



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

Public Statement on the Status of Payments to County Governments

1. This Statement is issued in public interest, pursuant to Article 35(3) of the Constitution and section 7 of the County Allocation of Revenue Act (CARA), 2018 in order to inform citizens about the quantum of funds transferred to County Governments in FY 2018/19 and in preceding years.
2. In FY 2018/19, County Governments received Ksh. 314 billion as their equitable share of revenue raised nationally. This represents 100 percent of the appropriation as per the CARA, 2018. A summary of the payments is shown in *Table 1*, while cumulative and per person disbursements in each County are shown in *Table 2*.

Table 1: Summary of payments to County Governments (Ksh. Millions)

Transfer Type	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Grand Total
1. Equitable share transfer	190,000	226,660	259,774	280,300	302,000	314,000	1,572,735
2. GoK-funded conditional allocations	5,665	3,261	10,901	13,705	12,008	15,017	60,557
<i>a) Level Five Hospital</i>	3,419	1,863	3,600	4,000	4,200	4,326	21,409
<i>b) Free Maternal Healthcare*</i>	2,246	1,398	3,321	4,105	-	-	11,070
<i>c) Managed Equipment Services</i>	-	-	3,080	4,500	4,908	8,830	21,318
<i>d) Foregone User Fees Compensation</i>	-	-	900	900	900	900	3,600
<i>e) Rehabilitation of Youth Polytechnics</i>	-	-	-	-	2,000	961	2,961
<i>f) Emergency Medical Service Grant</i>	-	-	-	200	-	-	200
<i>g) Construction of County HQs</i>	-	-	-	-	-	-	-
3. Additional conditional allocations	-	1,137	5,547	6,063	17,797	31,070	61,614
<i>a) Road Maintenance Levy Fund</i>			3,300	4,307	10,262	7,424	25,293
<i>b) External Loans and Grants</i>	-	1,137	2,247	1,756	7,535	23,646	36,321
4. Allowances for County medical personnel				4,842		-	4,842
5. Coffee Cess				107		-	107
Grand Total (= 1+2+3+4+5)	195,665	231,059	276,223	305,016	331,805	360,086	1,699,854

* In FY 2017/18 and FY 2018/19, Ksh. 3.4 billion and Ksh 4.3 billion, respectively, from the National Government's revenue share was paid to the National Hospital Insurance Fund (NHIF) as a special grant for Free Maternal Healthcare, to be disbursed directly to Counties on reimbursement basis.

3. In addition to the equitable share, the Counties received Ksh. 46.1 billion in FY 2018/19, which comprised of:
 - a) conditional allocations worth more than Ksh. 15 billion derived from the National Government's equitable revenue share;
 - b) Ksh. 7.4 billion from the Roads Maintenance Levy Fund (RMLF) collected by the Kenya Roads Board (KRB), of which 15 percent is set aside for County roads; and,
 - c) proceeds from external loans and grants totaling Ksh. 23.6 billion earmarked to supplement financing of devolved functions.

4. Based on the above, aggregate payments to County Governments in FY 2018/19 amounted to Ksh. 360.1 billion, representing 96 percent of the CARA, 2018 allocations. The shortfall arises because of:
 - a) Failure by some Counties to adhere to requirements of specific conditional allocations. For this reason, the Exchequer could not disburse Ksh. 1.04 billion for development of youth polytechnics, and Ksh. 605 million for construction of County headquarters. Likewise, Ksh. 844.9 million from the RMLF was not disbursed because six Counties failed to comply with the KRB Act, a condition for the grant.
 - b) Failure by Accounting Officers of some Ministries responsible for specific conditional grants to submit written instructions in time to the National Treasury to release payments. The need for written instructions is stipulated in the *Guidelines for the Management of Intergovernmental Fiscal Transfers (2017)*. Accordingly, the Exchequer could not disburse Ksh. 880 million for the Water Tower Protection, Climate Change Mitigation & Adaptation Programme; and, Ksh. 3.8 billion for the Water & Sanitation Development Project.
 - c) An adjustment in the amount to be paid to County Governments against one of the Disbursement Linked Indicators (DLI) under the Kenya Devolution Support Program (KDSP). Following clarification by the World Bank on the correct allocation, the Exchequer could not disburse Ksh. 2.3 billion to the Counties as allocated in the CARA, 2018 pending KDSP's restructuring including increasing the allocation to the afore-mentioned DLI. Upon finalization of this restructuring, the outstanding amount will be disbursed to Counties.
5. Including the FY 2018/19 payments, County Governments have now received an estimated Ksh. 1.7 trillion cumulatively since their establishment. In this context, it would be useful for the public to note that:
 - a) of the above cumulative payments, 93 percent comprises of the unconditional equitable revenue share, for which Counties have autonomous budgeting and expenditure responsibilities, as well as accountability obligations under the Public Finance Management Act, 2012 and its regulations;
 - b) in all years, County Governments' equitable revenue share has been well above the minimum threshold defined in Article 203(2) of the Constitution. Moreover, Counties' equitable revenue share allocation has been fully disbursed in accordance with Article 219 of the Constitution, even when the shareable revenue outturn was less than projected revenue used in the Division of Revenue Act;
 - c) during the last six years, aggregate annual payments to Counties grew by Ksh. 164.4 billion or 84 percent; and,
 - d) in per capita (or per person) terms, payments to County Governments have grown from Ksh. 5,068 in FY 2013/14 to Ksh. 9,326 in FY 2018/19. This translates to an annual average of Ksh. 7,338, with Nairobi receiving the least (Ksh. 4,362) and Lamu the highest (Ksh. 24,270).

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Principal Secretary/National Treasury

Dated: August 19th, 2019

Table 2: Cumulative and Per Person Payments to County Governments (Ksh.)

County	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Cumulative Payments (2013/14 - 2018/19)	Payments Per Person (Annual Average)
	A	B	C	D	E	F	G = A+B+C+D+E+F	H
Baringo	3,281,383,323	3,926,106,431	4,656,934,428	5,233,961,425	5,549,975,184	5,827,026,254	28,475,387,045	8,543
Bomet	3,473,870,878	4,162,524,827	4,909,906,160	5,408,349,433	5,709,103,301	6,623,843,955	30,287,598,553	6,914
Bungoma	6,271,462,041	6,783,170,481	8,029,195,903	8,876,380,198	9,430,278,865	10,120,206,226	49,510,693,713	6,001
Busia	3,463,379,155	4,799,492,252	5,668,513,352	6,256,557,033	6,894,545,788	6,734,461,089	33,816,948,669	7,576
E/Marakwet	2,413,729,091	2,894,583,377	3,471,543,872	3,823,933,460	3,978,773,535	4,468,666,793	21,051,230,128	9,483
Embu	3,100,540,129	3,571,958,959	4,205,121,593	4,771,935,686	4,843,574,583	5,332,064,788	25,825,195,737	8,338
Garissa	4,431,683,790	5,190,150,287	6,351,245,243	6,911,228,790	7,518,607,376	8,107,741,132	38,510,656,618	10,301
Homa Bay	4,182,101,595	4,991,175,873	5,911,122,678	6,516,573,708	7,092,167,990	7,347,022,677	36,040,164,521	6,232
Isiolo	2,247,835,837	2,682,961,881	3,199,678,723	3,537,827,614	4,081,810,947	4,448,645,119	20,198,760,121	23,493
Kajiado	3,253,239,859	3,890,104,860	4,650,358,927	5,215,256,318	6,198,702,283	6,868,668,078	30,076,330,325	7,293
Kakamega	6,931,155,657	8,090,604,228	9,646,227,641	10,703,578,916	11,062,919,682	12,151,853,991	58,586,340,114	5,880
Kericho	3,353,059,897	3,973,438,352	4,748,554,101	5,252,797,896	5,656,013,322	6,462,014,445	29,445,878,012	6,523
Kiambu	5,980,601,386	6,707,156,605	8,207,917,647	9,264,204,773	10,927,610,972	12,743,464,400	53,830,955,784	5,527
Kilifi	5,518,308,482	6,574,938,022	7,842,163,405	8,563,981,588	10,650,268,698	12,071,640,899	51,221,301,094	7,693
Kirinyaga	2,621,282,589	3,122,463,813	3,727,560,086	4,159,808,773	4,876,384,036	4,667,131,239	23,174,630,536	7,314
Kisii	5,487,250,383	6,361,766,497	7,772,145,310	8,664,058,165	8,592,553,305	9,188,768,347	46,066,542,008	6,663
Kisumu	4,615,876,577	5,262,002,848	6,324,406,000	6,994,542,675	7,369,015,486	8,668,928,630	39,234,772,215	6,749
Kitui	5,348,827,428	6,407,041,897	7,583,499,487	8,389,946,573	9,340,897,458	9,642,235,292	46,712,448,135	7,688
Kwale	3,788,132,670	4,531,614,262	5,405,264,065	5,986,544,213	7,781,601,282	8,250,731,235	35,743,887,727	9,166
Laikipia	2,557,539,642	3,037,429,843	3,651,034,608	4,104,689,637	4,954,234,811	4,849,785,160	23,154,713,700	9,666
Lamu	1,509,775,102	1,802,318,513	2,172,952,802	2,509,540,339	2,756,251,476	4,035,239,884	14,786,078,115	24,270
Machakos	5,114,071,345	6,134,394,187	7,346,493,531	8,166,790,848	8,376,122,984	10,348,955,784	45,486,828,679	6,901
Makueni	4,403,546,303	5,255,759,064	6,234,615,763	6,857,630,551	7,606,334,087	8,201,942,271	38,559,828,039	7,266
Mandera	6,569,847,929	7,851,533,937	9,224,728,949	10,084,615,714	10,354,026,318	11,281,577,308	55,366,330,155	8,996
Marsabit	3,805,077,542	4,554,700,287	5,363,688,014	5,861,348,668	7,021,526,717	7,823,178,728	34,429,519,956	19,708

County	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Cumulative Payments (2013/14 - 2018/19)	Payments Per Person (Annual Average)
	A	B	C	D	E	F	G = A+B+C+D+E+F	H
Meru	5,006,846,175	5,811,720,035	8,068,730,716	8,695,004,808	8,690,203,884	9,353,128,740	45,625,634,358	5,607
Migori	4,339,034,161	5,178,050,161	6,179,702,331	6,742,468,649	6,996,366,222	7,820,468,252	37,256,089,776	6,770
Mombasa	4,291,377,471	4,805,790,006	5,856,541,422	6,460,495,121	8,966,848,169	9,352,443,798	39,733,495,987	7,050
Murang'a	3,964,995,471	4,733,688,227	5,605,841,727	6,224,115,350	6,717,512,470	6,825,658,407	34,071,811,652	6,025
Nairobi	9,729,818,320	11,441,036,548	13,534,170,793	14,946,783,245	16,323,790,299	16,155,037,800	82,130,637,005	4,362
Nakuru	6,647,425,748	7,503,232,007	8,909,150,835	9,841,244,944	10,330,202,245	11,705,865,445	54,937,121,223	5,711
Nandi	3,513,121,827	4,196,573,747	4,958,627,028	5,469,004,415	5,566,010,582	6,059,176,633	29,762,514,231	6,588
Narok	3,897,497,831	4,664,355,024	5,537,068,743	6,064,109,450	7,144,507,576	7,033,037,443	34,340,576,067	6,726
Nyamira	3,081,787,287	3,684,498,196	4,358,048,612	4,831,602,226	5,119,041,340	5,392,141,405	26,467,119,066	7,373
Nyandarua	3,176,663,544	3,797,904,157	4,490,760,352	4,936,245,833	5,438,755,918	5,851,792,816	27,692,122,620	7,740
Nyeri	3,685,716,476	4,138,865,733	5,042,278,330	5,600,339,382	5,748,259,017	6,365,159,120	30,580,618,057	7,349
Samburu	2,604,240,722	3,118,803,006	3,700,905,733	4,080,440,211	4,206,339,743	5,009,568,253	22,720,297,668	16,909
Siaya	3,717,804,335	4,436,323,009	5,246,071,112	5,797,489,075	6,082,340,216	6,617,589,780	31,897,617,527	6,312
Taita Taveta	2,443,413,498	2,922,341,963	3,488,332,869	3,842,745,714	4,264,020,622	4,594,827,610	21,555,682,276	12,621
Tana River	2,921,556,211	3,495,601,069	4,137,496,801	4,627,810,651	5,713,763,880	6,022,998,660	26,919,227,272	18,688
T/Nithi	2,316,285,957	2,764,643,356	3,305,463,744	3,652,470,953	4,029,081,994	4,101,461,962	20,169,407,966	9,201
Trans Nzoia	3,768,041,967	4,490,618,357	5,323,073,849	5,856,599,951	6,134,099,222	6,530,339,029	32,102,772,375	6,535
Turkana	7,674,315,857	9,178,804,658	10,748,014,432	11,709,814,817	10,804,298,494	11,535,858,600	61,651,106,857	12,012
Uasin Gishu	3,811,462,902	4,564,237,642	5,390,581,097	5,947,601,606	6,175,278,868	7,261,061,866	33,150,223,981	6,179
Vihiga	2,860,896,942	3,420,828,036	4,054,531,396	4,470,649,135	4,843,027,689	5,221,923,141	24,871,856,339	7,474
Wajir	5,311,159,775	6,355,760,549	7,470,850,704	8,159,999,887	8,716,567,070	9,418,866,978	45,433,204,963	11,439
West Pokot	3,177,935,726	3,795,568,370	4,511,622,736	4,942,855,225	5,171,692,585	5,592,259,659	27,191,934,301	8,840
Grand Total	195,664,976,833	231,058,635,439	276,222,737,642	305,015,973,635	331,805,308,593	360,086,459,126	1,699,854,091,268	7,338

Payments per person (Ksh)

5,068

5,984

7,154

7,900

8,594

9,326