



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
1. Equitable share transfer	190,000	226,660	259,774	280,300	302,000	1,258,735
2. Conditional allocations:	5,665	3,261	10,901	13,705	7,100	40,632
a) Level Five Hospital	3,419	1,863	3,600	4,000	4,200	17,083
b) Free Maternal Healthcare ¹	2,246	1,398	3,321	4,105	-	11,070
c) Managed Equipment Services Project ³	-	-	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 ²	-	-	-	200	-	200
g) Construction of County HQs ³	-	-	-	-	-	-
3. Additional conditional allocations:	-	1,137	5,547	6,063	17,797	30,544
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
4. Allowances for 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	326,897	1,334,859

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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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	22,543,932,214	8,116
Bomet	3,473,870,878	4,162,524,827	4,909,906,160	5,408,349,433	5,604,674,724	23,559,326,022	6,453
Bungoma	6,271,462,041	6,783,170,481	8,029,195,903	8,876,380,198	9,325,850,288	39,286,058,911	5,714
Busia	3,463,379,155	4,799,492,252	5,668,513,352	6,256,557,033	6,790,117,211	26,978,059,003	7,253
E/Marakwet	2,413,729,091	2,894,583,377	3,471,543,872	3,823,933,460	3,874,344,959	16,478,134,759	8,907
Embu	3,100,540,129	3,571,958,959	4,205,121,593	4,771,935,686	4,739,146,006	20,388,702,373	7,899
Garissa	4,431,683,790	5,190,150,287	6,351,245,243	6,911,228,790	7,414,178,799	30,298,486,909	9,726
Homa Bay	4,182,101,595	4,991,175,873	5,911,122,678	6,516,573,708	6,987,739,413	28,588,713,267	5,933
Isiolo	2,247,835,837	2,682,961,881	3,199,678,723	3,537,827,614	3,977,382,371	15,645,686,425	21,837
Kajiado	3,253,239,859	3,890,104,860	4,650,358,927	5,215,256,318	6,094,273,707	23,103,233,670	6,723
Kakamega	6,931,155,657	8,090,604,228	9,646,227,641	10,703,578,916	10,958,491,105	46,330,057,547	5,580
Kericho	3,353,059,897	3,973,438,352	4,748,554,101	5,252,797,896	5,551,584,745	22,879,434,991	6,082
Kiambu	5,980,601,386	6,707,156,605	8,207,917,647	9,264,204,773	10,823,182,396	40,983,062,807	5,049
Kilifi	5,518,308,482	6,574,938,022	7,842,163,405	8,563,981,588	10,545,840,122	39,045,231,618	7,037
Kirinyaga	2,621,282,589	3,122,463,813	3,727,560,086	4,159,808,773	4,771,955,460	18,403,070,721	6,970
Kisii	5,487,250,383	6,361,766,497	7,772,145,310	8,664,058,165	8,488,124,729	36,773,345,084	6,383
Kisumu	4,615,876,577	5,262,002,848	6,324,406,000	6,994,542,675	7,264,586,909	30,461,415,009	6,288
Kitui	5,348,827,428	6,407,041,897	7,583,499,487	8,389,946,573	9,236,468,882	36,965,784,266	7,300
Kwale	3,788,132,670	4,531,614,262	5,405,264,065	5,986,544,213	7,677,172,706	27,388,727,915	8,428
Laikipia	2,557,539,642	3,037,429,843	3,651,034,608	4,104,689,637	4,849,806,234	18,200,499,964	9,118
Lamu	1,509,775,102	1,802,318,513	2,172,952,802	2,509,540,339	2,651,822,899	10,646,409,655	20,970
Machakos	5,114,071,345	6,134,394,187	7,346,493,531	8,166,790,848	8,271,694,407	35,033,444,318	6,378
Makueni	4,403,546,303	5,255,759,064	6,234,615,763	6,857,630,551	7,501,905,511	30,253,457,191	6,841
Mandera	6,569,847,929	7,851,533,937	9,224,728,949	10,084,615,714	10,249,597,742	43,980,324,270	8,575
Marsabit	3,805,077,542	4,554,700,287	5,363,688,014	5,861,348,668	6,917,098,140	26,501,912,651	18,204
Meru	5,006,846,175	5,811,720,035	8,068,730,716	8,695,004,808	8,585,775,308	36,168,077,042	5,333
Migori	4,339,034,161	5,178,050,161	6,179,702,331	6,742,468,649	6,891,937,645	29,331,192,947	6,396
Mombasa	4,291,377,471	4,805,790,006	5,856,541,422	6,460,495,121	8,862,419,593	30,276,623,612	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	27,141,724,669	5,759
Nairobi	9,729,818,320	11,441,036,548	13,534,170,793	14,946,783,245	16,219,361,723	65,871,170,629	4,198
Nakuru	6,647,425,748	7,503,232,007	8,909,150,835	9,841,244,944	10,225,773,668	43,126,827,202	5,380
Nandi	3,513,121,827	4,196,573,747	4,958,627,028	5,469,004,415	5,461,582,006	23,598,909,022	6,268
Narok	3,897,497,831	4,664,355,024	5,537,068,743	6,064,109,450	7,040,079,000	27,203,110,048	6,394
Nyamira	3,081,787,287	3,684,498,196	4,358,048,612	4,831,602,226	5,014,612,763	20,970,549,084	7,011
Nyandarua	3,176,663,544	3,797,904,157	4,490,760,352	4,936,245,833	5,334,327,342	21,735,901,227	7,291
Nyeri	3,685,716,476	4,138,865,733	5,042,278,330	5,600,339,382	5,643,830,440	24,111,030,361	6,953
Samburu	2,604,240,722	3,118,803,006	3,700,905,733	4,080,440,211	4,101,911,167	17,606,300,839	15,724
Siaya	3,717,804,335	4,436,323,009	5,246,071,112	5,797,489,075	5,977,911,640	25,175,599,170	5,978
Taita Taveta	2,443,413,498	2,922,341,963	3,488,332,869	3,842,745,714	4,159,592,046	16,856,426,090	11,843
Tana River	2,921,556,211	3,495,601,069	4,137,496,801	4,627,810,651	5,609,335,303	20,791,800,035	17,321
T/Nithi	2,316,285,957	2,764,643,356	3,305,463,744	3,652,470,953	3,924,653,418	15,963,517,428	8,739
Trans Nzoia	3,768,041,967	4,490,618,357	5,323,073,849	5,856,599,951	6,029,670,646	25,468,004,769	6,221
Turkana	7,674,315,857	9,178,804,658	10,748,014,432	11,709,814,817	10,699,869,917	50,010,819,681	11,693
Uasin Gishu	3,811,462,902	4,564,237,642	5,390,581,097	5,947,601,606	6,070,850,292	25,784,733,539	5,767
Vihiga	2,860,896,942	3,420,828,036	4,054,531,396	4,470,649,135	4,738,599,112	19,545,504,621	7,048
Wajir	5,311,159,775	6,355,760,549	7,470,850,704	8,159,999,887	8,612,138,493	35,909,909,408	10,850
West Pokot	3,177,935,726	3,795,568,370	4,511,622,736	4,942,855,225	5,067,264,009	21,495,246,066	8,385
Grand Total	195,664,976,833	231,058,635,439	276,222,737,642	305,015,973,635	326,897,165,498	1,334,859,489,047	6,915