



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

County Allocation of Revenue Bill, 2021

PAPERS LAID	
DATE	FEB 16 2021
TABLED BY	DEP. MAJ. LEADER
COMMITTEE	-
CLERK AT THE TABLE	M. ADJIBOORU

A legislative proposal for submission to Parliament

THE COUNTY ALLOCATION OF REVENUE BILL, 2021

ARRANGEMENT OF CLAUSES

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THIRD SCHEDULE

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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 2021/2022 financial year; the responsibilities of national and county governments pursuant to such allocation; and for connected purposes.

ENACTED by Parliament of Kenya, as follows—

Short title.	1. This Act may be cited as the County Allocation of Revenue Act, 2021.
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; and
No. 16 of 2011.	“revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act; and includes Roads Maintenance Levy Fund allocation under this Act.
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 2021/22; (b) provide, pursuant to Article 187(2) and 202 (2) of the Constitution, for conditional allocations for the financial year 2021/22; and (c) facilitate the transfer of allocations made to counties under this Act from the Consolidated Fund to the respective County Revenue Funds.
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 2021/22 shall be as set out in Column G of the First Schedule.

<p>No. 18 of 2012.</p>	<p>(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.</p>
<p>Conditional allocations to county governments.</p>	<p>5. (1) Conditional allocations from national government share of revenue to each county government for the financial year 2021/22 shall be as set out in Column D of the Second Schedule, comprising —</p> <ul style="list-style-type: none"> (a) conditional allocations for construction of county headquarters as set out in Column B of the Second Schedule; and (b) conditional allocations for leasing of medical equipment as set out in Column C of the Second Schedule.
	<p>(2) Conditional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2021/22 shall be as set out in Column N of the Third Schedule, comprising of—</p> <ul style="list-style-type: none"> (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 allocations from an EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column E of the Third Schedule; (e) Conditional allocations from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column F of the Third Schedule; (f) conditional allocations from a grant by DANIDA to finance Primary Health Care in Devolved Context

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	<p>Program as set out in Column G of the Third Schedule;</p> <p>(g) conditional allocations financed by a grant from the World Bank for Kenya Devolution Support Programme (KDSP)- level 2 known as KDSP Capacity Building (“level 2”) Grant as set out in Column H of the Third Schedule;</p>
	<p>(h) Conditional allocations financed by a loan from Government of Sweden to finance Agriculture Sector Development Support Programme II (ASDSP II) as set out in Column I of the Third Schedule;</p> <p>(i) Conditional allocations financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column J of the Third Schedule.</p> <p>(j) Conditional allocations financed by a credit from World Bank to finance Emergency Locust Response Project (ELRP) as set out in Column K of the Third Schedule;</p> <p>(k) Conditional allocations financed by a loan from the World Bank to finance Kenya Informal Settlement Improvement Project (KISIP II) as set out in Column L of the Third Schedule; and</p> <p>(l) Conditional allocations financed by United Nations Fund for Population Activities (UNFPA) to finance the 9th Country Programme Implementation as set out in Column M of the Third Schedule.</p>
No. 18 of 2012	<p>(3) (a) Each county government’s allocation under subsection (1) (a) 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;</p> <p>(b) the allocations transferred under paragraph (a) 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</p> <p>(c) the transfers made pursuant to paragraph (a) shall be included in the budget estimates of the county government and submitted to the county assembly for approval.</p>
	<p>(4) The county governments’ allocations under subsection (1) (b) shall be included in the budget estimates of</p>

	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.
	<p>(5) (a) A county governments' allocation under subsection (2) (a) ,(b), (c), (d), (e), (f), (g), (h), (i), (j) (k) and (l) 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, if the Cabinet Secretary and the responsible development partner, have agreed in writing that the funds shall be transferred to the county governments.</p> <p>(b) The transfers made pursuant to paragraph (a) shall be included in the budget estimates of the county government and submitted to the county assembly for approval.</p>
Funding of transferred functions.	<p>6. (1) Where a county government has transferred functions to the national government pursuant to Article 187 of the Constitution, the county executive in consultation with the national government shall determine the cost of the transferred functions.</p>
	2) The respective county assembly shall appropriate such monies as may be required for the transferred functions in accordance with the determination made under subsection (1) and the allocation shall not be less than the amount appropriated by the County Assembly in the preceding financial year;
	(3) The monies appropriated under subsection (1), shall be transferred to the national government.
	(4) The Cabinet Secretary shall prepare a report for each quarter of the financial year in respect to the expenditure of funds transferred the National Government pursuant to subsection (3).
	<p>(5) In preparing a report under subsection (4), the Cabinet Secretary shall ensure the report—</p> <ul style="list-style-type: none"> (a) contains information on financial and non-financial performance of the entity assigned to carry out the transferred functions on behalf of the National Government; (b) is in a form prescribed by the Accounting Standards Board; and (c) contains such further information as the Senate or the National Assembly may, pursuant to Section 34 of the Public Finance Management Act, require.

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	(6) The Cabinet Secretary shall submit the report prepared under subsection (5) to the Senate, National Assembly, the Controller of Budget, the Auditor-General and the respective County Assembly.
Report on actual transfers.	7. The National Treasury and Planning shall publish a monthly report on actual transfers of all allocations to county governments.
Books of accounts to reflect national government transfers.	8. (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 by the Board, in the format prescribed by the National Treasury.
Financial Misconduct.	9. 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.	10. 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	11. 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 third determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.

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FIRST SCHEDULE (s. 4(1))

Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally in the Financial year 2021/22

S/No.	County	2020/2021			2021/2022			Total Equitable Share****
		Allocation ratio	Equitable Share	0.5 (Allocation Ratio*)		(Equitable Share**÷0.5 Allocation Ratio) *(Formula***)	Equitable Share	
				Allocation ratio	Equitable Share			
Column A	column B	column C	column D	column E	column F	column G = D+F		
1	Baringo	1.61	5,095,650,000	1.61	2,547,825,000	1.80	3,821,569,592	6,369,394,592
2	Bomet	1.74	5,507,100,000	1.74	2,753,550,000	1.86	3,937,549,118	6,691,099,118
3	Bungoma	2.81	8,893,650,000	2.81	4,446,825,000	2.93	6,212,610,192	10,659,435,192
4	Busia	1.9	6,013,500,000	1.9	3,006,750,000	1.97	4,165,412,009	7,172,162,009
5	Elgeyo Marakwet	1.22	3,861,300,000	1.22	1,930,650,000	1.26	2,675,882,480	4,606,532,480
6	Embu	1.36	4,304,400,000	1.36	2,152,200,000	1.40	2,973,043,762	5,125,243,762
7	Garissa	2.22	7,026,300,000	2.22	3,513,150,000	2.08	4,414,062,254	7,927,212,254
8	Homa bay	2.13	6,741,450,000	2.13	3,370,725,000	2.09	4,434,628,300	7,805,353,300
9	Isiolo	1.34	4,241,100,000	1.34	2,120,550,000	1.22	2,589,838,265	4,710,388,265
10	Kajiado	2.03	6,424,950,000	2.03	3,212,475,000	2.24	4,742,293,229	7,954,768,229
11	Kakamega	3.29	10,412,850,000	3.29	5,206,425,000	3.39	7,182,987,168	12,389,412,168
12	Kericho	1.7	5,380,500,000	1.7	2,690,250,000	1.77	3,740,414,924	6,430,664,924
13	Kiambu	2.98	9,431,700,000	2.98	4,715,850,000	3.31	7,001,675,720	11,717,525,720
14	Kilifi	3.3	10,444,500,000	3.3	5,222,250,000	3.03	6,419,342,941	11,641,592,941
15	Kirinyaga	1.34	4,241,100,000	1.34	2,120,550,000	1.45	3,075,627,952	5,196,177,952
16	Kisii	2.46	7,785,900,000	2.46	3,892,950,000	2.36	5,001,324,509	8,894,274,509
17	Kisumu	2.16	6,836,400,000	2.16	3,418,200,000	2.18	4,607,939,240	8,026,139,240
18	Kitui	2.79	8,830,350,000	2.79	4,415,175,000	2.82	5,978,795,413	10,393,970,413
19	Kwale	2.46	7,785,900,000	2.46	3,892,950,000	2.06	4,372,635,516	8,265,585,516
20	Laikipia	1.32	4,177,800,000	1.32	2,088,900,000	1.44	3,047,365,679	5,136,265,679
21	Lamu	0.82	2,595,300,000	0.82	1,297,650,000	0.85	1,807,999,643	3,105,649,643
22	Machakos	2.45	7,754,250,000	2.45	3,877,125,000	2.50	5,285,179,232	9,162,304,232
23	Makueni	2.34	7,406,100,000	2.34	3,703,050,000	2.09	4,429,733,562	8,132,783,562
24	Mandera	3.23	10,222,950,000	3.23	5,111,475,000	2.87	6,078,907,598	11,190,382,598
25	Marsabit	2.14	6,773,100,000	2.14	3,386,550,000	1.84	3,890,454,032	7,277,004,032
26	Meru	2.54	8,039,100,000	2.54	4,019,550,000	2.59	5,474,307,338	9,493,857,338
27	Migori	2.14	6,773,100,000	2.14	3,386,550,000	2.18	4,618,470,448	8,005,020,448
28	Mombasa	2.23	7,057,950,000	2.23	3,528,975,000	1.91	4,038,379,061	7,567,354,061
29	Murang'a	1.99	6,298,350,000	1.99	3,149,175,000	1.90	4,030,980,855	7,180,155,855

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S/No.	County	2020/2021		2021/2022						Total Equitable Share****
		Allocation ratio	Equitable Share	0.5 (Allocation Ratio*)		(Equitable Share** - 0.5 Allocation Ratio) * (Formula***)		Equitable Share	Allocation ratio	
				Column A	Column B	Allocation ratio	Equitable Share			
30	Nairobi	5.03	15,919,950,000	5.03	7,959,975,000	5.33	11,289,702,414	column G = D+F	19,249,677,414	
31	Nakuru	3.31	10,476,150,000	3.31	5,238,075,000	3.68	7,788,041,323		13,026,116,323	
32	Nandi	1.69	5,348,850,000	1.69	2,674,425,000	2.04	4,316,444,041		6,990,869,041	
33	Narok	2.54	8,039,100,000	2.54	4,019,550,000	2.28	4,825,239,456		8,844,789,456	
34	Nyamira	1.52	4,810,800,000	1.52	2,405,400,000	1.29	2,729,940,036		5,135,340,036	
35	Nyandarua	1.54	4,874,100,000	1.54	2,437,050,000	1.53	3,233,394,228		5,670,444,228	
36	Nyeri	1.71	5,412,150,000	1.71	2,706,075,000	1.66	3,522,653,555		6,228,728,555	
37	Samburu	1.46	4,620,900,000	1.46	2,310,450,000	1.45	3,060,896,037		5,371,346,037	
38	Siaya	1.83	5,791,950,000	1.83	2,895,975,000	1.92	4,070,532,531		6,966,507,531	
39	Taita Taveta	1.34	4,241,100,000	1.34	2,120,550,000	1.29	2,721,624,698		4,842,174,698	
40	Tana River	1.85	5,855,250,000	1.85	2,927,625,000	1.70	3,600,783,765		6,528,408,765	
41	Tharaka Nithi	1.24	3,924,600,000	1.24	1,962,300,000	1.06	2,251,898,593		4,214,198,593	
42	Trans Nzoia	1.82	5,760,300,000	1.82	2,880,150,000	2.03	4,306,007,670		7,186,157,670	
43	Turkana	3.33	10,539,450,000	3.33	5,269,725,000	3.47	7,339,580,994		12,609,305,994	
44	Uasin Gishu	2	6,330,000,000	2	3,165,000,000	2.32	4,903,858,318		8,068,858,318	
45	Vihiga	1.47	4,652,550,000	1.47	2,326,275,000	1.29	2,741,081,827		5,067,356,827	
46	Wajir	2.7	8,545,500,000	2.7	4,272,750,000	2.46	5,201,976,151		9,474,726,151	
47	West Pokot	1.58	5,000,700,000	1.58	2,500,350,000	1.79	3,796,934,329		6,297,284,329	
	Total	100	316,500,000,000	100	158,250,000,000	100	211,750,000,000		370,000,000,000	

*This refers to the Shareable Revenue allocated to counties in the financial year 2019/ 20 of Ksh. 316.5 billion. Thus, the allocation to county governments under this component is one half of the equitable share allocated to county governments in FY 2019/20 amounting to Ksh. 158. 25 billion.

** This is the equitable share of revenues raised nationally allocated to county governments in FY 2021/22 amounting to Ksh. 370 billion. Once you net out one-half of the amounts of Allocation Ratio or Ksh.158.25 billion from the Equitable share of Ksh. 370 billion, the resulting balance of Ksh. 211.75 billion shall be allocated among county governments using the Formula.

*** Formula= 0.18*Population Indexi+ 0.17*Health Indexi+0.10* Agriculture Indexi+0.05*Urban Indexi+0.14* Poverty Indexi+0.08*Land Area Indexi+0.08*Roads Indexi +0.20* Basic-Share Index

**** Total Equitable Share or county Allocation = 0.5 (Allocation Ratio) + ((Equitable Share-(0.5 Allocation Ratio)) *(Formula)).

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SECOND SCHEDULE (s. 5(1))

Conditional allocations to County Governments from National Government Revenue in Financial year 2021/22 (Figures are in Kenya Shillings)

S/N	County	FY 2020/21		2021/22 FY	
		Total Conditional Grants from the National Government Revenue	Supplement for construction of county headquarters	Conditional Grant-Leasing of Medical Equipment	Total Conditional Grants from the National Government Revenue
		Column A	Column B	Column C	Column D
1	Baringo	318,526,073	-	153,297,872	153,297,872
2	Bomet	361,373,348	-	153,297,872	153,297,872
3	Bungoma	499,669,894	-	153,297,872	153,297,872
4	Busia	388,217,282	-	153,297,872	153,297,872
5	Elgeyo/Marakwet	283,800,930	-	153,297,872	153,297,872
6	Embu	613,874,883	-	153,297,872	153,297,872
7	Garissa	717,044,187	-	153,297,872	153,297,872
8	Homa Bay	395,535,074	-	153,297,872	153,297,872
9	Isiolo	365,357,737	68,000,000	153,297,872	221,297,872
10	Kajiado	368,033,501	-	153,297,872	153,297,872
11	Kakamega	1,014,514,769	-	153,297,872	153,297,872
12	Kericho	334,767,128	-	153,297,872	153,297,872
13	Kiambu	1,060,769,036	-	153,297,872	153,297,872
14	Kilifi	554,005,433	-	153,297,872	153,297,872
15	Kirinyanga	297,552,826	-	153,297,872	153,297,872
16	Kisii	879,284,082	-	153,297,872	153,297,872
17	Kisumu	771,446,538	-	153,297,872	153,297,872
18	Kitui	510,802,514	-	153,297,872	153,297,872
19	Kwale	431,815,791	-	153,297,872	153,297,872
20	Laikipia	303,695,016	-	153,297,872	153,297,872
21	Lamu	316,841,615	38,000,000	153,297,872	191,297,872
22	Machakos	842,088,971	-	153,297,872	153,297,872
23	Makueni	436,722,040	-	153,297,872	153,297,872
24	Mandera	477,240,570	-	153,297,872	153,297,872
25	Marsabit	354,066,748	-	153,297,872	153,297,872
26	Meru	837,284,031	-	153,297,872	153,297,872
27	Migori	394,818,918	-	153,297,872	153,297,872
28	Mombasa	784,013,153	-	153,297,872	153,297,872
29	Muranga	442,598,480	-	153,297,872	153,297,872
30	Nairobi	702,891,009	-	153,297,872	153,297,872
31	Nakuru	901,451,849	-	153,297,872	153,297,872
32	Nandi	338,393,049	-	153,297,872	153,297,872
33	Narok	380,949,944	-	153,297,872	153,297,872
34	Nyamira	351,822,008	-	153,297,872	153,297,872
35	Nyandarua	371,922,709	75,000,000	153,297,872	228,297,872
36	Nyeri	754,409,397	-	153,297,872	153,297,872
37	Samburu	266,665,895	-	153,297,872	153,297,872
38	Siaya	372,931,392	-	153,297,872	153,297,872
39	Taita Taveta	326,074,867	-	153,297,872	153,297,872
40	Tana River	369,347,509	75,000,000	153,297,872	228,297,872
41	TharakaNithi	366,125,130	76,000,000	153,297,872	229,297,872
42	Trans Nzoia	369,864,846	-	153,297,872	153,297,872
43	Turkana	485,437,183	-	153,297,872	153,297,872
44	Uasin Gishu	373,139,609	-	153,297,872	153,297,872
45	Vihiga	349,554,070	-	153,297,872	153,297,872
46	Wajir	416,579,339	-	153,297,872	153,297,872
47	West Pokot	310,945,251	-	153,297,872	153,297,872
	GRAND TOTAL	23,164,265,625	332,000,000	7,205,000,000	7,537,000,000

THIRD SCHEDULE (s. 5(2))
Conditional allocations to County Governments from Loans and Grants from Development Partners in Financial year 2021/22 (Figures are in Kenya Shillings)

SN	County	2020/21 FY										2021/22 FY									
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N						
1	Baringo	434,339,263	51,439,168	-	300,000,000	36,744,378	-	11,290,125	75,822,872	25,115,290	27,905,333	-	-	528,317,166							
2	Bomet	470,975,357	98,737,242	-	349,999,960	-	12,201,750	167,253,974	24,888,732	-	-	-	653,191,658								
3	Bungoma	376,922,526	52,969,787	280,530,114	-	-	19,705,125	112,815,048	26,752,122	-	-	50,000,000	542,772,196								
4	Busia	457,658,804	42,178,872	-	295,795,506	-	13,323,750	69,825,044	26,009,940	-	-	-	447,133,112								
5	Elgeyo/Marakwet	451,406,116	37,021,153	-	350,000,000	-	8,555,250	184,795,683	23,843,630	-	-	50,000,000	702,054,383								
6	Embu	384,183,435	5,714,632	387,946,601	-	-	9,537,000	-	22,224,624	-	-	-	453,821,524								
7	Garissa	934,781,540	33,361,734	-	348,172,365	-	15,667,750	64,613,906	35,533,363	-	-	-	1,087,727,785								
8	Homa Bay	309,416,619	70,450,634	279,115,289	-	-	14,936,625	31,096,673	26,387,350	-	-	50,000,000	454,463,421								
9	Isiolo	577,117,295	20,444,468	-	330,699,130	-	9,396,750	120,374,189	26,873,750	-	-	-	592,196,554								
10	Kajiado	559,702,274	33,348,868	-	321,108,120	-	14,235,375	132,797,633	24,714,544	-	-	50,000,000	576,294,540								
11	Kakamega	485,462,055	73,144,291	-	338,783,306	-	23,071,125	78,009,910	28,083,288	-	-	150,000,000	691,090,920								
12	Kericho	445,266,392	75,948,635	-	350,000,000	-	11,921,250	102,491,953	28,692,485	-	-	-	569,084,323								
13	Kisumu	357,387,255	11,433,390	402,836,649	-	-	20,897,250	73,731,600	30,540,365	-	-	50,000,000	589,239,254								
14	Kisumu	1,253,234,710	36,935,995	254,610,493	-	-	23,141,250	102,491,953	27,964,926	-	-	200,000,000	8,864,000								
15	Kirinyaga	295,037,247	47,498,316	344,612,512	-	-	9,396,750	146,608,512	25,522,510	-	-	-	573,638,600								
16	Kisii	364,718,901	63,079,905	324,295,427	-	-	17,250,750	128,507,146	26,370,204	-	-	300,000,000	575,643,577								
17	Kisumu	425,782,038	51,833,637	-	274,627,706	15,626,168	19,564,875	82,682,844	29,715,378	-	-	-	769,632,733								
18	Kitui	323,076,845	14,548,168	283,088,026	-	-	15,815,048	28,857,290	27,664,844	-	-	-	505,225,111								
19	Kwale	732,337,859	9,438,102	278,050,578	-	-	17,250,750	102,491,953	27,664,844	-	-	50,000,000	7,386,704								
20	Lakipia	412,138,832	28,777,132	-	349,961,100	15,626,168	9,256,500	167,353,974	23,833,630	-	-	-	1,084,696,427								
21	Lamu	453,357,718	42,427,244	-	321,468,007	-	5,750,250	161,906,472	25,109,922	-	-	10,000,000	387,821,812								
22	Machakos	405,961,434	9,399,935	284,247,300	-	-	17,180,625	161,906,472	25,697,885	-	-	-	563,831,924								
23	Machakos	388,984,714	87,593,306	-	298,883,700	-	16,089,250	184,795,683	27,068,180	-	-	-	600,213,719								
24	Mandera	681,208,984	54,586,272	-	306,870,917	-	22,650,375	141,844,646	32,096,096	-	-	4,432,000	607,418,422								
25	Marsabit	616,904,659	8,210,555	-	16,140,048	-	13,006,750	116,524,635	31,621,184	-	-	4,432,000	753,314,489								
26	Meru	320,613,089	36,886,029	398,724,835	-	-	17,811,750	141,844,646	25,100,278	-	-	110,000,000	778,344,871								
27	Migori	332,385,398	48,944,473	276,072,733	-	-	15,006,750	156,635,628	31,009,120	-	-	4,432,000	391,091,244								
28	Mombasa	1,297,389,448	18,129,227	-	-	-	13,954,875	156,635,628	23,499,950	-	-	300,000,000	1,313,902,680								
29	Mwingi	423,235,015	81,798,466	335,683,961	-	-	15,697,875	156,635,628	23,499,950	-	-	-	454,929,372								
30	Nairobi City	166,720,323	87,492,037	-	-	-	35,272,875	-	36,639,333	-	-	700,000,000	866,791,349								

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S/N	County	2020/21 FY										2021/22 FY																	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N
		Total Loans and Grants																											
			IDA (World Bank) Transforming Health Systems for Universal Care Project										IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)																
			IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)										EU Grant (Instruments for Devolution Advice and Support IDEAS)																
			IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)										DANIDA Grant - Primary Health Care in Devolved Context																
			IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level 2 grant"										Sweden- Agricultural Sector Development Support Programme (ASDSP) II																
			German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)										World Bank - Emergency Locust Response Project (ELRP)																
			World bank - Kenya Informal Settlement Improvement Project (KISIP II)										UNFPA - 9th Country Programme Implementation																
			Total Loans and Grants																										
31	Nakuru	327,483,267	79,792,976	269,563,385	-	-	-	23,211,375	120,374,189	26,343,334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	819,285,259
32	Nandi	433,775,389	59,482,837	297,105,136	-	-	-	11,831,123	82,682,844	23,676,246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574,798,208
33	Nyeri	404,396,532	49,785,426	398,148,717	-	-	-	17,811,750	141,844,646	30,988,725	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	645,965,988
34	Nyamira	549,161,906	90,226,074	275,417,324	-	-	-	10,659,000	112,815,048	24,250,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	565,367,518
35	Nyandarua	484,866,657	94,478,706	-	-	-	-	10,799,250	184,795,683	22,983,146	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	683,889,689
36	Nyati	413,326,122	48,739,220	-	-	-	-	11,991,375	184,795,683	21,917,144	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	680,265,672
37	Samburu	335,728,670	5,601,594	212,277,520	-	-	-	10,238,250	102,491,953	32,990,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	470,939,351
38	Siaya	482,259,557	76,115,752	-	-	-	-	12,832,875	112,815,048	23,748,120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	540,152,675
39	Taita Taveta	794,169,323	47,631,029	-	-	-	-	250,416,775	15,624,929	930,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,379,682,318
40	Tana River	550,425,744	57,525,672	-	-	-	-	350,271,550	14,727,370	33,065,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	468,563,507
41	Tharaka Nithi	489,787,815	32,426,873	-	-	-	-	8,695,500	137,242,250	22,337,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,288,742
42	Trans Nzoia	363,274,338	80,437,623	-	-	-	-	12,362,750	105,802,077	24,025,084	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	571,686,484
43	Turkana	809,914,377	12,716,238	270,565,302	-	-	-	23,351,623	112,815,048	43,577,943	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,934,593
44	Uasin Gishu	504,253,916	33,080,799	-	-	-	-	14,023,000	112,815,048	23,441,718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	608,853,967
45	Vihiga	388,286,930	47,721,396	-	-	-	-	10,308,375	93,307,470	22,632,350	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	417,314,928
46	Wajir	871,896,369	33,852,983	-	-	-	-	18,933,750	66,268,057	40,380,823	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,100,065,181
47	West Pokot	502,634,431	51,216,786	-	-	-	-	11,079,750	66,268,057	32,310,513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	559,953,126
	Total	30204947510-k	2,234,664,075	6,394,997,407	-	-	-	7,838,338,490	230,730,934	5,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,343,890,512

*This includes an allocation of Ksh. 6,366,000,000 for IDA (World Bank) credit: Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG) to be allocated to 45 county governments in FY 2020/21 using a criterion prescribed in Section 5 (2) (e) (i)-(ii) of the County Allocation of Revenue Act, 2020

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MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the allocation of revenue raised nationally among the county governments for the financial year 2021/22.

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 2019/20 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 Funding of transferred functions.

Section 7 of the Bill provides for the publishing of monthly report by the national government, on actual transfers of all allocations to county governments.

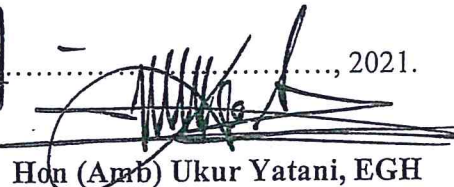
Section 8 of the Bill provides for a county treasury to reflect the total allocations from the national government separately in the County Finance Bill and reflect all transfers in the books of accounts.

Section 9 of the Bill deals with what constitutes a financial misconduct.

Section 10 of the Bill mandates the Cabinet Secretary to make regulations for proper implementation of the Act.

Section 11 of the Bill provides for use of the third determination of the basis of the allocation of revenue among counties as approved by Parliament pursuant to Article 217 (7) of the Constitution

Dated on the... *8th February* , 2021.



Hon (Amb) Ukur Yatani, EGH
Cabinet Secretary for the National Treasury and Planning

APPENDIX

EXPLANATORY MEMORANDUM TO THE COUNTY ALLOCATON OF REVENUE BILL, 2020

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.

2. The memorandum is also prepared based on the approved Third Basis for Revenue Allocation among county governments pursuant to Article 217 of the Constitution; whereby in September 2020, Parliament approved the third basis for allocation of the share of national revenue among the County Governments on condition that the formula's implementation would be preceded by a Ksh. 53.5 billion increase in the Counties' equitable revenue share.

Explanation of Revenue Allocation as Proposed by the Bill

3. The County Allocation of Revenue Bill, 2021 proposes allocate to County Governments Ksh.383.9 billion in the financial year 2021/22. This allocation includes an equitable share of Ksh. 343.9 billion and additional conditional allocations from the share of national government revenue amounting to Ksh. 7.5 billion.

4. 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.

Additional Conditional Allocations to County Governments

5. The Bill proposes to allocate county governments additional conditional allocations amounting to Ksh. 7.5 billion from the national government share of revenue raised nationally in line with Article 202(2) of the Constitution and Ksh. 32.3 billion as conditional allocations financed from loans and grants from development partners. Pursuant to this Article, the National Government proposes to allocate the following additional conditional allocations to support specific national policy objectives to be implemented by County Governments:

- **Additional Conditional Allocation to facilitate the leasing of medical equipment of Ksh.7.205 billion.** This grant which is in its seventh year of implementation, is proposed to increase from Ksh.6.205 billion in FY 2020/21 to Ksh.7.205 billion in FY 2021/22 and is intended to facilitate the payment of lease amounts in respect 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.
- **Additional Conditional allocation to supplement County allocation for the construction of County headquarters of Ksh.332 Million in five counties:** This conditional allocation is intended to 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. This marks the fourth year of its implementation whereby the National Government contributes 70 percent of the budget while County Governments contributes 30 percent of the total cost of the projects. This allocation is expected to increase from Ksh.300 million allocated in FY 2020/21 to a proposed allocation of Ksh.332 million in FY 2021/22. This increase is attributed to the increased absorption of the funds and advanced stages in development of the County headquarters.
- **Transforming Health Systems for Universal Care Project conditional allocation of Ksh.2.2 billion (World Bank credit):** - This conditional allocation through the Ministry of Health is meant 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 is proposed to decrease from Ksh.4.3 billion in FY 2020/21 to Ksh.2.2 billion in the financial year 2021/22. This is attributed to the structure of project implementation and financing as contained in the Project Appraisal Document and the

The County Allocation of Revenue Bill, 2021

financing agreement. According to the financing agreement and previous allocations, FY 2021/22 marks the final year of its implementation and the proposed allocation is the final tranche for disbursement to county governments. This conditional allocation will further complement the National Government efforts on attainment of the Universal Health Coverage policy initiative.

- **DANIDA Grant-Primary Health Care in Devolved Context program of ksh.701 million:** The project is a successor of the DANIDA - Universal Healthcare for Devolved System Program which was restructured in December, 2020 of FY 2020/21. The program has been re-structured through an addendum to financing agreement which now provides that donor allocations to the programme shall be on a reducing balance of 25 % each financial year beginning FY 2021/22 for three financial years, with the county governments expected to co-finance the difference in each financial year. However, the restructured project will rely on the existing project development objective (PDO) whose main objective is “to improve utilization and quality of primary health care services with a focus on reproductive, maternal, new-born, child, and adolescent health services. The Project will achieve this objective by: (a) improving access to and demand for quality Primary Health Care (PHC) services; (b) strengthening institutional capacity in selected key areas to improve utilization and quality of PHC services; and (c) supporting cross-county and intergovernmental collaboration in the devolved Kenyan health system.

In this regard, conditional allocation to this programme is proposed to decline from an allocation of Ksh. 900 million in FY 2020/21 to an allocation of Ksh.701 million in FY 2021/22, or by 25 %, a decline which should be co-financed by the respective county governments. This is attributed to provisions of the addendum to financing agreement which envisages gradual decrease of the amounts allocated to the project in each financial year, for sustainability before the donor exits after the three financial years.

- **National Agricultural and Rural Inclusive Growth Project; NARIGP of Ksh. 6.4 billion (World Bank credit):** - NARIGP’s project development objective (PDO) is “to increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.” The project will contribute to GoK’s high-level objective, which aims at transforming smallholder subsistence agriculture into an innovative, commercially oriented, and modern sector by: (i) increasing the productivity, commercialization, and competitiveness of selected agricultural commodities; and (ii) developing and managing key factors of production, particularly land, water, and rural finance.

The County Allocation of Revenue Bill, 2021

NARIGP is being implemented in 21 selected counties with a total of 140 sub counties. Each subcounty has at least three (maximum of five) participating wards. Within these sub counties, the project will cover about 420 out of the existing 696 wards, which is equivalent to 60 percent coverage. The selection of targeted counties was guided by the following underlying principles: (i) regional balance, to ensure equitable sharing of project benefits across the country; (ii) clustering, to reduce the operation and maintenance (O&M) costs of project implementation; (iii) security, to guarantee an enabling operating environment for supervision and monitoring of project activities; and (iv) data and facts, to ensure that selection is based on available socioeconomic data (such as production potential, population density, poverty rates, undernutrition levels, and vulnerabilities).

This additional conditional allocation, which is in its third year of implementation, is proposed to be allocated Ksh. 6.4 in the financial year 2021/22, up from an allocation of Ksh. 4.3 billion in FY 2020/21.

- **World Bank- Kenya Informal Settlement Improvement Project II (KISIP II) additional conditional allocation of Ksh.2.8 billion:** -The Proposed Development Objective(s) of this project is to improve access to basic services and tenure security of residents in participating urban informal settlements and strengthen institutional capacity for slum upgrading in Kenya. The primary beneficiaries of KISIP will be the residents of the participating informal settlements. They will have better access to basic infrastructure and services across a range of sub-sectors, including local roads, water and sanitation, storm water drainage (and reduction of flooding), waste management (increased collection), and street lighting. They will also have improved tenure security provided through titling. In addition, residents will indirectly benefit from the institutional development activities aimed to strengthen the capacity of the county to implement slum upgrading interventions. This additional conditional allocation, which is in its first year of implementation, is proposed to be allocated Ksh. 2.8 billion in FY 2021/22.
- **EU-Instruments for Devolution Advice and Support (IDEAS) grant of Ksh. 230.7million:** This grant, which is in its fifth year of implementation, is proposed to be allocated Ksh. 230.7 million in the financial year 2021/22. 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. This additional conditional allocation has increased slightly from an allocation of Ksh.216 million in FY 220/21 to the proposed allocation of Ksh.230.7 million in FY 2021/22.

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- **IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP) of Ksh.7.1 billion:** The project development objective (PDO) of this project is “to increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response. KCSAP, which is in its fourth year of implementation, focuses on increasing agricultural productivity and enhancing resilience to impacts of climate change; reductions in Greenhouse Gas (GHG) emissions will be a co-benefit.

The direct beneficiaries of the project are estimated at about 521,500 households of smallholder farmers, agro-pastoralists, and pastoralists. Approximately 163,350 households organized in about 4,950 Common Interest Groups (CIGs) and 18,150 households in 1,100 Vulnerable and Marginalized Groups (VMGs) will benefit from community Climate-Smart Agriculture (CSA) micro projects. These beneficiaries will come from 24 participating counties, selected using the agreed criteria, in which top priority is assigned to counties with higher: (i) vulnerability to climate change and extreme weather events (ASAL counties being the most adversely impacted by droughts); (ii) volatility in agricultural production and presence of fragile ecosystems (natural resources are highly degraded in ASALs); and (iii) poverty indices (poverty incidence and poverty rates— ASALs have the highest poverty rates).

The allocations to this programme increased significantly from an allocation of Ksh.3.6 billion in the financial year 2020/21 to the proposed allocation of Ksh. 7.1 billion in financial year 2021/22. This increase can be attributed to increase in the number of mobilized beneficiary groups from which projects to be funded have been identified and approved by the National Steering Committee. This programme which targets both the Vulnerable & Marginalized and Common Interest groups; is bound to build equity and equality among the marginalised persons in the society such as the disabled, women and youths through the empowerment projects.

- **IDA – Water and Sanitation Development Project (WSDP)- World Bank Credit of Ksh.5 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 north eastern regions of Kenya. This is achieved by investing in water supply and sanitation infrastructure in urban centres 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.

The conditional allocation for the project, which is in its Fourth year of implementation, is expected to increase from an allocation of Ksh.3.4 billion in financial year 2020/21 to the proposed allocation of Ksh.5 billion in the financial year 2021/22. This significant increase in allocation to the project, is attributed to finalisation of preparatory activities and the project implementation being at advanced stages in the six counties.

- **Agricultural Sector Development Support Programme (ASDSP) II - Ksh.1.3 billion-** ASDSP II, which is in its fourth year of implementation, is part of the implementation strategy of the Agricultural Policy (AP) for the national and county governments. In line with the AP, the overall goal of ASDSP II is to contribute to “transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security”. The Programme Purpose is “to Develop Sustainable Priority Value Chains (PVCs) for improved income, food and nutrition security”, which will contribute to achievement of the “BIG FOUR” agenda of the Government on food security. This additional conditional allocation has significantly increased from an allocation of Ksh.652 million in FY 2020/21 to the proposed allocation of Ksh.1.3 billion in the FY 2021/22. This is attributed to a balance carried forward of Ksh.725 million for disbursement to county governments that had previously not met conditions set, which they have since then fulfilled.
- **Drought Resilience Programme in Northern Kenya (DRPNK) - Ksh.370 million -** This is a project financed by proceeds of a loan and grant from the German Development Bank in Turkana and Marsabit counties. The programme objective is *“to ensure that Drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by expanding and rehabilitating relevant infrastructure.”* The expected projects outputs are to ensure: - access to water is improved for humans and livestock; fodder basis is improved; access to market infrastructure is improved; and rural transportation is improved in the two counties.

This programme is in its third year of implementation and the additional conditional allocation towards its financing has increased significantly from an allocation of Ksh.100 million in FY 2020/21 to the proposed allocation of Ksh.370 million in FY 2021/22. The increase can be attributed to the successful procurement of the project

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consultant who will support the identification and implementation of projects in the two beneficiary counties.

- **Kenya Devolution Support Program (KDSP) Performance (“level 2”) Grant amounting to Ksh. 4.6 billion.** The KDSP “Level 2”, financed by a World Bank credit, is a performance grant which will be utilized by beneficiary counties toward physical investments articulated in their respective County Integrated Development Plans (CIDPs). As such, this grant is intended to incentivize county governments that achieve good results in the following key areas:
 - a) Strengthening Public Financial Management (PFM) systems;
 - b) Strengthening County Human Resource Management;
 - c) Improving County Planning and Monitoring & Evaluation systems;
 - d) Civic Education and Public Participation; and,
 - e) 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. The budget allocation for this grant, is balance carried forward of Ksh.4.6 billion in financial year 2019/20, not disbursed to respective county governments, to cater for counties that met the performance score after the fourth Annual Capacity and Performance Assessment (ACPA) carried out by the State Department for Devolution. This assessment determined that 38 county governments were eligible for allocation of the respective amounts they qualified for. This outcome was endorsed by the KDSP Technical Committee.

Although the allocations were in County Allocation of Revenue Act, 2019/20, due to Covid-19 Pandemic it became necessary to create fiscal space to fund priority interventions/programmes to mitigate effects of Covid-19 pandemic. Government also entered into negotiations with development partners with a view to restructure some donor funded programmes to realign resources towards interventions targeted at Covid-19 pandemic. This realignment targeted donor funded programmes, including those implemented by the counties through additional conditional allocations, such as the allocation to the KDSP Level 2 grant which had zero absorption rate then. This was meant to create fiscal space in the fiscal framework for FY 2019/20 in order to accommodate high priority expenditures towards addressing the Covid-19 pandemic.

Consequently, the Budget allocation to the Kenya Devolution Support Programme (KDSP) Level 2 was revised to nil in the approved Supplementary II budget estimates alongside other conditional allocations which had dismal absorption rates. In this regard, there being no budgetary provision for KDSP Level 2 conditional allocation in

the approved Supplementary II budget estimates, no funds could be transferred to county governments in respect of the allocation in FY 2019/20.

It is therefore proposed that the balances carried forward of Ksh.4.6 billion be allocated to KDSP Level 2 in FY 2021/22.

- **Emergency Locust Response Project (ELRP): - A World Bank Credit of Ksh. 800 Million:** - The Project Development Objective (PDO) of this program, financed by this additional conditional allocation, is to prevent and respond to the threat to livelihoods posed by the Desert Locust outbreak and to strengthen Kenya's system for preparedness. Citizen engagement will be monitored by tracking awareness raising communication campaigns conducted and grievances registered and resolved by the program.

Among the four components of the programme, the following two main components will be key at the counties: - a) **Component 1: Surveillance and Control Measures:** - The objective of activities under this component is to limit the growth of existing climate-change-induced Desert Locust populations and curb their spread, while mitigating the risks associated with control measures and their impacts on human health and the environment. Activities to be supported would be continuous surveillance and monitoring, spraying of hopper bands and adult swarms, and delivery of training and capacity building to field teams to ensure that operations are carried out in a safe and effective manner; and b) **Component 2: Livelihoods Protection and Rehabilitation:**- Beyond the immediate control measures deployed to curtail the proliferation and spread of the locusts, the next priority and the objective of Component 2 would be to help protect the poor and vulnerable in locust affected areas from human capital and asset loss, enhance their access to food, and restore livelihoods that have been damaged or destroyed by swarms.

Component 2 will be implemented in specific wards that are most impacted in the 12 of the most severely impacted counties in the country. The primary project beneficiaries will be affected farmers, pastoralists and households that have been affected by the locust upsurge and are food insecure. Vulnerable and marginalized households and female headed households will be prioritized in the targeting process.

This programme is proposed to be allocated Ksh.800 million in FY 2021/22.

- **UNFPA - 9th Country Programme Implementation: - Ksh.73.9 Million: -** The 9th country programme responds to national priorities as articulated in the third Kenya Medium-term Plan (2018-2022), including the President's 'Big Four' Agenda, the 2030 Agenda for Sustainable Development, the Africa Union Agenda 2063, the Kenya United Nations Development Assistance Framework 2018-2022.

The programme will support advocacy for policy implementation at the national level and will mobilize resources for capacity building and service delivery interventions in 12 counties, selected based on key performance indicators: Homabay, Kilifi, Narok, Kitui, Nairobi (the Kibera informal settlement), Turkana (as a 'delivering as one' county), Mandera, Migori, Marsabit, Wajir, Isiolo and Lamu (under the Joint Programme on Reproductive Maternal, Newborn, Child and Adolescent Health). In addition, the UNFPA-UNICEF Joint Programme on Female Genital Mutilation will be implemented in Baringo, West Pokot, Elegyo-Marakwet, Narok, Marsabit and Samburu counties.

The programme has focuses on three outcomes namely: - a) *UNDAF Outcome 1*: By 2022, people in Kenya have increased and equitable access to and utilize high-quality health, including sexual, reproductive, maternal, new-born, child and adolescent health in emergency and non-emergency settings; b) *UNDAF Outcome 2*: By 2022, marginalized and vulnerable people, especially women and children, have increased access to and utilize social protection, and services for prevention and response to gender-based violence and violence against children; and c) *UNDAF Outcome 3*: By 2022, management of population programmes and access to high-quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements, with particular focus on vulnerable groups. It is proposed that the programme be allocated Ksh.73.9 million in FY 2021/22. This programme, whose major component is reproductive health, will be implemented through Ministry of Health.

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

6. **Fiscal Capacity and Efficiency of County Governments:** Fiscal capacity for county governments refers to the potential revenues that can be generated from the tax bases assigned to the counties when a standard average level of effort is applied. In its recommendations to Parliament on the Third Basis for Sharing Revenue Among County Governments, the Commission

The County Allocation of Revenue Bill, 2021

on Revenue Allocation (CRA) included a 'fiscal effort' parameter with a 2% weight intended to incentivize OSR collection by the Counties. This is consistent with the approach in other jurisdictions, where the formula for horizontal revenue distribution among subnational governments typically incorporates measures of fiscal capacity alongside those of expenditure need. CRA's fiscal effort parameter was defined in terms of each County Government's actual revenue collection relative to the County's Gross County Product (GCP) as computed by the Kenya National Bureau of Statistics (KNBS).

7. In approving CRA's recommendations however, Parliament did not include the fiscal effort parameter, effectively shifting the 2% weight to other parameters. This means that during the five-year basis application, it will not be easy to motivate Counties to strengthen their local revenue collection efforts. It is hoped that future revenue sharing formulae will reinstate the fiscal effort parameter.

8. However, it should be noted that Third Basis for sharing revenue raised nationally among county governments has two components namely; i) Allocation Ratio which relates to application of ratios used in FY 2019/20 to one-half of the equitable share allocated to county governments in FY 2019/20; and ii) the Formula which relates to application of the difference between the determined equitable share and the amount allocated using the Allocation Ratio to the parameters approved in the basis.

9. The ratios applied in FY 2019/20 apply the Second-generation formula which has a fiscal effort component of 2%. Consequently, CRA in consultations with Parliament can vary the ratios based on revenue performance of the respective governments so as to incentivize them to improve collection of OSR, which is desired objective of enforcing the fiscal capacity and efficiency of county governments Pursuant to Article 203 (1) (e) of the Constitution.

10. **Developmental needs of the county governments and their ability to perform the functions assigned to them:** The proposed County Governments' equitable revenue share for FY 2021/22 of Ksh. 370 billion compared to an allocation of Ksh. 316.5 billion in FY 2020/21 translates to an increase of Ksh. 53.5 billion.

Secondly, Article 209 of the Constitution has assigned counties revenue raising powers and as such counties are expected to improve and maintain sustained collection of their own source revenues (OSR). Thus, with the proposed increase in equitable share to county governments by Ksh. 53.5 billion in FY 2021/22 and assuming that Counties maintain their growth trajectory in OSR collections in FY 2020/21 and FY 2021/22, there should be sufficient additional resources to

The County Allocation of Revenue Bill, 2021

finance all functions assigned and transferred to them as contemplated under Article 203(1) (f) of the Constitution as well as improve service delivery.

11. **Economic Disparities within and among counties and the need to remedy them:** Allocation of the sharable revenue (i.e. equitable share of Ksh. 370 billion) among counties is based on the Third-generation formula approved by Parliament in September, 2020 pursuant to provisions of Article 217 and Section 16 of the Sixth Schedule of the Constitution. The Third Basis formula which should be applicable from FY 2020/21 to FY 2024/25 has taken into account the following parameters; (i) Population (18%); (ii) Health Index (17%); (iii) Agriculture Index (10%); (iii) Urban Index (5%); (iv) Poverty Index (14%); (v) Land Area Index (8%); (vi) Roads Index (8%), and; (vii) Basic Share index (20%). The horizontal distribution of County Governments' equitable revenue share allocation of Ksh.370 billion for FY 2021/22 shall be based on the Third Basis Formula. On the other hand, each additional conditional allocation shall be distributed based on its objectives, criteria for selecting beneficiary Counties and distribution formula. Accordingly, in FY 2021/22, the Counties will share an estimated Ksh 370 billion. It should be noted that the Third basis formula, which will be applied in FY 2021/22, takes into account disparities among counties and aims at equitable distribution of resources across counties.

12. Further, it should be noted that Ksh. 6.8 billion has also been set aside for the Equalization Fund in 2021/22 which translates to 0.5 per cent of the last audited revenue accounts of governments, as approved by the National Assembly. This Fund is used to finance development programmes that aim at reducing regional disparities among beneficiary counties.

13. **Stability and Predictability of County Revenue Allocations:** The county governments' equitable share of revenue raised nationally has been protected from cuts that may be occasioned by shortfall in revenue raised nationally, more so in the advent of the effects of Covid-19 Pandemic. According to clause 5 of the DoRB 2021, any shortfall in revenue raised nationally is to be borne by the National Government, to the extent of the threshold prescribed in Regulations by the Cabinet Secretary.

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

1. The Division of Revenue Bill, 2021 proposes to allocate county governments an equitable share of Ksh.370 billion from the shareable revenue raised nationally. The CRA also recommends County Governments' equitable share of revenue of Ksh.370 billion as an unconditional allocation to be shared among county governments on the Third basis of the formula for sharing revenue approved by Parliament under Article 217 of the Constitution in September, 2020. In this case

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there is no differences in the amounts of proposed allocation of equitable share to county governments by both CRA and the National Treasury. The National Treasury and CRA are also in agreement to converting four additional conditional allocations previously financed from the national government share of revenue into equitable share.

2. In order to arrive at the recommendation of Ksh.370 billion allocation as equitable share to county governments in FY 2021/22, the National Treasury and CRA applied the following: -

- Firstly, the National Treasury proposed to adjust the base allocation of equitable share to County Governments' of Ksh.316.5 billion in FY 2020/21 by growing the equitable share by Ksh.36.1 billion or 3.2 %. This growth is derived from anticipated improvement in revenues raised nationally in FY 2021/22 when the effects of Covid-19 pandemic are expected to ease. Secondly, it recommended conversion of four conditional grants namely: - Road Maintenance Levy Fund (RMLF), the grant to level-5 hospitals, the compensation for user fees foregone and the rehabilitation of village polytechnics grants, amounting to Ksh.17.4 billion into equitable share; and
- Firstly, CRA proposed conversion of four conditional grants namely: - Road Maintenance Levy Fund (RMLF), the grant to level-5 hospitals, the compensation for user fees foregone and the rehabilitation of village polytechnics grants, amounting to Ksh.17.02 billion into equitable share. Secondly, CRA recommended that an additional Ksh.36.48 billion, raised from harmonization of functions in line with the Fourth Schedule and Article 187(2) of the Constitution of National Government MDAs which maybe carrying out concurrent functions or performing devolved functions, be added to county governments' equitable. These are in the functional areas of: Health; Agriculture (crop, livestock and fisheries development); Water, Irrigation, Sanitation and regional development.

3. Table 3 analyses the approaches by CRA the National Treasury in computing the proposal on the division of revenue between the national and county governments in FY 2021/22.

Table 3: Comparison of approaches towards recommendations of the Commission on Revenue Allocation and the National Treasury on the equitable share of revenue proposed for FY 2021/22 (Figures in Ksh. Millions)

The County Allocation of Revenue Bill, 2021

Expenditure Item	CRA	National Treasury	Variance
	A	B	C = (A-B)
1. Equitable Revenue Share in FY 2020/21 (Base)	316,500	316,500	-
2. Adjustment for revenue growth in FY 2021/22 as determined in the Fiscal Framework		36,100	(36,100)
3. Conversion of Conditional grants to Equitable share, i.e Level-5, RMLF, User fees foregone and Village Polytechnics	17,020	17,400	(380)
4. Harmonisation of functions in line with the Fourth Schedule of the Constitution and Article 187(2)	36,480		36,480
TOTAL EQUITABLE SHARE OF REVENUE = (1+2+3+4)	370,000	370,000	0

Source: National Treasury and Planning

4. Although, there are no differences on the proposed amount of equitable share raised nationally between the national and county governments, there are differences occasioned by consideration for additional conditional allocations financed from National government share of revenue amounting to Ksh.7.5 billion; - Whereas CRA has not made any additional proposals to fund Counties, the National Treasury has proposed Ksh.7.5 billion to be financed from the National Government share of revenue.

5. Finally, the National Treasury has proposed an allocation amounting to Ksh.32.3 billion as additional conditional allocations from proceeds of loans and grants by various development partners to finance respective programs and projects in the financial year 2021/22.

Conclusion

6. The proposals contained in the Bill take into account the fiscal framework set out in the BPS for 2021/22 and are intended to ensure fiscal sustainability specifically against the backdrop of escalating expenditure pressure on the fiscal framework occasioned by increase in Consolidated Fund Services (CFS) and the persistent under performance of the ordinary revenue.

7. The National Treasury has also taken into account the approved Third Basis for Revenue Allocation among county governments pursuant to Article 217 of the Constitution, whose implementation would be preceded by a Ksh.53.5 billion increase in the Counties' equitable revenue share. It is expected with successful implementation of the Third Basis formula from FY 2021/22 to 2024/25, county governments will now be able to plan, budget and spend in accordance with areas of need as envisaged in the formula as well as achieve their developmental needs.

8. The proposed equitable share allocated to county governments in the Division of Revenue Bill, 2021, at 27.3 per cent 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.

ANNEXES: FRAMEWORKS FOR MANAGING ADDITIONAL CONDITIONAL ALLOCATIONS.

I. Additional Conditional Allocations from the National Government share of Revenue

1. 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).

Managed Equipment Service for public hospitals at County level and National Referral Hospitals	
Ministry/State Department Responsible	Ministry of Health (MOH)
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: 2021/22	Ksh. 7,205,000,000
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

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
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	a) Each County Government to include in its budget estimates for FY 2021/22 a contribution/counterpart funding as stipulated in the co-

	<p>financing agreement and that 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: 2021/22	Ksh. 332,000,000
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	68,000,000
Lamu	76,000,000
Nyandarua	38,000,000
Tana River	75,000,000
Tharaka Nithi	75,000,000
GRAND TOTAL	332,000,000

Source: State Department of Public Works

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	Principal Secretary, 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 2021/22. • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<p>At National Level:</p> <ul style="list-style-type: none"> • Establishment of a Project Steering Committee and a Project Management Team (PMT) comprising at a minimum a National Project Manager, Coordinators for each component, Assistant

	<p>coordinators, M&E officer, Project Accountant, Internal auditor, Project Procurement Officer, Environment and Social Safeguards compliance officer</p> <p>At the county level:</p> <ul style="list-style-type: none"> • Signing of an Intergovernmental Participatory Agreement (IGPA) and Addendum to the IGPA between the National Government and County Governments. • Designation of project implementation team members in the counties; • Inclusion of project funds in the county budgets • Opening of a Special Purpose Account (SPA) at Central Bank of Kenya with joint signatories being the Chief Officer Finance and Chief Officer Health. • Submission of approved work plans indicating health interventions to be funded by the project • Share county budget allocation for health (excluding conditional grants for health); • Counties whose budgetary allocation to health is below 30% are required to increase the proportion allocation every subsequent year less conditional grants; and • Counties whose allocation is above 30% should sustain the allocation at or above 30% less conditional grants. • Quarterly submission of Statements of Expenditure. • Timely submission of quarterly technical and financial reports.
Accounting officer of County Government Responsible	Chief Officer, Department of Health
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • General administration and coordination of the respective conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2021/22; • Initiate requests for transfer of funds from the County Revenue Funds to the Special Purpose Account within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations.
Allocation: 2021/22	Ksh. 2,234,664,075
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	<p>Based on financing agreement between the IDA and the Government of Kenya and Mid Term Review Recommendations, where;</p> <ul style="list-style-type: none"> • The Allocation of 20 percent of each years' annual allocation shall be based on the Country Revenue Allocation (CRA), and the remaining 80 percent based on the performance formula and the CRA and subject to meeting the eligibility criteria. • Allocations shall be adjusted based on a county's performance in transferring funds in the previous year. A county's allocation for

year (x+1) shall be adjusted based on the average adjustment of the tranches in the year (x)

Transfer Days:	Adjustment per tranche
0-15	0%
16-25	15%
26-35	50%
36-45	75%
46+	100%

- The PFM condition shall not apply to the funds swept to the CRF at the end of the FY, however the return of the funds to the SPA will be closely monitored by the Project Management Team.
- Allocation includes funds reimbursements for expenses incurred and undisbursed funds for previous financial years.

Allocation by County

County	Ksh.
Baringo	51,439,168
Bomet	98,737,242
Bungoma	52,969,787
Busia	42,178,872
Elgeyo/Marakwet	37,021,153
Embu	5,714,632
Garissa	33,361,734
Homa Bay	70,450,834
Isiolo	20,444,468
Kajiado	33,348,868
Kakamega	73,144,291
Kericho	75,948,635
Kiambu	11,433,390
Kilifi	36,935,995
Kirinyanga	47,498,316
Kisii	63,079,905
Kisumu	51,833,637
Kitui	14,548,168
Kwale	9,438,302
Laikipia	28,777,132
Lamu	42,427,244
Machakos	9,399,935
Makueni	87,593,306
Mandera	54,586,272
Marsabit	8,210,555
Meru	36,886,029
Migori	48,944,473
Mombasa	18,129,227

Muranga	81,798,466
Nairobi	87,492,037
Nakuru	79,792,976
Nandi	59,482,857
Narok	49,785,426
Nyamira	90,226,074
Nyandarua	94,478,706
Nyeri	48,739,220
Samburu	5,601,594
Siaya	76,115,752
Taita Taveta	47,631,029
Tana River	57,525,672
TharakaNithi	32,426,873
Trans Nzoia	80,437,623
Turkana	12,776,238
UasinGishu	33,080,799
Vihiga	47,721,396
Wajir	33,852,983
West Pokot	51,216,786
Total	2,234,664,075

Source: Ministry of Health

2. DANIDA Grant (Primary Health Care in Devolved Context)	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the Ministry's plans. • Ensure funds are included in the budget estimates of the Ministry for the FY 2021/22. • Initiate requests for transfer of funds from the Danish Government to the National Treasury • Initiate requests for disbursements to County Revenue Funds. • Submit quarterly and annual financial and performance reports to the National Treasury and Planning. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • In order to be eligible for support counties must allocate a minimum of 22% of the annual budget (excluding conditional grants) to health, and forward verification of this allocation annually. For counties spending less than 30% of their budgets on health, the annual allocations for health must increase incrementally per annum. • The grant shall be used exclusively to supplement operations and maintenance (O&M) costs as defined in the GoK Chart of Accounts.

	<ul style="list-style-type: none"> • The Danish support will decrease by 25% of the FY 2020/21 allocation. In order to maintain the same level of funding for O&M as the previous year, Counties must budget for and replenish 25% of the amount, and show evidence of expenditure accordingly. • Counties shall appropriate the funds accordingly in the County annual work-plans and budgets • Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties • Counties shall distribute the grants according to clear criteria shared to the Project Management Team • The Counties shall ensure timely disbursements of funds through the government's integrated financial management information system (IFMIS) through the respective County Special Purpose Account for Health and to eligible health facilities within 25 working days after receipt from National Treasury. • Counties not complying with the above conditions and statutory planning, budgeting and reporting as well as having qualified Annual Audit Reports from the Office of Auditor General will not be eligible for further support.
Accounting officer of County Government Responsible	Chief Officer, Department of Health
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • General administration and coordination of the conditional grant • Ensure funds are included in the budget estimates of the county for the FY 2021/22; • Initiate requests for transfer of funds from the County Revenue Funds to the special purpose accounts and to the health facility through IFMIS within the stipulated time period; • Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health • Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; • Ensure compliance with the PFM Act in utilization of resources and adherence to audit recommendations.
Allocation: 2021/22	Ksh. 701,250,000
Purpose of the grant	To improve primary healthcare with focus on reproductive, maternal newborn, child and adolescent health (RMNCAH) services at the county level.
Allocation criteria	Based on financing agreement between the DANIDA and the Government of Kenya: The grant will be allocated as a conditional grant to each County based on the CRA ratio
Allocation by County	
County	Ksh.
Baringo	11,290,125
Bomet	12,201,750
Bungoma	19,705,125
Busia	13,323,750
Elgeyo/Marakwet	8,555,250
Embu	9,537,000
Garissa	15,567,750
Homa Bay	14,936,625

Isiolo	9,396,750
Kajiado	14,235,375
Kakamega	23,071,125
Kericho	11,921,250
Kiambu	20,897,250
Kilifi	23,141,250
Kirinyaga	9,396,750
Kisii	17,250,750
Kisumu	15,147,000
Kitui	19,564,875
Kwale	17,250,750
Laikipia	9,256,500
Lamu	5,750,250
Machakos	17,180,625
Makueni	16,409,250
Mandera	22,650,375
Marsabit	15,006,750
Meru	17,811,750
Migori	15,006,750
Mombasa	15,637,875
Murang'a	13,954,875
Nairobi	35,272,875
Nakuru	23,211,375
Nandi	11,851,125
Narok	17,811,750
Nyamira	10,659,000
Nyandarua	10,799,250
Nyeri	11,991,375
Samburu	10,238,250
Siaya	12,832,875
Taita Taveta	9,396,750
Tana River	12,973,125
TharakaNithi	8,695,500
Trans Nzoia	12,762,750
Turkana	23,351,625
UasinGishu	14,025,000
Vihiga	10,308,375
Wajir	18,933,750
West Pokot	11,079,750
Total	701,250,000

Source: Ministry of Health

3. IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project; NARIGP)	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock, Fisheries and Cooperatives
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development and Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Cooperatives who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2021/22 to the Project Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury

	- Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2021/22	Khs 6,394,997,407.21
Purpose of the grant	To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.
County	IDA Contribution- Allocation by County Ksh
Bungoma	280,530,113.50
Embu	387,946,600.50
Homa Bay	279,115,289.18
Kiambu	402,836,649.21
Kilifi	254,610,492.50
Kirinyaga	344,612,511.79
Kisii	324,295,426.91
Kitui	283,089,026.22
Kwale	278,050,578.26
Makueni	284,347,299.60
Meru	398,724,835.35
Migori	276,072,733.30
Murang'a	335,683,960.91
Nakuru	269,563,385.00
Nandi	297,105,135.60
Narok	398,148,737.35
Nyamira	275,417,324.00
Samburu	212,277,520.00
Trans Nzoia	298,658,949.68
Turkana	270,565,501.57
Vihiga	243,345,336.78
TOTAL	6,394,997,407.21

Source: State Department for Crops Development and Research

4. World Bank – KISIP II	
Ministry/State Department Responsible	Ministry of Transport Infrastructure Housing and Urban Development
Accounting officer of National Government Responsible	Principal Secretary, State Department for Housing and Urban Development
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2021/2022 • Receive quarterly and annual financial and non-financial reports from the counties and consolidate

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	<ul style="list-style-type: none"> • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury 	
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Housing 	
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Project Coordination Team; • Ensure that the programme AWP&B , upon approval by County Implementation Team is submitted to the County Treasury and captured accordingly; • The County accounting officer, upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury 	
Conditions	<ul style="list-style-type: none"> • Duly signed Participation Agreement between the Cabinet Secretary, Ministry of Transport, Infrastructure, Housing and Irrigation and Governors of each county on prudent management of the programme funds; • GoK will ensure that the funds disbursed by IDA are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; • Both levels will adhere to the requirements of Participation Agreement; • County Governments have carried out environmental and social safeguards and implemented relocation action plans if any; and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State Department for Housing and Urban Development will additionally submit consolidated report for all the 48 spending units. 	
Allocation: 2021/2022	Ksh. 2,800,000,000	
Purpose of the grant	To develop sustainable infrastructure in selected informal settlements in selected urban areas as part of slum upgrading	
Allocation criteria	Based on the county readiness criteria and the settlement eligibility criteria as detailed in Project Appraisal Document and Project Operation Manual	
	County	Ksh.
1	Nairobi	700,000,000
2	Mombasa	300,000,000
3	Nakuru	300,000,000

4	Kisumu	300,000,000
5	Kilifi	200,000,000
6	Kakamega	150,000,000
7	Kiambu	50,000,000
8	Uasin Gishu	60,000,000
9	Trans-Nzoia	50,000,000
10	Wajir	50,000,000
11	Meru	110,000,000
12	Homabay	50,000,000
13	Taita Taveta	40,000,000
14	Lamu	10,000,000
15	Kajiado	50,000,000
16	Bungoma	50,000,000
17	Nyeri	60,000,000
18	Tharaka Nithi	20,000,000
19	Kwale	50,000,000
20	Nyandarua	50,000,000
21	Nyamira	50,000,000
22	Elgeyo Marakwet	50,000,000
23	Nandi	50,000,000
	Total	2,800,000,000

Source: State Department for Housing and Urban Development

5. EU Grant (Instruments for Devolution Advice and Support IDEAS)	
Ministry/State Department Responsible	Ministry of Devolution and ASALs/ State Department for Devolution
Accounting officer of National Government Responsible	Principal Secretary, State Department for Devolution
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure that the allocations for the Grants for the for the 15 counties are included in legislative documents (DoRA & CARA) and Budget Estimates for the State Department of Devolution for the FY 2021/2022 • Initiate and process request for disbursement of funds to the 15 counties by The National Treasury and European Union Delegation (EUD) respectively. • Chair the Project Steering Committee meetings which is the apex body for the Programme. • Oversight policy and technical support to the County Governments in all matters of project implementation to ensure that the projects are implemented in compliance with the National Government Systems and procedures. • Receive and Approve quarterly, annual financial and technical implementation reports from the counties and share with the National Treasury and the European Union respectively.

Accounting Officer of beneficiary County Government	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture and in some Counties, Trade and Industrialization.
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Ensure that the project grants including own contribution is included in the County Government's budget and County Appropriation Act. • Consider and approve the financial and non-financial performance reports for the grant and submit to County Treasuries and State Department for Devolution. • Ensure the smooth implementation of the LED projects, through the formation and operationalization of two project implementing units namely, the County Technical Team (CTT) and the County Project Coordination Committee (CPCC). • Make monthly or quarterly supervision and monitoring visits to the project sites; • Issuance of technical guidelines and advice pertaining to implementation of the project.
Conditions	<p>Selection Criteria- Ongoing Grant Contracts for IDEAS Financing Agreement for the period September 2014 to September 2022.</p> <p>Conditions for the Counties The counties shall adhere to the National and County government frameworks for conditional grants and General Conditions applicable to European Union-financed grant contracts for external actions and the National Government. This include among others;</p> <ol style="list-style-type: none"> a) Carry out the Action jointly and severally vis-a-vis the Contracting Authority (National Treasury- MODA) taking all necessary and reasonable measures to ensure that the Action is carried out in accordance with the Description of the Action in Annex I and the terms and conditions of the grant Contract. b) Counties shall submit to State Department of Devolution; <ol style="list-style-type: none"> i. Quarterly and Annual implementation narrative and financial reports. ii. Except for the first instalment of pre-financing, an interim report must accompany each request for payment; iii. final Project implementation report no later than three months after the implementation period c) The counties shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field. a) d) Ensure that Public Participation is undertaken throughout the life of the project period
Allocation to the Counties: 2021/22	KES 230,730,934

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	The above allocation includes amounts for both the 1st and 2nd pre-financing of the grant allocation for the 15 counties. The allocation criteria are depended on amounts spent and deemed eligible & within grant provisions after expenditure verification.
Allocation by County	
County	Total (Kshs.)
Baringo	36,744,378
Kisii	16,140,145
Kisumu	15,626,168
Laikipia	15,626,168
Marsabit	16,140,048
Migori	15,626,168
Nyandarua	31,223,224
Samburu	15,626,168
Taita-Taveta	15,624,929
Tana River	14,727,370
Uasin Gishu	11,000,000
Wajir	15,626,168
West Pokot	11,000,000
Total	230,730,934

Source: State Department for Devolution

6. IDA (World Bank) Credit (Kenya Climate Smart Agriculture Project - KCSAP) IDA Credit Number 59450KE	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock Fisheries and Cooperatives
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development & Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the intended beneficiaries and the Country as a whole.
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> Prepare Project AWP&B and share with the National Government Coordination Unit; Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to

	<p>the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements</p> <ul style="list-style-type: none"> • Ensure disbursement of Counterpart funds as per the approved budget • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2021/22	KES 7,838,338,490.00
Purpose of the grant	To increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.
County	Allocation by County (Ksh.)
Baringo	300,000,000.00
Bomet	349,999,960.00
Busia	295,795,506.00
Elgeyo Marakwet	350,000,000.00
Kajiado	321,108,120.00
Kakamega	338,783,306.00
Kericho	350,000,000.00
Kisumu	274,627,706.00
Laikipia	349,961,100.00
Machakos	321,468,007.00
Nyandarua	289,609,680.00
Nyeri	352,822,250.00
Siaya	314,639,880.00
Taita-Taveta	290,416,775.00
Tharaka-Nithi	350,000,000.00
Uasin-Gishu	354,491,402.00
West-Pokot	353,574,020.00

Garissa	348,172,365.00
Isiolo	330,699,130.00
Lamu	300,102,326.00
Mandera	298,883,700.00
Marsabit	306,870,917.00
Tana-River	350,271,550.00
Wajir	346,040,790.00
Total	7,838,338,490.00

Source: State Department for Crops Development and Research

7. IDA (World Bank) Credit 6029 & 6030 KE: Water and Sanitation Development Project (WSDP)	
Ministry/ State Department Responsible	Ministry of Water, Sanitation and Irrigation
Accounting Officer of National Government Responsible	PS, Ministry of Water, Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the Ministry for FY 2021/2022 and reflected in CARA. • Initiate request for disbursement of funds supported by approved procurement and work plans. • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the County Government. • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee. • The funds shall be used only for approved Water and Sanitation activities under the Programme. • Upon receipt of a disbursement, the Principal Secretary National Treasury shall be informed of the disbursement details through Principal Secretary Ministry of Water, Sanitation and Irrigation. • County Government MUST provide a report/proof of utilization of funds released before requesting for additional transfers.

Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> Accounting officer responsible for Water and Sanitation in the County Government
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2021/22. Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Principal Secretary, Ministry of Water, Sanitation and Irrigation Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2021/22	Kshs. 5,000,000,000
Purpose of the Grant/Loan	For implementation of Water and Sanitation activities
Allocation Criteria	Based on the Subsidiary/County Participation Agreement and approved procurement and work plans.
Allocation by County	Amount (Ksh.)
1. Wajir	600,000,000
2. Garissa	550,000,000
3. Mombasa	800,000,000
4. Taita Taveta	950,000,000
5. Kwale	600,000,000
6. Kilifi	1,500,000,000
TOTAL	Kshs.5,000,000,000

Source: Ministry of Water, Irrigation and Sanitation

3. Sweden – Agricultural Sector Development Support Programme (ASDSP) II	
Allocation to develop sustainable agriculture Priority Value Chains (PVCs) for improved income, food and nutrition security	
Ministry/State Department Responsible	Ministry of Agriculture Livestock, Fisheries and Cooperatives
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops Development and Research
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2021/022 Receive quarterly and annual financial and non-financial reports from the counties and consolidate Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments

	<ul style="list-style-type: none"> • Monitor and evaluate performance of the allocation and report to the National Treasury 			
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture 			
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Government Secretariat; • Ensure that the programme AWP&B , upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; • The County accounting officer , upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; • Ensure disbursement of Ksh. 5.5 million in two halves/ year programme account through programme CBK Account; and • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury 			
Conditions	<ul style="list-style-type: none"> • Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; • Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ; • GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; • Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture Livestock, Fisheries and Irrigation and Governors of each county on prudent management of the programme funds; • Funding will be triggered by counterpart funds from both levels of GoK (national and counties); and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State department for crops will additionally submit consolidated report for all the 48 spending units. 			
Allocation: 2021/22	KES 1,300,042,902			
Purpose of the grant	To develop sustainable agriculture Priority Value Chains (PVCs) for improved income, food and nutrition security			
Allocation criteria	Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.			
		Donor	Gok	Total Allocation
SNo.	Counties	2021/2022	2021/2022	
1	Baringo	20,615,290	4,500,000	25,115,290

2	Bomet	20,388,732	4,500,000	24,888,732
3	Bungoma	22,252,122	4,500,000	26,752,122
4	Busia	21,509,940	4,500,000	26,009,940
5	Elgeyo- Marakwet	19,343,630	4,500,000	23,843,630
6	Embu	17,724,624	4,500,000	22,224,624
7	Garissa	31,033,363	4,500,000	35,533,363
8	Homabay	26,596,673	4,500,000	31,096,673
9	Isiolo	21,887,350	4,500,000	26,387,350
10	Kajiado	20,214,544	4,500,000	24,714,544
11	Kakamega	23,582,288	4,500,000	28,082,288
12	Kericho	24,192,485	4,500,000	28,692,485
13	Kiambu	25,840,365	4,500,000	30,340,365
14	Kilifi	23,464,926	4,500,000	27,964,926
15	Kirinyaga	21,022,510	4,500,000	25,522,510
16	Kisii	21,870,204	4,500,000	26,370,204
17	Kisumu	25,215,378	4,500,000	29,715,378
18	Kitui	24,357,290	4,500,000	28,857,290
19	Kwale	22,964,844	4,500,000	27,464,844
20	Laikipia	19,333,630	4,500,000	23,833,630
21	Lamu	20,609,992	4,500,000	25,109,992
22	Machakos	20,992,885	4,500,000	25,492,885
23	Makueni	22,568,180	4,500,000	27,068,180
24	Mandera	27,596,096	4,500,000	32,096,096
25	Marsabit	27,121,584	4,500,000	31,621,584
26	Meru	20,600,278	4,500,000	25,100,278
27	Migori	26,509,120	4,500,000	31,009,120
28	Mombasa	18,999,950	4,500,000	23,499,950
29	Muranga	18,992,070	4,500,000	23,492,070
30	Nairobi	32,139,733	4,500,000	36,639,733
31	Nakuru	21,843,334	4,500,000	26,343,334
32	Nandi	19,176,246	4,500,000	23,676,246
33	Narok	26,488,725	4,500,000	30,988,725
34	Nyamira	19,750,072	4,500,000	24,250,072
35	Nyandarua	18,483,146	4,500,000	22,983,146
36	Nyeri	17,417,144	4,500,000	21,917,144
37	Samburu	28,490,533	4,500,000	32,990,533
38	Siaya	19,249,120	4,500,000	23,749,120
39	Tanariver	28,565,790	4,500,000	33,065,790
40	Taita Taveta	22,112,835	4,500,000	26,612,835
41	Tharaka Nithi	17,857,452	4,500,000	22,357,452
42	TransNzoia	19,525,084	4,500,000	24,025,084
43	Turkana	39,077,943	4,500,000	43,577,943
44	Uasin Gishu	18,941,718	4,500,000	23,441,718
45	Vihiga	18,132,350	4,500,000	22,632,350

46	Wajir	36,080,823	4,500,000	40,580,823
47	West Pokot	27,810,513	4,500,000	32,310,513
	Total	1,088,542,902	211,500,000	1,300,042,902

Source: State Department for Crops Development and Research

9. German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	
Ministry/State Department Responsible	Ministry of Water, Sanitation and Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Water, Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Fiduciary responsibility for the project funds; • Ensure programme allocations are as per Annual Investment Plans & are included in the budget estimates of the Ministry for the FY 2021/22; • Endorses and transmits Withdrawal Applications and payment request to the National Treasury; • Review of quarterly progress reports and transmission to KfW; • Review of Annual Investment Plans (AIPs) against Programme eligibility criteria and transmission to the Joint Programme Steering Committee (JPSC); • Procurement of Implementation Support Consultant (ISC); • Capacity building of county staff; • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture or Water ❖ Turkana County: Chief Officer for Agriculture and Land Reclamation ❖ Marsabit County: Chief Officer for Agriculture
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Overall coordination and quality assurance, primary responsibility for effective and efficient implementation; • Bears fiduciary responsibility for the funds transferred to the county as conditional grants • Preparation of Annual Investment Plans, which upon approval by Joint Programme Steering Committee (JPSC) is submitted to the County Treasury and captured in county budget. • Signs withdrawal applications and payment requests and transmits them to the County Treasury; • Financial and technical reporting and transmission of quarterly progress reports to National Programme Coordinating Unit (NPCU); • Defines ad hoc committees for tender evaluation; • Participate in Tender Committee at Ministry of Water, Sanitation and Irrigation for procurement of ISC.

Conditions	<ul style="list-style-type: none"> • KfW will initiate disbursements upon recruitment of an Implementation Support Consultant (ISC) who will support the CPCUs and NPCU in all their functions; • Opening of 2 EURO designated Bank Accounts at CBK for the Loan and Grant funds by the National Treasury and Kshs account by each of the respective County Governments for the disposition funds; • Loan effectiveness is conditional upon issuance of Legal Opinion by the Attorney General; • Both levels of Government ensure that the partner contributions/co-financing has been budgeted accordingly and is provided in time during the implementation of the Programme; • Signing of Separate Agreement between the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation and Governors of each county spelling out implementation modalities and adherence to the requirements therein on prudent use and management of the program funds; • Community commitment to provide its partner contribution in kind; • Evidence of the use of funds is to be presented to KfW at the latest four months after the preceding replenishment or at the last period evidenced if no replenishment has been effected; • Annual audit report by external auditor be submitted 3 months after the end of the FY; • Implementation must be within the predetermined clusters.
Allocation: 2021/22	KES 370,000,000
Purpose of the grant	To ensure that drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by constructing and rehabilitating relevant infrastructure.
Allocation criteria	Based on financing agreement between the Federal Republic of Germany and the Government of Kenya; and approved Annual Investment Plans (AIPs) prepared by the county governments.
Allocation by County	
County	Total (Ksh.)
Marsabit (Loan)	170,000,000
Turkana (Grant)	200,000,000
TOTAL	370,000,000

Source: Ministry of Water, Irrigation and Sanitation

10. IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 2	
Ministry/State Department Responsible	Ministry of Devolution and ASALs
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 2021/22 • Initiate request for disbursement of funds • Submit quarterly and annual financial and performance reports to the National Treasury and Planning and separate copies to each county governments • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the county governments • Counties have undergone the Annual Capacity & Performance Assessment and met the minimum access conditions and minimum performance conditions for grant funding. • Counties have implemented projects according to approved 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. ○ Environmental and Social safeguards ○ FOCUS ON COVID -19
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 2021/22 • 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:2021/22	KES. 4,600,000,000
objectives	<p>To incentivize county governments to build their capacity in the following 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. ○ Environmental and Social safeguards

○ FOCUS ON COVID -19	
Allocation Criteria	As determined in the fourth Annual Capacity and Performance Assessment (ACPA) carried out by the State Department for Devolution and endorsed by the KDSP Technical Committee.
County	Allocation
Baringo	75,822,872
Bomet	167,353,974
Bungoma	112,815,048
Busia	69,825,044
Elgeyo/Marakwet	184,795,683
Garissa	64,613,906
Isiolo	120,374,189
Kajiado	132,797,633
Kakamega	78,009,910
Kericho	102,491,953
Kiambu	73,731,600
Kilifi	102,491,953
Kirinyaga	146,608,512
Kisii	128,507,146
Kisumu	82,682,844
Kitui	112,815,048
Kwale	102,491,953
Laikipia	167,353,974
Machakos	161,906,472
Makueni	184,795,683
Mandera	141,844,646
Marsabit	116,524,635
Meru	141,844,646
Mombasa	156635628
Nakuru	120,374,189
Nandi	82,682,844
Narok	141,844,646
Nyamira	112,815,048
Nyandarua	184,795,683
Nyeri	184,795,683
Samburu	102,491,953
Siaya	112,815,048
Tharaka Nithi	137,242,250
Trans Nzoia	105,802,077
Turkana	112,815,048
Uasin Gishu	112,815,048
Vihiga	93,307,470
West Pokot	66,268,057
Total	4,600,000,000

Source: State Department for Devolution

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11. World Bank – Emergency Locust Response Project (ELRP)	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock, Fisheries and Cooperatives
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops Development and Agriculture Research
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • The National Government shall make available to the County Government resources for project implementation in the county in accordance with agreed eligibility criteria and procedures as detailed in the PIM. • Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2021/2022 • Receive quarterly and annual financial and non-financial reports from the counties and consolidate • Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments • National Government shall undertake technical backstopping, capacity building, M&E, Guidance on finance and procurement in support of project implementation • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the guidelines provided by the NPCU, previous year's activity and budget performance and share with the National Project Coordination Team; • Ensure that the programme AWP&B, upon approval by County Implementation Team is submitted to the County Treasury and captured accordingly; • Inclusion of ELRP activities in the county planning framework – the County Integrated Development Plans (CIDP) and the shorter term annual/bi-annual development plans; and • Timely submission of Project annual technical and financial reports for the previous year in accordance to procedures laid out in the PIM • The County accounting officer, upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury
Conditions	<ul style="list-style-type: none"> • GoK will ensure that the funds disbursed by IDA are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities;

	<ul style="list-style-type: none"> Both levels will adhere to the requirements of Participation Agreement 	
Allocation: 2021/2022	KES 800,000,000.00	
Purpose of the grant	To support livelihood protection and restoration to the communities/ households negatively impacted by the DL invasion in 15 counties	
Allocation criteria	Based on the hectareage under crop and pasture damaged, number of households and wards affected by the DL invasion	
Allocations to county governments		
S/No.	Counties	Ksh.
1	Mandera	52,925,333
2	Marsabit	84,508,000
3	Wajir	50,598,667
4	Garissa	40,478,667
5	Kitui	38,964,000
6	Tharaka Nithi	29,566,667
7	Isiolo	76,030,667
8	Samburu	91,713,333
9	Baringo	27,905,333
10	Turkana	120,206,667
11	Embu	28,398,667
12	Meru	47,977,333
13	West Pokot	34,504,000
14	Elgeyo Marakwet	47,838,667
15	Machakos	28,384,000
	Total	800,000,000.00

Source: State Department for Crops Development and Research

12. UNITED NATION POPULATION FUND (UNFPA): 9 th COUNTRY PROGRAMME IMPLEMENTATION		
Ministry/State Department Responsible	Ministry of Health	
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health	
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure programme allocations are as per as Annual Work Plan and included in the budget estimates of the Ministry for the FY 2021/022 • Receive quarterly progress report and annual financial reports from the counties and consolidate • Submit quarterly progress report 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 	
State Department Responsible	Health	
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Health 	
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Develop 2021/2022 WP in consultation with UNFPA based on the Annual Planning priorities; • Ensure that 2020 WP, upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; • The County accounting officer, upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; • Submit quarterly progress report and annual financial and performance reports to the National Treasury and UNFPA through County Treasury 	
Conditions	Counties will adhere to the requirements of Implementing Partner Agreement;	
Allocation: 2021/22	Ksh. 73,866,704	
Purpose of the grant	The implementation of 9 th Country programme in UNFPA Programme counties	
Allocation criteria	Based on Programme agreement between the UNFPA and the Government of Kenya and approved work plans.	
S/No.	UNFPA Programme Counties	Total Allocation

SECRET

1	Kilifi	8,863,987
2	Nairobi	7,386,693
3	Homabay	8,863,987
4	Kitui	7,386,693
5	Narok	7,386,693
6	Mandera	4,431,993
7	Wajir	4,431,993
8	Marsabit	4,431,993
9	Isiolo	8,863,987
10	Lamu	4,431,993
11	Migori	4,431,993
12	Turkana	2,954,699
Total		73,866,704

SECRET