



**REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING**

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REF No: IGFR/CG/01/C (44)

27TH OCTOBER, 2020

TREASURY CIRCULAR NO 25/2020

TO: ALL PRINCIPAL SECRETARIES

ALL COUNTY EXECUTIVE MEMBERS FOR FINANCE

**RE: FRAMEWORKS FOR MANAGEMENT OF CONDITIONAL ALLOCATIONS
CONTAINED IN COUNTY ALLOCATION OF REVENUE ACT, 2020**

1.0 BACKGROUND

1. These Frameworks have been issued pursuant to the provisions of Regulation 130 (2) of the Public Finance Management (National Government) Regulations, 2015 which requires the Cabinet Secretary to the National Treasury and Planning to communicate the frameworks governing intergovernmental transfers to county governments within 15 days after the approval of the County Allocation of Revenue Act.
2. The frameworks also relate to the County Allocation of Revenue Act, 2020, herein referred to as the “Act”.
3. The County Allocation of Revenue Act, 2020 was approved by Parliament and assented into law on 8th October, 2020.

2.0 INTRODUCTION

4. This section provides a brief description on the framework for management of the additional conditional allocations set out in the Second and Third Schedules of the County Allocation of Revenue Act, 2020.
5. In this regard, the following are the key areas considered and included in the respective framework for management of each additional conditional allocations:

- a) National Government Ministry, State Department or Agencies responsible for additional conditional allocation;
- b) Accounting officer of National Government Responsible;
- c) Responsibilities of respective National Government accounting officers;
- d) Conditions of the additional conditional allocation ;
- e) Accounting officer of the County Government responsible;
- f) Responsibilities of the County Government accounting officer;
- g) Total amount allocated to the additional conditional allocation;
- h) Purposes and Objective of the additional conditional allocation;
- i) Allocation criteria to county governments for each grant; and
- j) Amount allocated to each beneficiary county government.

6. It should be noted that the frameworks are not part of County Allocation of Revenue Act, 2020 , but are communicated in order to provide more information on each conditional allocations to county governments.

3.0 PURPOSE OF THE FRAMEWORKS

7. In the above context, these frameworks have been issued to provide clarity on the framework for managing additional conditional allocations to county governments as provided for in Section 5 as read together with the Second and Third Schedules of the County Allocations Act, 2020.

4.0 ADDITIONAL CONDITIONAL ALLOCATIONS CONTAINED IN THE FRAMEWORKS

8. The conditional allocations to county governments pursuant to Section 5 and the Second and Third Schedules of the County Allocation of Revenue Act, 2020 shall be managed as follows:

4.1 Conditional Allocations from National Government revenue to each County Government as set out in column H of the Second Schedule of the County Allocation of Revenue Act, 2020 comprising of:-

4.1.1 Conditional grants for level 5 hospitals as set out in Column B of the Second Schedule which shall be administered as shown in Table 1 below:-

Table 1: Framework for managing allocation to supplement financing for Level 5 Hospitals

Allocation to Supplement Financing for Level 5 Hospitals			
Ministry/State Responsible	Department	Ministry of Health	
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 disbursements to County Revenue Funds. (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 the Level 5 hospital in the receiving County. (b) Hospitals should meet and maintain the norms and standards for Level 5 hospital as set by the Ministry of Health. (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. (d) Hospital should routinely report on Hospital Administrative Statistics in the Health Information System (DHIS) (e) Hospitals should provide additional information on referrals from other counties, and specialized medical services provided in standard format. (f) Financial reports including funds flow to the Level 5 facilities (g) Cost Implication of offering of referral services.		
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 2019/20. (b) Ensure hospital prepares an integrated annual work plan that incorporates all income including conditional grants with clear deliverables (c) Supervise operations of the hospital. (d) Ensure quality hospital administrative statistics data in DHIS (e) Prepare financial expenditure reports to County Treasury with copies to The National Treasury and Planning and Ministry of Health		
Allocation: 2020/21	KES 4,326,000,000		
Purpose of the grant	To sustain service delivery in designated Level 5 hospitals, targeting medical and surgical subspecialties, inter-county referral services and medical training.		
Allocation criteria	Bed occupancy rate in 2018 and Referrals from outside the county		
Allocation by County			
County	Hospital/s	Occupancy 2018	Allocation
Embu	Embu	62	301,040,462
Garissa	Garissa	71	344,739,884
Kakamega	Kakamega	88	427,283,237

Kiambu	Kiambu/Thika	85	538,716,763
Kisii	Kisii	86	417,572,254
Kisumu	Kisumu	76	369,017,341
Machakos	Machakos	79	383,583,815
Meru	Meru	77	373,872,832
Mombasa	Mombasa	80	388,439,306
Nakuru	Nakuru	77	373,872,832
Nyeri	Nyeri	84	407,861,272
Grand Total		865	4,326,000,000

Source: Ministry of Health

4.1.2 conditional allocation for construction of county headquarters as set out in Column C of the Second Schedule which shall be administered as shown in Table 2 below:-

Table 2: Framework for managing Conditional allocation to Support Construction of County Headquarters by five (5) counties

Support construction of County Headquarters by five (5) counties	
Ministry/State Department Responsible	State Department of Public Works
Accounting officer of National Government Responsible	Principal Secretary, State Department for Public Works
Responsibilities of the National Government accounting officer	Management of implementation of the projects i.e. manage the funds and all technical applications by consultants and contractors towards the construction of the county headquarters.
Conditions	<p>a) Each County Government to include in its budget estimates for FYs 2017/18, 2018/19 and 2019/20, 2020/21 a contribution totaling Ksh 155.3 million, being the equivalent of 30% of the County Headquarter construction costs, spread over the above FYs, and these estimates to be considered for approval by respective County Assemblies;</p> <p>b) Each County Government to ensure that proceeds from the conditional allocation (including both the contribution from the National Government and from the county) is apportioned between construction costs for County Executive headquarters and County Assembly headquarters in the ratio of 61% and 39%, respectively. The above split is based on the approved costs per m² for constructing 7,000 m² of County Executive offices and 4,500 m² of County Assembly offices.</p>
Accounting officer of the County Government responsible	Accounting officer responsible for matters relating to public works in the county government
Responsibilities of the County Government accounting officer	Facilitate on local logistics and provide regular progress brief on the projects.
Allocation: 2020/21	KES 300,000,000

Purpose of the grant	Purpose of the grant is to support construction of offices by five (5) County Governments which did not inherit adequate facilities that could accommodate the new administration.
Allocation criteria	Above aggregate allocation shared based on progress of each of the five (5) County Governments Headquarters
Allocation by County	
Isiolo	100,000,000
Lamu	50,000,000
Nyandarua	50,000,000
Tana River	50,000,000
Tharaka Nithi	50,000,000
GRAND TOTAL	300,000,000

Source: State Department of Public Works

4.1.3 Conditional allocation to compensate county health facilities for foregone user fees revenue as set out in column D of the Second Schedule of the Act which shall be administered as shown in Table 3 below:-

Table 3: Framework for management of Conditional Allocation to support abolishment of user fees in health centers and dispensaries

Allocation to support abolishment of user fees in health centers and dispensaries	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a) Set conditions for transfers and monitor compliance. (b) Initiate requests for disbursement of funds to County Revenue Funds. (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) Health facilities must have a functional Health Management Committee (c) Health facilities must be gazetted under Cap 253 and have Master Facility List (MFL) codes (d) Health facilities have approved integrated work plans that incorporate all sources of funds, including conditional grants (f) Health facilities report timely in Health Information System (DHIS) and financial transactions are captured in Integrated Financial Management Information System (IFMIS)
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 health centers and dispensaries prepare integrated annual work plans that incorporates all sources of income (b) Prepare quarterly financial statement of disbursements to recipient health centers and dispensaries and submit to The National Treasury and Planning and MOH (c) Ensure counties capture revenue received form the National Government as a grant in their budget
Allocation: 2020/21	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	(a) Sharing among Counties is based on population data from KNBS (2016 projections), and (b) Distribution to recipient health centers and dispensaries in a county is based on outpatient attendance (OPD) workload for 2016/17 as reported routinely in DHIS.

Allocation by County

County	Population 2016	Allocation
Baringo	690540	13,191,000
Bomet	874933	16,713,356
Bungoma	1719011	32,837,307
Busia	886488	16,934,085
Elgeyo-Marakwet	460094	8,788,919
Embu	561406	10,724,225
Garissa	678690	12,964,636
Homa Bay	1161388	22,185,346
Isiolo	181781	3,472,461
Kajiado	887602	16,955,365
Kakamega	1978244	37,789,290
Kericho	944842	18,048,789
Kiambu	1815032	34,671,542
Kilifi	1359505	25,969,864
Kirinyaga	590635	11,282,570
Kisii	1368359	26,138,997
Kisumu	1115014	21,299,489
Kitui	1177855	22,499,906
Kwale	796212	15,209,593
Laikipia	521829	9,968,208
Lamu	128310	2,451,034
Machakos	1263139	24,129,039
Makueni	1017449	19,435,760
Mandera	1333595	25,474,920
Marsabit	347794	6,643,714
Meru	1656774	31,648,428
Migori	1133671	21,655,884
Mombasa	1224238	23,385,934
Murang'a	1054247	20,138,691
Nairobi	4157754	79,423,251
Nakuru	2027137	38,723,265
Nandi	946809	18,086,363

Narok	1078150	20,595,297
Nyamira	689714	13,175,221
Nyandarua	666717	12,735,922
Nyeri	717258	13,701,379
Samburu	274079	5,235,578
Siaya	952486	18,194,808
Taita Taveta	277258	5,296,305
Tana River	297477	5,682,537
Tharaka Nithi	430213	8,218,119
Trans Nzoia	1115298	21,304,915
Turkana	1341972	25,634,941
Uasin Gishu	1089550	20,813,065
Vihiga	662596	12,657,201
Wajir	826334	15,784,997
West Pokot	634918	12,128,484
Total	47,114,397	900,000,000.00

Source: Ministry of Health

4.1.4 Conditional allocations for leasing of medical equipment as set out in column E of the Second Schedule of the Act which shall be administered as shown in Table 4 below;-

Table 4: Framework for management of Conditional Allocation on Managed Equipment Service (MES) for public hospitals at County level .

Note: - MES contracts have been signed centrally

-Servicing of contracts to be done centrally over contract period of seven years

-In-kind support to the County is equivalent of the MES services to be received (estimated)

Managed Equipment Service for public hospitals at County level	
Ministry/State Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	(a) Ensure budget is available under MOH (b) Ensure compliance with contractual obligations binding all parties (c) Ensure payments to equipment suppliers as per contract
Conditions	As per contract agreement
Accounting officer of the County Government responsible	Accounting officer responsible for health in the County Government
Responsibilities of the County Government accounting officer	As per contract agreement
Allocation: 2020/21	KES6,205,000,019
Purpose of the grant	To support provision of specialized medical services in public hospitals in an effort to improve access to specialized medical services for all Kenyans, especially those living in rural areas.
Allocation criteria	Allocation to MOH is based on annual MES Contract commitments
Allocation by County government – This is a centralized service contract.	

Source: Ministry of Health

4.1.5 Conditional allocations from the Road Maintenance Fuel Levy Fund for repair and maintenance of county roads as set out in column F of the Second Schedule of the Act which shall be administered as shown in Table 5 below:-

Table 5: Conditional Grant from the Road Maintenance Fuel Levy Fund

Conditional Allocation from the Road Maintenance Fuel Levy Fund	
Ministry/State Responsible	Department State Department for Infrastructure
Accounting Officer of the National Government Responsible	Principal Secretary, State Department for Infrastructure
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Initiate request for disbursement of funds 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	<ul style="list-style-type: none"> a) This funding must be included in the budget estimates of the county government b) Work plans must be prepared and shared with the State Department of Infrastructure with copies to the National Treasury c) The allocation must be used for the maintenance of county roads d) County government must provide a report/proof that funds were used to maintain county roads.
Accounting Officer of the County Government Responsible	Accounting Officer responsible for the Infrastructure/roads in the county government.
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the relevant department for the FY 2019/20 for maintenance of county roads. b) Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Infrastructure c) Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2020/21	Ksh. 9,433,265,629
Objectives	To maintain county roads
Allocation Criteria	Revenue sharing formula approved by Parliament under Article 217 of the Constitution.

Allocation by County Government			
No.	County	Allocation Ratio (Approved Equitable Share Formula) (%)	Conditional grant for maintenance of roads
		Column A	Column B
1	Baringo	1.62	152,818,903
2	Bomet	1.74	164,138,822
3	Bungoma	2.83	266,961,417
4	Busia	1.93	182,062,027
5	Elgeyo/Marakwet	1.22	115,085,841
6	Embu	1.44	135,839,025
7	Garissa	2.22	209,418,497
8	Homa Bay	2.13	200,928,558
9	Isiolo	1.32	124,519,106
10	Kajiado	2.02	190,551,966
11	Kakamega	3.34	315,071,072
12	Kericho	1.72	162,252,169
13	Kiambu	3.11	293,374,561
14	Kilifi	3.35	316,014,398
15	Kirinyaga	1.35	127,349,086
16	Kisii	2.47	233,001,661
17	Kisumu	2.16	203,758,538
18	Kitui	2.8	264,131,438
19	Kwale	2.42	228,285,028
20	Laikipia	1.52	143,385,638
21	Lamu	0.87	82,069,411
22	Machakos	2.54	239,604,947
23	Makueni	2.3	216,965,109
24	Mandera	3.23	304,694,480
25	Marsabit	2.17	204,701,864
26	Meru	2.56	241,491,600
27	Migori	2.17	204,701,864
28	Mombasa	2.35	221,681,742
29	Murang'a	2.04	192,438,619
30	Nairobi	5.04	475,436,588
31	Nakuru	3.08	290,544,581
32	Nandi	1.7	160,365,516
33	Narok	2.25	212,248,477
34	Nyamira	1.55	146,215,617
35	Nyandarua	1.55	146,215,617
36	Nyeri	1.61	151,875,577
37	Samburu	1.26	118,859,147
38	Siaya	1.85	174,515,414
39	Taita	1.39	131,122,392

40	Tana River	1.77	166,968,802
41	Tharaka Nithi	1.22	115,085,841
42	Trans Nzoia	1.83	172,628,761
43	Turkana	3.34	315,071,072
44	Uasin Gishu	1.91	180,175,373
45	Vihiga	1.43	134,895,698
46	Wajir	2.7	254,698,172
47	West Pokot	1.58	149,045,597
	GRAND TOTAL	100	9,433,265,629

Source: State Department for Infrastructure

4.1.6 Conditional allocation for development of youth polytechnics as set out in column G the Second Schedule of the Act which shall be administered as shown in Table 6 below:-

Table 6: Framework for management of Conditional Allocation for Rehabilitation of Vocational Training Centers (VTCs)

Allocation to support Rehabilitation of Village Polytechnics in the Counties	
Vote / Ministry/State Department Responsible	Ministry of Education/State Department for Vocational and Technical Training
Accounting officer of National Government Responsible	Principal Secretary, State Department of Vocational and Technical Training (VTT)
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Ensure that the grant is included in the budget estimates for the state department of Vocational and Technical Training (VTT) and included in the Division of Revenue and County Allocation of Revenue Bills b) Initiate requests to National Treasury for disbursements of grant to respective County Revenue Fund Accounts c) Set Conditions for transfer of grant and enforce compliance by counties d) Develop and disseminate implementation guidelines of the grant to counties e) Coordinate and report on Monitoring and Evaluation of the impact of grant to VTCs f) Submit quarterly and annual financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.
Conditions	<ul style="list-style-type: none"> a) The grant funds must be reflected in the respective county budget estimates for the relevant fiscal year and included in the Division of Revenue Bill and County Allocation of Revenue Bill b) The conditional grant funds for rehabilitation of Youth Polytechnics must be transferred to a Special Purpose Account operated exclusively for management of the grant immediately, but not later than fifteen (15) days after receipt of the funds at the respective County Revenue Fund Account

Allocation to support Rehabilitation of Village Polytechnics in the Counties	
	<p>c) Each county must submit quarterly/annual financial and technical reports in agreed formats to the respective county treasury with a copy to the state department of Vocational and Technical Training</p> <p>d) The grant shall not be utilized for any other purpose other than in a Youth Polytechnic/VTC¹ as per the regulations and guidelines provided from time to time by the state department of VTT</p> <p>e) The grant shall only be disbursed to public VTCs;</p> <ul style="list-style-type: none"> • That are duly registered by/or those that have initiated the registration process with TVETA but are yet to be registered formally • That have a functional Board of Management • Operate an account in a commercial bank that will be operated exclusively for the grant. The account shall have four (4) signatories of which the County Director of ³VET and VTC Manager will be mandatory Signatories
Accounting officer of the County Government responsible	Accounting Officer in charge of Vocational Education and Training in the County Government
Responsibilities of the County Government accounting officer	<p>a) Timely disbursement of the grant funds to all eligible VTCs</p> <p>b) Ensure grant funds are included in the budget estimates of the relevant department in charge of Vocational Education & Training for the particular Fiscal Year</p> <p>c) Ensure that the conditional grant allocation for rehabilitation of Youth Polytechnics funds are transferred from the County Revenue Fund Account to a Special Purpose Account operated exclusively for management of the grant</p> <p>d) Ensure that all development projects funded by the grant are captured in the integrated county annual work plan that incorporates all income including conditional grants with clear deliverables</p> <p>e) Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Vocational and Technical Training</p> <p>f) Monitor and evaluate performance of the conditional allocation and report to the County Treasury to ensure accountability in the utilization of the fund</p>
Allocation: 2020/21	KES 2,000,000,018
Purpose of the grant	To improve Access, Quality, Equity and Relevance in Vocational Education and Training and for Rehabilitation and Renovation of Infrastructure at Vocational Training Centres – VTCs
Allocation criteria	Total Trainee Enrolment in VTCs and Equal Share

Allocation to support Rehabilitation of Village Polytechnics in the Counties

Allocation by County					
S/No	County	Trainee ³ enrolment	Capitation at KES 15,000 per trainee	Equal share per County	Total allocation 2020/21
1	Baringo	1273	19,095,000	1,399,894	20,494,894
2	Bomet	3140	47,100,000	1,399,894	48,499,894
3	Bungoma	4430	66,450,000	1,399,894	67,849,894
4	Busia	3720	55,800,000	1,399,894	57,199,894
5	Elgeyo Marakwet	1767	26,505,000	1,399,894	27,904,894
6	Embu	2190	32,850,000	1,399,894	34,249,894
7	Garissa	1100	16,500,000	1,399,894	17,899,894
8	Homa Bay	2600	39,000,000	1,399,894	40,399,894
9	Isiolo	263	3,945,000	1,399,894	5,344,894
10	Kajiado	1807	27,105,000	1,399,894	28,504,894
11	Kakamega	6730	100,950,000	1,399,894	102,349,894
12	Kericho	1403	21,045,000	1,399,894	22,444,894
13	Kiambu	4039	60,585,000	1,399,894	61,984,894
14	Kilifi	5240	78,600,000	1,399,894	79,999,894
15	Kirinyaga	1700	25,500,000	1,399,894	26,899,894
16	Kisii	4610	69,150,000	1,399,894	70,549,894
17	Kisumu	2930	43,950,000	1,399,894	45,349,894
18	Kitui	6050	90,750,000	1,399,894	92,149,894
19	Kwale	3660	54,900,000	1,399,894	56,299,894
20	Laikipia	1128	16,920,000	1,399,894	18,319,894
21	Lamu	3260	48,900,000	1,399,894	50,299,894
22	Machakos	4090	61,350,000	1,399,894	62,749,894
23	Makueni	4460	66,900,000	1,399,894	68,299,894
24	Mandera	910	13,650,000	1,399,894	15,049,894
25	Marsabit	620	9,300,000	1,399,894	10,699,894
26	Meru	3790	56,850,000	1,399,894	58,249,894
27	Migori	2336	35,040,000	1,399,894	36,439,894
28	Mombasa	1139	17,085,000	1,399,894	18,484,894
29	Murang'a	6440	96,600,000	1,399,894	97,999,894
30	Nairobi	974	14,610,000	1,399,894	16,009,894
31	Nakuru	4326	64,890,000	1,399,894	66,289,894
32	Nandi	1768	26,520,000	1,399,894	27,919,894
33	Narok	979	14,685,000	1,399,894	16,084,894
34	Nyamira	3934	59,010,000	1,399,894	60,409,894
35	Nyandarua	1970	29,550,000	1,399,894	30,949,894
36	Nyeri	3170	47,550,000	1,399,894	48,949,894
37	Samburu	610	9,150,000	1,399,894	10,549,894
38	Siaya	3120	46,800,000	1,399,894	48,199,894
39	Taita Taveta	3749	56,235,000	1,399,894	57,634,894
40	Tana River	885	13,275,000	1,399,894	14,674,894
41	Tharaka Nithi	3960	59,400,000	1,399,894	60,799,894

Allocation to support Rehabilitation of Village Polytechnics in the Counties					
42	Trans Nzoia	2834	42,510,000	1,399,894	43,909,894
43	Turkana	754	11,310,000	1,399,894	12,709,894
44	Uasin Gishu	2582	38,730,000	1,399,894	40,129,894
45	Vihiga	4572	68,580,000	1,399,894	69,979,894
46	Wajir	845	12,675,000	1,399,894	14,074,894
47	West Pokot	1090	16,350,000	1,399,894	17,749,894
	TOTAL	128,947	1,934,205,000	65,795,000	2,000,000,018

Source: State Department for Vocational and Technical Training

Notes:

¹VTC – Vocational Training Centre

²VET – Vocational Education and Training

³Total trainee enrolment per county provided by County Directors of VET

4.2 Conditional allocations financed by proceeds of loans or grants from Development Partners to each county government as set out in column M of the Third Schedule of the Act comprising of;-

4.2.1 Conditional allocations financed by a grant from the World Bank to finance Transforming Health Systems for Universal Care Project (THSUCP) as set out in Column B of the Third Schedule of the Act which shall be managed as shown in Table 7 below:-

Table 7: Framework for management of IDA (World Bank) credit (Transforming Health Systems for Universal Care Project)

IDA (World Bank) credit (Transforming Health Systems for Universal Care Project)	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the ministry for the FY 2020/21. b) Initiate requests for disbursements to County Revenue Funds. c) Submit quarterly and annual financial and performance reports to the National Treasury and Planning. d) Monitor and evaluate performance of the allocation and report to the National Treasury e) Establishment of a Project Steering Committee and a Project Management Team (PMT) comprising at a minimum a National Project Manager, Coordinators for each components, Assistant coordinators, M&E officer, Project Accountant, Internal auditor, Project Procurement Officer, Environment and Social Safeguards compliance officer

Conditions	<p>At the county level:</p> <ul style="list-style-type: none"> • Signing of an Intergovernmental Participatory Agreement (IGPA) and Addendum to the IGPA between the National Government and County Governments. • Designation of project implementation team members in the counties; • Inclusion of project funds in the county budgets • Opening of a Special Purpose Account (SPA) at Central Bank of Kenya with joint signatories being the Chief Officer Finance and Chief Officer Health. • Submission of approved work plans indicating health interventions to be funded by the project • Share county budget allocation for health (excluding conditional grants for health); • Counties whose budgetary allocation to health is below 30% are required to increase the proportion allocation every subsequent year less conditional grants; and • Counties whose allocation is above 30% should sustain the allocation at or above 30% less conditional grants. • Quarterly submission of Statements of Expenditure. Timely submission of quarterly technical and financial reports.
Accounting officer of Government Responsible	Chief Officer, Department of Health
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) General administration and coordination of the respective conditional grant b) Ensure funds are included in the budget estimates of the county for the FY 2020/21; c) Initiate requests for transfer of funds from the County Revenue Funds to the Special Purpose Account within the stipulated time period; d) Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health e) Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; f) Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations.
Allocation: 2020/21	KES 4,345,375,738
Purpose of the grant	To improve delivery, utilization and quality of primary health care services with focus on Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) at the county level
Allocation criteria	<p>Based on financing agreement between the IDA and the Government of Kenya and Mid Term Review Recommendations, where;</p> <ul style="list-style-type: none"> a) The Allocation of 20 percent of each years' annual allocation shall be based on Revenue Allocation formula and the remaining 80 percent based on the performance formula and the Revenue Allocation formula subject to meeting the eligibility criteria.

	b) Allocations shall be adjusted based on a county's performance in transferring funds in the previous year. A county's allocation for year (x+1) shall be adjusted based on the average adjustment of the tranches in the year (x)	
	Transfer Days:	Adjustment per tranche
	0-25	0%
	16-25	15%
	26-35	50%
	36-45	75%
46+	100%	
	c) The PFM condition shall not apply to the funds swept to the CRF at the end of the FY, however the return of the funds to the SPA will be closely monitored by the Project Management Team.	
	d) Allocation includes funds reimbursements for expenses incurred and undisbursed funds for previous financial years.	

Allocation by County

County	Allocation
1.Baringo	98,424,470.33
2.Bomet	117,514,680.58
3.Bungoma	38,480,000.00
4.Busia	31,200,000.00
5.Elgeyo/Marakwet	33,340,400.00
6.Embu	112,736,972.71
7.Garissa	33,760,000.00
8.Homa Bay	33,040,000.00
9.Isiolo	26,720,000.00
10.Kajiado	203,253,801.95
11.Kakamega	50,214,024.00
12.Kericho	95,189,397.76
13.Kiambu	49,790,788.73
14.Kilifi	265,111,480.98
15.Kirinyanga	26,720,000.00
16.Kisii	68,638,638.00
17.Kisumu	57,625,644.95
18.Kitui	38,320,000.00
19.Kwale	35,200,000.00
20.Laikipia	90,610,649.34
21.Lamu	131,761,634.40
22.Machakos	45,165,352.00
23.Makueni	98,890,803.64
24.Mandera	300,000,000.00
25.Marsabit	99,759,979.00
26.Meru	36,400,000.00
27.Migori	40,295,579.93
28.Mombasa	114,569,473.31
29.Muranga	149,093,840.16
30.Nairobi	60,494,430.00
31.Nakuru	40,080,000.00

32.Nandi	102,150,272.12
33.Narok	104,265,416.44
34.Nyamira	278,847,760.40
35.Nyandarua	163,357,834.35
36.Nyeri	28,800,000.00
37.Samburu	31,320,789.00
38.Siaya	50,199,253.00
39.Taita Taveta	40,679,150.00
40.Tana River	138,012,263.08
41.TharakaNithi	101,448,239.33
42.Trans Nzoia	44,386,749.00
43.Turkana	300,000,000.00
44.UasinGishu	114,973,599.47
45.Vihiga	93,531,471.42
46.Wajir	98,763,532.25
47.West Pokot	32,237,369.00
Total	4,345,375,738

Source: Ministry of Health

4.2.2 Conditional allocations financed by World Bank credit to finance National Agricultural and Rural Inclusive Growth Project (NARIGP) as set out in Column C of the Third Schedule of the Act which shall be managed as shown in Table 8 below:-

Table: 8: IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project; NARIGP)

IDA (World Bank) Credit (National Agricultural and Rural Inclusive Growth Project; NARIGP)	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock and Fisheries
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development Agricultural Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country . Ensure project budgets are included in the annual budget estimates of the ministry. The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities. Ensure that annual audits are undertaken as per the Financing agreement and that provisions for co-financing are made in the Annual work Plans and Budget (AWP& B).

Accounting officer of County Government Responsible	Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Prepare Project Annual work Plans and Budget and share with the National Government Coordination Unit; b) Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; c) Ensure that respective spending units have made provisions for co-financing in the AWP&Bs; d) The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements e) Adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds f) Ensure disbursement of Kshs. 6.5 million in the FY 2020/21 to the Project Account through Project CBK Account; and g) Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> a) To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country b) Respective spending units have made provisions for co-financing in the AWP&Bs; c) Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury d) Monitor and evaluate performance of the allocation and report to the National Treasury through implementing Ministry
Allocation 2020/21	KES 4,261,646,438
Purpose of the grant	To increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.
Allocation by County	
County	Allocation (Ksh.)
Samburu	216,145,500
Turkana	216,213,200
Makueni	198,499,820
Meru	202,802,950
Kitui	199,218,200
Embu	202,094,150

Kilifi	198,440,766
Kwale	199,640,546
Narok	218,575,646
Kirinyaga	199,748,243
Kiambu	222,340,320
Nakuru	198,441,600
Bungoma	201,210,550
Trans Nzoia	199,332,120
Nandi	197,907,900
Murang'a	198,485,140
Kisii	198,615,016
Vihiga	198,457,709
Nyamira	198,509,110
Migori	198,500,002
Homa Bay	198,467,950
TOTAL	4,261,646,438

*Each County Government is supposed to make a contribution of Ksh. 6.5 million

Source: Ministry of Agriculture, Livestock, Fisheries and Irrigation

- 4.2.3 Conditional allocation financed by a World Bank loan to finance the Kenya Climate Smart Agriculture Project (KCSAP) as set out in Column D of the Third Schedule of the Act which shall be managed as shown in Table 9 below:-

Table 9: IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)

IDA (World Bank) Credit (Kenya Climate Smart Agriculture Project; KCSAP)	
Ministry/State Department Responsible	Ministry of Agriculture, Livestock and Fisheries
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Crops Development & Agriculture Research
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country. The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities
Accounting officer of County Government Responsible	Chief Officer responsible for Agriculture

Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Prepare Project AWP&B and share with the National Government Coordination Unit; b) Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; c) The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements d) Ensure disbursement of Kshs.5.0 million in the FY 2019/20 to the Project Account through Project CBK Account; and e) Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> a) To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country b) Respective spending units have made provisions for co-financing in the AWP&Bs; c) Ensure project budgets are included in the annual budget estimates of the ministry d) Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury e) Adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds f) Monitor and evaluate performance of the allocation and report to the National Treasury g) Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2020/21	KES 7,119,726,782
Purpose of the grant	To increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.
Allocation by County	
County	Allocation (Ksh.)
Baringo	247,240,980.00
Bomet	279,356,310.00
Busia	320,226,100.00
E.Marakwet	280,000,045.00
Kajiado	279,821,200.00

Kakamega	302,964,820.00
Kericho	277,000,000.00
Kisumu	240,035,100.00
Laikipia	236,105,200.00
Machakos	279,999,640.00
Nyandarua	239,157,250.00
Nyeri	312,177,550.00
Siaya	319,185,080.00
Taita-Taveta	317,598,320.00
Tharaka-Nithi	320,000,850.00
Uasin-Gishu	239,984,700.00
West-Pokot	320,000,420.00
Garissa	320,528,195.00
Isiolo	479,143,620.00
Lamu	257,872,086.00
Mandera	290,090,936.00
Marsabit	319,933,840.00
Tana-River	320,630,200.00
Wajir	320,674,340.00
Total	7,119,726,782.00

*Each County Government is supposed to make a contribution of Ksh.5 million

Source: State Department for Crops Development

4.2.4 Conditional allocation financed by a grant from the World Bank for Kenya Devolution Support Programme (KDSP)- level 1 known as KDSP Capacity Building (“level 1) Grant set out in Column E of the Third Schedule of the Act which shall be managed as shown in Table 10 below:-

Table 10: IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) " Level 1 grant"

IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) – level 1	
Ministry/State Department Responsible	Ministry of Devolution and ASAL
Accounting officer of National Government Responsible	PS, State Department for Devolution
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the ministry for the FY 2020/21 b) Initiate request for disbursement of funds c) Submit quarterly and annual financial and performance reports to the National Treasury and Planning and separate copies to each county governments d) Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> a) Preparation and adoption of Program Operations Manual b) Establishment of KDSP secretariat, Technical Committee and Joint Steering Committee c) Signing of participating agreement by the County Governments d) Preparation of the annual work plans e) Implementation of annual work plans
Accounting Officer of the County Government Responsible	<ul style="list-style-type: none"> • Accounting Officer(s) responsible for capacity building in the five key areas of focus in the county government i.e.: <ul style="list-style-type: none"> ○ Public financial management (PFM) systems; ○ County Human resource management; ○ County planning and Monitoring & Evaluation systems; and, ○ Civic Education and Public Participation. ○ Intergovernmental relations. ○ Environmental and Social safeguards ○ Re-allocation to COVID -19 Interventions
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the relevant department for the FY 2020/21. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Devolution • Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2020/21	KES. 2,115,000,000
Purpose of the grant	To strengthen capacity of core national and county institutions to improve delivery of devolved services at the county level.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya and approved work plans.
Allocation by County	
County	Total
1.Baringo	45,000,000
2.Bomet	45,000,000
3.Bungoma	45,000,000
4.Busia	45,000,000

5.Elegeyo Marakwet	45,000,000
6.Embu	45,000,000
7.Garissa	45,000,000
8.Homa Bay	45,000,000
9.Isiolo	45,000,000
10.Kajiado	45,000,000
11.Kakamega	45,000,000
12.Kericho	45,000,000
13.Kiambu	45,000,000
14.Kilifi	45,000,000
15.Kirinyaga	45,000,000
16.Kisii	45,000,000
17.Kisumu	45,000,000
18.Kitui	45,000,000
19.Kwale	45,000,000
20.Laikipia	45,000,000
21.Lamu	45,000,000
22.Machakos	45,000,000
23. Makueni	45,000,000
24. Mandera	45,000,000
25. Marsabit	45,000,000
26. Meru	45,000,000
27. Migori	45,000,000
28. Mombasa	45,000,000
29. Murang'a	45,000,000
30.Nairobi	45,000,000
31.Nakuru	45,000,000
32.Nandi	45,000,000
33.Narok	45,000,000
34.Nyamira	45,000,000
35.Nyandarua	45,000,000
36.Nyeri	45,000,000
37.Samburu	45,000,000
38.Siaya	45,000,000
39.Taita Taveta	45,000,000
40.Tana River	45,000,000
41.Tharaka Nithi	45,000,000
42.Trans Nzoia	45,000,000
43.Turkana	45,000,000
44.Uasin Gishu	45,000,000
45.Vihiga	45,000,000
46.Wajir	45,000,000
47.West Pokot	45,000,000
TOTAL	2,115,000,000

Source: State Department for Devolution

4.2.5 Conditional allocation financed by a loan from the World Bank to finance Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG) as set out in Column F of the Third Schedule of the Act which shall be managed as shown in Table 11 below:-

Table 11: Framework for management of IDA (World Bank) credit: Kenya Urban Support Project(KUSP)- Urban Development Grants (UDG)

IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	
Ministry/State Department Responsible	Ministry of Transport, Infrastructure, Housing & Urban Development.
Accounting officer of National Government Responsible	Principal Secretary, State Department for Housing and Urban Development.
Responsibilities of the National Government Accounting officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the ministry for the FY 2020/21 b) Submit quarterly and annual financial and performance reports to the National Treasury and World Bank c) Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> a) Municipal status is established b) Municipal Board is established c) Municipal Administration is in place d) Municipal Budget Vote is included in the County budget e) County Government reports on municipal budget vote to Controller of budget f) County Government has committed itself to participation in KUSP g) The Annual Urban area investment plan is available h) Use of previous UDG is in accordance with eligible investment menu. i) Municipal absorptive capacity j) Municipal procurement & contract management are within prescribed budget thresholds and contracting procedures. <p>Counties must meet the following Performance Standards:-</p> <ul style="list-style-type: none"> a) Municipal manager's Job Description publicly available. b) Quarterly board meetings held. c) Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once a year. d) Urban board has made key documents publicly available e) Urban board publishes its annual calendar of citizens' fora f) Urban board has adopted urban area budget based on the budget ceiling. g) Urban Integrated Development Plan submitted by the municipal administrator, and reviewed and approved by the municipal board h) Urban spatial plan completed and approved i) Board adopts a Solid Waste Management policy and operations j) Previous year's UDG projects completed

Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> a) Supporting and guiding Municipal Boards/Administrations in preparing budgets and forwarding them for approval by the County Assembly b) Establishing urban institutions for effective urban management; c) Monitor and evaluate performance of the allocation and report to the County Treasury. d) capacity building and technical backstopping of Municipal Boards/Administrations; e) Managing the flow of Program funds at this level, and consolidating the fiscal reporting from Municipal Boards for onward submission to the National Treasury; and State Department of Housing and Urban Development f) Generally exercising oversight on the performance of the Municipal Boards.
Allocation: 2020/21	KES: 6,366,000,000.00
Purpose of the grant	Provide support to urban boards and administrators within the respective participating County governments for financing infrastructure investments in urban areas.
Allocation criteria	Based on financing agreement between the IDA and the Government of Kenya. Participating county governments will be funded based on the score in the Annual Performance Assessment (APA) _ for achievement of urban planning, infrastructure, and service delivery targets prescribed in Section 5 (2) (e) (i) of the County Allocation of Revenue Act, 2020. .
Allocation by County	The allocation of Ksh6.4 billion for KUSP-UDG Grant will be allocated to benefiting county governments pursuant to Section 5 (2) (e) (ii) of the County Allocation of Revenue Act, 2020.

Source : State Department of Housing and Urban Development

4.2.6 Conditional allocation financed from a grant by DANIDA to finance Universal Health Care in Devolved System Program as set out in Column G of the Third Schedule of the Act which shall be managed as shown in Table 12 below:-

Table 12: Framework for management of DANIDA Grant (Universal Healthcare in Devolved System Program).

DANIDA Grant (Universal Healthcare in Devolved System Program)	
Ministry/State Department Responsible	Ministry of Health
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Health
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Ensure that funds under this Agreement are properly accounted for and that the Grant is reflected in the Ministry plans. b) Ensure funds are included in the budget estimates of the ministry for the FY 2020/21.

	<ul style="list-style-type: none"> c) Initiate requests for transfer of funds from the Danish Government to the National Treasury d) Initiate requests for disbursements to County Revenue Funds. e) Submit quarterly and annual financial and performance reports to the National Treasury and Planning. f) Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> a) In order to be eligible for support after year one at least 20 percent of the county budget (excluding conditional grants) must be allocated to health. b) The grant shall be used exclusively to supplement operations and maintenance (O&M) costs as defined in the GoK Chart of Accounts c) Funds will be sent to gazetted public Level 2 and Level 3 health facilities in the 47 Counties d) Counties shall distribute the grants according to clear criteria shared to the Project Management Team e) The Counties shall ensure timely disbursements to the health facilities through IFMIS through the respective County Special Purpose Account for Health. f) The Counties shall for purposes of sustainability gradually assume an increased responsibility for the O&M costs. g) Counties not complying with the above conditions and statutory planning, budgeting and reporting as well as having qualified Annual Audit Reports from the Office of Auditor General will not be eligible for further support.
Accounting officer of County Government Responsible	Chief Officer, Department of Health
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) General administration and coordination of the conditional grant b) Ensure funds are included in the budget estimates of the county for the FY 2020/21; c) Initiate requests for transfer of funds from the County Revenue Funds to the special purpose accounts and to the health facility through IFMIS within the stipulated time period; d) Submit quarterly and annual financial and performance reports to the County Treasury and Planning and the Ministry of Health e) Monitor and evaluate performance of the allocation and report to the County Treasury and Planning and the Ministry of Health; f) Ensure compliance with the PFM act in utilization of resources and adherence to audit recommendations.
Allocation: 2020/21	KES 900,000,000
Purpose of the grant	To improve access to quality of primary health care and RMNCAH services at the county level
Allocation criteria	Based on financing agreement between the DANIDA and the Government of Kenya: The grant will be allocated as a conditional grant to each County based on the CRA ratio.

Allocation by County	
County	Total
Baringo	14,490,000
Bomet	17,718,750
Bungoma	15,660,000
Busia	25,290,000
Elgeyo/Marakwet	17,100,000
Embu	10,980,000
Garissa	12,240,000
Homa Bay	19,980,000
Isiolo	19,170,000
Kajiado	12,060,000
Kakamega	18,270,000
Kericho	29,610,000
Kiambu	15,300,000
Kilifi	26,820,000
Kirinyaga	29,700,000
Kisii	12,060,000
Kisumu	22,140,000
Kitui	19,440,000
Kwale	25,110,000
Laikipia	22,140,000
Lamu	11,880,000
Machakos	7,380,000
Makueni	22,050,000
Mandera	29,070,000
Marsabit	19,260,000
Meru	22,860,000
Migori	19,260,000
Mombasa	20,070,000
Murang'a	17,910,000
Nairobi	45,270,000
Nakuru	29,790,000
Nandi	15,210,000
Narok	22,860,000
Nyamira	13,680,000
Nyandarua	13,860,000
Nyeri	15,390,000
Samburu	13,140,000
Siaya	16,470,000
Taita Taveta	12,060,000
Tana River	16,650,000
Tharaka Nithi	11,160,000
Trans Nzoia	16,380,000

Turkana	29,970,000
Uasin Gishu	18,000,000
Vihiga	13,230,000
Wajir	24,300,000
West Pokot	14,220,000
Total	900,000,000.00

Source: Ministry of Health

4.2.7 Conditional allocation from an EU grant to finance Instruments for Devolution Advice and Support (IDEAS) program as set out in Column H of the Third Schedule of the Act which shall be managed as shown in Table 13 below:-

Table 13: Framework for management of EU Grant (Instruments for Devolution Advice and Support; IDEAS)

EU Grant (Instruments for Devolution Advice and Support IDEAS)	
Ministry/State Department Responsible	Ministry of Devolution and ASALs/ State Department for Devolution
Accounting officer of National Government Responsible	Principal Secretary, State Department for Devolution
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> a) Ensure that the allocations for the EU grant are included in policy documents (DORA and CARA) and the Budget Estimates for the State Department of Devolution for the FY 2019/20 b) On confirmation of compliance to the provision of the grant contract by the counties, initiate request for disbursement of funds to the counties to the National Treasury c) Chairperson for the Project Steering Committee which is the apex body for the IDEAS Programme. d) Provide regularly policy and technical support to the county Governments in all matters of project implementation. e) Receive quarterly and annual financial and technical implementation reports from the counties and share with the National Treasury and the European Union respectively.
Accounting Officer of beneficiary County Government Responsible	Chief Officer responsible for; <ul style="list-style-type: none"> a) Agriculture, Livestock and Fisheries or b) Trade and Industrialization.
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> a) Ensure that the project budget amount including own contribution to the grants is included in the County Government's budget, approved by the County Assembly and included in the County Appropriation Act passed by the County Assembly. b) Consolidate the financial and non-financial performance reports for the grant and submit to County Treasuries and the State Department for Devolution. c) Ensure the smooth implementation of the LED projects, through the formation and operationalization of two project implementing units namely, the County

	<p>Technical Team (CTT) and the County Project Coordination Committee (CPCC).</p> <p>d) Make monthly or quarterly supervision and monitoring visits to the project sites;</p> <p>e) Issuance of technical guidelines and advice pertaining to implementation of the project.</p>
Conditions	<p>The State Department signed grant contracts with 15 Counties, for 17 LED Projects. The counties shall adhere to the General Conditions applicable to European Union-financed grants for external actions and the National Government guidelines for the Management of Conditional Grants framework (Treasury Circular No 8/2017). The conditions for the 2nd pre-financing are:</p> <p>a) Counties shall submit to State Department of Devolution an interim implementation narrative and financial reports on quarterly and annual basis for onward transmission to the National Treasury.</p> <p>b) Expenditure verification report of the first years expenditures in the county.</p> <p>c) Counties to ensure that the grants allocated to them are reflected in their respective budget and approved by their county assembly.</p> <p>d) The counties shall implement the Action with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field.</p> <p>e) The County must ensure that Public Participation is undertaken throughout the life of the project</p>
Allocation to the Counties: 2020/21	KES 216,014,391
Purpose of the grant	To support National and County governments capacities for the management of the devolution process and the responsible transfer and use of resources for the achievement of local economic development at the county level.
Allocation criteria	Based on financing agreement between the EU and the Government of Kenya and approved work plans annexed to the County Grant Contracts. Each of the 15 Counties has been allocated Kshs.110m for implementation of the agreed LED projects and will be paid in 2 pre-financing instalments and the balance on successful completion of the agreed projects.
Allocation by County	
County	Total (Kshs.)
Baringo	15,626,168
Kisii	16,140,145
Kisumu	15,626,168
Kwale	15,624,891
Laikipia	15,626,168
Makueni	11,000,000
Marsabit	16,140,048
Migori	15,626,168

Nyandarua	11,000,000
Samburu	15,626,168
Taita-Taveta	15,624,929
Tana River	14,727,370
Uasin Gishu	11,000,000
Wajir	15,626,168
West Pokot	11,000,000
Total	216,014,391

Source: State Department for Devolution

4.2.8 Conditional allocation from a World Bank credit to finance Water & Sanitation Development Project (WSDP) as set out in Column I in the Third Schedule of the Act which shall be managed as shown in Table 14 below:-

Table 14: Framework for management of IDA (World Bank) credit: Water & Sanitation Development Project (WSDP)

IDA (World Bank) Credit: Water and Sanitation Development Project (WSDP)	
Ministry/ State Department Responsible	Ministry of Water, Sanitation and Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Water, Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the Ministry for FY 2019/2020 and reflected in CARA. b) Initiate request for disbursement of funds supported by approved procurement and work plans. c) Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. d) Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> a) This funding must be included in the budget estimates of the County Government. b) Participating Counties shall carry out, and verify its activities under the WSDP with due diligence and efficiency and in accordance with the Financing Agreement, PIM, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the World Bank's "Guidelines on Preventing and Combatting Fraud and Corruption c) Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee.
Accounting Officer of County Government Responsible	Accounting officer responsible for Water and Sanitation in the County Government

Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2019/20. b) Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Principal Secretary, Ministry of Water and Sanitation c) Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2020/21	Kshs. 3,400,000,000
Purpose of the Grant/Loan	For implementation of Water and Sanitation activities
Allocation Criteria	Based on the Signed Financing agreement between IDA and the Government of Kenya and approved procurement and work plans.
Allocation by County	Allocation per county (Ksh.)
1. Wajir	350,000,000
2. Garissa	500,000,000
3. Mombasa	1,100,000,000
4. Taita Taveta	350,000,000
5. Kwale	400,000,000
6. Kilifi	700,000,000
TOTAL	3,400,000,000

Source: State Department of Water, Sanitation and Irrigation

4.2.9 Conditional allocation financed by a loan from Government of Sweden to finance Agriculture Sector Development Programme II (ASDP II) as set out in Column J of the Third Schedule which shall be managed as shown in Table 15 below:-

Table 15 : Framework for management of Sweden – Agricultural Sector Development Support Programme II (ASDSP II)

Sweden – Agricultural Sector Development Support Programme (ASDSP) II	
Ministry/State Department Responsible	Ministry of Agriculture Livestock and Fisheries
Accounting officer of National Government Responsible	Principal Secretary, State Department for Crops Development and Research
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Ensure programme allocations are as per as Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2020/021 b) Receive quarterly and annual financial and non-financial reports from the counties and consolidate c) Submit quarterly and annual financial and performance reports to the National Treasury and separate copies to each county governments d) Monitor and evaluate performance of the allocation and report to the National Treasury

Accounting officer of County Government Responsible	Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Prepare Programme AWP&B based on the previous year's activity and budget performance and share with the National Government Secretariat; b) Ensure that the programme AWP&B , upon approval by County Steering Committee is submitted to the County Treasury and captured accordingly; c) Ensure that respective spending units have made provisions for co-financing in the AWP&Bs; d) Adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture Livestock, Fisheries and Irrigation and Governors of each county on prudent management of the programme funds; e) The County accounting officer , upon approval of the budget by respective county department shall submit twice a year, disbursement request to the National Treasury through county Treasury; f) Ensure disbursement of Ksh. 5.5 million in two halves/ year programme account through programme CBK Account; and g) Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> a) Donor funding will be triggered by counter-part funds from both levels of GoK (national and counties). The trigger will be when the GoK counter funds are in programme operational account ; b) GoK will ensure that the funds disbursed by Sweden are subsequently disbursed to spending units (both national and counties) in reasonable time not delay implementation of programme activities; c) Funding will be triggered by counterpart funds from both levels of GoK (national and counties); and d) Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State department for crops will additionally submit consolidated report for all the 48 spending units.
Allocation: 2020/021	KES 652,584,158
Purpose of the grant	To develop sustainable priority value chains so as to contribute to the sector goal of transforming crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security.
Allocation criteria	Based on financing agreement between the Government of Sweden and the Government of Kenya and approved work plans.
Allocation by County	

County	Total Allocations		
	a	b	c=a+b
Counties	SIDA/EU Contribution	National (NG)(MoALF) contribution	Total
Baringo	11,057,645	2,500,000	13,557,645
Bomet	10,944,366	2,500,000	13,444,366
Bungoma	11,876,061	2,500,000	14,376,061
Busia	11,504,970	2,500,000	14,004,970
Elgeyo-Marakwet	10,421,815	2,500,000	12,921,815
Embu	9,612,312	2,500,000	12,112,312
Garissa	13,013,345	2,500,000	15,513,345
Homa bay	11,238,669	2,500,000	13,738,669
Isiolo	11,693,675	2,500,000	14,193,675
Kajiado	10,857,272	2,500,000	13,357,272
Kakamega	12,541,144	2,500,000	15,041,144
Kericho	10,276,994	2,500,000	12,776,994
Kiambu	10,936,146	2,500,000	13,436,146
Kilifi	12,482,463	2,500,000	14,982,463
Kirinyaga	9,009,004	2,500,000	11,509,004
Kisii	11,685,102	2,500,000	14,185,102
Kisumu	10,686,151	2,500,000	13,186,151
Kitui	12,928,645	2,500,000	15,428,645
Kwale	12,232,422	2,500,000	14,732,422
Laikipia	10,416,815	2,500,000	12,916,815
Lamu	8,843,998	2,500,000	11,343,998
Machakos	11,246,442	2,500,000	13,746,442
Makueni	12,034,090	2,500,000	14,534,090
Mandera	14,548,048	2,500,000	17,048,048
Marsabit	14,310,792	2,500,000	16,810,792
Meru	11,050,139	2,500,000	13,550,139
Migori	11,203,648	2,500,000	13,703,648
Mombasa	10,249,975	2,500,000	12,749,975
Muranga	10,246,035	2,500,000	12,746,035
Nairobi	13,455,893	2,500,000	15,955,893
Nakuru	11,671,667	2,500,000	14,171,667

Nandi	10,338,123	2,500,000	12,838,123
Narok	11,195,490	2,500,000	13,695,490
Nyamira	10,625,036	2,500,000	13,125,036
Nyandarua	9,991,573	2,500,000	12,491,573
Nyeri	9,458,572	2,500,000	11,958,572
Samburu	11,996,213	2,500,000	14,496,213
Siaya	10,374,560	2,500,000	12,874,560
TaitaTaveta	10,706,924	2,500,000	13,206,924
Tana River	12,905,911	2,500,000	15,405,911
Tharaka-Nithi	9,678,726	2,500,000	12,178,726
Trans Nzoia	10,512,542	2,500,000	13,012,542
Turkana	16,231,177	2,500,000	18,731,177
Uasin Gishu	10,220,859	2,500,000	12,720,859
Vihiga	9,816,175	2,500,000	12,316,175
Wajir	15,032,329	2,500,000	17,532,329
West Pokot	11,724,205	2,500,000	14,224,205
TOTAL	535,084,158	117,500,000	652,584,158

Source: State Department for Crops Development

4.2.10 Conditional allocation financed by a grant from EU to finance Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) as set out in Column K of the Third Schedule of the Act which shall be managed as shown in Table 16 below:-

Table 16: Framework for management of EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER)

European Union – Water Tower Protection and Climate Mitigation and Adaptation (WaTER) Programme	
Ministry of Environment and Forestry/State Department of Environment and Forestry	Ministry of Environment and Forestry
Accounting officer of National Government Responsible	Principal Secretary, Ministry of Environment & Forestry
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> a) Management of the Grant Contracts b) Installation and implementation of a public expenditure tracking system for the grant contracts c) Monitoring and evaluation of the programme implementation d) Provide quarterly and annual financial reports to the National Treasury Provide annual financial reports to the European Union
Conditions	a) Programmes to be funded must be included in the CIDPs of the respective Counties developed through a participatory process

	<ul style="list-style-type: none"> b) Grants must be included in the County Allocation of Revenue Act (CARA) according to the forecast disbursement schedule c) Grants must be included in the annual National and County budgets d) Activities must be relevant to the specific objectives of the programme e) Integrate national values and principles of good governance in the implementation of the programme f) The grants must include measures to ensure the visibility of the EU funding for the grant g) Grants must include participatory M&E h) Implementation of the Grants must adhere to the Special and General Conditions of the Grant Contracts. In particular, a special project account must be opened for all project financing from the grants with no co-mingling of funds allowed i) The provisions of the Public Finance Management Act (No. 18 of 2012) and Regulations (Kenya Gazette Supplement No. 32, Legal Notice No. 34) must be adhered to j) A County Programme Steering Committee must be put in place to oversee the implementation of the programme at County Level. The composition of the committee and its mandate will be defined and communicated by the Contracting Authority k) County Governments must provide not less than 10% of the total grant for purposes of supporting the activities under the donor funded component of the programme
Accounting officer of the County Government	The Accounting officer In charge of Environment and Natural Resources
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> a) Ensure compliance with the management framework governing the grant b) Ensure all transfers are included separately in the County Government's Appropriation Bill c) Operation of separate Programme Bank Accounts d) Monitoring and Evaluation of Programme activities both technical and financial e) Financial and Technical reporting (quarterly) to the Ministry of Environment and Forestry f) Financial reporting (as per contract terms and the PFM Act and Regulations) to the Ministry of Environment and Forestry
Allocation: 2020/21	KES 528,000,001
Purpose of the grant	Implementation of Programme activities in line with the specific objectives outlined above
Allocation criteria	The Euro 16 million is allocated to the County Governments, according to criteria drawn up and approved by the WaTER Programme Steering Committee, and based on a basic Grant of Euro 1.12 million per County spread over 3 fiscal years (Euro 12.32 million) with the balance of Euro 3.68 million earmarked for more degraded areas in Counties in the water catchments. Each county received an initial allocation of KES 80 million. The rest will be disbursed in subsequent financial years according to the

	balance after application of the allocation criteria and deducting the initial disbursement of 2019/20.
County	Allocation by County
West Pokot (24)	65,952,437
Trans Nzoia (26)	45,162,927
Uasin Gishu (27)	62,574,758
Elgeyo Marakwet (28)	69,163,856
Nandi (29)	60,669,094
Kakamega (37)	42,632,067
Vihiga (38)	25,751,575
Bungoma (39)	52,565,915
Busia (40)	30,127,734
Siaya (41)	38,530,664
Kisumu (42)	34,868,974
Total	528,000,001

Source: State Department for Environment

4.2.11 Conditional allocation financed by both loan and grant from the German Development Bank (KfW) to finance Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column L of the Third Schedule of the Act, which shall be managed as shown in Table 17 below:-

Table 17: Framework for management of German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)

German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)	
Ministry/State Department Responsible	Ministry of Water & Sanitation and Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, Ministry of Water & Sanitation and Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Fiduciary responsibility for the project funds; • Ensure programme allocations are as per Annual Investment Plans & are included in the budget estimates of the Ministry for the FY 2020/21; • Endorses and transmits Withdrawal Applications and payment request to the National Treasury; • Review of quarterly progress reports and transmission to KfW; • Review of Annual Investment Plans (AIPs) against Programme eligibility criteria and transmission to JPSC; • Procurement of Implementation Support Consultant (ISC); • Capacity building of county staff; • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture or Water • Turkana County: Chief Officer for Agriculture and Land Reclamation • Marsabit County: Chief Officer for Agriculture

Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Overall coordination and quality assurance, primary responsibility for effective and efficient implementation; • Bears fiduciary responsibility for the funds transferred to the county as conditional grants • Preparation of Annual Investment Plans upon approval by Joint Programme Steering Committee (JPSC) is submitted to the County Treasury and captured in county budget. • Signs withdrawal applications and payment requests and transmits them to the County Treasury; • Financial and technical reporting and transmission of quarterly progress reports to National Programme Coordinating Unit (NPCU); • Defines ad hoc committees for tender evaluation; • Participate in Tender Committee at Ministry of Water & Sanitation and Irrigation for ISC procurement.
Conditions	<ul style="list-style-type: none"> • KfW will initiate disbursements upon recruitment of an Implementation Support Consultant (ISC) who will support the CPCUs and NPCU in all their functions; • Opening of 2 EURO designated Bank Accounts at CBK for the Loan and Grant funds by the National Treasury and Kshs account by the respective County Governments for the disposition funds; • Loan effectiveness is conditional upon issuance of Legal Opinion by the Attorney General; • Both levels of Government ensure that the partner contributions/co-financing has been budgeted accordingly and is provided in time during the implementation of the Programme; • Signing of Separate Agreement between the Cabinet Secretary, Ministry of Water & Sanitation and Irrigation and Governors of each county spelling out implementation modalities and adherence to the requirements therein on prudent use and management of the program funds; • Community commitment to provide its partner contribution in kind; • Evidence of the use of funds is to be presented to KfW at the latest four months after the preceding replenishment or at the last period evidenced if no replenishment has been effected; • Annual audit report by external auditor be submitted 3 months after the end of the FY; • Implementation must be within the predetermined clusters.
Allocation: 2020/21	KES 300,000,000
Purpose of the grant	To ensure that drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by constructing and rehabilitating relevant infrastructure.
Allocation criteria	Based on financing agreement between the Federal Republic of Germany and the Government of Kenya; and approved Annual Investment Plans (AIPs) prepared by the county governments.

Allocation by County	
County	Total (Ksh.)
Marsabit (Loan)	100,000,000
Turkana (Grant)	200,000,000
TOTAL	300,000,000

Source: State Department for Irrigation

5.0 TRANSFER OF THE ADDITIONAL CONDITIONAL ALLOCATIONS TO COUNTY GOVERNMENTS

- 10 The National Treasury will be responsible for transfer of level 5 hospital conditional allocation to the respective County Revenue Fund Accounts.
- 11 The National Treasury will also be responsible for the transfer of the supplement for construction of county headquarters, grant for compensation for user fees foregone, allocation for Rehabilitation of Village Polytechnics and all conditional allocations financed from proceeds of loans and grants by development partners to the respective County Revenue Funds, provided the National Treasury has received written instructions from the Accounting Officer responsible for authorizing the transfer of the allocations.
- 12 The Kenya Roads Board will be responsible for transfer of the Fuel Levy Fund to respective County Revenue Fund accounts.

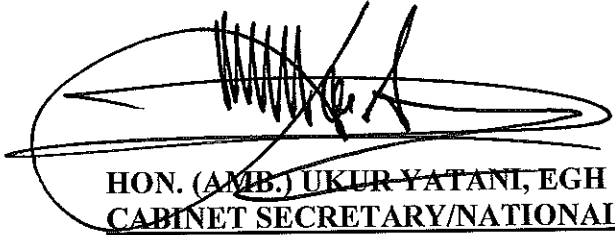
6.0 REPORTING RESPONSIBILITIES AND REQUIREMENTS FOR CONDITIONAL GRANTS

- 13 The national government accounting officers responsible for transfer of the above conditional allocations to a county government shall, in addition to any other requirement in terms of the Public Finance Management Act, 2012 or any other applicable law or framework governing the allocation, monitor and evaluate the financial and non-financial performance of programmes, fully or partially funded by the allocation and submit the following to the National Treasury:-
 - a. a quarterly report within 30 days after the end of each quarter;
 - b. an annual report within three months after the end of the financial year; and
 - c. the attendant conditions of any conditional grant to a county accounting officers.
- 14 For the avoidance of doubt, the reports referred to in paragraph (13) shall include information that:-
 - a. indicate the total amount of funds transferred to each county government;

- b. indicate the amount of funds withheld or stopped from any county government, the reason for withholding or stopping and the action taken by the national government Accounting Officer and the county government Accounting Officer to deal with the matters that necessitated the withholding or the stoppage of the transfer;
 - c. indicate any reductions or additions of conditional or unconditional allocations to county governments authorized by the National Treasury;
 - d. indicate the funds, if any, spent by the national government Accounting Officer on the administration of the transfer to the counties; and
 - e. that may be required under the relevant law or framework governing the transfer by the National Treasury.
- 15 County government Accounting Officers shall monitor and evaluate the financial and non-financial performance of programmes funded by conditional and unconditional transfer from the national government and prepare and submit to the relevant national accounting officer, the following:-
- a. a quarterly report within 15 days after the end of each quarter in a format prescribed by the Public Sector Accounting Standards Board;
 - b. an annual report within two months after the end of each financial year in a format prescribed by the Public Sector Accounting Standards Board;
- 16 For the avoidance of doubt, the reports submitted in paragraph (15) shall specify on the following:-
- a. actual transfers received by the county government from the national government;
 - b. actual expenditure incurred in respect of the transfer;
 - c. any reallocations authorised by the relevant national accounting officer;
 - d. to what extent the county government complied with the provisions of the Public Finance Management Act, 2012, PFM Regulations and met the conditions provided for in the relevant framework of such a transfer;
 - e. the steps taken to deal with non-compliance with any of the provisions of the PFMA and PFM Regulations or the conditions provided for in the relevant frameworks of such a transfer;
 - f. the extent to which the objectives and outputs of the transfer were achieved; and
 - g. any other information as may be specified in the relevant framework for that transfer and any other information accounting officer may determine.

7.0 CONCLUSION

17 All Accounting Officers of the National Government Ministries and Departments and all County Executive Committee Members for Finance are urged to bring the contents of this circular to the attention of all officers working under them.



HON. (AMB.) UKUR YATANI, EGH
CABINET SECRETARY/NATIONAL TREASURY AND PLANNING

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ALL CABINET SECRETARIES

ALL GOVERNORS OF COUNTY GOVERNMENTS

ALL SPEAKERS OF COUNTY ASSEMBLIES

ALL CLERKS OF COUNTY ASSEMBLIES