

**THE COUNTY ALLOCATION OF REVENUE BILL, 2015**

**ARRANGEMENT OF CLAUSES**

*Clause*

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- 2 - Interpretation.
- 3 - Object and purpose of the Act.
- 4 - Equitable allocation of county governments' share of revenue.
- 5 - Conditional allocations to county governments.
- 6 - Transfers made in error or fraudulently.
- 7 - Report on actual transfers.
- 8 - Books of accounts to reflect national government transfers.
- 9 - Resolution of disputes and payment of wasteful expenditure.
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**FIRST SCHEDULE**

Allocation of Each County Government's Equitable Share of Revenue Raised Nationally, Financial Year 2015/16

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Conditional Additional Allocations to County Governments from National Government Revenue in Financial Year 2015/16

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Conditional Additional Allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2015/16

**APPENDIX**

Explanatory memorandum to the County Allocation of Revenue Bill, 2015

**THE COUNTY ALLOCATION OF REVENUE BILL, 2015**

**A Bill for**

**AN ACT of Parliament to provide for the equitable allocation of revenue raised nationally among the county governments for the 2015/16 financial year and the responsibilities of the national and the county governments pursuant to such allocation; and for connected purposes.**

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

**PART I— PRELIMINARY**

Short title.                    **1.** This Act may be cited as the County Allocation of Revenue Act, 2015.

Interpretation.              **2.** In this Act—

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

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

No. 16 of 2011.                    “revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act, 2011;

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

No. 18 of 2012.              “wasteful expenditure” has the meaning assigned to it under section 2 of the Public Finance Management Act, 2012.

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 2015/16;
- (b) provide, pursuant to Article 187(2) and 202(2) of the Constitution, for conditional allocations for the financial year 2015/16; 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 government's 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 2015/2016 shall be as set out in Column D of the First Schedule.

(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 terms of section 17 of the Public Finance Management Act.

Conditional allocations to county governments.

**5.** (1) Conditional additional allocations from national government revenue to each county government for the financial year 2015/16 shall be as set out in Column H of the Second Schedule, comprising of—

- (a) conditional allocations for level 5 hospitals as set out in Column B of the Second Schedule;
- (b) conditional allocations for free maternal health care as set out in Column C of the Second Schedule;
- (c) conditional allocations to compensate county health facilities for forgone user fees revenue as set out in Column D of the Second Schedule;
- (d) conditional allocations for leasing of medical equipment as set out in Column E of the Second Schedule;
- (e) conditional allocations from the Road Maintenance Fuel Levy Fund for the repair and maintenance of county roads as set out in Column F of the Second Schedule; and
- (f) conditional allocations towards respective county emergency funds as set out in Column G of the Second Schedule.

(2) Conditional additional allocations financed by proceeds of loans or grants from development partners to each county government for the financial year 2015/16 shall be as set out in Column E of the Third Schedule, comprising of—

- (a) conditional allocations financed by a loan from the World Bank to supplement financing for county health facilities as set out in Column B of the Third Schedule;
- (b) conditional allocations financed by a grant from the Government of Denmark to supplement financing for county health facilities as set out in Column C of the Third Schedule; and

(c) conditional allocations to ensure continuation of services financed by loans and grants from other development partners as set out in Column D of the Third Schedule.

(3) A county governments allocation under subsection (1) (a), (b), (c) and (e) shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with section 17 of the Public Finance Management Act, 2012, but shall only be accessed by each county government after meeting conditions set by the Cabinet Secretary responsible for that function at the beginning of the financial year and such transfers shall be included in the budget estimates of the county government and submitted to the county assembly for approval.

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

(5) A county governments allocation, under subsection (1)(f) shall be transferred to the county emergency fund.

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

(7) The county governments allocations under subsection (2)(c) shall be included in the budget estimates of the national government and shall be submitted to Parliament for approval.

(8) Functions published in the gazette for transfer after Parliament has approved the national government budget for 2015/16 shall take effect in the next financial year, 2016/17.

Transfers made in error or fraudulently.

**6.** (1) Despite the provisions of any other law, where it is determined that the transfer of funds to a county government was done in error or fraudulently, such a transfer shall be regarded as not legally due to that county government.

(2) An erroneous transfer contemplated in subsection (1) may be recovered immediately or set-off against future transfers to that county government which would otherwise become due in accordance with the 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.

Report on actual transfers.

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

Books of accounts to reflect national government transfers.

**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 additional allocations from the national government transferred to the County Revenue Fund.

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

Resolution of disputes and payment of wasteful expenditure.

**9.**(1) Any state organ involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation shall, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other state organ concerned, including exhausting all alternative mechanisms provided for resolving disputes in relevant legislation.

No. 2 of 2012.

(2) If a court is satisfied that a state organ, in an attempt to resolve a dispute has not exhausted all the mechanisms for alternative dispute resolutions as contemplated in section 35 of the Intergovernmental Relations Act, 2012 and refers the dispute back for the reason that the state organ has not complied with subsection (1), the expenditure incurred by that state organ in approaching the court shall be regarded as wasteful expenditure.

(3) The costs in respect of wasteful expenditure referred to in subsection (2) shall, in accordance with a prescribed procedure, be recovered without delay from the person who caused the state organ not to comply with the requirements of subsection (1) in accordance with section 203 of the Public Finance Management Act, 2012.

Financial Misconduct.

**10.** 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.

**11.** 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  
apply.

12. 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 first determination of the basis of the division of revenue among counties approved by Parliament pursuant to Article 217 (7) of the Constitution.



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

**Allocation of Each County Governments' Equitable Share of Revenue Raised Nationally, Financial Year 2015/16**

No.	County	FY 2014/15		FY 2015/16	
		Allocation Ratio	KSh.	Allocation Ratio	Ksh.
		Column A	Column B	Column C	Column D
1	Baringo	1.71%	3,874,517,946	1.71%	4,440,576,026
2	Bomet	1.81%	4,106,886,684	1.81%	4,706,893,298
3	Bungoma	3.25%	7,373,210,075	2.95%	7,675,726,962
4	Busia	1.80%	4,070,818,775	2.09%	5,440,247,944
5	Elgeyo/Marakwet	1.26%	2,853,544,500	1.26%	3,270,440,729
6	Embu	1.48%	3,348,702,217	1.48%	3,837,939,840
7	Garissa	2.22%	5,035,948,953	2.22%	5,771,689,408
8	Homa Bay	2.17%	4,916,649,022	2.17%	5,634,960,034
9	Isiolo	1.18%	2,666,932,836	1.18%	3,056,565,534
10	Kajiado	1.70%	3,850,130,647	1.70%	4,412,625,800
11	Kakamega	3.43%	7,772,661,685	3.43%	8,908,229,519
12	Kericho	1.73%	3,930,785,411	1.73%	4,505,064,038
13	Kiambu	2.87%	6,512,134,109	2.87%	7,463,541,789
14	Kilifi	2.86%	6,492,654,840	2.86%	7,441,216,645
15	Kirinyanga	1.36%	3,087,186,799	1.36%	3,538,217,626
16	Kisii	2.73%	6,189,374,294	2.73%	7,093,627,514
17	Kisumu	2.19%	4,957,051,804	2.19%	5,681,265,569
18	Kitui	2.80%	6,340,884,546	2.80%	7,267,273,063
19	Kwale	1.97%	4,472,304,285	1.97%	5,125,697,562
20	Laikipia	1.33%	3,009,821,026	1.33%	3,449,548,893
21	Lamu	0.79%	1,790,321,875	0.79%	2,051,883,746
22	Machakos	2.61%	5,905,825,995	2.61%	6,768,653,467
23	Makueni	2.30%	5,208,693,368	2.30%	5,969,671,381
24	Mandera	3.45%	7,814,084,236	3.45%	8,955,703,809
25	Marsabit	2.00%	4,527,940,355	2.00%	5,189,461,933
26	Meru	2.50%	5,665,837,128	2.50%	6,493,602,784
27	Migori	2.25%	5,092,805,117	2.25%	5,836,852,127
28	Mombasa	2.00%	4,535,297,533	2.00%	5,197,893,978
29	Muranga	2.06%	4,673,246,797	2.06%	5,355,997,309
30	Nairobi	5.00%	11,339,878,958	5.00%	12,996,608,958
31	Nakuru	3.12%	7,081,709,604	3.12%	8,116,330,943
32	Nandi	1.83%	4,148,953,404	1.83%	4,755,105,868
33	Narok	2.04%	4,613,831,118	2.04%	5,287,901,138
34	Nyamira	1.60%	3,624,942,354	1.60%	4,154,538,019
35	Nyandarua	1.66%	3,758,031,195	1.66%	4,307,070,831
36	Nyeri	1.71%	3,882,059,730	1.71%	4,449,219,647
37	Samburu	1.37%	3,099,458,277	1.37%	3,552,281,938
38	Siaya	1.92%	4,358,527,909	1.92%	4,995,298,722
39	Taita	1.27%	2,887,684,227	1.27%	3,309,568,191
40	Tana River	1.53%	3,476,640,816	1.53%	3,984,569,971
41	Tharaka Nithi	1.21%	2,737,608,428	1.21%	3,137,566,667
42	Tranzoia	1.96%	4,449,544,566	1.96%	5,099,612,701
43	Turkana	4.03%	9,143,228,902	4.03%	10,479,033,426
44	Uasin Gishu	2.00%	4,529,177,627	2.00%	5,190,879,968
45	Vihiga	1.49%	3,377,907,511	1.49%	3,871,411,960
46	Wajir	2.78%	6,310,753,829	2.78%	7,232,740,318
47	West Pokot	1.66%	3,763,808,689	1.66%	4,313,692,404
	<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>226,660,000,000</b>	<b>100.00%</b>	<b>259,774,500,000</b>

The County Allocation of Revenue Bill, 2015

**SECOND SCHEDULE [s. 5(1)] Conditional Additional Allocations to County Governments from National Government Revenue in Financial Year 2015/16 (Figures are in Kenya Shillings)**

	FY 2014/15		FY 2015/16				
	Total Conditional Grant from National Government Revenue	Conditional Grant-Level 5 Hospital	Conditional Grant-Free Maternal Health Care Allocation	Conditional Grant-compensation for User Fees Forgone	Conditional Allocation-Leasing of Medical Equipment	Conditional Allocation from Road Maintenance Fuel Levy Fund	Toal Conditional Allocation from National Government Revenue
County	Column A	Column B	Column C	Column D	Column E	Column F	Column G
Baringo	0		65,759,400	12,950,107	95,744,681	56,410,082	230,864,270
Bomet	0		58,452,800	16,880,750	95,744,681	59,793,197	230,871,428
Bungoma	0		170,630,600	38,017,014	95,744,681	97,507,257	401,899,552
Busia	0		99,713,600	11,377,011	95,744,681	69,109,240	275,944,532
Elgevo/Marakwet	0		43,409,800	8,624,640	95,744,681	41,545,473	189,324,594
Embu	185,774,538	192,882,857	57,593,200	12,032,884	95,744,681	48,754,599	407,008,221
Garissa	111,928,914	360,048,000	50,286,600	14,523,507	95,744,681	73,319,649	593,922,437
Homa Bay	0		131,089,000	22,466,004	95,744,681	71,582,731	320,882,416
Isiolo	0		23,209,200	3,340,178	95,744,681	38,828,547	161,122,606
Kajiado	0		49,856,800	16,021,218	95,744,681	56,055,021	217,677,720
Kakamega	206,336,246	342,902,857	214,900,000	38,709,716	95,744,681	113,164,138	805,421,392
Kericho	0		98,854,000	17,676,855	95,744,681	57,229,294	269,504,830
Kiambu	87,853,083	330,044,000	224,785,400	37,838,646	95,744,681	94,811,800	783,224,527
Kilifi	0		177,077,600	25,867,884	95,744,681	94,528,196	393,218,361
Kirinyanga	0		50,716,400	12,308,920	95,744,681	44,947,130	203,717,131
Kisii	83,358,278	338,616,571	194,699,400	26,859,653	95,744,681	90,112,658	746,032,963
Kisumu	248,505,726	338,616,571	123,782,400	22,585,235	95,744,681	72,170,965	652,899,852
Kitui	0		63,610,400	23,606,211	95,744,681	92,318,534	275,279,826
Kwale	0		104,441,400	15,149,869	95,744,681	65,113,404	280,449,354
Laikipia	0		63,610,400	9,305,967	95,744,681	43,820,742	212,481,790
Lamu	0		16,762,200	2,366,871	95,744,681	26,065,747	140,939,499
Machakos	156,909,692	304,326,286	97,134,800	25,607,954	95,744,681	85,984,407	608,798,128
Makueni	0		80,802,400	20,618,293	95,744,681	75,834,678	273,000,052
Mandera	0		46,418,400	23,910,336	95,744,681	113,767,220	279,840,637
Marsabit	0		19,341,000	6,787,069	95,744,681	65,923,423	187,796,173
Meru	64,312,674	244,318,286	123,782,400	31,615,328	95,744,681	82,490,349	577,951,044
Migori	0		165,043,200	21,379,200	95,744,681	74,147,432	356,314,513
Mombasa	209,605,198	402,910,857	136,246,600	21,896,682	95,744,681	66,030,539	722,829,359
Muranga	0		80,802,400	21,971,530	95,744,681	68,038,977	266,557,588
Nairobi	0		302,579,200	73,155,271	95,744,681	165,100,152	636,579,304
Nakuru	317,840,196	377,193,143	219,627,800	37,373,449	95,744,681	103,104,393	833,043,466
Nandi	0		67,048,800	17,551,588	95,744,681	60,405,657	240,750,726
Narok	0		56,303,800	19,834,915	95,744,681	67,173,929	239,057,325
Nyamira	0		79,942,800	13,945,233	95,744,681	52,776,448	242,409,162
Nyandarua	0		50,716,400	13,898,986	95,744,681	54,714,122	215,074,189
Nyeri	197,575,454	368,620,571	82,091,800	16,166,813	95,744,681	56,519,885	619,143,750
Samburu	0		14,183,400	5,220,197	95,744,681	45,125,793	160,274,071
Siaya	0		128,080,400	19,634,077	95,744,681	63,456,905	306,916,063
Taita	0		42,120,400	6,635,345	95,744,681	42,042,522	186,542,948
Tana River	0		19,341,000	5,596,140	95,744,681	50,617,289	171,299,110
Tharaka Nithi	0		35,243,600	8,515,829	95,744,681	39,857,530	179,361,640
Tranzania	0		67,908,400	19,085,197	95,744,681	64,782,039	247,520,317
Turkana	0		23,209,200	19,939,321	95,744,681	133,118,571	272,011,773
Uasin Gishu	0		117,335,400	20,843,281	95,744,681	65,941,437	299,864,799
Vihiga	0		67,908,400	12,928,219	95,744,681	49,179,806	225,761,106
Wajir	0		50,286,600	15,429,821	95,744,681	91,879,854	253,340,956
West Pokot	0		41,260,800	11,950,786	95,744,681	54,798,238	203,754,505
<b>GRAND TOTAL</b>	<b>1,869,999,999</b>	<b>3,600,480,000</b>	<b>4,298,000,000</b>	<b>900,000,000</b>	<b>4,500,000,007</b>	<b>3,300,000,000</b>	<b>16,598,480,006</b>

**THIRD SCHEDULE [s. 5(2)]**

**Conditional Additional Allocations to County Governments from Loans and Grants from Development Partners in Financial Year 2015/16 (Figures are in Kenya Shillings)**

No.	County	FY 2014/15	FY 2015/16			
		Total Conditional Additional Allocations from loans and grants	World Bank Loan to Supplement financing of county health facilities	DANIDA Grant to supplement financing for county health facilities	Conditional Allocations - other loans and grants	Total Conditional Allocation from loans and grants
		Column A	Column B	Column C	Column D	Column E (B+C+D)
1	Baringo	182,876,218	17,224,300	25,970,000	0	43,194,300
2	Bomet	150,769,518	0	14,950,000	0	14,950,000
3	Bungoma	711,417,035	0	14,750,000	182,000,000	196,750,000
4	Busia	661,134,231	0	12,990,000	33,250,000	46,240,000
5	Elgeyo/Marakwet	139,362,418	20,179,116	20,800,000	0	40,979,116
6	Embu	426,494,990	0	13,750,000	100,000,000	113,750,000
7	Garissa	91,802,418	15,088,268	17,940,000	0	33,028,268
8	Homa Bay	215,462,418	0	24,770,000	0	24,770,000
9	Isiolo	91,802,418	8,728,052	7,970,000	0	16,698,052
10	Kajiado	214,154,418	31,643,654	17,890,000	40,000,000	89,533,654
11	Kakamega	955,696,758	0	23,500,000	255,000,000	278,500,000
12	Kericho	120,827,418	0	22,600,000	0	22,600,000
13	Kiambu	148,204,518	0	19,200,000	537,000,000	556,200,000
14	Kilifi	142,602,418	66,776,764	15,530,000	0	82,306,764
15	Kirinyanga	277,576,292	0	12,770,000	324,000,000	336,770,000
16	Kisii	155,899,518	0	22,950,000	0	22,950,000
17	Kisumu	210,529,518	0	16,580,000	48,000,000	64,580,000
18	Kitui	299,716,518	46,995,266	36,990,000	0	83,985,266
19	Kwale	168,482,418	45,759,322	13,620,000	0	59,379,322
20	Laikipia	155,224,518	18,845,096	11,530,000	206,000,000	236,375,096
21	Lamu	91,802,418	7,132,526	7,640,000	0	14,772,526
22	Machakos	302,987,289	0	26,700,000	180,000,000	206,700,000
23	Makueni	309,133,344	0	24,130,000	220,000,000	244,130,000
24	Mandera	91,802,418	13,686,168	14,620,000	0	28,306,168
25	Marsabit	91,802,418	10,086,676	15,350,000	0	25,436,676
26	Meru	1,584,004,384	0	20,590,000	200,000,000	220,590,000
27	Migori	216,486,618	67,012,156	20,440,000	0	87,452,156
28	Mombasa	131,729,518	0	6,300,000	16,000,000	22,300,000
29	Muranga	334,012,785	0	24,810,000	100,000,000	124,810,000
30	Nairobi	1,605,339,854	0	27,800,000	6,200,000,000	6,227,800,000
31	Nakuru	138,214,518	0	25,260,000	0	25,260,000
32	Nandi	120,799,518	0	18,310,000	0	18,310,000
33	Narok	205,416,618	38,137,350	17,890,000	0	56,027,350
34	Nyamira	153,902,418	0	23,920,000	0	23,920,000
35	Nyandarua	145,774,518	0	18,860,000	73,000,000	91,860,000
36	Nyeri	316,867,785	0	22,930,000	160,000,000	182,930,000
37	Samburu	91,802,418	8,669,898	10,990,000	0	19,659,898
38	Siaya	653,606,711	0	27,530,000	91,500,000	119,030,000
39	Taita	91,802,418	17,242,898	14,810,000	0	32,052,898
40	Tana River	123,797,418	8,481,988	9,290,000	0	17,771,988
41	Tharaka Nithi	698,823,239	13,899,808	12,330,000	300,000,000	326,229,808
42	Tranzoia	91,802,418	0	11,330,000	0	11,330,000
43	Turkana	91,802,418	20,486,700	12,070,000	0	32,556,700
44	Uasin Gishu	96,432,418	0	17,320,000	0	17,320,000
45	Vihiga	410,456,808	0	14,170,000	52,500,000	66,670,000
46	Wajir	91,802,418	16,369,300	20,090,000	0	36,459,300
47	West Pokot	96,432,418	15,799,898	12,180,000	0	27,979,898
	<b>GRAND TOTAL</b>	<b>13,898,673,499</b>	<b>508,245,204</b>	<b>844,710,000</b>	<b>9,318,250,000</b>	<b>10,671,205,204</b>

**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 2015/2016.

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

**Clause 3** of the Bill contains the 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 2015/16 as well as the transfer of the county allocations from the Consolidated Fund to the respective County Revenue Fund.

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

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

**Clause 6** of the Bill sets out provisions affecting the transfer of funds to a county government made in error or fraudulently.

**Clause 7** of the Bill provides for the publishing of quarterly reports on actual transfers of all allocations to county governments by the national government.

**Clause 8** of the Bill makes provision for a county treasury to reflect the total transfers from the national government in its books of accounts.

**Clause 9** of the Bill contains provisions for the mechanisms for resolution of disputes arising from the provisions of this Act or any issue on division or allocation of revenue to county governments.

**Clause 10** of the Bill deals with what constitutes financial misconduct.

**Clause 11** of the Bill mandates the Cabinet Secretary to make regulations for proper implementation of the Act.

**Clause 12** of the Bill extends the validity of the first formula for sharing revenue among county governments approved in accordance with Article 217 of the Constitution in the event that Parliament has not approved another formula to replace the first one.

Dated on the..... , 2015.

Billow Kerrow  
*Chairperson, Standing Committee on  
Finance, Commerce and Budget*

## **APPENDIX**

### **EXPLANATORY MEMORANDUM TO THE COUNTY ALLOCATON OF REVENUE BILL, 2015**

#### **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 requires 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; and
- (e) explains any assumptions and formulae used in arriving at the respective shares under the County Allocation of Revenue Bill, 2015.

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

2. The County Allocation of Revenue Bill, 2015 proposes to allocate a total of Ksh. 287.044 billion of resources raised nationally to county governments. This is equivalent to 37 percent of most recent audited revenues which have been approved by the National Assembly for the financial year 2012/13 (i.e. Ksh. 776.9 billion). This comprises of an equitable share of Ksh. 259.774 billion or 33 percent of the most recent audited revenue and conditional additional allocations of Ksh. 31.669 billion.

3. The county governments' equitable share of revenue was allocated among the county governments on the basis of the revenue allocation criteria approved by Parliament in accordance with Article 217 of the Constitution.

4. The conditional additional allocations proposed in the Bill include:
- **Conditional Allocation in support of Free Maternal Health Care of Ksh 4.298 billion.** This grant is to be transferred to County Governments on a reimbursement basis, upon confirmation that the County Government provided maternal health care services in their health facilities in accordance with agreed specifications. This grant is intended to facilitate access to free maternal health care in order to reduce the high maternal and child mortality rates in Kenya. This grant will be distributed among County Governments on the basis of percentage contribution to total number of maternity deliveries during the financial year 2013/14. It should, however, be noted that the Ministry of Health is currently working on modalities of replacing this arrangement of ‘cash transfers’ to county health facilities with an insurance scheme that will guarantee all women of the reproductive age 15-45 access to free maternal health care in the county health facilities.
  - **Conditional allocation to facilitate the leasing of health care equipment of Ksh 4.5 billion.** This grant is intended to facilitate the purchase of modern specialised health care 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 walk in search of such services today. This conditional allocation is to be allocated to County Governments equally.
  - **Conditional Allocation for level-5 hospitals of Ksh. 3.6 billion.** Level-5 hospitals continue to play a significant role in providing specialised health care services to Kenyans. These hospitals provide specialised health care services to citizens residing outside their host County Governments, usually for specialized treatment referred from lower level health facilities. In order to compensate them for the costs incurred in rendering services to neighbouring County Governments, the national government proposes to allocate Ksh. **3.6 billion** to be transferred to County Governments as a conditional grant. This conditional allocation is to

be shared among County Governments on the basis of percentage bed occupancy per hospital in 2014.

- **Conditional Allocation from the Road Maintenance Fuel Levy Fund of Ksh. 3.3 billion.** In order to enhance County Governments capacity to repair and maintain county roads the National Government proposes to transfer 15 percent of the Road Maintenance Fuel Levy Fund to the County Governments. This grant is to be shared among County Governments on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution.
- **Conditional Allocation of Ksh. 900 million to compensate county health facilities for forgone user fees.** It is the intention of government to sustain the Government policy of not charging user fees in public health facilities. In this regard, the National Government has allocated Ksh. 900 million to compensate county governments for revenue forgone by not charging user fees in the county health facilities. This grant is to be allocated among County Governments on the basis of the annual consolidated facility outpatient (OPD) attendance workload as reported in the Health Information System (DHIS).

5. The Bill proposes to allocate conditional allocations of Ksh. 844.7 million from the proceeds of a grant from the Government of Denmark and a further Ksh. 508.2 million from the proceeds of a loan from the World Bank. These conditional allocations will be transferred directly to the County Revenue Fund of county governments upon confirmation that the county governments have met agreed conditions. These funds are intended to support the delivery of health services in county health facilities and with a view to increase access to health care services by Kenyans and in particular the poor. The funds are to be allocated to County Governments on the basis of the criteria specified in the financing agreement between the Government of Kenya and the development partners.

6. The Bill also proposes conditional allocations amounting to Ksh. 9.3 billion from the proceeds of other loans and grants from development partners and the Government counterpart funding derived from the National

Government's share. These conditional allocations from proceeds of loans and grants, however, will not be transferred to County Governments in the financial year 2015/16 because existing financing agreements with development partners as well as on-going contracts with suppliers may not allow. The National Treasury has therefore proposed that these funds be budgeted for and managed by the national government while ensuring full involvement of the county governments in their management through the Project Steering Committees and Project Implementation Units.

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

**7. Developmental needs of county governments and their ability to perform the functions assigned to them:** The Bill proposes to allocate equitable share of revenue among county governments on the basis of the formula for sharing revenue approved by Parliament in accordance with Article 217 of the Constitution. This formula incorporates parameters that measure the expenditure needs of counties. Some of the parameters that measure expenditure needs of counties include: population (45%), land area (8%) and poverty (20%). The equitable share of revenue allocated to county governments is shared among county governments on the basis of this formula. Some conditional allocations, such as, allocation from the Road Maintenance Fuel Levy Fund are also proposed for transfer to the county governments on the basis of the formula. It can therefore be argued that when county governments are allocated resources on the basis of this formula, the developmental needs of the county governments are taken care of to the extent possible given the available resources.

**8. Economic disparities among counties as well as disadvantaged areas and groups within counties:** The allocation of the sharable revenue among counties was based on the formula for sharing revenue among counties approved by Parliament in accordance with Article 217 of the Constitution, which takes into account disparities among counties and aims at equitable distribution of resources. It should also be noted that Ksh. 6.0 billion has been set aside for the Equalization Fund in 2015/16. This fund will be used to finance development programmes that aim to reduce regional disparities among counties.



**9. Stability and Predictability of County Revenue Allocations:**

The Division of Revenue Bill, 2015 has proposed that county governments' equitable share of revenue raised nationally be ring-fenced. Variance in revenue raised nationally from the expected revenue not exceeding ten percent is not expected to affect the county governments' allocations of the equitable share of revenue raised nationally. This is because such shortfalls in revenue raised nationally shall be borne by the national government.

**10. Fiscal capacity and efficiency:** County governments have been assigned specific taxes, fees and charges under Article 209 of the Constitution. Official data for each county government's fiscal capacity and efficiency of revenue collection is not available and therefore it is not possible to take into account this criterion in the sharing of revenue among county governments.

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

11. There are differences between the National Treasury's proposal on the revenue allocation among county governments and CRA's recommendations. The differences stem primarily from the different approaches used in the computation of the county governments' equitable share. Table 1 below analyses the differences between the CRA recommendations and the National Treasury proposal on the division of revenue between the national and county governments in 2015/16.

**Table 1: Comparison of Recommendations of the Commission on Revenue Allocation and the National Treasury on the Division of Revenue in 2015/16** (Figures in Ksh. Billions)

Expenditure Item	2015/16		
	CRA (A)	National Treasury (B)	Variance C = (A-B)
Baseline for Cost of Devolved Functions before adjustment	226.7	226.7	0
<b>Add</b>			
Adjustment for revenue growth in FY 2015/16	23.6	23.9	-0.3
Adjustment for the cost of county roads maintenance to be funded by Fuel Levy 15%. *	3.3	0	3.3
Adjustment for cost of devolved functions being performed by national government.	1.5	1.5	0 0 0
Adjustment for cost of village polytechnics currently under Ministry of Education as capitation	3.3	0.9	2.4
Adjustment for cost of functions transferred in 2014/15 i.e. cost of Agricultural Training Centres and Agricultural Training Centres and Agricultural Mechanisation Stations	0.9	0.5	0.4
County Executives & Assemblies (Salaries, Gratuity & Allowances)	12.6	4.5	8.1
Establishment of County Emergency Funds	4.4	0	4.4
Leasing of Medical Equipment	3.3	0	3.3
Provision for ECD Infrastructure	3	0	3
Slum upgrading and housing development	0.2	0	0.2
<b>TOTAL EQUITABLE SHARE OF REVENUE</b>	<b>282.4</b>	<b>258</b>	<b>24.4</b>

**Source: National Treasury**

\* The allocation of Ksh. 3.3 billion from the Road Maintenance Fuel Levy Fund to county governments is not included as part of the equitable share

under the National Treasury proposal but instead is provided as a conditional allocation to county governments (see the Schedule in the Division of Revenue Bill, 2015).

12. The Commission on Revenue Allocation has proposed revenue and conditional additional allocations to counties of Ksh. 282.4 billion in the financial year 2015/16. This is approximately 36 percent of most recent audited revenue approved by Parliament for the financial year 2012/13 (i.e. Ksh. 776.9 billion). However, based on Senate resolutions, total consideration to cater for salaries awards by Salaries and Remuneration Commission is kshs Ksh.6.266 billion, and kshs 4.4 billion for county emergencies were further factored in to address the substantial deviation. In addition, Ksh. 1.536 billion as additional intervention to level 5 hospitals were also contained in the Resolutions bringing total proposed allocation to kshs 3.6 billion. The following reasons also explain the difference in the various proposal:

- i. The CRA provides for adjustments of salaries and allowances for county assemblies of Ksh. 6.6 billion and county executives of Ksh. 6.0 billion. These salary adjustments were based on various gazette notices issued by the Salaries and Remuneration Commission (SRC) and other guidelines issued by the Transition Authority. It is expected that going forward when salaries and other benefits of staff are adjusted periodically, each level of Government should identify areas to make savings to cater for such adjustments. In addition, the annual growth in revenues is expected to cater for expansion of services as well as cushion each level of government and therefore adjustments of county governments' salaries and allowances should not be paid for from the revenue share of the national government. In a meeting of the Intergovernmental Budget and Economic Council (IBEC) it was noted that the salary awards by SRC and the Transition Authority had significant cost implication and it was therefore resolved that the county governments be allocated an additional Ksh. 4.5 billion in 2015/16 to cover the cost of increases in salaries and allowances awarded by the SRC in 2014/15.
- ii. The CRA has proposed an allocation of Ksh. 3.3 billion as part of the county governments' equitable share for leasing of medical equipment whereas the national government has proposed Kshs. 4.5

billion as a conditional allocation. It should be noted that this amount was part of the national government share of revenue in 2014/15 financial year as determined by Parliament. Health care, however, is a devolved function and therefore there is merit in ensuring that intergovernmental agreement is signed between the national government and county governments in line with Article 187 of the Constitution. In any case the facilities to be equipped are under the management of county governments. It should, however, be noted that this allocation relates to a national strategic intervention aimed at improving access to specialised health care services at the county government level. The ultimate objective is to equip two hospitals per county in order to decongest the referral hospitals as well as ensure each county government has a referral hospital. In light of the importance the National Government places on the need to equip health care facilities with medical equipment, the Bill proposes to allocate a higher amount of Ksh. 4.5 billion for leasing of medical equipment.

- iii. The CRA proposes that 15 percent (estimated at Ksh. 3.3 billion) of Road Maintenance Fuel Levy Fund be transferred to county governments as part of the equitable share of revenue for the maintenance of county roads whereas the National Treasury proposes Kshs. 3.3 billion to be a conditional allocation designed for county road maintenance by the county government. It should be noted that this fund was established for purposes of financing road maintenance. Since part of the Fund was previously, (that is, prior to the promulgation of the Constitution) used to maintain some rural and urban roads, then part of the Fund should be allocated to the county governments which have taken over the maintenance of this category of roads. In order to ensure that proceeds of this Fund are applied for the maintenance of county roads, the Bill proposes that these funds be provided as conditional allocations to county governments. It should also be noted that the revenue that accrue to the Fund is not part of the shareable revenue as defined in the Commission on Revenue Allocation Act, 2011.
- iv. The CRA has proposed to allocate, as part of county governments' equitable share, resources for Provision of Early Childhood Development Education (ECDE) infrastructure amounting to Ksh. 3

Billion. It should be noted that this function was transferred to county governments together with related resources. Whereas there is need to increase support for ECDE, it should be noted that national government does not have additional resources to transfer to county governments at the moment given the demands from other national government development priorities. The county governments, however, should set aside resources from their allocation to finance ECDE infrastructure. In addition, county governments by enhancing their capacity to collect own revenue more efficiently could create fiscal space to facilitate the financing of ECDE initiatives

- v. The CRA proposes an allocation of Ksh. 3 billion for Village Polytechnics. This is an additional allocation being proposed by CRA. It should, however, be noted that the function was transferred together with its attendant resources in 2013. The Ministry of Education has, however, proposed the transfer of Ksh. 0.9 billion being held at the Ministry's Vote as capitation to Village Polytechnics. In light of the proposal by the Ministry of Education, the Bill proposes that the Ksh. 0.9 billion be part of the equitable share to county governments to support village polytechnics.
- vi. The CRA has proposed that additional Ksh. 0.9 billion be transferred to county governments being an allocation to functions which were gazetted for transfer in March 2014. These functions are the Agricultural Training Centre's and Agricultural Mechanization Stations. These functions were transferred after the Division of Revenue Bill, 2014 had been passed by the National Assembly. Naturally therefore the attendant resources could not be transferred in 2014/15 financial year. It should, however, be noted that the budgetary resources relating to these functions were Ksh. 0.5 billion and not Ksh. 0.9 billion. In this respect, the Bill proposes that Ksh. 0.5 billion be transferred to the county governments and be included as part of the equitable share of revenue due to the county governments in 2015/16 financial year.
- vii. The CRA has also recommended money for slum upgrading and housing development of Ksh. 245 Million to be transferred as part of equitable share of revenue. This amount is part of an awarded contract by the Ministry of Lands, Housing and Urban Development which is part of counterpart funding for donor financed project and therefore it

- is not available for transfer, otherwise the project will stall. In light of this, the Bill does not propose the inclusion of this allocation in the county governments' equitable share of revenue but includes it as part of the conditional allocation of revenue from loans and grants from development partners.
- viii. The CRA, in its recommendation to Parliament, proposes an allocation of Ksh. 4.4 billion to facilitate the setting up of County Emergency Funds for each county government in line with the provisions of Public Finance Management Act. It should be noted that in the initial costing of devolved functions, the cost of setting up county emergency funds was taken into account. Each county government is therefore expected to set up its emergency fund using funds from the equitable share of revenue. Indeed, a number of county governments have also gone ahead and established their own emergency funds as envisaged in the Public Finance Management Act, 2012.
- ix. Although the base of the county equitable share of revenue is increased by the same factor (10.41 percent) in the CRA recommendations and the Division of Revenue Bill, 2015, there is a slight variance in the adjustment for annual revenue growth of Ksh 0.3 billion. This difference arises from the difference in the base. CRA in its recommendations to Parliament uses the county governments' equitable share for 2014/15 (Ksh. 226.6 billion as the base). The Division of Revenue Bill, 2015 on the other hand makes some adjustment to the base by adding to the county governments' share of revenue that relate to transferred functions before growing the adjusted base of 229 billion with a factor of 10.41 percent.
13. The CRA recommends that Ksh. 282.4 billion vertical allocation to county governments be shared among county governments on the basis of the revenue sharing formula approved by Parliament in accordance with Article 217 of the Constitution. The CRA further recommends that each county government's share of the Ksh. 282.4 billion be transferred to the respective County Revenue Fund. On the other hand, the County Allocation of Revenue Bill, 2015 proposes an equitable share of Ksh. 258 billion to be shared on the basis of the revenue sharing formula and each county government's share be transferred to their respective County Revenue Fund.

14. In order to ensure that certain national policy objectives are achieved, the Bill proposes that some funds be transferred to county governments as conditional allocations upon confirmation that certain conditions have been met. It is felt that if these funds are transferred to county governments unconditionally it will not be possible to achieve the intended national policy objectives. These include:

- Conditional allocation to finance the free maternal health care of Ksh. 4.298 billion. This is to be allocated to county governments on the basis of the ratio of county population to national population. This is because population is a good proxy of the measure of the demand for free maternal health care,
- Conditional allocation from the Road Maintenance Fuel Levy Fund ,
- Conditional allocation to supplement funding for level-5 hospitals , and
- Conditional allocation from proceeds of loans and grants from Government of Denmark and the World Bank amounting to Ksh. 1.4 billion to be transferred to the County Revenue Fund of each county government, on basis of a criteria agreed between the development partners and the Government of Kenya, to supplement funding for county governments' health facilities.

In addition, the Bill proposes that other conditional allocations be managed by the national government. These include:

- Conditional allocation to finance the leasing of medical equipment of Ksh. 4.5 billion. It is proposed that this conditional allocation be shared equally among county governments.
- Conditional allocations from proceeds of loans and grants from other development partners amounting to Ksh. 9.3 billion to be allocated on the basis of financing agreements entered into between the National Government and the development partners and managed by the National Government but with the involvement of county governments in the management structures.

The differences between the proposals set out in the County Allocation of Revenue Bill, 2015 and the CRA's recommendations notwithstanding, the

proposed county governments' equitable share of revenue in the Bill, stands at 33 percent of the most recent audited revenue, as approved by the National Assembly, is way above the minimum threshold required under Article 203(2) of the Constitution.

In conclusion, it is important to point out that the resources raised nationally may not be sufficient to finance all the proposals made by the CRA. If, all the proposals made by the CRA were taken into account, the national government would be left with a huge financing gap, which can only be financed by additional borrowing. Such additional borrowing would push up interest rates and thereby slow the growth of the economy.



**ANNEXES TO THE SECOND SCHEDULE: FRAMEWORKS FOR  
CONDITIONAL ADDITIONAL ALLOCATIONS TO COUNTY  
GOVERNMENTS FINANCED BY REVENUE RAISED BY THE  
NATIONAL GOVERNMENT**

**1. Conditional Allocation for Free Maternity Health Care**

Ministry/State Department Responsible	Health (Vote 108)
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health.
Responsibilities of the National Government accounting officer	<p>(a) Prepare and operationalize programme implementation guidelines</p> <p>(b) Initiate requests for disbursement of funds for transfer to respective County Revenue Fund.</p> <p>(c) Cause to conduct periodical supplementary verification visits in form of sample based surveys and risk based audits.</p> <p>(d) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.</p>
Conditions	<p>(a) Funds are earmarked for <b>health facilities</b> providing maternal health care and meet the minimum standards set by MOH</p> <p>(b) Health facilities benefitting should be licensed to operate under the Laws of Kenya</p> <p>(c) Public facilities should have functional management boards (for hospitals) and facility management committees (for health centers and dispensaries)</p> <p>(d) Health facilities benefitting should have eliminated direct out of pocket payments for maternal care services in compliance with free maternal health care policy</p>

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	<p>(e) Public facilities should have an approved workplan that incorporates all sources of funding, including conditional allocations</p> <p>(f) Provide timely technical reports into DHIS. In addition, public facilities to provide financial reports through IFMIS</p>
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	<p>(a) Ensure receipts (based on projected consolidated payments to health facilities)) are included in the budget estimates of the county department responsible for health for the FY 2015/16 as revenue.</p> <p>(b) Ensure benefitting public health care facilities have <b>integrated</b> annual workplans that incorporates incomes from all sources including Free maternity care programme with clear deliverables.</p> <p>(c) Ensure health facilities routinely report through Health Information System (DHIS).</p>
Allocation: 2015/16	KES 4,298,000,000
Purpose of the grant	<p>(a) To ensure equitable access to maternal care services as a priority component of the national government policy to implement a basic package of Universal Health Coverage (UHC).</p> <p>(b) To decrease maternal mortality and to contribute to the achievement of the MDG 4 &amp; 5 country targets</p>
Allocation criteria	Direct re-imbursements to health providers based on actual quantity of services provided. Estimates on receipts by county based on percentage contribution to total number of maternity deliveries during FY 2013/14

<b>Allocation by County Government</b>			
<b>No.</b>	<b>County</b>	<b>Allocation Ratio- No of maternity deliveries</b>	<b>Free Maternal Health Care FY 2015/16 (Ksh)</b>
		<b>Column A</b>	<b>Column B</b>
1	Baringo	1.53%	65,759,400
2	Bomet	1.36%	58,452,800
3	Bungoma	3.97%	170,630,600
4	Busia	2.32%	99,713,600
5	Elgeyo/Marakwet	1.01%	43,409,800
6	Embu	1.34%	57,593,200
7	Garissa	1.17%	50,286,600
8	Homa Bay	3.05%	131,089,000
9	Isiolo	0.54%	23,209,200
10	Kajiado	1.16%	49,856,800
11	Kakamega	5.00%	214,900,000
12	Kericho	2.30%	98,854,000
13	Kiambu	5.23%	224,785,400
14	Kilifi	4.12%	177,077,600
15	Kirinyanga	1.18%	50,716,400
16	Kisii	4.53%	194,699,400
17	Kisumu	2.88%	123,782,400
18	Kitui	1.48%	63,610,400
19	Kwale	2.43%	104,441,400
20	Laikipia	1.48%	63,610,400
21	Lamu	0.39%	16,762,200
22	Machakos	2.26%	97,134,800
23	Makueni	1.88%	80,802,400
24	Mandera	1.08%	46,418,400
25	Marsabit	0.45%	19,341,000
26	Meru	2.88%	123,782,400
27	Migori	3.84%	165,043,200
28	Mombasa	3.17%	136,246,600
29	Muranga	1.88%	80,802,400
30	Nairobi	7.04%	302,579,200
31	Nakuru	5.11%	219,627,800
32	Nandi	1.56%	67,048,800
33	Narok	1.31%	56,303,800
34	Nyamira	1.86%	79,942,800

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<b>Allocation by County Government</b>			
<b>No.</b>	<b>County</b>	<b>Allocation Ratio- No of maternity deliveries</b>	<b>Free Maternal Health Care FY 2015/16 (Ksh)</b>
		<b>Column A</b>	<b>Column B</b>
35	Nyandarua	1.18%	50,716,400
36	Nyeri	1.91%	82,091,800
37	Samburu	0.33%	14,183,400
38	Siaya	2.98%	128,080,400
39	Taita	0.98%	42,120,400
40	Tana River	0.45%	19,341,000
41	Tharaka Nithi	0.82%	35,243,600
42	Tranzoia	1.58%	67,908,400
43	Turkana	0.54%	23,209,200
44	Uasin Gishu	2.73%	117,335,400
45	Vihiga	1.58%	67,908,400
46	Wajir	1.17%	50,286,600
47	West Pokot	0.96%	41,260,800
	<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>4,298,000,000</b>

**2. Conditional Allocations for Leasing Medical Equipment(Managed Equipment Service (MES) for County level referral hospitals)**

- Notes:** 1.MES contracts are to be signed centrally  
2. Servicing of contracts is to be done centrally over contract period

Ministry/State Department Responsible	Health (Vote 108)
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a)Ensure MES contract is in place. (b) Ensure compliance with contractual obligations by all parties (c) Ensure timely payments directly to suppliers as per contract (d) ensure funds are included in national government budget.
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: 2015/16	KES 4,500,000,000.00
Purpose of the grant	To support provision of specialized medical services in referral hospitals at county level in an effort to improve geographical access to specialized medical services for all Kenyans, especially those living in rural areas.
Allocation criteria	Equal allocation to all county governments

<b>Allocation by County Government</b>			
<b>No.</b>	<b>County</b>	<b>Allocation Ratio (Equal Share)</b>	<b>Leasing of Medical Equipment (Ksh.)</b>
		<b>Column A</b>	<b>Column B</b>
1	Baringo	2.13%	95,744,681
2	Bomet	2.13%	95,744,681
3	Bungoma	2.13%	95,744,681
4	Busia	2.13%	95,744,681
5	Elgeyo/Marakwet	2.13%	95,744,681
6	Embu	2.13%	95,744,681
7	Garissa	2.13%	95,744,681
8	Homa Bay	2.13%	95,744,681
9	Isiolo	2.13%	95,744,681
10	Kajiado	2.13%	95,744,681
11	Kakamega	2.13%	95,744,681
12	Kericho	2.13%	95,744,681
13	Kiambu	2.13%	95,744,681
14	Kilifi	2.13%	95,744,681
15	Kirinyanga	2.13%	95,744,681
16	Kisii	2.13%	95,744,681
17	Kisumu	2.13%	95,744,681
18	Kitui	2.13%	95,744,681
19	Kwale	2.13%	95,744,681
20	Laikipia	2.13%	95,744,681
21	Lamu	2.13%	95,744,681
22	Machakos	2.13%	95,744,681
23	Makueni	2.13%	95,744,681
24	Mandera	2.13%	95,744,681
25	Marsabit	2.13%	95,744,681
26	Meru	2.13%	95,744,681
27	Migori	2.13%	95,744,681
28	Mombasa	2.13%	95,744,681
29	Muranga	2.13%	95,744,681
30	Nairobi	2.13%	95,744,681
31	Nakuru	2.13%	95,744,681
32	Nandi	2.13%	95,744,681
33	Narok	2.13%	95,744,681

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34	Nyamira	2.13%	95,744,681
35	Nyandarua	2.13%	95,744,681
36	Nyeri	2.13%	95,744,681
37	Samburu	2.13%	95,744,681
38	Siaya	2.13%	95,744,681
39	Taita	2.13%	95,744,681
40	Tana River	2.13%	95,744,681
41	TharakaNithi	2.13%	95,744,681
42	Tranzoia	2.13%	95,744,681
43	Turkana	2.13%	95,744,681
44	UasinGishu	2.13%	95,744,681
45	Vihiga	2.13%	95,744,681
46	Wajir	2.13%	95,744,681
47	West Pokot	2.13%	95,744,681
	<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>4,500,000,000</b>

### 3. Conditional Allocations to Supplement Financing for Level 5 Hospitals

Ministry/State Department Responsible	Health (Vote 108)
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	<p>(a) Set conditions for transfers and monitor compliance.</p> <p>(b) Initiate requests for disbursement of funds to County Revenue Fund.</p> <p>(c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.</p>
Conditions	<p>(a) Funds are earmarked for the Level 5 hospital in the receiving County.</p> <p>(b) Hospital should meet and maintain the norms and standards for a Level 5 hospital as set by the Ministry of Health.</p> <p>(c) The level 5 hospital should meet the minimum standards set by Medical Practitioners' and Dentist Board (MPDB) as an internship center for medical doctors.</p> <p>(d) Hospital should submit timely <b>activity reports</b> (also routine reporting in DHIS) in standard format with additional information <b>on referral from other counties</b> and <b>specialized medical</b> (include all disciplined) <b>services</b> carried out as annexes).</p>
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	<p>(a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2015/16.</p> <p>(b) Ensure hospital prepares an <b>integrated</b> annual workplan that incorporates all</p>



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	<p>income including conditional allocations with clear deliverables</p> <p>(c) Supervise operations of the hospital.</p> <p>(d) Prepare and submit quarterly performance reports (activity reports and financial expenditure reports) to County treasury with copies to The National Treasury and Ministry of Health</p> <p>(e) Ensure the conditional allocations are applied towards level-5-Hospitals and they maintain separate books of accounts of all receipts at the Level-5- Hospitals precincts.</p>
Allocation: 2015/16	KES 3,600,480,000
Purpose of the grant	To support Counties to maintain the capacities of designated Level 5 hospitals in the provision of medical training, specialized and inter-county referral services.
Allocation criteria	Percentage bed occupancy per hospital in 2014

<b>Allocation by County Government</b>			
No	County	Allocation Ratio – bed occupancy	Allocation for level-5 Hospitals in 2015/16
		Column A	
1	Embu	5.4%	192,882,857
2	Garissa	10.0%	360,048,000
3	Kakamega	9.5%	342,902,857
4	Kiambu	9.2%	330,044,000
5	Kisii	9.4%	338,616,571
6	Kisumu	9.4%	338,616,571
7	Machakos	8.5%	304,326,286
8	Meru	6.8%	244,318,286
9	Mombasa	11.2%	402,910,857
10	Nakuru	10.5%	377,193,143
11	Nyeri	10.2%	368,620,571
	<b>GRAND TOTAL</b>	100.00%	<b>3,600,480,000</b>

**4. Conditional Additional to support abolishment of user fees in health centers and dispensaries**

Ministry/State Department Responsible	Health (Vote 108)
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a) Set conditions for transfers and monitor compliance. (b) Initiate requests for disbursement of funds from the Consolidated Fund to the County Revenue Fund. (c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.
Conditions	(a) Funds are earmarked for health centers and dispensaries. (b) Facility must have a functional Health Management Committee (c) Benefitting health centers and dispensaries must be gazetted under Cap 253 and are in the Master Facility List (d) Benefitting health centers and dispensaries have approved integrated workplans that incorporate all sources of funds, including conditional allocations (e) Facilities expenditure and non-financial information to be captured on timely manner to facilitate timely reporting into DHIS and financial expenditures are captured in IFMIS
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government

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Responsibilities of the County Government accounting officer	(a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2015/16. (b) Ensure health centers and dispensaries prepare an <b>integrated</b> annual workplan that incorporates all sources of income (c) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and MOH
Allocation: 2015/16	KES 900, 000,000.00
Purpose of the grant	To compensate public dispensaries and health centers for lost revenue on abolishment of user fees.
Allocation criteria	Annual consolidated facility outpatient (OPD) attendance workload as reported routinely in DHIS. Similarly, OPD workload data to be used to distribute allocation to recipient health centers and dispensaries within a County.

<b>Allocation by County Government</b>			
No.	County	Allocation Ratio-outpatient attendance workload	Conditional allocations to compensate county governments for user fees revenue forgone FY 2015/16 (Ksh)
		Column A	Column B
1	Baringo	1.91%	12,950,107
2	Bomet	3.64%	16,880,750
3	Bungoma	1.89%	38,017,014
4	Busia	2.19%	11,377,011
5	Elgeyo/Marakwet	1.76%	8,624,640
6	Embu	1.66%	12,032,884
7	Garissa	0.96%	14,523,507
8	Homa Bay	2.54%	22,466,004
9	Isiolo	0.36%	3,340,178

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10	Kajiado	1.45%	16,021,218
11	Kakamega	3.54%	38,709,716
12	Kericho	2.84%	17,676,855
13	Kiambu	3.18%	37,838,646
14	Kilifi	3.05%	25,867,884
15	Kirinyanga	2.52%	12,308,920
16	Kisii	2.66%	26,859,653
17	Kisumu	1.82%	22,585,235
18	Kitui	3.75%	23,606,211
19	Kwale	2.45%	15,149,869
20	Laikipia	1.13%	9,305,967
21	Lamu	0.35%	2,366,871
22	Machakos	3.20%	25,607,954
23	Makueni	2.87%	20,618,293
24	Mandera	0.72%	23,910,336
25	Marsabit	0.50%	6,787,069
26	Meru	3.25%	31,615,328
27	Migori	2.67%	21,379,200
28	Mombasa	1.02%	21,896,682
29	Muranga	3.64%	21,971,530
30	Nairobi	2.33%	73,155,271
31	Nakuru	3.99%	37,373,449
32	Nandi	2.96%	17,551,588
33	Narok	3.39%	19,834,915
34	Nyamira	1.67%	13,945,233
35	Nyandarua	1.98%	13,898,986
36	Nyeri	2.96%	16,166,813
37	Samburu	0.49%	5,220,197
38	Siaya	3.03%	19,634,077
39	Taita	1.18%	6,635,345
40	Tana River	0.47%	5,596,140
41	Tharaka Nithi	1.36%	8,515,829
42	Tranzoia	3.88%	19,085,197
43	Turkana	0.80%	19,939,321
44	Uasin Gishu	2.54%	20,843,281
45	Vihiga	1.66%	12,928,219
46	Wajir	0.82%	15,429,821
47	West Pokot	0.98%	11,950,786
	<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>900,000,000</b>

**5. Conditional Allocations from the Road Maintenance Fuel Levy Fund**

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Accounting Officer of the National Government Responsible	Principal Secretary, State Department of Infrastructure
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Initiate request for disbursement of funds</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the National Treasury.</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the county government</li> <li>• Work plans must be prepared and shared with the State Department of Infrastructure with copies to the National Treasury</li> <li>• The allocation must be used for the maintenance of county roads</li> <li>• County government must provide a report/proof that funds were used to maintain county roads.</li> </ul>
Accounting Officer of the County Government Responsible	<ul style="list-style-type: none"> <li>• Accounting Officer responsible for the Infrastructure/roads in the county government.</li> </ul>
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the relevant department for the FY 2015/16 for maintenance of county roads.</li> <li>• Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Infrastructure</li> <li>• Monitor and evaluate performance of the allocation and report to the County Treasury.</li> </ul>
Allocation: 2015/16	Ksh. 3,300,000,000
Objectives	To maintain county roads
Allocation Criteria	Revenue sharing formula approved by Parliament under Article 217 of the Constitution.

<b>Allocation by County Government</b>			
<b>No.</b>	<b>County</b>	<b>Allocation Ratio (Approved Equitable Share Formula)</b>	<b>Conditional allocations for maintenance of roads</b>
		<b>Column A</b>	<b>Column B</b>
1	Baringo	1.71%	56,410,082
2	Bomet	1.81%	59,793,197
3	Bungoma	3.25%	107,348,422
4	Busia	1.80%	59,268,075
5	Elgeyo/Marakwet	1.26%	41,545,473
6	Embu	1.48%	48,754,599
7	Garissa	2.22%	73,319,649
8	Homa Bay	2.17%	71,582,731
9	Isiolo	1.18%	38,828,547
10	Kajiado	1.70%	56,055,021
11	Kakamega	3.43%	113,164,138
12	Kericho	1.73%	57,229,294
13	Kiambu	2.87%	94,811,800
14	Kilifi	2.86%	94,528,196
15	Kirinyanga	1.36%	44,947,130
16	Kisii	2.73%	90,112,658
17	Kisumu	2.19%	72,170,965
18	Kitui	2.80%	92,318,534
19	Kwale	1.97%	65,113,404
20	Laikipia	1.33%	43,820,742
21	Lamu	0.79%	26,065,747
22	Machakos	2.61%	85,984,407
23	Makueni	2.30%	75,834,678
24	Mandera	3.45%	113,767,220
25	Marsabit	2.00%	65,923,423
26	Meru	2.50%	82,490,349
27	Migori	2.25%	74,147,432
28	Mombasa	2.00%	66,030,539
29	Muranga	2.06%	68,038,977
30	Nairobi	5.00%	165,100,152

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<b>Allocation by County Government</b>			
<b>No.</b>	<b>County</b>	<b>Allocation Ratio (Approved Equitable Share Formula)</b>	<b>Conditional allocations for maintenance of roads</b>
		<b>Column A</b>	<b>Column B</b>
31	Nakuru	3.12%	103,104,393
32	Nandi	1.83%	60,405,657
33	Narok	2.04%	67,173,929
34	Nyamira	1.60%	52,776,448
35	Nyandarua	1.66%	54,714,122
36	Nyeri	1.71%	56,519,885
37	Samburu	1.37%	45,125,793
38	Siaya	1.92%	63,456,905
39	Taita	1.27%	42,042,522
40	Tana River	1.53%	50,617,289
41	Tharaka Nithi	1.21%	39,857,530
42	Tranzoia	1.96%	64,782,039
43	Turkana	4.03%	133,118,571
44	Uasin Gishu	2.00%	65,941,437
45	Vihiga	1.49%	49,179,806
46	Wajir	2.78%	91,879,854
47	West Pokot	1.66%	54,798,238
	<b>GRAND TOTAL</b>	<b>100.00%</b>	<b>3,300,000,000</b>

**ANNEXES TO THE SECOND SCHEDULE: FRAMEWORKS FOR  
CONDITIONAL ADDITIONAL ALLOCATIONS FROM  
RESOURCES RECEIVED FROM DEVELOPMENT PARTNERS**

**1. DANIDA Health Sector Programme Support III (HSPS)  
grant**

Ministry/State Department Responsible	Health (Vote 108)
Development Partner	Government of Denmark
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a) Initiate request for disbursement of funds from development partners to the Consolidated Fund for transfer to the County Revenue Fund (b) Submit quarterly and annual financial and non-financial performance reports to the National Treasury. (c) Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	(a) Funding is earmarked for health centers, dispensaries and County Health Management Teams (CHMTs) agreed upon between DANIDA, MOH and County governments. (b) Participating health centers, dispensaries and CHMTs should have approved integrated annual workplans and budgets (c) Funding must be included in the budget estimates of the county government (d) County government must submit quarterly statement of disbursements to health centers and dispensaries.
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	(a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2015/16 as revenue.



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	<p>(b) Ensure health centers and dispensaries participating in the programme report timely in the DHIS.</p> <p>(c) Ensure County Health Management Team (CHMT) carries out continuous supportive supervision visits to health facilities.</p> <p>(d) Submit consolidated expenditure returns to the National Treasury, Controller of Budget and MOH.</p>
Allocation: 2015/16	KES 844,710,000.00
Purpose of the grant	To provide additional support for operations and maintenance of public health centers and dispensaries.
Allocation criteria	As per agreement between DANIDA, MOH and County governments
Responsibilities of the National Government accounting officer	<p>(a) Initiate request for disbursement of funds to the County Revenue Fund</p> <p>(b) Submit quarterly and annual financial and non-financial performance reports to the National Treasury.</p> <p>(c) Monitor and evaluate performance of the allocation and report to the National Treasury</p>

<b>Allocation by County in 2015/16</b>		
No.	County	Amount Ksh.
1	Baringo	25,970,000
2	Bomet	14,950,000
3	Bungoma	14,750,000
4	Busia	12,990,000
5	Elgeyo Marakwet	20,800,000
6	Embu	13,750,000
7	Garissa	17,940,000
8	Homa Bay	24,770,000
9	Isiolo	7,970,000
10	Kajiado	17,890,000
11	Kakamega	23,500,000
12	Kericho	22,600,000
13	Kiambu	19,200,000
14	Kilifi	15,530,000

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15	Kirinyaga	12,770,000
16	Kisii	22,950,000
17	Kisumu	16,580,000
18	Kitui	36,990,000
19	Kwale	13,620,000
20	Laikipia	11,530,000
21	Lamu	7,640,000
22	Machakos	26,700,000
23	Makueni	24,130,000
24	Mandera	14,620,000
25	Marsabit	15,350,000
26	Meru	20,590,000
27	Migori	20,440,000
28	Mombasa	6,300,000
29	Muranga	24,810,000
30	Nairobi City	27,800,000
31	Nakuru	25,260,000
32	Nandi	18,310,000
33	Narok	17,890,000
34	Nyamira	23,920,000
35	Nyandarua	18,860,000
36	Nyeri	22,930,000
37	Samburu	10,990,000
38	Siaya	27,530,000
39	TaitaTaveta	14,810,000
40	Tana River	9,290,000
41	TharakaNithi	12,330,000
42	Transzoia	11,330,000
43	Turkana	12,070,000
44	UasinGishu	17,320,000
45	Vihiga	14,170,000
46	Wajir	20,090,000
47	West Pokot	12,180,000
	<b>TOTAL</b>	<b>844,710,000</b>

## 2. World Bank Kenya Health Sector Support Project Allocation

Ministry/State Department Responsible	Health (Vote 108)
Development Partner	IDA
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a) Prepare and disseminate results based financing programme operational manual. (b) Facilitate targeted capacity building for health centers, dispensaries and CHMTs participating in the programme. (c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and World Bank.
Conditions	(a) Funds are earmarked for <b>health centers, dispensaries and CHMTs in twenty ASAL Counties and Migori County</b> . This includes faith based organization (FBO) health facilities. (b) Public health centers and dispensaries in the programme should be gazetted, have a functional facility management committee and report routinely into DHIS.
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County government
Responsibilities of the County Government accounting officer	(a) Ensure projected receipts are included in the budget estimates of the department responsible for health for the FY 2015/16 as revenue. (b) Ensure health centers and dispensaries participating in the programme report timely in the DHIS. (c) Participating health centers, dispensaries and CHMT must have an integrated annual workplans and budgets that incorporate incomes from results based financing. (d) Ensure verification of payment claims from health centers and dispensaries participating in the programme. (e) Ensure County Health Management Team (CHMT) carries out continuous supportive supervision visits to health facilities participating in the programme (f) Submit consolidated payment claims to MOH for reimbursement

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Ministry/State Department Responsible	Health (Vote 108)
Allocation: 2015/16	KES 508,245,204.00
Purpose of the grant	To incentivize health workers to perform and deliver results for realization of MDG 4 & 5 and Sustainable Development Goals.
Allocation criteria	(a) Project Agreement between World Bank and Government of Kenya (b) Total price of incentivized indicators based on 2013/14 DHIS data and set unit prices

<b>Allocation by County in 2015/16</b>		
<b>No.</b>	<b>County</b>	<b>Amount (Ksh.)</b>
1	Baringo	17,224,300
2	E/Marakwet	20,179,116
3	Garissa	15,088,268
4	Isiolo	8,728,052
5	kajiado	31,643,654
6	kitui	46,995,266
7	kilifi	66,776,764
8	kwale	45,759,322
9	Laikipia	18,845,096
10	Lamu	7,132,526
11	Mandera	13,686,168
12	Marsabit	10,086,676
13	Narok	38,137,350
14	Samburu	8,669,898
15	Taita Taveta	17,242,898
16	Tana River	8,481,988
17	Tharaka Nithi	13,899,808
18	Turkana	20,486,700
19	West Pokot	15,799,898
20	Wajir	16,369,300
21	Migori	67,012,156
	<b>Total</b>	<b>508,245,204</b>

### 3. Allocation for Roads 2000 Project in Western Kenya

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Development Partner	Government of Germany
Accounting Officer of the National Government Responsible	Principal Secretary, Infrastructure
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh. 614,250,000
Objectives	To upgrade well-trafficked roads in five counties (Kakamega, Vihiga, Busia, Siaya and Bungoma).
Allocation Criteria	Based on financing agreement between the Government of Germany and the Government of Kenya and agreed work plans.

<b>Allocation by County in 2015/16</b>		
	<b>County</b>	<b>Amount (Ksh.)</b>
1	Kakamega	255,000,000
2	Bungoma	182,000,000
3	Vihiga	52,500,000
4	Busia	33,250,000
5	Siaya	91,500,000
<b>Grand Total in Ksh.</b>		<b>614,250,000</b>

#### 4. Allocation for Roads 2000 Project in Central Kenya

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Development Partner	Government of France
Accounting Officer of the National Government Responsible	Principal Secretary, Infrastructure
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh.1,400,000,000
Objectives	To upgrade low volume seal roads and structures in six counties (Kiambu, Kirinyaga, Murang'a, Nyeri, Laikipia, and Nyandarua).
Allocation Criteria	Based on financing agreement between the Government of France and the Government of Kenya and agreed work plans.

<b>Allocation by County in 2015/16</b>		
	<b>County</b>	<b>Amount (Ksh.)</b>
1	Kiambu	537,000,000
2	Kirinyaga	324,000,000
3	Murang'a	100,000,000
4	Nyeri	160,000,000
5	Laikipia	206,000,000
6	Nyandarua	73,000,000
<b>Total</b>		<b>1,400,000,000</b>

**5. Allocation for Rehabilitation of Sub-district hospitals-  
KIDDP**

Ministry/State Department Responsible	Health
Development Partner	Government of Italy
Accounting Officer of the National Government Responsible	Principal Secretary, Ministry of Health
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh.104,000,000
Expected Outcomes	To rehabilitate three sub-district hospitals i.e. Ngong sub-district hospitals in Kajiado County; Likoni sub-district hospital in Mombasa county and Muhoroni sub-district hospital in Kisumu County.
Allocation Criteria	Based on financing agreement between the Government of Italy and the Government of Kenya and agreed work plans.

<b>Allocation by County in 2015/16</b>		
	<b>County</b>	<b>Amount (Ksh.)</b>
1	Mombasa	16,000,000
2	Kajiado	40,000,000
3	Kisumu	48,000,000
	<b>TOTAL</b>	<b>104,000,000</b>

**National Urban Transport Improvement Project (NUTRIP)  
Allocation**

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Development Partner	IDA
Accounting Officer of the National Government Responsible	Principal Secretary, Infrastructure
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh.5,200,000,000
Objective	<ol style="list-style-type: none"> <li>1. To improve the efficiency of road transport along the northern corridor;</li> <li>2. To improve the institutional capacity and arrangements in the urban transport sub-sector; and</li> <li>3. Promote the private sector participation in the operation, financing and management of transport systems.</li> </ol>
Allocation Criteria	Not applicable since the project covers Nairobi county only.

<b>Allocation by County in 2015/16</b>		
	<b>County</b>	<b>Amount (Ksh.)</b>
1	Nairobi	5,200,000,000
	<b>TOTAL</b>	<b>5,200,000,000</b>



## 6. Allocation for Rural Roads Rehabilitation - Roads 2000

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Development Partner	European Development Fund
Accounting Officer of the National Government Responsible	Principal Secretary, Infrastructure
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh. 1,000,000,000
Objective	<ol style="list-style-type: none"> <li>1. To contribute to developing a well-managed rural network that is safe, sustainable, and accessible by improving the condition of rural roads in five counties (Meru, Tharaka-Nithi, Embu, Machakos and Makueni); and</li> <li>2. Increase employment by using labour intensive technology.</li> </ol>
Expected outputs	<ol style="list-style-type: none"> <li>1. Increased proportion of roads in good conditions by 11% (i.e. of the priority rural road network in the five counties); and</li> <li>2. Increased employment of approximately 500,000 person days of which at least 20% are women and thus contribute to poverty reduction.</li> </ol>

Allocation Criteria	Based on financing agreement between the European Union and the Government of Kenya and agreed work plans.
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<b>Allocation by County in 2015/16</b>		
	<b>County</b>	<b>Amount(Ksh.)</b>
1	Embu	100,000,000
2	Tharaka Nithi	300,000,000
3	Meru	200,000,000
4	Machakos	180,000,000
5	Makueni	220,000,000
	<b>TOTAL</b>	<b>1,000,000,000</b>

**7. Allocation for Nairobi Missing Link Roads and Non-Motorised Transport Facilities**

Ministry/State Department Responsible	Transport and Infrastructure/Infrastructure
Development Partner	European Development Fund
Accounting Officer of the National Government Responsible	Principal Secretary, Infrastructure
Conditions	<ul style="list-style-type: none"> <li>• This funding must be included in the budget estimates of the national government</li> <li>• Work plans must be prepared and shared with the relevant county governments</li> <li>• County governments will be involved in the Project Steering Committee and Project Implementation Units</li> </ul>
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> <li>• Ensure funds are included in the budget estimates of the ministry for the FY 2015/16</li> <li>• Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments</li> <li>• Monitor and evaluate performance of the allocation and report to the National Treasury</li> </ul>
Allocation: 2015/16	Ksh. 1,000,000,000

*The County Allocation of Revenue Bill, 2015*

Objective	To construct Nairobi Missing links and non-motorised transport facilities.
Allocation Criteria	Not applicable since the project covers Nairobi county only.

**Allocation by County in  
2015/16**

	<b>County</b>	<b>Amount (Ksh.)</b>
1	Nairobi	1,000,000,000
	<b>TOTAL</b>	<b>1,000,000,000</b>