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The County Allocation of Revenue Bill, 2018



REPUBLIC OF KENYA

**County Allocation of Revenue
Bill, 2018**

A legislative proposal for submission to Parliament

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THE COUNTY ALLOCATION OF REVENUE BILL, 2018

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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
	Total	100	302,000,000,000	100	314,000,000,000

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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 Total Conditional Grants from the National Government Revenue	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Total Conditional Grants from the National Government 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 Kajiado	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	Mathakos	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	Tharaka Nithi	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											
	2017/18 FY	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
	Total Loans and Grants		Transforming Health Systems for Universal Care Project (WB)	IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	IDA (World Bank) credit (KIDSP) Level 1 grant"	IDA (World Bank) credit (KUSP) Urban Support Project (KUSP)	DANIDA Grant (Universal Healthcare in Devolved System Program)	EU Grant (Instruments for Devolution Advice and Support IDEAS)	IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)	IDA (World Bank) credit: Kenya Devolution Support Project (KIDSP) Level 2 grant"	Total Loans and Grants
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	86,403,581	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	58,529,310	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	140,435,163	49,500,526	119,361,500	21,870,000		416,987,531				
Isiolo	128,629,328	66,229,830	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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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
Kirinyaga	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			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
Laikipia	212,173,539	67,077,728			41,121,027	50,000,000	15,086,250	90,000,000		380,285,005
Lamu	94,106,696	50,000,000			33,793,559	50,000,000	8,302,500			292,096,059
Machakos	175,585,978	95,401,875			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			58,673,488	175,819,500	32,653,125			517,146,113
Marsabit	315,742,158	100,000,000			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	1,084,843,300	51,637,500			189,490,828
Nakuru	237,657,424	95,036,352	140,435,163		60,282,958		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			43,069,316	135,543,400	15,997,500	45,000,000		406,610,216
Nyeri	92,761,342	50,000,000			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			46,076,429	50,000,000	18,528,750			288,363,333
Taita Taveta	196,900,401	50,000,000			39,327,939	50,000,000	13,061,250	90,000,000	400,000,000	359,389,189

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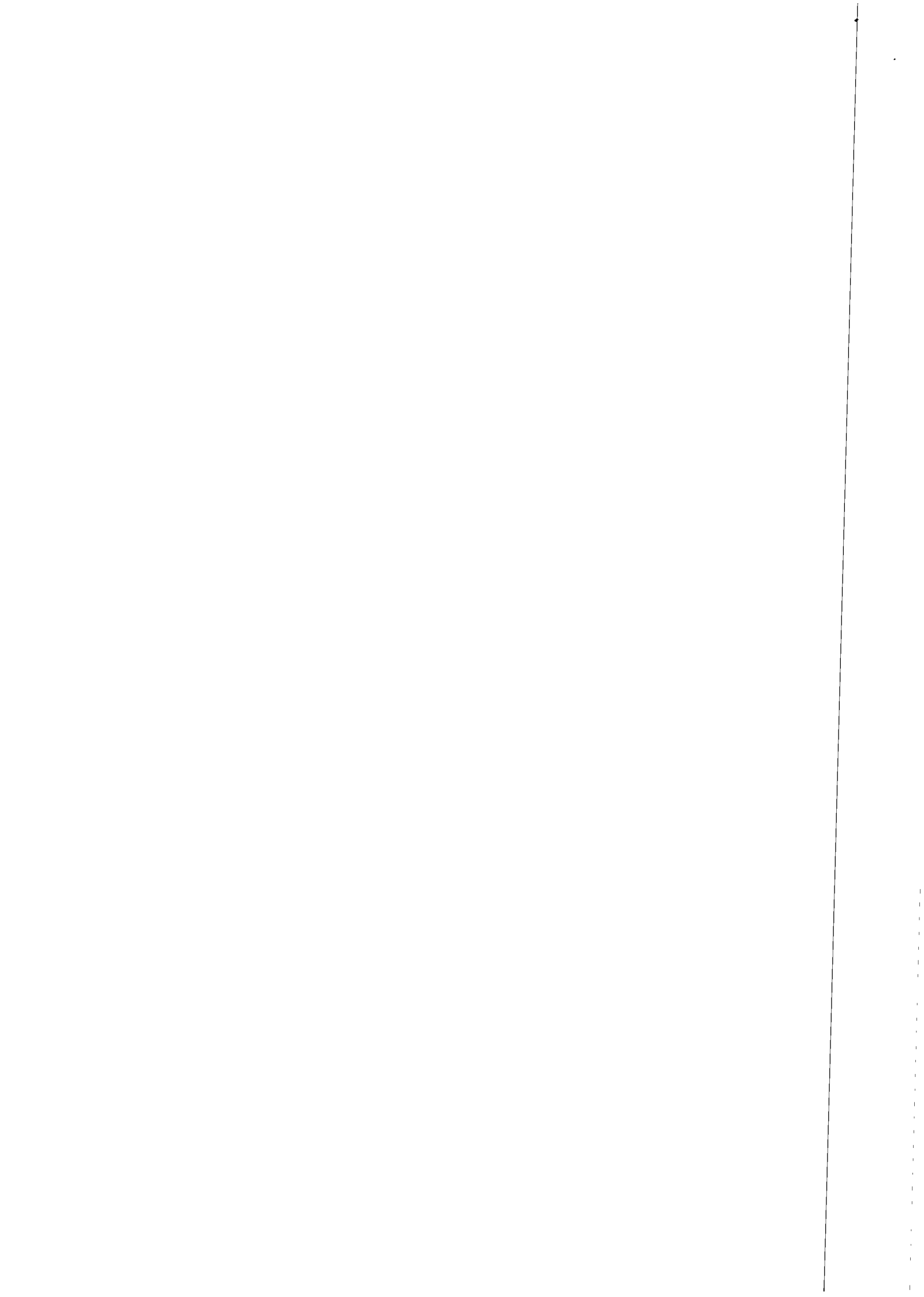
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The County Allocation of Revenue Bill, 2018

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	230,950,700	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
Total	20,407,826,143	3,636,589,847	2,949,138,423		3,039,000,000	2,300,000,000	11,464,702,500	1,012,500,000	1,040,000,000	3,800,000,000	4,000,000,000	33,241,930,770

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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 4th 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

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

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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		
Allocation by County			
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
Grand Total		1099	4,326,000,000.00

Source: Ministry of Health

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

support construction of County headquarters by five (5) counties	
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 m² for constructing 7,000 m² of County Executive offices and 4,500 m² 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	KES 605,000,000
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
Allocation by County	
Isiolo	
Lamu	121,000,000
Nyandarua	121,000,000
Tana River	121,000,000
Tharaka Nithi	121,000,000
GRAND TOTAL	605,000,000

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**

Allocation to support abolishment of user fees in health centers and dispensaries		
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. (b) Initiate requests for disbursement of funds to County Revenue Funds. (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. (b) Health facilities must have a functional Health Management Committee (c) Health facilities must be gazetted under Cap 253 and have MFL codes (d) Health facilities have approved integrated workplans that incorporate all sources of funds, including conditional grants (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 integrated annual workplans that incorporates all sources of income (b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and MOH
Allocation: 2018/19		KES 900,000,000.00
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 (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.
Allocation by County		

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County	Population 2016	Allocation
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
Total	47,114,397	900,000,000.00

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.

2.Managed Equipment Service for public hospitals at County level and National Referral Hospitals	
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 (b) Ensure compliance with contractual obligations binding all parties (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	KES 9,400,000,000
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
Allocation by County government – This is a centralized service contract.	

Source: Ministry of Health

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

Conditional Allocation from the Road Maintenance Fuel Levy Fund	
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"> • Initiate request for disbursement of funds • Submit quarterly and annual financial and non-financial performance reports to the National Treasury. • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the county government • Work plans must be prepared and shared with the State Department of Infrastructure with copies to the National Treasury • The allocation must be used for the maintenance of county roads • County government must provide a report/proof that funds were used to maintain county roads.
Accounting Officer of the County Government Responsible	<ul style="list-style-type: none"> • Accounting Officer responsible for the Infrastructure/roads in the county government.
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the relevant department for the FY 2018/19 for maintenance of county roads. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Infrastructure • Monitor and evaluate performance of the allocation and report to the County Treasury.
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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Allocation by County Government			
No.	County	Allocation Ratio (Approved Equitable Share Formula) (%)	Conditional grant for 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
	GRAND TOTAL	100	8,269,000,000

Source: State Department of Infrastructure

6. Additional Conditional Allocation for Rehabilitation of Youth Polytechnics

Allocation to support Rehabilitation of Village Polytechnics in the Counties	
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 Disbursement of the funds Coordinate Monitoring and Evaluation 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 Be used in a registered public Vocational Training Center The VTC must have a functional Board of Management Open an account in a commercial bank which will exclusively be for the grant 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 Identifies the institutions to benefit under infrastructure development Provides trainee enrolment data of Vocational Training Centers Reports on the utilization of the fund Assist in coordination Monitoring and Evaluation

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Allocation: 2018/19	KES 2,000,000,000			
Purpose of the grant	To improve Access, Quality, Equity and Relevance in Vocational Training			
Allocation criteria	Equity and current enrolment			
Allocation by County				
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
Total	70,792	1,061,880,000	938,120,000	2,000,000,000

Source: State Department of Vocational and Technical Training

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

1. IDA (World Bank) credit (Transforming Health Systems for Universal Care Project)	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • 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&E officer, Project accountant, Internal auditor, Procurement officer, Environment and social safeguards compliance officer <p>At the county level:</p>

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	<ul style="list-style-type: none"> • Set up a County Project Steering Committee and Project Coordination Unit; • Assign a Project accountant, internal auditor and chief officer of health in each county; and, <p>Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.</p>
Allocation: 2018/19	KES 3,636,589,847
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.
Allocation by County	
County	Total
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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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
Total	3,636,589,847

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2. IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP))	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Condition	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	KES 2,949,138,423
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.
Allocation by County	
County	Total
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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18.Vihiga	140,435,163
19.Nyamira	140,435,163
20.Migori	140,435,163
21.Homa Bay	140,435,163
TOTAL	2,949,138,423

3. IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • Adoption of the Project Implementation Manual • Establishment of National Steering committee, National Technical Advisory committee and National Project coordination Unit <p>Before commencing utilization of the KCSAP Project funds, each county will be required to:</p> <ul style="list-style-type: none"> • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.
Allocation: 2018/19	KES 3,039,000,000
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.
Allocation by County	
County	Total
Marsabit	150,000,000
Tana River	150,000,000

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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 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
TOTAL	3,039,000,000

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4. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 1	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • Preparation and adoption of Program Operations Manual • Establishment of KDSP secretariat, Technical Committee and Joint Steering Committee.
Allocation: 2018/19	KES. 2,300,000,000
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.
Allocation by County	
County	Total
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
TOTAL	2,300,000,000

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5. IDA (World Bank) credit: Kenya Urban Support Project(KUSP)	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	Participating County Governments have met Urban Development Grants (UDGs) minimum conditions for eligible urban areas.
Allocation: 2018/19	Ksh. 11,464,702,500
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.
Allocation by County	
County	Total in Ksh.
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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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
TOTAL	11,464,702,500

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6, DANIDA Grant (Universal Healthcare in Devolved System Program)	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • Ensure that the Grant is used according to the proposed work plans and budget. • Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the plans and budgets. • Promptly inform Denmark of any condition which interferes or threatens to interfere with the successful implementation of the development engagement
Allocation: 2018/19	KES 1,012,500,000
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.
Allocation by County	
County	Total
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
Total	1,012,500,000

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7. EU Grant (Instruments for Devolution Advice and Support IDEAS)	
Ministry/State Department Responsible	State Department for Devolution
Accounting officer of National Government Responsible	PS State Department for Devolution
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • The National Government undertakes to check regularly that the operations financed with the EDF funds have been properly implemented. • Preparation of Programme Estimates (PEs) and submit to the donor for approval
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"> - County poverty rate must be in excess of 45% - Counties must commit to co-finance Local Economic Development (LED) activities; - At least 5 counties must be from Arid and semi-Arid Lands of Kenya - At least 5 counties must include a minimum of 5% of urban population
Allocation: 2018/19	KES 1,040,000,000
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.
Allocation by County	
County	Total (Kshs.)
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
Total	1,040,000,000

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8. IDA – WATER AND SANITATION DEVELOPMENT PROJECT (WSDP)	
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"> • Ensure funds are included in the budget estimates of the ministry for the FY 2018/19 • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • 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”.
Allocation: 2018/19	KSH. 3,800,000,000
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.
Allocation by County	
County	Total
Garissa	1,000,000,000
Kilifi	400,000,000
Kwale	400,000,000
Mombasa	600,000,000
Wajir	1,000,000,000
County total	3,800,000,000

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9. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 2	
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"> • Initiate request for disbursement of funds • Submit quarterly and annual financial and non-financial performance reports to the National Treasury. • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the county government • Counties have undergone the annual capacity and performance assessment and met the minimum access conditions and minimum performance conditions for grant funding. • Counties have implemented projects according to approved work plans and program requirements
Accounting Officer of the County Government Responsible	<ul style="list-style-type: none"> • 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"> ○ Public financial management (PFM) systems; ○ County Human resource management; ○ County planning and Monitoring & Evaluation systems; and, ○ Civic Education and Public Participation. ○ Intergovernmental relations.
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the relevant department for the FY 2018/19. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Devolution • Monitor and evaluate performance of the allocation and report to the County Treasury.
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"> ○ public financial management (PFM) systems; ○ County Human resource management; ○ County planning and Monitoring & Evaluation systems; and, ○ Civic Education and Public Participation. ○ Intergovernmental relations.
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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