



## REPUBLIC OF KENYA

### THE NATIONAL TREASURY AND PLANNING

#### Public Statement on the Status of Payments to County Governments

- In FY 2017/18, County Governments received Ksh. 302 billion as their equitable share of revenue. This represents 100 percent of the appropriation as per the County Allocation of Revenue Act (CARA), 2017. In each of the last five FYs, the National Treasury fully disbursed to Counties their equitable share allocations in accordance with Article 219 of the Constitution. (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	Total
<b>1. Equitable share transfer</b>	<b>190,000</b>	<b>226,660</b>	<b>259,774</b>	<b>280,300</b>	<b>302,000</b>	<b>1,258,735</b>
<b>2. Conditional allocations:</b>	<b>5,665</b>	<b>3,261</b>	<b>10,901</b>	<b>13,705</b>	<b>7,100</b>	<b>40,632</b>
a) Level Five Hospital	3,419	1,863	3,600	4,000	4,200	17,083
b) Free Maternal Healthcare <sup>1</sup>	2,246	1,398	3,321	4,105	-	11,070
c) Managed Equipment Services Project <sup>3</sup>	-	-	3,080	4,500	-	7,580
d) Foregone User Fees Compensation	-	-	900	900	900	2,700
e) Rehabilitation of Youth Polytechnics	-	-	-	-	2,000	2,000
f) Emergency Medical Service Grant <sup>2</sup>	-	-	-	200	-	200
g) Construction of County HQs <sup>3</sup>	-	-	-	-	-	-
<b>3. Additional conditional allocations:</b>	<b>-</b>	<b>1,137</b>	<b>5,547</b>	<b>6,063</b>	<b>17,797</b>	<b>30,544</b>
a) Road Maintenance Levy Fund	-	-	3,300	4,307	10,262	17,869
b) Loans and grants	-	1,137	2,247	1,756	7,535	12,675
<b>4. Allowances for medical personnel</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,842</b>	<b>-</b>	<b>4,842</b>
<b>5. Coffee Cess</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>107</b>
<b>Grand Total (= 1+2+3+4+5)</b>	<b>195,665</b>	<b>231,059</b>	<b>276,223</b>	<b>305,016</b>	<b>326,897</b>	<b>1,334,859</b>

**Notes:**

- In FY 2017/18, Ksh. 3.4 billion from the National Government's revenue share was paid to the National Health Insurance Fund as a special grant for Free Maternal Healthcare, to be disbursed directly to Counties on reimbursement basis.
- The Emergency Medical Service Grant was a one-off conditional allocation in FY 2016/17 to support strengthening of access to emergency medical services in Lamu and Tana River Counties, which are vulnerable to terror attacks, security threats and humanitarian crises.
- With the exception of allowances for medical personnel and cess, missing disbursement data for FY 2017/18 signifies ongoing reconciliation within responsible Ministries.

- In addition to the equitable share, the Counties received Ksh. 24.9 billion in FY 2017/18, which comprised of:
  - Conditional allocations worth Ksh. 7.1 billion derived from the National Government's equitable revenue share;
  - Ksh. 10.2 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,
  - Proceeds from external loans and grants totaling Ksh. 7.5 billion earmarked to supplement financing of devolved functions.

3. Based on the above, aggregate payments to County Governments in FY 2017/18 amounted to Ksh. 327 billion, representing 98 percent of the CARA, 2017 allocations. The shortfall arises firstly because some Counties did not adhere to requirements of different conditional allocations. For instance, the RMLF payment is less than the Ksh. 11.1 billion allocation because 20 Counties which failed to comply with the KRB Act -- a key condition for the grant -- did not qualify to receive their fourth quarter entitlements. Accordingly, the KRB withheld the funds, which will be released to the Counties in question upon full compliance with relevant legal requirements. Secondly, there is a shortfall of Ksh. 2.1 billion in connection to the World Bank-funded Kenya Devolution Support Programme (KDSP) Performance ("level 2") Grant. Whereas CARA, 2017 contains a Ksh. 4 billion allocation, the payment shown in Table 1 was subsequently done on the basis of a performance assessment to determine Counties eligible to receive the grant, and only 13 Counties qualified, hence the reduced disbursement.
4. Including the FY 2017/18 payments, County Governments have received more than Ksh. 1.3 trillion cumulatively since their establishment in March 2013. Of these payments, 95 percent has been from the 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. The National Treasury expects that all Counties will diligently fulfil their legal responsibilities, while strictly adhering to their obligations.
5. Finally, it is worth noting in Table 2 how the above payments to County Governments translate to payments per person (column G). In general, the range of annual average payment per person across Counties is between Ksh. 4,198 (Nairobi) and Ksh. 21,837 (Isiolo).

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Dated: July, 13<sup>th</sup>, 2018

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

County	2013/14	2014/15	2015/16	2016/17	2017/18	Cumulative Payments (2013/14 - 2017/18)	Payments Per Person (Annual Average)
	A	B	C	D	E	F = A+B+C+D+E	G
Baringo	3,281,383,323	3,926,106,431	4,656,934,428	5,233,961,425	5,445,546,608	<b>22,543,932,214</b>	8,116
Bomet	3,473,870,878	4,162,524,827	4,909,906,160	5,408,349,433	5,604,674,724	<b>23,559,326,022</b>	6,453
Bungoma	6,271,462,041	6,783,170,481	8,029,195,903	8,876,380,198	9,325,850,288	<b>39,286,058,911</b>	5,714
Busia	3,463,379,155	4,799,492,252	5,668,513,352	6,256,557,033	6,790,117,211	<b>26,978,059,003</b>	7,253
E/Marakwet	2,413,729,091	2,894,583,377	3,471,543,872	3,823,933,460	3,874,344,959	<b>16,478,134,759</b>	8,907
Embu	3,100,540,129	3,571,958,959	4,205,121,593	4,771,935,686	4,739,146,006	<b>20,388,702,373</b>	7,899
Garissa	4,431,683,790	5,190,150,287	6,351,245,243	6,911,228,790	7,414,178,799	<b>30,298,486,909</b>	9,726
Homa Bay	4,182,101,595	4,991,175,873	5,911,122,678	6,516,573,708	6,987,739,413	<b>28,588,713,267</b>	5,933
Isiolo	2,247,835,837	2,682,961,881	3,199,678,723	3,537,827,614	3,977,382,371	<b>15,645,686,425</b>	21,837
Kajiado	3,253,239,859	3,890,104,860	4,650,358,927	5,215,256,318	6,094,273,707	<b>23,103,233,670</b>	6,723
Kakamega	6,931,155,657	8,090,604,228	9,646,227,641	10,703,578,916	10,958,491,105	<b>46,330,057,547</b>	5,580
Kericho	3,353,059,897	3,973,438,352	4,748,554,101	5,252,797,896	5,551,584,745	<b>22,879,434,991</b>	6,082
Kiambu	5,980,601,386	6,707,156,605	8,207,917,647	9,264,204,773	10,823,182,396	<b>40,983,062,807</b>	5,049
Kilifi	5,518,308,482	6,574,938,022	7,842,163,405	8,563,981,588	10,545,840,122	<b>39,045,231,618</b>	7,037
Kirinyaga	2,621,282,589	3,122,463,813	3,727,560,086	4,159,808,773	4,771,955,460	<b>18,403,070,721</b>	6,970
Kisii	5,487,250,383	6,361,766,497	7,772,145,310	8,664,058,165	8,488,124,729	<b>36,773,345,084</b>	6,383
Kisumu	4,615,876,577	5,262,002,848	6,324,406,000	6,994,542,675	7,264,586,909	<b>30,461,415,009</b>	6,288
Kitui	5,348,827,428	6,407,041,897	7,583,499,487	8,389,946,573	9,236,468,882	<b>36,965,784,266</b>	7,300
Kwale	3,788,132,670	4,531,614,262	5,405,264,065	5,986,544,213	7,677,172,706	<b>27,388,727,915</b>	8,428
Laikipia	2,557,539,642	3,037,429,843	3,651,034,608	4,104,689,637	4,849,806,234	<b>18,200,499,964</b>	9,118
Lamu	1,509,775,102	1,802,318,513	2,172,952,802	2,509,540,339	2,651,822,899	<b>10,646,409,655</b>	20,970
Machakos	5,114,071,345	6,134,394,187	7,346,493,531	8,166,790,848	8,271,694,407	<b>35,033,444,318</b>	6,378
Makueni	4,403,546,303	5,255,759,064	6,234,615,763	6,857,630,551	7,501,905,511	<b>30,253,457,191</b>	6,841
Mandera	6,569,847,929	7,851,533,937	9,224,728,949	10,084,615,714	10,249,597,742	<b>43,980,324,270</b>	8,575
Marsabit	3,805,077,542	4,554,700,287	5,363,688,014	5,861,348,668	6,917,098,140	<b>26,501,912,651</b>	18,204
Meru	5,006,846,175	5,811,720,035	8,068,730,716	8,695,004,808	8,585,775,308	<b>36,168,077,042</b>	5,333
Migori	4,339,034,161	5,178,050,161	6,179,702,331	6,742,468,649	6,891,937,645	<b>29,331,192,947</b>	6,396
Mombasa	4,291,377,471	4,805,790,006	5,856,541,422	6,460,495,121	8,862,419,593	<b>30,276,623,612</b>	6,446

County	2013/14	2014/15	2015/16	2016/17	2017/18	Cumulative Payments (2013/14 - 2017/18)	Payments Per Person (Annual Average)
	A	B	C	D	E	F = A+B+C+D+E	G
Murang'a	3,964,995,471	4,733,688,227	5,605,841,727	6,224,115,350	6,613,083,894	<b>27,141,724,669</b>	5,759
Nairobi	9,729,818,320	11,441,036,548	13,534,170,793	14,946,783,245	16,219,361,723	<b>65,871,170,629</b>	4,198
Nakuru	6,647,425,748	7,503,232,007	8,909,150,835	9,841,244,944	10,225,773,668	<b>43,126,827,202</b>	5,380
Nandi	3,513,121,827	4,196,573,747	4,958,627,028	5,469,004,415	5,461,582,006	<b>23,598,909,022</b>	6,268
Narok	3,897,497,831	4,664,355,024	5,537,068,743	6,064,109,450	7,040,079,000	<b>27,203,110,048</b>	6,394
Nyamira	3,081,787,287	3,684,498,196	4,358,048,612	4,831,602,226	5,014,612,763	<b>20,970,549,084</b>	7,011
Nyandarua	3,176,663,544	3,797,904,157	4,490,760,352	4,936,245,833	5,334,327,342	<b>21,735,901,227</b>	7,291
Nyeri	3,685,716,476	4,138,865,733	5,042,278,330	5,600,339,382	5,643,830,440	<b>24,111,030,361</b>	6,953
Samburu	2,604,240,722	3,118,803,006	3,700,905,733	4,080,440,211	4,101,911,167	<b>17,606,300,839</b>	15,724
Siaya	3,717,804,335	4,436,323,009	5,246,071,112	5,797,489,075	5,977,911,640	<b>25,175,599,170</b>	5,978
Taita Taveta	2,443,413,498	2,922,341,963	3,488,332,869	3,842,745,714	4,159,592,046	<b>16,856,426,090</b>	11,843
Tana River	2,921,556,211	3,495,601,069	4,137,496,801	4,627,810,651	5,609,335,303	<b>20,791,800,035</b>	17,321
T/Nithi	2,316,285,957	2,764,643,356	3,305,463,744	3,652,470,953	3,924,653,418	<b>15,963,517,428</b>	8,739
Trans Nzoia	3,768,041,967	4,490,618,357	5,323,073,849	5,856,599,951	6,029,670,646	<b>25,468,004,769</b>	6,221
Turkana	7,674,315,857	9,178,804,658	10,748,014,432	11,709,814,817	10,699,869,917	<b>50,010,819,681</b>	11,693
Uasin Gishu	3,811,462,902	4,564,237,642	5,390,581,097	5,947,601,606	6,070,850,292	<b>25,784,733,539</b>	5,767
Vihiga	2,860,896,942	3,420,828,036	4,054,531,396	4,470,649,135	4,738,599,112	<b>19,545,504,621</b>	7,048
Wajir	5,311,159,775	6,355,760,549	7,470,850,704	8,159,999,887	8,612,138,493	<b>35,909,909,408</b>	10,850
West Pokot	3,177,935,726	3,795,568,370	4,511,622,736	4,942,855,225	5,067,264,009	<b>21,495,246,066</b>	8,385
<b>Grand Total</b>	<b>195,664,976,833</b>	<b>231,058,635,439</b>	<b>276,222,737,642</b>	<b>305,015,973,635</b>	<b>326,897,165,498</b>	<b>1,334,859,489,047</b>	6,915