain county roads.</li> </ul>  |
| Accounting Officer of the County Government Responsible                | <ul style="list-style-type: none"> <li>• Accounting Officer responsible for the Infrastructure/roads in the county government.</li> </ul>   |
| Responsibilities of the County Government accounting officer           | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the relevant department for the FY 2018/19 for maintenance of county roads.</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Infrastructure</li> <li>• Monitor and evaluate performance of the allocation and report to the County Treasury.</li> </ul> |
| Allocation: 2018/19  | Ksh. 8,269,000,000  |
| Objectives   | To maintain county roads  |
| Allocation Criteria  | Revenue sharing formula approved by Parliament under Article 217 of the Constitution.   |

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| <b>Allocation by County Government</b> |                 |  |   |
|--|-----------------|--|---|
| No.                                    | County          | Allocation Ratio<br>(Approved<br>Equitable Share<br>Formula) (%) | Conditional grant for<br>maintenance of roads |
|  |                 | Column A   | Column B                                      |
| 1                                      | Baringo         | 1.62   | 133,931,014                                   |
| 2                                      | Bomet           | 1.89   | 156,252,849                                   |
| 3                                      | Bungoma         | 2.85   | 235,619,376                                   |
| 4                                      | Busia           | 1.9  | 157,079,584                                   |
| 5                                      | Elgeyo/Marakwet | 1.2  | 99,208,158                                    |
| 6                                      | Embu            | 1.42   | 117,396,321                                   |
| 7                                      | Garissa         | 2.21   | 182,708,358                                   |
| 8                                      | Homa Bay        | 2.13   | 176,094,481                                   |
| 9                                      | Isiolo          | 1.25   | 103,341,832                                   |
| 10                                     | Kajiado         | 1.91   | 157,906,319                                   |
| 11                                     | Kakamega        | 3.29   | 271,995,701                                   |
| 12                                     | Kericho         | 1.82   | 150,465,707                                   |
| 13                                     | Kiambu          | 2.98   | 246,366,927                                   |
| 14                                     | Kilifi          | 3.45   | 285,223,455                                   |
| 15                                     | Kirinyanga      | 1.31   | 108,302,240                                   |
| 16                                     | Kisii           | 2.45   | 203,376,725                                   |
| 17                                     | Kisumu          | 2.2  | 181,881,624                                   |
| 18                                     | Kitui           | 2.78   | 229,832,234                                   |
| 19                                     | Kwale           | 2.4  | 198,416,317                                   |
| 20                                     | Laikipia        | 1.31   | 109,128,974                                   |
| 21                                     | Lamu            | 1.13   | 93,421,016                                    |
| 22                                     | Machakos        | 2.65   | 219,084,683                                   |
| 23                                     | Makueni         | 2.27   | 187,668,766                                   |
| 24                                     | Mandera         | 3.23   | 267,035,293                                   |
| 25                                     | Marsabit        | 2.23   | 184,361,828                                   |
| 26                                     | Meru            | 2.55   | 210,817,337                                   |
| 27                                     | Migori          | 2.14   | 176,921,216                                   |
| 28                                     | Mombasa         | 2.62   | 216,604,479                                   |
| 29                                     | Muranga         | 1.99   | 164,520,196                                   |
| 30                                     | Nairobi         | 5.03   | 415,847,530                                   |
| 31                                     | Nakuru          | 3.01   | 248,847,131                                   |
| 32                                     | Nandi           | 1.71   | 141,371,626                                   |
| 33                                     | Narok           | 2.03   | 167,827,135                                   |
| 34                                     | Nyamira         | 1.52   | 125,663,667                                   |
| 35                                     | Nyandarua       | 1.57   | 129,797,341                                   |
| 36                                     | Nyeri           | 1.6  | 132,277,544                                   |

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|    |                    |            |                      |
|----|--------------------|------------|----------------------|
| 37 | Samburu            | 1.41       | 116,569,586          |
| 38 | Siaya              | 1.92       | 158,733,053          |
| 39 | Taita              | 1.29       | 106,648,770          |
| 40 | Tana River         | 1.77       | 146,332,034          |
| 41 | Tharaka Nithi      | 1.16       | 95,901,220           |
| 42 | Tranzoia           | 1.79       | 147,985,503          |
| 43 | Turkana            | 3.43       | 283,569,986          |
| 44 | Uasin Gishu        | 1.89       | 156,252,849          |
| 45 | Vihiga             | 1.42       | 117,396,321          |
| 46 | Wajir              | 2.7        | 223,218,356          |
| 47 | West Pokot         | 1.57       | 129,797,341          |
|    | <b>GRAND TOTAL</b> | <b>100</b> | <b>8,269,000,000</b> |

Source: State Department of Infrastructure

### 6. Additional Conditional Allocation for Rehabilitation of Youth Polytechnics

| <b>Allocation to support Rehabilitation of Village Polytechnics in the Counties</b> |   |
|---|---|
| Vote / Ministry/State Department Responsible  | 1064108200 -Ministry of Education/State Department of Vocational and Technical Training   |
| Accounting officer of National Government Responsible                               | Principal Secretary Vocational and Technical Training   |
| Responsibilities of the National Government accounting officer                      | Developing regulations and implementation guidelines<br>Disbursement of the funds<br>Coordinate Monitoring and Evaluation<br>Develops report on the funds   |
| Conditions  | The fund shall not be utilized for any other purpose other than in a Village Polytechnic/ VTC in the purchase of Training materials and improving infrastructure as per the regulations provided<br>Be used in a registered public Vocational Training Center<br>The VTC must have a functional Board of Management<br>Open an account in a commercial bank which will exclusively be for the grant<br>The account shall have 4 signatories of which where the Sub-County Director or County Director has to be a Mandatory Signatory |
| Accounting officer of the County Government responsible                             | CEC in charge of Education, Youth, Culture and Social Affairs   |
| Responsibilities of the County Government accounting officer                        | Ensures accountability in the utilization of the fund<br>Identifies the institutions to benefit under infrastructure development<br>Provides trainee enrolment data of Vocational Training Centers<br>Reports on the utilization of the fund<br>Assist in coordination Monitoring and Evaluation  |

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| Allocation: 2018/19         | <b>KES 2,000,000,000</b>  |                                      |                            |                          |
|-----------------------------|---|--------------------------------------|----------------------------|--------------------------|
| Purpose of the grant        | To improve Access, Quality, Equity and Relevance in Vocational Training |                                      |                            |                          |
| Allocation criteria         | Equity and current enrolment  |                                      |                            |                          |
| <b>Allocation by County</b> |   |                                      |                            |                          |
| County                      | Trainee enrolment   | Capitation at KES 15,000 per trainee | Equitable share per County | Total allocation 2018/19 |
| Baringo                     | 1043  | 15,645,000                           | 19,960,000                 | 35,605,000               |
| Bomet                       | 1861  | 27,915,000                           | 19,960,000                 | 47,875,000               |
| Bungoma                     | 3036  | 45,540,000                           | 19,960,000                 | 65,500,000               |
| Busia                       | 2800  | 42,000,000                           | 19,960,000                 | 61,960,000               |
| ElgeyoMarakwet              | 1456  | 21,840,000                           | 19,960,000                 | 41,800,000               |
| Embu                        | 1196  | 17,940,000                           | 19,960,000                 | 37,900,000               |
| Garissa                     | 1,025   | 15,375,000                           | 19,960,000                 | 35,335,000               |
| Homa Bay                    | 1781  | 26,715,000                           | 19,960,000                 | 46,675,000               |
| Isiolo                      | 85  | 1,275,000                            | 19,960,000                 | 21,235,000               |
| Kajiado                     | 1359  | 20,385,000                           | 19,960,000                 | 40,345,000               |
| Kakamega                    | 3330  | 49,950,000                           | 19,960,000                 | 69,910,000               |
| Kericho                     | 1403  | 21,045,000                           | 19,960,000                 | 41,005,000               |
| Kiambu                      | 3210  | 48,150,000                           | 19,960,000                 | 68,110,000               |
| Kilifi                      | 2205  | 33,075,000                           | 19,960,000                 | 53,035,000               |
| Kirinyanga                  | 2150  | 32,250,000                           | 19,960,000                 | 52,210,000               |
| Kisii                       | 3342  | 50,130,000                           | 19,960,000                 | 70,090,000               |
| Kisumu                      | 1446  | 21,690,000                           | 19,960,000                 | 41,650,000               |
| Kitui                       | 2567  | 38,505,000                           | 19,960,000                 | 58,465,000               |
| Kwale                       | 1460  | 21,900,000                           | 19,960,000                 | 41,860,000               |
| Laikipia                    | 571   | 8,565,000                            | 19,960,000                 | 28,525,000               |
| Lamu                        | 750   | 11,250,000                           | 19,960,000                 | 31,210,000               |
| Machakos                    | 2289  | 34,335,000                           | 19,960,000                 | 54,295,000               |
| Makueni                     | 774   | 11,610,000                           | 19,960,000                 | 31,570,000               |
| Mandera                     | 752   | 11,280,000                           | 19,960,000                 | 31,240,000               |
| Marsabit                    | 421   | 6,315,000                            | 19,960,000                 | 26,275,000               |
| Meru                        | 3071  | 46,065,000                           | 19,960,000                 | 66,025,000               |
| Migori                      | 786   | 11,790,000                           | 19,960,000                 | 31,750,000               |
| Mombasa                     | 1329  | 19,935,000                           | 19,960,000                 | 39,895,000               |
| Muranga                     | 3050  | 45,750,000                           | 19,960,000                 | 65,710,000               |
| Nairobi                     | 974   | 14,610,000                           | 19,960,000                 | 34,570,000               |
| Nakuru                      | 1856  | 27,840,000                           | 19,960,000                 | 47,800,000               |
| Nandi                       | 1153  | 17,295,000                           | 19,960,000                 | 37,255,000               |
| Narok                       | 724   | 10,860,000                           | 19,960,000                 | 30,820,000               |
| Nyamira                     | 2197  | 32,955,000                           | 19,960,000                 | 52,915,000               |
| Nyandarua                   | 1316  | 19,740,000                           | 19,960,000                 | 39,700,000               |

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|              |               |                      |                    |                      |
|--------------|---------------|----------------------|--------------------|----------------------|
| Nyeri        | 589           | 8,835,000            | 19,960,000         | 28,795,000           |
| Samburu      | 63            | 945,000              | 19,960,000         | 20,905,000           |
| Siaya        | 1236          | 18,540,000           | 19,960,000         | 38,500,000           |
| Taita Taveta | 1981          | 29,715,000           | 19,960,000         | 49,675,000           |
| Tana River   | 302           | 4,530,000            | 19,960,000         | 24,490,000           |
| TharakaNithi | 1342          | 20,130,000           | 19,960,000         | 40,090,000           |
| Trans Nzoia  | 2250          | 33,750,000           | 19,960,000         | 53,710,000           |
| Turkana      | 355           | 5,325,000            | 19,960,000         | 25,285,000           |
| UasinGishu   | 886           | 13,290,000           | 19,960,000         | 33,250,000           |
| Vihiga       | 2336          | 35,040,000           | 19,960,000         | 55,000,000           |
| Wajir        | 89            | 1,335,000            | 19,960,000         | 21,295,000           |
| West Pokot   | 595           | 8,925,000            | 19,960,000         | 28,885,000           |
| <b>Total</b> | <b>70,792</b> | <b>1,061,880,000</b> | <b>938,120,000</b> | <b>2,000,000,000</b> |

Source: State Department of Vocational and Technical Training

## II. Additional Conditional Allocations financed from proceeds of Loans and grants from Development Partners

|  |  |
|--|--|
| <b>1. IDA (World Bank) credit (Transforming Health Systems for Universal Care Project)</b> |  |
| Ministry/State Department Responsible  | Ministry of Health   |
| Accounting officer of National Government Responsible                                      | PS, Ministry of Health   |
| Responsibilities of the National Government accounting officer                             | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>                          |
| Conditions   | <ul style="list-style-type: none"> <li>• Establishment of Project Sub-Technical working group and Project Management Team(PMT) comprising at a minimum a National project Manager, Coordinators for each components, Assistant coordinators, M&amp;E officer, Project accountant, Internal auditor, Procurement officer, Environment and social safeguards compliance officer</li> </ul> <p>At the county level:</p> |

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|                             |  |
|-----------------------------|--|
|                             | <ul style="list-style-type: none"> <li>• Set up a County Project Steering Committee and Project Coordination Unit;</li> <li>• Assign a Project accountant, internal auditor and chief officer of health in each county; and,</li> </ul> <p>Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.</p> |
| Allocation: 2018/19         | <b>KES 3,636,589,847</b>   |
| Purpose of the grant        | To improve delivery, utilization and quality of primary health care services with focus on Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) at the county level   |
| Allocation criteria         | Based on financing agreement between the IDA and the Government of Kenya and approved work plans.  |
| <b>Allocation by County</b> |  |
| <b>County</b>               | <b>Total</b>   |
| 1.Baringo                   | 78,899,347   |
| 2.Bomet                     | 86,405,581   |
| 3.Bungoma                   | 100,000,000  |
| 4.Busia                     | 86,622,298   |
| 5.Elgeyo/Marakwet           | 50,000,000   |
| 6.Embu                      | 50,000,000   |
| 7.Garissa                   | 100,000,000  |
| 8.Homa Bay                  | 85,820,342   |
| 9.Isiolo                    | 66,229,830   |
| 10.Kajiado                  | 62,478,710   |
| 11.Kakamega                 | 100,000,000  |
| 12.Kericho                  | 61,507,974   |
| 13.Kiambu                   | 50,000,000   |
| 14.Kilifi                   | 100,000,000  |
| 15.Kirinyanga               | 50,000,000   |
| 16.Kisii                    | 74,159,514   |
| 17.Kisumu                   | 67,364,355   |
| 18.Kitui                    | 100,000,000  |
| 19.Kwale                    | 98,175,267   |
| 20.Laikipia                 | 67,077,728   |
| 21.Lamu                     | 50,000,000   |
| 22.Machakos                 | 95,401,875   |
| 23.Makueni                  | 100,000,000  |
| 24.Mandera                  | 100,000,000  |
| 25.Marsabit                 | 100,000,000  |
| 26.Meru                     | 50,000,000   |
| 27.Migori                   | 100,000,000  |
| 28.Mombasa                  | 50,000,000   |

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*The County Allocation of Revenue Bill, 2018*

|                 |                      |
|-----------------|----------------------|
| 29.Muranga      | 50,000,000           |
| 30.Nairobi      | 54,429,184           |
| 31.Nakuru       | 95,036,352           |
| 32.Nandi        | 97,229,498           |
| 33.Narok        | 100,000,000          |
| 34.Nyamira      | 50,000,000           |
| 35.Nyandarua    | 50,000,000           |
| 36.Nyeri        | 50,000,000           |
| 37.Samburu      | 97,143,610           |
| 38.Siaya        | 56,758,154           |
| 39.Taita Taveta | 50,000,000           |
| 40.Tana River   | 100,000,000          |
| 41.TharakaNithi | 50,000,000           |
| 42.Trans Nzoia  | 100,000,000          |
| 43.Turkana      | 100,000,000          |
| 44.UasinGishu   | 81,893,450           |
| 45.Vihiga       | 73,956,778           |
| 46.Wajir        | 100,000,000          |
| 47.West Pokot   | 100,000,000          |
| <b>Total</b>    | <b>3,636,589,847</b> |

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## *The County Allocation of Revenue Bill, 2018*

| <b>2. IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))</b> |   |
|---|---|
| Ministry/State Department Responsible   | State Department of Agriculture   |
| Accounting officer of National Government Responsible   | PS, State Department of Agriculture   |
| Responsibilities of the National Government accounting officer  | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul> |
| Condition   | Each county will be required to prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.   |
| Allocation: 2018/19   | <b>KES 2,949,138,423</b>  |
| Purpose of the grant  | To increase agricultural productivity and profitability of targeted rural communities in selected counties, and to provide immediate and effective response in case of crisis or emergency.   |
| Allocation criteria   | Based on financing agreement between the IDA and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>   |   |
| <b>County</b>   | <b>Total</b>  |
| 1.Samburu   | 140,435,163   |
| 2.Turkana   | 140,435,163   |
| 3.Makueni   | 140,435,163   |
| 4. Meru   | 140,435,163   |
| 5.Kitui   | 140,435,163   |
| 6.Embu  | 140,435,163   |
| 7.Kilifi  | 140,435,163   |
| 8.Kwale   | 140,435,163   |
| 9.Narok   | 140,435,163   |
| 10.Kirinyaga  | 140,435,163   |
| 11.Kiambu   | 140,435,163   |
| 12.Nakuru   | 140,435,163   |
| 13.Bungoma  | 140,435,163   |
| 14.Trans Nzoia  | 140,435,163   |
| 15.Nandi  | 140,435,163   |
| 16.Murang'a   | 140,435,163   |
| 17.Kisii  | 140,435,163   |

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## *The County Allocation of Revenue Bill, 2018*

|              |                      |
|--------------|----------------------|
| 18.Vihiga    | 140,435,163          |
| 19.Nyamira   | 140,435,163          |
| 20.Migori    | 140,435,163          |
| 21.Homa Bay  | 140,435,163          |
| <b>TOTAL</b> | <b>2,949,138,423</b> |
|              |                      |

| <b>3. IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)</b> |   |
|--|---|
| Ministry/State Department Responsible  | State Department of Agriculture   |
| Accounting officer of National Government Responsible                        | PS, State Department of Agriculture   |
| Responsibilities of the National Government accounting officer               | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>   |
| Conditions   | <ul style="list-style-type: none"> <li>• Adoption of the Project Implementation Manual</li> <li>• Establishment of National Steering committee, National Technical Advisory committee and National Project coordination Unit</li> </ul> <p>Before commencing utilization of the KCSAP Project funds, each county will be required to:</p> <ul style="list-style-type: none"> <li>• Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.</li> </ul> |
| Allocation: 2018/19  | <b>KES 3,039,000,000</b>  |
| Purpose of the grant   | To increase agricultural productivity and build resilience to climate change risks in targeted smallholder farming and pastoral communities.  |
| Allocation criteria  | Based on financing agreement between the IDA and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>  |   |
| <b>County</b>  | <b>Total</b>  |
| Marsabit   | 150,000,000   |
| Tana River   | 150,000,000   |

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## *The County Allocation of Revenue Bill, 2018*

|                    |                      |
|--------------------|----------------------|
| Garissa            | 150,000,000          |
| Mandera            | 150,000,000          |
| Isiolo             | 150,000,000          |
| Wajir              | 150,000,000          |
| Lamu               | 150,000,000          |
| Machakos           | 117,000,000          |
| Tharaka Nithi      | 117,000,000          |
| West Pokot         | 117,000,000          |
| Taita Taveta       | 117,000,000          |
| Busia              | 117,000,000          |
| Nyandarua          | 117,000,000          |
| Bomet              | 117,000,000          |
| Kakamega           | 117,000,000          |
| Uasin Gishu        | 117,000,000          |
| Elgeyo<br>Marakwet | 117,000,000          |
| Kisumu             | 117,000,000          |
| Laikipia           | 117,000,000          |
| Kericho            | 117,000,000          |
| Nyeri              | 117,000,000          |
| Kajiado            | 117,000,000          |
| Baringo            | 117,000,000          |
| Siaya              | 117,000,000          |
| <b>TOTAL</b>       | <b>3,039,000,000</b> |

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## The County Allocation of Revenue Bill, 2018

| <b>4. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 1</b> |   |
|--|---|
| Ministry/State Department Responsible  | Ministry of Devolution and Planning   |
| Accounting officer of National Government Responsible                                | PS, State Department for Devolution   |
| Responsibilities of the National Government accounting officer                       | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul> |
| Conditions   | <ul style="list-style-type: none"> <li>• Preparation and adoption of Program Operations Manual</li> <li>• Establishment of KDSP secretariat, Technical Committee and Joint Steering Committee.</li> </ul>   |
| Allocation: 2018/19  | <b>KES. 2,300,000,000</b>   |
| Purpose of the grant   | To strengthen capacity of core national and county institutions to improve delivery of devolved services at the county level.   |
| Allocation criteria  | Based on financing agreement between the IDA and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>  |   |
| <b>County</b>  | <b>Total</b>  |
| 1.Baringo  | 43,729,455  |
| 2.Bomet  | 44,888,193  |
| 3.Bungoma  | 58,329,310  |
| 4.Busia  | 47,393,422  |
| 5.Elegeyo Marakwet   | 38,552,919  |
| 6.Embu   | 40,595,727  |
| 7.Garissa  | 47,755,752  |
| 8.Homa Bay   | 49,500,526  |
| 9.Isiolo   | 38,668,826  |
| 10.Kajiado   | 45,860,424  |
| 11.Kakamega  | 63,508,830  |
| 12.Kericho   | 44,538,343  |
| 13.Kiambu  | 60,455,156  |
| 14.Kilifi  | 61,148,106  |
| 15.Kirinyaga   | 41,078,830  |
| 16.Kisii   | 53,938,093  |
| 17.Kisumu  | 49,642,674  |
| 18.Kitui   | 57,462,594  |
| 19.Kwale   | 50,747,782  |

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|                  |                      |
|------------------|----------------------|
| 20.Laikipia      | 41,121,027           |
| 21.Lamu          | 33,793,559           |
| 22.Machakos      | 53,423,784           |
| 23.Makueni       | 50,750,604           |
| 24.Mandera       | 58,673,488           |
| 25.Marsabit      | 48,985,872           |
| 26.Meru          | 53,939,835           |
| 27.Migori        | 49,609,593           |
| 28.Mombasa       | 53,333,725           |
| 29.Muranga       | 48,244,593           |
| 30.Nairobi       | 83,424,144           |
| 31.Nakuru        | 60,282,958           |
| 32.Nandi         | 44,551,044           |
| 33.Narok         | 49,037,031           |
| 34.Nyamira       | 42,383,765           |
| 35.Nyandarua     | 43,069,316           |
| 36.Nyeri         | 43,740,998           |
| 37.Samburu       | 39,330,852           |
| 38.Siaya         | 46,076,429           |
| 39.Taita Taveta  | 39,327,939           |
| 40.Tana River    | 44,003,842           |
| 41.Tharaka Nithi | 38,536,081           |
| 42.Trans Nzoia   | 46,456,661           |
| 43.Turkana       | 65,446,016           |
| 44.Uasin Gichu   | 46,739,163           |
| 45.Vihiga        | 41,604,116           |
| 46.Wajir         | 53,401,112           |
| 47.West Pokot    | 42,917,546           |
| <b>TOTAL</b>     | <b>2,300,000,000</b> |

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## The County Allocation of Revenue Bill, 2018

| <b>5. IDA (World Bank) credit: Kenya Urban Support Project(KUSP)</b> |   |
|--|---|
| Ministry/State Department Responsible                                | Ministry of Transport, Infrastructure, 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"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul> |
| Conditions   | Participating County Governments have met Urban Development Grants (UDGs) minimum conditions for eligible urban areas.  |
| Allocation: 2018/19  | <b>Ksh. 11,464,702,500</b>  |
| Purpose of the grant   | Provide support to urban boards and administrators within the respective participating County Governments for financing infrastructure investments in urban areas.  |
| Allocation criteria  | Based on financing agreement between the IDA and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>  |   |
| <b>County</b>  | <b>Total in Ksh.</b>  |
| Baringo  | 52,360,500  |
| Bomet  | 168,334,800   |
| Bungoma  | 300,977,100   |
| Busia  | 101,071,500   |
| Elgeyo Marakwet  | 89,802,100  |
| Embu   | 119,892,100   |
| Garissa  | 233,506,000   |
| Homa bay   | 119,361,500   |
| Isiolo   | 93,968,100  |
| Kajiado  | 265,950,300   |
| Kakamega   | 389,118,800   |
| Kericho  | 256,299,000   |
| Kiambu   | 1,885,993,000   |
| Kilifi   | 330,534,500   |
| Kirinyaga  | 71,302,200  |
| Kisii  | 164,053,800   |
| Kisumu   | 773,573,300   |
| Kitui  | 232,374,200   |
| Kwale  | 50,000,000  |
| Laikipia   | 50,000,000  |
| Lamu   | 50,000,000  |

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## *The County Allocation of Revenue Bill, 2018*

|               |                       |
|---------------|-----------------------|
| Machakos      | 1,018,320,500         |
| Makueni       | 136,261,600           |
| Mandera       | 175,819,500           |
| Marsabit      | 50,000,000            |
| Meru          | 116,890,200           |
| Migori        | 518,367,800           |
| Muranga       | 62,437,600            |
| Nakuru        | 1,084,843,300         |
| Nandi         | 177,231,700           |
| Narok         | 74,905,300            |
| Nyamira       | 114,705,300           |
| Nyandarua     | 135,543,400           |
| Nyeri         | 236,639,100           |
| Samburu       | 50,000,000            |
| Siaya         | 50,000,000            |
| Taita Taveta  | 50,000,000            |
| Tana River    | 50,000,000            |
| Tharaka Nithi | 50,000,000            |
| Trans Nzoia   | 299,106,900           |
| Tukana        | 95,023,200            |
| Uasin Gishu   | 630,147,800           |
| Vihiga        | 250,950,700           |
| Wajir         | 165,643,500           |
| West Pokot    | 73,392,300            |
| <b>TOTAL</b>  | <b>11,464,702,500</b> |

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| <b>6, DANIDA Grant (Universal Healthcare in Devolved System Program)</b> |   |
|--|---|
| Ministry/State<br>Department<br>Responsible                              | Ministry of Health  |
| Accounting officer of<br>National Government<br>Responsible              | PS, Ministry of Health  |
| Responsibilities of the<br>National Government<br>accounting officer     | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>   |
| Conditions   | <ul style="list-style-type: none"> <li>• Ensure that the Grant is used according to the proposed work plans and budget.</li> <li>• Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the plans and budgets.</li> <li>• Promptly inform Denmark of any condition which interferes or threatens to interfere with the successful implementation of the development engagement</li> </ul> |
| Allocation: 2018/19  | <b>KES 1,012,500,000</b>  |
| Purpose of the grant   | To improve access to quality of primary health care and RMNCAH services at the county level   |
| Allocation criteria  | Based on financing agreement between the DANIDA and the Government of Kenya and approved work plans.  |
| <b>Allocation by County</b>  |   |
| <b>County</b>  | <b>Total</b>  |
| Baringo  | 16,706,250  |
| Bomet  | 17,617,500  |
| Bungoma  | 29,362,500  |
| Busia  | 19,541,250  |
| Elgeyo/Marakwet  | 12,150,000  |
| Embu   | 13,770,000  |
| Garissa  | 22,325,625  |
| Homa Bay   | 21,870,000  |
| Isiolo   | 12,656,250  |
| Kajiado  | 19,338,750  |
| Kakamega   | 33,311,250  |

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|              |                      |
|--------------|----------------------|
| Kericho      | 17,516,250           |
| Kiambu       | 32,400,000           |
| Kilifi       | 33,361,875           |
| Kirinyanga   | 14,782,500           |
| Kisii        | 24,907,500           |
| Kisumu       | 21,971,250           |
| Kitui        | 29,008,125           |
| Kwale        | 24,300,000           |
| Laikipia     | 15,086,250           |
| Lamu         | 8,302,500            |
| Machakos     | 24,806,250           |
| Makueni      | 22,882,500           |
| Mandera      | 32,653,125           |
| Marsabit     | 22,072,500           |
| Meru         | 25,818,750           |
| Migori       | 21,667,500           |
| Mombasa      | 27,337,500           |
| Muranga      | 20,756,250           |
| Nairobi      | 51,637,500           |
| Nakuru       | 31,083,750           |
| Nandi        | 17,111,250           |
| Narok        | 21,870,000           |
| Nyamira      | 15,491,250           |
| Nyandarua    | 15,997,500           |
| Nyeri        | 16,605,000           |
| Samburu      | 12,757,500           |
| Siaya        | 18,528,750           |
| Taita Taveta | 13,061,250           |
| Tana River   | 17,921,250           |
| TharakaNithi | 12,352,500           |
| Trans Nzoia  | 18,933,750           |
| Turkana      | 33,766,875           |
| UasinGishu   | 19,136,250           |
| Vihiga       | 14,782,500           |
| Wajir        | 27,286,875           |
| West Pokot   | 15,896,250           |
| <b>Total</b> | <b>1,012,500,000</b> |

*The County Allocation of Revenue Bill, 2018*

| <b>7. EU Grant (Instruments for Devolution Advice and Support IDEAS)</b> |  |
|--|--|
| Ministry/State Department Responsible                                    | <b>State Department for Devolution</b>   |
| Accounting officer of National Government Responsible                    | <b>PS State Department for Devolution</b>  |
| Responsibilities of the National Government accounting officer           | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• The National Government undertakes to check regularly that the operations financed with the EDF funds have been properly implemented.</li> <li>• Preparation of Programme Estimates (PEs) and submit to the donor for approval</li> </ul>   |
| Conditions   | <p>Counties should submit quarterly reports to State Department of Devolution on implementation progress as well as conditions met</p> <p>A maximum of 10 counties will be selected on the basis of poverty levels as per official statistics, in agreement with the EU, for piloting of LED.</p> <p>The counties selected must meet the following criteria:</p> <ul style="list-style-type: none"> <li>- County poverty rate must be in excess of 45%</li> <li>- Counties must commit to co-finance Local Economic Development (LED) activities;</li> <li>- At least 5 counties must be from Arid and semi-Arid Lands of Kenya</li> <li>- At least 5 counties must include a minimum of 5% of urban population</li> </ul> |
| Allocation: 2018/19  | <b>KES 1,040,000,000</b>   |
| Purpose of the grant   | To support National and County governments capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level   |
| Allocation criteria  | Based on financing agreement between the EU and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>  |  |
| <b>County</b>  | <b>Total (Kshs.)</b>   |
| 1.Kwale County   | 45,000,000.00  |
| 2.Wajir County   | 45,000,000.00  |
| 3.Kisumu County  | 90,000,000.00  |
| 4.Taita Taveta County  | 80,000,000.00  |
| 5.Laikipia County  | 80,000,000.00  |
| 6.Nyandarua County   | 90,000,000.00  |

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|                         |                      |
|-------------------------|----------------------|
| 7.Marsabit County –     | 90,000,000.00        |
| 8.Baringo County        | 90,000,000.00        |
| 9. West Pokot County    | 45,000,000.00        |
| 10.Samburu County       | 70,000,000.00        |
| 11.Uasin Gishu County – | 45,000,000.00        |
| 12.Migori County        | 70,000,000.00        |
| 13.Kisii County         | 45,000,000.00        |
| 14.Makueni County       | 85,000,000.00        |
| 15.Tana River County    | 70,000,000.00        |
| <b>Total</b>            | <b>1,040,000,000</b> |

## The County Allocation of Revenue Bill, 2018

| <b>8. IDA – WATER AND SANITATION DEVELOPMENT PROJECT (WSDP)</b> |  |
|---|--|
| Ministry/State Department Responsible                           | Water and Sanitation   |
| Accounting officer of National Government Responsible           | PS, Water and Sanitation   |
| Responsibilities of the National Government accounting officer  | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2018/19</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>  |
| Conditions  | <ul style="list-style-type: none"> <li>• Participating County governments shall carry out and verify its activities under the project with due diligence and efficiency and in accordance with the Financing Agreement, Project Implementation Manual, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the World Bank's Guidelines on Preventing and Combating Fraud and Corruption".</li> </ul> |
| Allocation: 2018/19   | <b>KSH. 3,800,000,000</b>  |
| Purpose of the grant  | For implementation of Water and Sanitation activities  |
| Allocation criteria   | Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.   |
| <b>Allocation by County</b>                                     |  |
| <b>County</b>   | <b>Total</b>   |
| Garissa   | 1,000,000,000  |
| Kilifi  | 400,000,000  |
| Kwale   | 400,000,000  |
| Mombasa   | 600,000,000  |
| Wajir   | 1,000,000,000  |
| <b>County total</b>   | <b>3,800,000,000</b>   |

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| <b>9. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 2</b> |  |
|--|--|
| Ministry/State Department Responsible  | Ministry of Devolution and Planning  |
| Accounting Officer of the National Government Responsible                            | Principal Secretary, State Department of Devolution  |
| Responsibilities of the National Government accounting officer                       | <ul style="list-style-type: none"> <li>• Initiate request for disbursement of funds</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the National Treasury.</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>  |
| Conditions   | <ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the county government</li> <li>• Counties have undergone the annual capacity and performance assessment and met the minimum access conditions and minimum performance conditions for grant funding.</li> <li>• Counties have implemented projects according to approved work plans and program requirements</li> </ul>   |
| Accounting Officer of the County Government Responsible                              | <ul style="list-style-type: none"> <li>• Accounting Officer(s) responsible for capacity building in the five key areas of focus in the county government i.e.:               <ul style="list-style-type: none"> <li>○ Public financial management (PFM) systems;</li> <li>○ County Human resource management;</li> <li>○ County planning and Monitoring &amp; Evaluation systems; and,</li> <li>○ Civic Education and Public Participation.</li> <li>○ Intergovernmental relations.</li> </ul> </li> </ul> |
| Responsibilities of the County Government accounting officer                         | <ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the relevant department for the FY 2018/19.</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Devolution</li> <li>• Monitor and evaluate performance of the allocation and report to the County Treasury.</li> </ul>  |
| Allocation: 2018/19 FY   | Ksh. 4,000,000,000   |
| Objectives   | <p>To incentivize county governments to build their capacity in the following five key areas:</p> <ul style="list-style-type: none"> <li>○ public financial management (PFM) systems;</li> <li>○ County Human resource management;</li> <li>○ County planning and Monitoring &amp; Evaluation systems; and,</li> <li>○ Civic Education and Public Participation.</li> <li>○ Intergovernmental relations.</li> </ul>  |
| Allocation Criteria  | The criteria for allocation the KDSP Performance “level2” Grant shall be determined in terms of the process set out in Subsection 5(3) of the County Allocation of Revenue Act, 2018.  |

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