



REPUBLIC OF KENYA
TWELFTH PARLIAMENT – (FOURTH SESSION)
THE SENATE
SUPPLEMENTARY ORDER PAPER
TUESDAY, AUGUST 11, 2020 AT 2:30 PM

PRAYERS

1. Administration of Oath
2. Communication from the Chair
3. Messages
4. Petitions (as listed in the Appendix)
5. Papers
6. Notices of Motion
7. Statements (as listed in the Appendix)

8. **MOTION – APPROVAL OF THE THIRD BASIS FOR REVENUE ALLOCATION AMONG THE COUNTY GOVERNMENTS**

(Chairperson, Standing Committee on Finance and Budget)

THAT, the Senate **adopts** the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation Among the County Governments, laid on the Table of the Senate on Monday, 13th July, 2020, and that pursuant to Article 217 of the Constitution, **approves** the proposed Third Basis for Revenue Allocation Among the County Governments as contained in the Report.

(Resumption of debate interrupted on Tuesday, 4th August, 2020)

9. **MOTION – APPROVAL OF THE THIRD BASIS FOR REVENUE ALLOCATION AMONG THE COUNTY GOVERNMENTS**

(Sen. Johnson Sakaja, MP)

THAT, AWARE THAT under Article 217 of the Constitution, the Senate by resolution is required to determine the basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government;

...../Motion

FURTHER AWARE THAT, the Senate mandated the Standing Committee on Finance and Budget to consider the recommendations of the Commission on Revenue Allocation, and consulted the Cabinet Secretary responsible for Finance and the Council of Governors among others and subsequently conducted public participation pursuant to Article 118(1)(b) of the Constitution, as documented in the report tabled in the Senate on Monday, 13th July, 2020;

NOW THEREFORE the Senate resolves that pursuant to Article 217 (1) of the Constitution, the third Basis for sharing revenue among counties, for the Financial Year 2020/2021 to 2024/2025 be as follows –

a) Equitable share not exceeding Kshs. 316.50 billion

The following formula shall apply

CA_{i1}= Allocation per County for FY 2019/20

b) Equitable share over and above Kshs. 316.50 billion

The following formula shall apply

CA_{i2}= 0.18*Population Index_i+ 0.17*Health Index_i+0.10* Agriculture Index_i+ 0.05*Urban Index_i+0.14* Poverty Index_i+ 0.08*Land Area Index_i+0.01*Fiscal Effort_i+0.06*Roads Index_i+0.01* Prudence Index_i +0.20* Basic Share Index_i¹

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%)and three years average in-patient days in levels 4 and 5 hospitals (20%) Facility gap factor _i = $\frac{\text{Facility gap funding in county } i}{\sum_{i=1}^{47} \text{facility gap funding in county } i}$ Primary health care factor _i = $\frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ In – patient days factor _i = $\frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$
Agriculture services	Agriculture Index _i = 0.005 * Minimum Share index + 0.095 * $\frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$
Other county services	Population index _i = $\frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$

¹ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Minimum share	Basic share index $= 0.19 * \text{Equal Share index} + 0.01 * \frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$					
Land	$\text{Land area index}_i = \frac{\text{Land area in county } i}{\sum_{i=1}^{47} \text{Land area in county } i}$					
Roads	$\text{Roads index}_i = \frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$					
Poverty level	$\text{Poverty index}_i = \frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$					
Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$					
Fiscal effort	$\text{Fiscal effort index}_i = \frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Report	Non-Qualified	4	County Executiv Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executiv Assembly	CE=90% CA=10%
4	County Budget Economic Forum	In place	1	County Government	100%	
		Not In place	0			

c) Total Equitable share of a County

The following formula shall apply

$$\text{TES}_i = \text{CA}_i1 + \text{CA}_i2$$

...../Motion

Whereas;

TES_i = Total Equitable share of County _i

CA_{i1}= Allocation per County for FY 2019/20

CA_{i2} =Equitable share over and above Kshs. 316.50 billion

The basis used is as shown

No.	Parameter	Weight
1	Population	18%
2	Health	17%
3	Agriculture	10%
4	Urban	5%
5	Roads	6%
6	Poverty	14%
7	Land	8% capped
8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

10. **MOTION - PROVISION OF CEMETERY, FUNERAL PARLOURS AND CREMATORIA IN ALL COUNTIES**

(Sen. (Dr.) Alice Milgo, MP)

THAT, AWARE THAT under Article 61 of the Constitution of Kenya, land in Kenya is classified into three categories, public, Community and private land;

FURTHER AWARE THAT, public land is vested in both the County and National Governments and is managed on their behalf by the National Land Commission, and that Article 62 (2) clarifies the distribution of public land between the two levels of government.;

COGNIZANT THAT, the Fourth Schedule of the Constitution delegates cemeteries, funeral parlours and crematoria as a function of County Governments;

...../Motion

CONCERNED THAT, cemeteries in the Country are filling up, and counties are finding it increasingly difficult to identify land to allocate as “public” for use as a cemetery with the knowledge that any cemetery or burial-place that is crowded and therefore dangerous to health is defined as constituting a nuisance in the Public Health Act;

NOW THEREFORE, the Senate calls upon the county governments to ensure that funds are allocated in the County Annual Development Plans for FY 2020/2021, towards the planning and development of cemetery, funeral parlours and crematory facilities.

*(Resumption of debate interrupted on Thursday, 12th March, 2020)
(Division)*

11. **MOTION – CONSIDERATION OF THE NATIONAL ASSEMBLY AMENDMENTS TO THE COUNTY OUTDOOR ADVERTISING CONTROL BILL (SENATE BILLS NO. 19 OF 2018)**

(Chairperson, Standing Committee on Information and Technology)

THAT, the National Assembly amendments to the County Outdoor Advertising Control Bill (Senate Bills No. 19 of 2018) be now considered.

12. ***THE PROMPT PAYMENT BILL (SENATE BILLS NO. 3 OF 2020)**

(Sen. (CPA) Farhiya Haji, MP and Sen. Sakaja Johnson, MP)

(Second Reading)

*(Resumption of debate interrupted on Tuesday, 23rd June, 2020 –
Afternoon Sitting)*

13. ***THE COMMUNITY HEALTH SERVICES BILL (SENATE BILLS NO. 5 OF 2020)**

(Sen. (Dr.) Agnes Zani, MP)

(Second Reading)

(Resumption of debate interrupted on Tuesday, 4th August, 2020)

14. *****THE EQUALIZATION FUND BILL (NATIONAL ASSEMBLY BILLS NO. 43 OF 2019)**

(The Senate Majority Leader)

(Second Reading)

15. *****THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL (NATIONAL ASSEMBLY BILLS NO. 51 OF 2017)**

(The Senate Majority Leader)

(Second Reading)

- 16. ***THE WILDLIFE CONSERVATION AND MANAGEMENT (AMENDMENT) BILL (SENATE BILLS NO. 24 OF 2019)**
 (Sen. Johnes Mwaruma, MP)
(Second Reading)

- 17. ***THE LAW OF SUCCESSION (AMENDMENT) BILL (SENATE BILLS NO. 1 OF 2020)**
 (Sen. Abshiro Halake, MP)
(Second Reading)

- 18. ***THE COUNTY RESOURCE DEVELOPMENT BILL (SENATE BILLS NO. 2 OF 2020)**
 (Sen. Rose Nyamunga, MP)
(Second Reading)

- 19. *****THE SECTIONAL PROPERTIES BILL (NATIONAL ASSEMBLY BILLS NO. 23 OF 2019)**
 (The Senate Majority Leader)
(Second Reading)

- 20. *****THE LIVESTOCK AND LIVESTOCK PRODUCTS MARKETING BOARD BILL (NATIONAL ASSEMBLY BILL NO. 2 OF 2019)**
 (The Senate Majority Leader)
(Second Reading)

- 21. **MOTION – ADJOURNMENT OF THE SENATE**
 (The Senate Majority Leader)

THAT, pursuant to Standing Orders 28 and 29, the Senate do adjourn until Tuesday, 8th September, 2020.

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...../Notice

NOTICE

The Senate resolved on 18th February, 2020 as follows:-

- i. **THAT**, pursuant to Standing Order 106 (1), the Senate resolves that debate on a Motion not sponsored by the Majority or Minority Party or a Committee shall be limited in the following manner:-

A maximum of three hours with not more than twenty minutes for the Mover, twenty minutes for the Majority Party Official Responder, twenty minutes for the Minority Party Official Responder and fifteen minutes for each other Senator speaking and that fifteen minutes before the time expires, the Mover shall be called upon to reply.

- ii. **THAT**, notwithstanding the provisions of Standing Order 106 (4), the debate on any Motion for the adjournment of the Senate to a day other than the next normal sitting day in accordance with the calendar of the Senate shall be limited to a maximum of two hours with not more than fifteen minutes for each Senator speaking after which the Senate shall adjourn without question put; Provided that when the period of recess proposed by any such Motion does not exceed nine calendar days, the debate shall be limited to a maximum of thirty (30) minutes, and shall be confined to the question of adjournment.

KEY

******** - Denotes a Majority /Minority Party Bill

******* - Denotes a National Assembly Bill

****** - Denotes a Committee Bill

***** - Denotes any other Bill

NOTICE OF AMENDMENTS

A. MOTION - APPROVAL OF THE THIRD BASIS FOR REVENUE ALLOCATION AMONG THE COUNTY GOVERNMENTS

(Chairperson, Standing Committee on Finance and Budget)

1(A) NOTICE is given that Sen. Mutula Kilonzo Junior, MP intends to move the following amendment to the Motion on the Report of the Standing Committee on Finance and Budget on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT the Motion be amended by deleting the full stop at the end and inserting the following words-

‘subject to the deletion of recommendation appearing as paragraph 26 of the Report and substituting therefor the following new recommendation-

26) The Senate resolves that pursuant to Article 217 (1) of the Constitution, the Third Basis for sharing revenue among counties, for the Financial Year 2020/2021 to 2024/2025 be as follows -

a) Equitable share not exceeding Kshs. 316.50 billion

The following formula shall apply

CA_{i1}= Allocation per County for FY 2019/20

b) Equitable share over and above Kshs. 316.50 billion

The following formula shall apply

CA_{i2}= 0.18*Population Index_i+ 0.17*Health Index_i+0.10* Agriculture Index_i+ 0.05*Urban Index_i+0.14* Poverty Index_i+ 0.08*Land Area Index_i +0.01*Fiscal Effort_i+0.06*Roads Index_i+0.01* Prudence Index_i +0.20* Basic Share Index_i²

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%)and three years average in-patient days in levels 4 and 5 hospitals (20%) Facilty gap factor _i = $\frac{\text{Facilty gap funding in county } i}{\sum_{i=1}^{47} \text{facilty gap funding in county } i}$ Primary health care factor _i = $\frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ In – patient days factor _i = $\frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$

² The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Agriculture services	Agriculture Index _i = 0.005 * Minimum Share index + 0.095 * $\frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$					
Other county services	Population index _i = $\frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$					
Minimum share	Basic share index = 0.19 * Equal Share index + 0.01 * $\frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$					
Land	Land area index _i = $\frac{\text{Land area in county } i}{\sum_{i=1}^{47} \text{Land area in county } i}$					
Roads	Roads index _i = $\frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$					
Poverty level	Poverty index _i = $\frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$					
Urban service	<i>Urban Index i = $\frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$</i>					
Fiscal effort	Fiscal effort index _i = $\frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Reports	Non-Qualified	4	County Executiv Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executiv Assembly	CE=90% CA=10%
	4	County Budget Economic Forum	In place	1	County Government	100%
			Not In place	0		

c) Total Equitable share of a County

The following formula shall apply

TES_i= CA_i1+CA_i2

Whereas;

TES_i = Total Equitable share of County i

CA_i1= Allocation per County for FY 2019/20

CA_i2 =Equitable share over and above Kshs. 316.50 billion

...../Amendments

The basis used is as shown

No.	Parameter	Weight
1	Population	18%
2	Health	17%
3	Agriculture	10%
4	Urban	5%
5	Roads	6%
6	Poverty	14%
7	Land	8% capped
8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 325.7 billion for FY 2021/22 (as per budget estimates FY 2020/21) using Committee proposal 1 for Illustration Purpose

No	County	Actual Allocations 2020/21	Additional allocation in FY 2021/22
1	Baringo	5,095.65	164.90
2	Bomet	5,507.10	172.10
3	Bungoma	8,893.65	270.13
4	Busia	6,013.50	182.45
5	Elgeyo-Marakwet	3,861.30	115.20
6	Embu	4,304.40	132.25
7	Garissa	7,026.30	190.92
8	Homa-Bay	6,741.45	189.83
9	Isiolo	4,241.10	117.20
10	Kajiado	6,424.95	207.43
11	Kakamega	10,412.85	313.29
12	Kericho	5,380.50	163.69
13	Kiambu	9,431.70	308.37
14	Kilifi	10,444.50	275.08
15	Kirinyaga	4,241.10	136.46
16	Kisii	7,785.90	218.52
17	Kisumu	6,836.40	201.71
18	Kitui	8,830.35	258.82
19	Kwale	7,785.90	190.52
20	Laikipia	4,177.80	136.33
21	Lamu	2,595.30	80.17
22	Machakos	7,754.25	232.84
23	Makueni	7,406.10	195.41
24	Mandera	10,222.95	250.32
25	Marsabit	6,773.10	168.57
26	Meru	8,039.10	236.25
27	Migori	6,773.10	203.10
28	Mombasa	7,057.95	180.39
29	Murang'a	6,298.35	178.20

30	Nairobi City	15,919.95	494.52
31	Nakuru	10,476.15	332.22
32	Nandi	5,348.85	183.14
33	Narok	8,039.10	209.09
34	Nyamira	4,810.80	121.30
35	Nyandarua	4,874.10	143.03
36	Nyeri	5,412.15	155.29
37	Samburu	4,620.90	134.32
38	Siaya	5,791.95	175.54
39	Taita-Taveta	4,241.10	119.75
40	Tana-River	5,855.25	156.01
41	Tharaka-Nithi	3,924.60	98.91
42	Trans-Nzoia	5,760.30	186.23
43	Turkana	10,539.45	307.91
44	Uasin-Gishu	6,330.00	212.02
45	Vihiga	4,652.55	122.57
46	Wajir	8,545.50	216.29
47	West Pokot	5,000.70	161.43
	Total	316,500.00	9,200.00

1(B) NOTICE is given that Sen. Kimani Wamatangi, MP intends to move the following amendment to the amendment by Sen. Mutula Kilonzo Junior, MP on the Report of the Standing Committee on Finance and Budget on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT the amended be amended by deleting part (b) and (c) and replacing with the following-

b) Equitable share for FY 2021/22

(i) The following formula shall apply

$$CA_i = \text{Allocation for FY 2019/20} - \{ \text{Allocation for FY 2019/20} - 0.16 * \text{Population Index}_i + 0.20 * \text{Health Index}_i + 0.12 * \text{Agriculture Index}_i + 0.04 * \text{Urban Index}_i + 0.14 * \text{Poverty Index}_i + 0.05 * \text{Land Area Index}_i + 0.01 * \text{Fiscal Effort}_i + 0.07 * \text{Roads Index}_i + 0.01 * \text{Prudence Index}_i + 0.20 * \text{Basic Share Index}_i \} + (0.5 * \text{Loss/gain of County}_i)$$

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%) and three years average in-patient days in levels 4 and 5 hospitals (20%) Facility gap funding in county i Facility gap factor _i = $\frac{\text{Facility gap funding in county } i}{\sum_{i=1}^{47} \text{facility gap funding in county } i}$ Primary health care factor _i = $\frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ In – patient days factor _i = $\frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$
Agriculture services	Agriculture Index _i = $0.005 * \text{Minimum Share index} + 0.095 * \frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$
Other county services	Population index _i = $\frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$
Minimum share	Basic share index = $0.19 * \text{Equal Share index} + 0.01 * \frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$
Land	Land Index _i = $\frac{\sqrt{\text{Land Area in County } i}}{\sum_{i=1}^{47} \sqrt{\text{Land area in County } i}}$
Roads	Roads index _i = $\frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$
Poverty level	Poverty index _i = $\frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$

³ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$					
Fiscal effort	$\text{Fiscal effort index}_i = \frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Reports	Non-Qualified	4	County Executive Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executive Assembly	CE=90% CA=10%
	4	County Budget Economic Forum	In place	1	County Government	100%
			Not In place	0		

The basis used is as shown

No.	Parameter	Weight
1	Other County Services	16%
2	Health	20%
3	Agriculture	12%
4	Urban	4%
5	Roads services	7%
6	Poverty	14%
7	Land	5%
8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 316.5 billion for FY 2021/22 using Committee Proposed Formula with 50% cushioning from the gaining counties (Part(b)(ii))

No	County	2019/20 Allocation	Committee proposal	Net Change with committee proposal	50%/50%-cushioning	Total Allocation
1	Wajir	8,545.50	6,521	(2,024.81)	(1,012.40)	7,533.10
2	Marsabit	6,773.10	4,846	(1,926.67)	(963.33)	5,809.77
3	Mandera	10,222.95	8,307	(1,916.43)	(958.22)	9,264.73
4	Garissa	7,026.30	5,379	(1,646.81)	(823.40)	6,202.90
5	Tana-River	5,855.25	4,269	(1,586.33)	(793.16)	5,062.09

6	Mombasa	7,057.95	6,032	(1,025.50)	(512.75)	6,545.20
7	Kwale	7,785.90	6,774	(1,011.72)	(505.86)	7,280.04
8	Narok	8,039.10	7,057	(981.89)	(490.95)	7,548.15
9	Isiolo	4,241.10	3,371	(869.85)	(434.93)	3,806.17
10	Kilifi	10,444.50	9,585	(859.98)	(429.99)	10,014.51
11	Turkana	10,539.45	9,992	(547.11)	(273.55)	10,265.90
12	Kitui	8,830.35	8,398	(432.85)	(216.42)	8,613.93
13	Makueni	7,406.10	6,974	(432.54)	(216.27)	7,189.83
14	Nyamira	4,810.80	4,388	(423.19)	(211.59)	4,599.21
15	Samburu	4,620.90	4,217	(403.63)	(201.81)	4,419.09
16	Taita-Taveta	4,241.10	3,841	(399.61)	(199.80)	4,041.30
17	Tharaka-Nithi	3,924.60	3,587	(338.05)	(169.02)	3,755.58
18	Vihiga	4,652.55	4,414	(239.00)	(119.50)	4,533.05
	Total Loss	125,017.50	107,951.55	(17,065.95)	(8,532.98)	116,484.52
1	Nairobi City	15,919.95	16,044	123.88	61.94	15,981.89
2	Homa-Bay	6,741.45	6,872	130.51	65.25	6,806.70
3	Kisii	7,785.90	7,917	130.96	65.48	7,851.38
4	Kajiado	6,424.95	6,564	139.42	69.71	6,494.66
5	Murang'a	6,298.35	6,472	173.32	86.66	6,385.01
6	Lamu	2,595.30	2,786	190.85	95.43	2,690.73
7	Nyeri	5,412.15	5,656	243.90	121.95	5,534.10
8	Elgeyo-Marakwet	3,861.30	4,180	318.74	159.37	4,020.67
9	Nyandarua	4,874.10	5,194	320.30	160.15	5,034.25
10	Kisumu	6,836.40	7,227	390.93	195.47	7,031.87
11	Meru	8,039.10	8,513	473.72	236.86	8,275.96
12	Embu	4,304.40	4,809	504.81	252.41	4,556.81
13	Laikipia	4,177.80	4,701	523.22	261.61	4,439.41
14	Machakos	7,754.25	8,306	551.55	275.77	8,030.02
15	Busia	6,013.50	6,573	559.61	279.81	6,293.31
16	Kericho	5,380.50	5,947	566.63	283.31	5,663.81

17	Migori	6,773.10	7,348	574.60	287.30	7,060.40
18	Siaya	5,791.95	6,379	586.61	293.30	6,085.25
19	Baringo	5,095.65	5,760	663.85	331.93	5,427.58
20	West Pokot	5,000.70	5,693	692.35	346.17	5,346.87
21	Bomet	5,507.10	6,237	730.21	365.10	5,872.20
22	Kirinyaga	4,241.10	5,003	762.31	381.15	4,622.25
23	Bungoma	8,893.65	9,820	926.70	463.35	9,357.00
24	Trans-Nzoia	5,760.30	6,755	994.69	497.34	6,257.64
25	Kakamega	10,412.85	11,436	1,022.69	511.34	10,924.19
26	Kiambu	9,431.70	10,492	1,060.53	530.27	9,961.97
27	Nakuru	10,476.15	11,631	1,155.12	577.56	11,053.71
28	Uasin-Gishu	6,330.00	7,522	1,191.92	595.96	6,925.96
29	Nandi	5,348.85	6,711	1,362.02	681.01	6,029.86
	Total Gains	191,482.50	208,548.45	17,065.95	8,532.98	200,015.48
	Total	316,500	316,500	-	-	316,500

ii) Further cushioning losing counties for FY 2021/22

Further, the National Treasury to provide additional funds equal to the losses arising from the application of the formula (part (b)(ii)) for the FY 2021/22 to cushion the losing counties.

SIMULATION FOR ILLUSTRATION ONLY

Simulation using additional Kshs. 8.532 billion (loss occurring with equitable share of Kshs. 316.5billion) for cushioning the losing counties for FY 2021/22 after cushioning in part b (ii) above for Illustration Purpose

County	2019/20 Allocations	Allocations as per Committee Proposal	Allocations as per (ii) above Cushioning	Variance	Cushioning with additional funds from National Treasury	Total Allocations as per cushioning (iii)
Vihiga	4,652.55	4,413.55	4,533.05	(119.50)	119.50	4,652.55
Tharaka-Nithi	3,924.60	3,586.55	3,755.58	(169.02)	169.02	3,924.60
Taita-Taveta	4,241.10	3,841.49	4,041.30	(199.80)	199.80	4,241.10
Samburu	4,620.90	4,217.27	4,419.09	(201.81)	201.81	4,620.90
Nyamira	4,810.80	4,387.61	4,599.21	(211.59)	211.59	4,810.80

Makueni	7,406.10	6,973.56	7,189.83	(216.27)	216.27	7,406.10
Kitui	8,830.35	8,397.50	8,613.93	(216.42)	216.42	8,830.35
Turkana	10,539.45	9,992.34	10,265.90	(273.55)	273.55	10,539.45
Kilifi	10,444.50	9,584.52	10,014.51	(429.99)	429.99	10,444.50
Isiolo	4,241.10	3,371.25	3,806.17	(434.93)	434.93	4,241.10
Narok	8,039.10	7,057.21	7,548.15	(490.95)	490.95	8,039.10
Kwale	7,785.90	6,774.18	7,280.04	(505.86)	505.86	7,785.90
Mombasa	7,057.95	6,032.45	6,545.20	(512.75)	512.75	7,057.95
Tana-River	5,855.25	4,268.92	5,062.09	(793.16)	793.16	5,855.25
Garissa	7,026.30	5,379.49	6,202.90	(823.40)	823.40	7,026.30
Mandera	10,222.95	8,306.52	9,264.73	(958.22)	958.22	10,222.95
Marsabit	6,773.10	4,846.43	5,809.77	(963.33)	963.33	6,773.10
Wajir	8,545.50	6,520.69	7,533.10	(1,012.40)	1,012.40	8,545.50
Total				(8,532.98)	8,532.98	125,017.50

c) Equalization Fund

The Senate resolves to expedite approval of the Equalization Fund Bill (National Assembly Bills No. 43 of 2019). Further that, the National Treasury shall expedite operationalization of the equalization fund within a period of three (3) months of the passage of this motion to ensure the quality of services in the marginalized areas are brought to a level generally enjoyed by the rest of the nation.

d) Review of Economic Activities relating to Agriculture

That the Commission on Revenue Allocation (CRA) in reviewing the vertical sharing of revenue for Financial Year 2021/22 should further review the matters relating to the parameter on the Agriculture in the Third Basis of Sharing of Revenue among counties. The review on the parameter of Agriculture should seek to include other economic activities such as livestock keeping/ pastoralism, fishing and blue economy.

2(A) NOTICE is given that Sen. Johnson Sakaja, MP intends to move the following amendment to the Motion on the Report of the Standing Committee on Finance and Budget on the third basis for allocating among the counties, the share of national revenue, for Financial Years 2020/2021 to 2024/2025-

THAT the Motion be amended by deleting the full stop at the end and inserting the following words-

‘subject to the deletion of recommendation appearing as paragraph 26 of the Report and substituting therefor the following new recommendation-

26) The Senate resolves that pursuant to Article 217 (1) of the Constitution, the Third Basis for sharing revenue among counties, for the Financial Year 2020/2021 to 2024/2025 be as follows –

a) **Equitable share not exceeding Kshs. 316.50 billion**

The following formula shall apply

CA_i1= Allocation per County for FY 2019/20

b) **Equitable share over and above Kshs. 316.50 billion**

The following formula shall apply

CA_i2= 0.18*Population Index_i+ 0.17*Health Index_i+0.10* Agriculture Index_i+ 0.05*Urban Index_i+0.14* Poverty Index_i+ 0.08*Land Area Index_i +0.01*Fiscal Effort_i+0.06*Roads Index_i+0.01* Prudence Index_i +0.20* Basic Share Index_i ⁴

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%)and three years average in-patient days in levels 4 and 5 hospitals (20%) Facilty gap factor _i = $\frac{\text{Facilty gap funding in county } i}{\sum_{i=1}^{47} \text{facilty gap funding in county } i}$ Primary health care factor _i = $\frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ In – patient days factor _i = $\frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$
Agriculture services	Agriculture Index _i = 0.005 * Minimum Share index + 0.095 * $\frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$
Other county services	Population index _i = $\frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$
Minimum share	Basic share index = 0.19 * Equal Share index + 0.01 * $\frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$

⁴ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Land	$\text{Land area index}_i = \frac{\text{Land area in county } i}{\sum_{i=1}^{47} \text{Land area in county } i}$					
Roads	$\text{Roads index}_i = \frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$					
Poverty level	$\text{Poverty index}_i = \frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$					
Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$					
Fiscal effort	$\text{Fiscal effort index}_i = \frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Reports	Non-Qualified	4	County Executive Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executive Assembly	CE=90% CA=10%
	4	County Budget Economic Forum	In place	1	County Government	100%
			Not In place	0		

c) Total Equitable share of a County

The following formula shall apply

$$\text{TES}_i = \text{CA}_i1 + \text{CA}_i2$$

Whereas;

TES_i = Total Equitable share of County *i*

CA_i1 = Allocation per County for FY 2019/20

CA_i2 = Equitable share over and above Kshs. 316.50 billion

The basis used is as shown

No.	Parameter	Weight
1	Population	18%
2	Health	17%
3	Agriculture	10%
4	Urban	5%
5	Roads	6%
6	Poverty	14%
7	Land	8% capped

8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 325.7 billion for FY 2021/22 (as per budget estimates FY 2020/21) using Committee proposal 1 for Illustration Purpose

No	County	Actual Allocations 2020/21	Additional allocation in FY 2021/22
1	Baringo	5,095.65	164.90
2	Bomet	5,507.10	172.10
3	Bungoma	8,893.65	270.13
4	Busia	6,013.50	182.45
5	Elgeyo-Marakwet	3,861.30	115.20
6	Embu	4,304.40	132.25
7	Garissa	7,026.30	190.92
8	Homa-Bay	6,741.45	189.83
9	Isiolo	4,241.10	117.20
10	Kajiado	6,424.95	207.43
11	Kakamega	10,412.85	313.29
12	Kericho	5,380.50	163.69
13	Kiambu	9,431.70	308.37
14	Kilifi	10,444.50	275.08
15	Kirinyaga	4,241.10	136.46
16	Kisii	7,785.90	218.52
17	Kisumu	6,836.40	201.71
18	Kitui	8,830.35	258.82
19	Kwale	7,785.90	190.52
20	Laikipia	4,177.80	136.33
21	Lamu	2,595.30	80.17
22	Machakos	7,754.25	232.84
23	Makueni	7,406.10	195.41

24	Mandera	10,222.95	250.32
25	Marsabit	6,773.10	168.57
26	Meru	8,039.10	236.25
27	Migori	6,773.10	203.10
28	Mombasa	7,057.95	180.39
29	Murang'a	6,298.35	178.20
30	Nairobi City	15,919.95	494.52
31	Nakuru	10,476.15	332.22
32	Nandi	5,348.85	183.14
33	Narok	8,039.10	209.09
34	Nyamira	4,810.80	121.30
35	Nyandarua	4,874.10	143.03
36	Nyeri	5,412.15	155.29
37	Samburu	4,620.90	134.32
38	Siaya	5,791.95	175.54
39	Taita-Taveta	4,241.10	119.75
40	Tana-River	5,855.25	156.01
41	Tharaka-Nithi	3,924.60	98.91
42	Trans-Nzoia	5,760.30	186.23
43	Turkana	10,539.45	307.91
44	Uasin-Gishu	6,330.00	212.02
45	Vihiga	4,652.55	122.57
46	Wajir	8,545.50	216.29
47	West Pokot	5,000.70	161.43
	Total	316,500.00	9,200.00

...../Amendments

2(B) NOTICE is given that Sen. Mithika Linturi, MP intends to move the following amendment to the amendment by Sen. Johnson Sakaja, MP on the Report of the Standing Committee on Finance and Budget on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT the amendment be amended by-

i) deleting part (a) and replacing it with the following-

a) Equitable share not exceeding Kshs. 270 billion

The following formula shall apply

$$CA_i1 = 0.45PN_i + 0.26ES_i + 0.18PI_i + 0.08LA_i + 0.02FE_i^5 + 0.01DF_i^6$$

Where,

CA_{i1} is revenue allocation of the ith County; PN_i is Population Factor (Population of ith County/total population); ES_i is Basic Equal Share Factor (Total Equal share/47); PI_i is Poverty Gap (Poverty Resources of ith County/total poverty Resources); LA_i Land Area Factor (Land Area (Sq. Kms.) of ith County/Total Land area); FE_i is Fiscal Effort Factor (County’s own revenue increment/2009 population of the ith County); and DF_i is Development Factor=

$$\frac{1}{3} \left(\frac{E_i * N_i}{\sum_i (E_i * N_i)} + \frac{W_i * N_i}{\sum_i (W_i * N_i)} + \left(\frac{URN_i}{\sum_i URN_i} \right) \right)$$

Where E_i is proportion of household with access to electricity of the ith County

W_i is proportion of household without access to improved water of the ith County

URN_i is Un-paved road network of class D, E, F, G, H, J, K, M, N & P of the ith County.

ii) deleting part (b) and replacing it with the following-

b) Equitable share over and above Kshs. 270 billion

The following formula shall apply

$$CA_i2 = 0.16 * \text{Population Index}_i + 0.19 * \text{Health Index}_i + 0.11 * \text{Agriculture Index}_i + 0.05 * \text{Urban Index}_i + 0.14 * \text{Poverty Index}_i + 0.08 * \text{Land Area Index}_i + 0.01 * \text{Fiscal Effort}_i + 0.06 * \text{Roads Index}_i + 0.20 * \text{Basic Share Index}_i^7$$

⁵ Fiscal Effort Index used in the FY 2019/20

⁶ The formula will use the 2009 population & poverty statistics

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%)and three years average in-patient days in levels 4 and 5 hospitals (20%) Facility gap factor _i = $\frac{\text{Facility gap funding in county } i}{\sum_{i=1}^{47} \text{facility gap funding in county } i}$ Primary health care factor _i = $\frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ In – patient days factor _i = $\frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$
Agriculture services	Agriculture Index _i = 0.005 * Minimum Share index + 0.095 * $\frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$
Other county services	Population index _i = $\frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$
Minimum share	Basic share index = 0.19 * Equal Share index + 0.01 * $\frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$
Land	Land area index _i = $\frac{\text{Land area in county } i}{\sum_{i=1}^{47} \text{Land area in county } i}$
Roads	Roads index _i = $\frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$
Poverty level	Poverty index _i = $\frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$
Urban service	<i>Urban Index</i> $i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$
Fiscal effort	Fiscal effort index _i = $\frac{\text{OSR collections of county } i}{\text{GCP of county } i}$

The basis used is as shown

No.	Parameter	Weight
1	Population	16%
2	Health	19%
3	Agriculture	11%
4	Urban	5%
5	Roads	6%
6	Poverty	14%
7	Land	8% capped
8	Basic Share	20%

⁷ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

9	Fiscal Effort	1%
10	Fiscal Prudence	0%

iii) deleting part (c) and replacing it with the following-

c) Total Equitable share of a County

The following formula shall apply

$$TES_i = CA_{i1} + CA_{i2}$$

Whereas;

TES_i = Total Equitable share of County _i

CA_{i1} = Equitable share not exceeding Kshs. 270 billion

CA_{i2} = Equitable share over and above Kshs. 270 billion

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 316.5 billion for FY 2020/2021 applying the proposed amendment to Sen. Sakaja's amendment-

No	County	Actual Allocations 2019/20	Equitable share of Kshs. 270 billion using 2nd generation formula	Application of Remaining Kshs. 46.5 billion using Sen. Linturi Amendment	New Allocation Ksh (316,500)	Net Change between FY19/20 Allocation & Proposed FY 2020/21 Allocation
1	Mandera	10,222.95	8,721.00	1,256.69	9,977.69	(245.26)
2	Kwale	7,785.90	6,642.00	966.00	7,608.00	(177.90)
3	Wajir	8,545.50	7,290.00	1,079.88	8,369.88	(175.62)
4	Marsabit	6,773.10	5,778.00	838.16	6,616.16	(156.94)
5	Kilifi	10,444.50	8,910.00	1,381.08	10,291.08	(153.42)
6	Mombasa	7,057.95	6,021.00	901.77	6,922.77	(135.18)
7	Narok	8,039.10	6,858.00	1,050.68	7,908.68	(130.42)
8	Makueni	7,406.10	6,318.00	980.91	7,298.91	(107.19)
9	Nyamira	4,810.80	4,104.00	608.86	4,712.86	(97.94)
10	Tana-River	5,855.25	4,995.00	780.53	5,775.53	(79.72)
11	Tharaka-Nithi	3,924.60	3,348.00	500.42	3,848.42	(76.18)
12	Garissa	7,026.30	5,994.00	957.15	6,951.15	(75.15)
13	Vihiga	4,652.55	3,969.00	615.47	4,584.47	(68.08)
14	Isiolo	4,241.10	3,618.00	581.37	4,199.37	(41.73)
15	Homa-Bay	6,741.45	5,751.00	961.31	6,712.31	(29.14)
16	Kisii	7,785.90	6,642.00	1,119.16	7,761.16	(24.74)
17	Taita-Taveta	4,241.10	3,618.00	606.96	4,224.96	(16.14)
18	Murang'a	6,298.35	5,373.00	909.37	6,282.37	(15.98)
19	Samburu	4,620.90	3,942.00	675.42	4,617.42	(3.48)
	Total Loss	126,473.40	107,892.00	16,771.20	124,663.20	(1,810.20)
1	Kitui	8,830.35	7,533.00	1,303.12	8,836.12	5.77
2	Nyandarua	4,874.10	4,158.00	722.01	4,880.01	5.91
3	Nyeri	5,412.15	4,617.00	801.39	5,418.39	6.24
4	Turkana	10,539.45	8,991.00	1,557.89	10,548.89	9.44
5	Lamu	2,595.30	2,214.00	398.51	2,612.51	17.21
6	Elgeyo-Marakwet	3,861.30	3,294.00	586.50	3,880.50	19.20
7	Kisumu	6,836.40	5,832.00	1,031.70	6,863.70	27.30
8	Meru	8,039.10	6,858.00	1,209.33	8,067.33	28.23
9	Migori	6,773.10	5,778.00	1,026.69	6,804.69	31.59
10	Embu	4,304.40	3,672.00	672.60	4,344.60	40.20
11	Siaya	5,791.95	4,941.00	893.94	5,834.94	42.99
12	Busia	6,013.50	5,130.00	928.49	6,058.49	44.99
13	Kericho	5,380.50	4,590.00	836.15	5,426.15	45.65
14	Machakos	7,754.25	6,615.00	1,188.13	7,803.13	48.88
15	Kakamega	10,412.85	8,883.00	1,598.86	10,481.86	69.01
16	Bomet	5,507.10	4,698.00	878.79	5,576.79	69.69
17	Bungoma	8,893.65	7,587.00	1,379.02	8,966.02	72.37
18	Laikipia	4,177.80	3,564.00	689.37	4,253.37	75.57
19	Kirinyaga	4,241.10	3,618.00	702.66	4,320.66	79.56
20	Baringo	5,095.65	4,347.00	831.86	5,178.86	83.21
21	West Pokot	5,000.70	4,266.00	818.24	5,084.24	83.54
22	Kajiado	6,424.95	5,481.00	1,031.13	6,512.13	87.18
23	Trans-Nzoia	5,760.30	4,914.00	940.48	5,854.48	94.18
24	Nairobi City	15,919.95	13,581.00	2,459.53	16,040.53	120.58
25	Uasin-Gishu	6,330.00	5,400.00	1,072.56	6,472.56	142.56
26	Nakuru	10,476.15	8,937.00	1,688.21	10,625.21	149.06
27	Nandi	5,348.85	4,563.00	935.14	5,498.14	149.29
28	Kiambu	9,431.70	8,046.00	1,546.50	9,592.50	160.80
	Total	190,026.60	162,108.00	29,728.80	191,836.80	1,810.20

...../Amendments

2(C) NOTICE is given that Sen. Kimani Wamatangi, MP intends to move the following amendment to the amendment by Sen. Johnson Sakaja, MP on the Report of the Standing Committee on Finance and Budget on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT the amended be amended by deleting part (b) and (c) and replacing with the following-

b) Equitable share for FY 2021/22

i) The following formula shall apply

CA_i = Allocation for FY 2019/20 - {Allocation for FY 2019/20 - 0.16*Population Index_i + 0.20*Health Index_i + 0.12* Agriculture Index_i + 0.04*Urban Index_i + 0.14* Poverty Index_i + 0.05*Land Area Index_i + 0.01*Fiscal Effort_i + 0.07*Roads Index_i + 0.01* Prudence Index_i + 0.20* Basic Share Index_i } + (0.5*Loss/gain of County_i)

Where,

Table with 2 columns: Parameter, Indicator of Expenditure Need. Rows include Health services, Agriculture services, Other county services, Minimum share, and Land, each with specific formulas for indicators like Facility gap factor, Primary health care factor, In-patient days factor, Population index, and Land Index.

8 The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Roads	$\text{Roads index}_i = \frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$					
Poverty level	$\text{Poverty index}_i = \frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$					
Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$					
Fiscal effort	$\text{Fiscal effort index}_i = \frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Reports	Non-Qualified	4	County Executive Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executive Assembly	CE=90% CA=10%
	4	County Budget Economic Forum	In place	1	County Government	100%
			Not In place	0		

The basis used is as shown

No.	Parameter	Weight
1	Other County Services	16%
2	Health	20%
3	Agriculture	12%
4	Urban	4%
5	Roads services	7%
6	Poverty	14%
7	Land	5%
8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 316.5 billion for FY 2021/22 using Committee Proposed Formula with 50% cushioning from the gaining counties (Part(b)(ii))

No	County	2019/20 Allocation	Committee proposal	Net Change with committee proposal	50%/50%-cushioning	Total Allocation
1	Wajir	8,545.50	6,521	(2,024.81)	(1,012.40)	7,533.10
2	Marsabit	6,773.10	4,846	(1,926.67)	(963.33)	5,809.77
3	Mandera	10,222.95	8,307	(1,916.43)	(958.22)	9,264.73
4	Garissa	7,026.30	5,379	(1,646.81)	(823.40)	6,202.90
5	Tana-River	5,855.25	4,269	(1,586.33)	(793.16)	5,062.09
6	Mombasa	7,057.95	6,032	(1,025.50)	(512.75)	6,545.20
7	Kwale	7,785.90	6,774	(1,011.72)	(505.86)	7,280.04
8	Narok	8,039.10	7,057	(981.89)	(490.95)	7,548.15
9	Isiolo	4,241.10	3,371	(869.85)	(434.93)	3,806.17
10	Kilifi	10,444.50	9,585	(859.98)	(429.99)	10,014.51
11	Turkana	10,539.45	9,992	(547.11)	(273.55)	10,265.90
12	Kitui	8,830.35	8,398	(432.85)	(216.42)	8,613.93
13	Makueni	7,406.10	6,974	(432.54)	(216.27)	7,189.83
14	Nyamira	4,810.80	4,388	(423.19)	(211.59)	4,599.21
15	Samburu	4,620.90	4,217	(403.63)	(201.81)	4,419.09
16	Taita-Taveta	4,241.10	3,841	(399.61)	(199.80)	4,041.30
17	Tharaka-Nithi	3,924.60	3,587	(338.05)	(169.02)	3,755.58
18	Vihiga	4,652.55	4,414	(239.00)	(119.50)	4,533.05
	Total Loss	125,017.50	107,951.55	(17,065.95)	(8,532.98)	116,484.52
1	Nairobi City	15,919.95	16,044	123.88	61.94	15,981.89
2	Homa-Bay	6,741.45	6,872	130.51	65.25	6,806.70
3	Kisii	7,785.90	7,917	130.96	65.48	7,851.38
4	Kajiado	6,424.95	6,564	139.42	69.71	6,494.66
5	Murang'a	6,298.35	6,472	173.32	86.66	6,385.01

6	Lamu	2,595.30	2,786	190.85	95.43	2,690.73
7	Nyeri	5,412.15	5,656	243.90	121.95	5,534.10
8	Elgeyo-Marakwet	3,861.30	4,180	318.74	159.37	4,020.67
9	Nyandarua	4,874.10	5,194	320.30	160.15	5,034.25
10	Kisumu	6,836.40	7,227	390.93	195.47	7,031.87
11	Meru	8,039.10	8,513	473.72	236.86	8,275.96
12	Embu	4,304.40	4,809	504.81	252.41	4,556.81
13	Laikipia	4,177.80	4,701	523.22	261.61	4,439.41
14	Machakos	7,754.25	8,306	551.55	275.77	8,030.02
15	Busia	6,013.50	6,573	559.61	279.81	6,293.31
16	Kericho	5,380.50	5,947	566.63	283.31	5,663.81
17	Migori	6,773.10	7,348	574.60	287.30	7,060.40
18	Siaya	5,791.95	6,379	586.61	293.30	6,085.25
19	Baringo	5,095.65	5,760	663.85	331.93	5,427.58
20	West Pokot	5,000.70	5,693	692.35	346.17	5,346.87
21	Bomet	5,507.10	6,237	730.21	365.10	5,872.20
22	Kirinyaga	4,241.10	5,003	762.31	381.15	4,622.25
23	Bungoma	8,893.65	9,820	926.70	463.35	9,357.00
24	Trans-Nzoia	5,760.30	6,755	994.69	497.34	6,257.64
25	Kakamega	10,412.85	11,436	1,022.69	511.34	10,924.19
26	Kiambu	9,431.70	10,492	1,060.53	530.27	9,961.97
27	Nakuru	10,476.15	11,631	1,155.12	577.56	11,053.71
28	Uasin-Gishu	6,330.00	7,522	1,191.92	595.96	6,925.96
29	Nandi	5,348.85	6,711	1,362.02	681.01	6,029.86
	Total Gains	191,482.50	208,548.45	17,065.95	8,532.98	200,015.48
	Total	316,500	316,500	-	-	316,500

(ii) Further cushioning losing counties for FY 2021/22

Further, the National Treasury to provide additional funds equal to the losses arising from the application of the formula (part (b)(ii)) for the FY 2021/22 to cushion the losing counties.

...../Amendments

SIMULATION FOR ILLUSTRATION ONLY

Simulation using additional Kshs. 8.532 billion (loss occurring with equitable share of Kshs. 316.5billion) for cushioning the losing counties for FY 2021/22 after cushioning in part b (ii) above for Illustration Purpose

County	2019/20 Allocations	Allocations as per Committee Proposal	Allocations as per (ii) above Cushioning	Variance	Cushioning with additional funds from National Treasury	Total Allocations as per cushioning (iii)
Vihiga	4,652.55	4,413.55	4,533.05	(119.50)	119.50	4,652.55
Tharaka-Nithi	3,924.60	3,586.55	3,755.58	(169.02)	169.02	3,924.60
Taita-Taveta	4,241.10	3,841.49	4,041.30	(199.80)	199.80	4,241.10
Samburu	4,620.90	4,217.27	4,419.09	(201.81)	201.81	4,620.90
Nyamira	4,810.80	4,387.61	4,599.21	(211.59)	211.59	4,810.80
Makueni	7,406.10	6,973.56	7,189.83	(216.27)	216.27	7,406.10
Kitui	8,830.35	8,397.50	8,613.93	(216.42)	216.42	8,830.35
Turkana	10,539.45	9,992.34	10,265.90	(273.55)	273.55	10,539.45
Kilifi	10,444.50	9,584.52	10,014.51	(429.99)	429.99	10,444.50
Isiolo	4,241.10	3,371.25	3,806.17	(434.93)	434.93	4,241.10
Narok	8,039.10	7,057.21	7,548.15	(490.95)	490.95	8,039.10
Kwale	7,785.90	6,774.18	7,280.04	(505.86)	505.86	7,785.90
Mombasa	7,057.95	6,032.45	6,545.20	(512.75)	512.75	7,057.95
Tana-River	5,855.25	4,268.92	5,062.09	(793.16)	793.16	5,855.25
Garissa	7,026.30	5,379.49	6,202.90	(823.40)	823.40	7,026.30
Mandera	10,222.95	8,306.52	9,264.73	(958.22)	958.22	10,222.95
Marsabit	6,773.10	4,846.43	5,809.77	(963.33)	963.33	6,773.10
Wajir	8,545.50	6,520.69	7,533.10	(1,012.40)	1,012.40	8,545.50
Total				(8,532.98)	8,532.98	125,017.50

c) Equalization Fund

The Senate resolves to expedite approval of the Equalization Fund Bill (National Assembly Bills No. 43 of 2019). Further that, the National Treasury shall expedite operationalization of the equalization fund within a period of three (3) months of the passage of this motion to ensure the quality of services in the marginalized areas are brought to a level generally enjoyed by the rest of the nation.

d) Review of Economic Activities relating to Agriculture

That the Commission on Revenue Allocation (CRA) in reviewing the vertical sharing of revenue for Financial Year 2021/22 should further review the matters relating to the parameter on the Agriculture in the Third Basis of Sharing of Revenue among counties. The review on the parameter of Agriculture should seek to include other economic activities such as livestock keeping/ pastoralism, fishing and blue economy.

...../Amendments

3) **NOTICE** is given that Sen. Ledama Olekina, MP intends to move the following amendment to the Motion on the Report of the Standing Committee on Finance and Budget on the third basis for allocation among the counties, the share of national revenue, for Financial Years 2020/2021 to 2024/2025-

THAT the Motion be amended by deleting the full stop at the end and inserting the following words-

“subject to the deletion of recommendation appearing at paragraph 26 of the Report and substituting therefor the following new recommendations-

26) The Senate resolves that pursuant to Article 217 (1) of the Constitution, the Third Basis for sharing revenue among counties, for the Financial Year 2020/2021 to 2024/2025 be as follows –

- 90% of the Equitable share is shared as per the following formula until the equitable share reaches Kshs. 395 billion -

$$CA = 0.18 * \text{Population Index}_i + 0.17 * \text{Health Index}_i + 0.10 * \text{Agriculture Index}_i + 0.05 * \text{Urban Index}_i + 0.14 * \text{Poverty Index}_i + 0.08 * \text{Land Area Index}_i + 0.02 * \text{Fiscal Effort}_i + 0.04 * \text{Roads Index}_i + 0.02 * \text{Prudence Index}_i + 0.20 * \text{Basic Share Index}_i$$

With the following parameters -

Parameter	Assigned Weight	Measure of Expenditure Need
To Enhance Service Delivery		
Health services	17%	a) health facility gap at 20%, b) three years average outpatient visits to levels 2 and 3 health facilities at 60%, and c) three years average in-patient in levels 4 and 5 hospitals at 20%. <i>Data as published by Ministry of Health</i>
Agriculture services	10 %	0.5% of the allocation shared equally among all the counties, Rest shared depending on Rural Households based on 2019 Kenya Population and Housing Census (KPHC).
Population	18 %	Population/ head count, 2019 KPHC
Basic share	20%	19% Equally and 1% based on inverse of Population; 2019 KPHC
To promote balanced development		
Land	8 %	County proportional land area but allocation capped at 7%
Roads	4 %	Rural Access index as published in 2018 by Kenya Roads Board
Poverty level	14 %	Poverty head count; Data as provided by Kenya

		Integrated Household Budget Survey (KIHBS) 2015/16
Urban service	5%	Urban Households based on 2019 KPHC
To Incentivize Revenue Raising and Prudence		
Fiscal effort	2 %	Ratio of a county’s three years average actual OSR to the GCP based on data from the Controller of Budget and KNBS
Fiscal prudence	2 %	i) Auditor General’s opinion (unqualified only – <ul style="list-style-type: none"> • Weight- assembly 10% • Weight- executive 90% ii) County Budget and Economic Forum (CBEF) iii) At least 30% of actual county expenditure on development iv) Establishment of Internal Audit Committee <ul style="list-style-type: none"> • Weight -assembly 10% • weight- executive 90% <i>The four sub-parameters are equally weighted</i>

27)That to actualize the objective of Article 203 (1) (j) of the Constitution, the Senate resolves that for the Financial Year 2020/2021, 10% of the equitable share allocation be used to cushion counties that will have reductions in their allocations compared to Financial Year 2019/20 allocation until such a time when the equitable share reaches Kshs. 395 billion as per the following formula -

Cushion to the county = $Loss\ of\ county_i / total\ loss \times 10\% (equitable\ share)$

...../Amendments

SIMULATION FOR ILLUSTRATION ONLY

No	County	2019/20 Allocation	CRA Recommendation 316.5b	CRA Recommendation (Ksh.284,850Mn) 10% Cushioning	31,650	Cushion Allocation Ksh 31,650Mn	New Allocation Ksh 316,500)	DIFF1	DIFF2
		A	B	C		D	E=C+D	F=B-A	G=E-A
1	Mandera	10,222.95	8,137	7,323.16	(2,899.79)	2,818.78	10,141.94	(2,086.10)	(81.01)
2	Wajir	8,545.50	7,106	6,395.65	(2,149.85)	2,089.79	8,485.44	(1,439.22)	(60.06)
3	Kilifi	10,444.50	9,332	8,398.68	(2,045.82)	1,988.66	10,387.34	(1,112.63)	(57.16)
4	Kwale	7,785.90	6,573	5,915.69	(1,870.21)	1,817.96	7,733.65	(1,212.91)	(52.25)
5	Narok	8,039.10	7,174	6,456.92	(1,582.18)	1,537.98	7,994.90	(864.75)	(44.20)
6	Marsabit	6,773.10	5,783	5,204.86	(1,568.24)	1,524.42	6,729.29	(989.92)	(43.81)
7	Turkana	10,539.45	10,215	9,193.89	(1,345.56)	1,307.97	10,501.86	(324.02)	(37.59)
8	Mombasa	7,057.95	6,376	5,738.10	(1,319.85)	1,282.98	7,021.08	(682.29)	(36.87)
9	Makueni	7,406.10	6,824	6,141.65	(1,264.45)	1,229.13	7,370.77	(582.05)	(35.33)
10	Garissa	7,026.30	6,539	5,884.84	(1,141.46)	1,109.57	6,994.41	(487.58)	(31.89)
11	Tana- River	5,855.25	5,352	4,816.79	(1,038.46)	1,009.45	5,826.24	(503.26)	(29.01)
12	Kisii	7,785.90	7,560	6,803.88	(982.02)	954.58	7,758.46	(226.03)	(27.44)
13	Nyamira	4,810.80	4,266	3,839.18	(971.62)	944.47	4,783.66	(545.04)	(27.14)
14	Homa- Bay	6,741.45	6,433	5,789.43	(952.02)	925.42	6,714.85	(308.75)	(26.60)
15	Kitui	8,830.35	8,871	7,984.22	(846.13)	822.49	8,806.71	41.00	(23.64)

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16	Tharaka-Nithi	3,924.60	3,439	3,095.35	(829.25)	806.08	3,901.43	(485.32)	(23.17)
17	Meru	8,039.10	8,073	7,265.53	(773.57)	751.96	8,017.49	33.71	(21.61)
18	Vihiga	4,652.55	4,336	3,902.59	(749.96)	729.01	4,631.60	(316.34)	(20.95)
19	Murang'a	6,298.35	6,236	5,612.44	(685.91)	666.75	6,279.19	(62.31)	(19.16)
20	Kakamega	10,412.85	10,819	9,737.42	(675.43)	656.56	10,393.98	406.50	(18.87)
21	Kisumu	6,836.40	6,991	6,292.16	(544.24)	529.03	6,821.20	154.89	(15.20)
22	Nyeri	5,412.15	5,419	4,877.44	(534.71)	519.77	5,397.21	7.23	(14.94)
23	Bungoma	8,893.65	9,300	8,369.92	(523.73)	509.09	8,879.02	406.27	(14.63)
24	Taita-Taveta	4,241.10	4,171	3,754.30	(486.80)	473.20	4,227.50	(69.65)	(13.60)
25	Nairobi City	15,919.95	17,150	15,435.44	(484.51)	470.97	15,906.41	1,230.54	(13.54)
26	Isiolo	4,241.10	4,193	3,773.35	(467.75)	454.68	4,228.03	(48.49)	(13.07)
27	Machakos	7,754.25	8,120	7,308.42	(445.83)	433.37	7,741.79	366.22	(12.46)
28	Samburu	4,620.90	4,666	4,199.79	(421.11)	409.35	4,609.14	45.53	(11.76)
29	Migori	6,773.10	7,071	6,363.73	(409.37)	397.94	6,761.66	297.71	(11.44)
30	Siaya	5,791.95	5,994	5,394.27	(397.68)	386.57	5,780.84	201.69	(11.11)
31	Nakuru	10,476.15	11,217	10,095.45	(380.70)	370.06	10,465.51	741.02	(10.64)
32	Nyandarua	4,874.10	5,008	4,507.34	(366.76)	356.51	4,863.85	134.06	(10.25)
33	Elgeyo-Marakwet	3,861.30	3,927	3,534.14	(327.16)	318.02	3,852.16	65.53	(9.14)
34	Busia	6,013.50	6,327	5,694.40	(319.10)	310.18	6,004.59	313.62	(8.91)
35	Kericho		5,672	5,104.59					

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(716)

		5,380.50			(275.91)	268.20	5,372.79	291.27	(7.71)
36	Bomet	5,507.10	5,956	5,360.06	(147.04)	142.94	5,502.99	448.52	(4.11)
37	Embu	4,304.40	4,655	4,189.74	(114.66)	111.46	4,301.20	350.86	(3.20)
38	West Pokot	5,000.70	5,432	4,888.66	(112.04)	108.91	4,997.57	431.14	(3.13)
39	Lamu	2,595.30	2,814	2,532.39	(62.91)	61.15	2,593.54	218.47	(1.76)
40	Baringo	5,095.65	5,634	5,070.46	(25.19)	24.49	5,094.95	538.20	(0.70)
41	Trans-Nzoia	5,760.30	6,377	5,739.61	(20.69)	20.11	5,759.72	617.05	(0.58)
42	Kajiado	6,424.95	7,184	6,465.68	-	-	6,465.68	759.14	40.73
43	Kirinyaga	4,241.10	4,792	4,312.57	-	-	4,312.57	550.64	71.47
44	Laikipia	4,177.80	4,825	4,342.92	-	-	4,342.92	647.67	165.12
45	Nandi	5,348.85	6,149	5,534.00	-	-	5,534.00	800.04	185.15
46	Uasin-Gishu	6,330.00	7,258	6,532.17	-	-	6,532.17	927.97	202.17
47	Kiambu	9,431.70	10,752	9,676.69	-	-	9,676.69	1,320.18	244.99
	TOTAL	316,500.00	316,500.00	284,850.00	(32,559.64)	31,650.00	316,500.00	0.00	0.00

...../Amendments

4) **NOTICE** is given that Sen. Petronila Were, MP intends to move the following amendment to the Motion on the Report of the Standing Committee on Finance and Budget on the third basis for allocating among the counties. the share of national revenue, for Financial Years 2020/2021 to 2024/2025-

THAT the Motion be amended by deleting the full stop at the end and inserting the following words-

“subject to the deletion of recommendation appearing at paragraph 26 of the Report and substituting therefor the following new recommendations-

26. The proposed third basis/criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025 be as follows —

a. Allocation for FY 2020/21

Maintain the FY 2019/20 allocation per County

b. Equitable share not exceeding Kshs. 348 billion

The following formula shall apply

$$CA_{i1} = 0.45PN_i + 0.26ES_i + 0.18PI_i + 0.08LA_i + 0.02FE_i + 0.01DF_i^9$$

Where,

CA_{i1} is revenue allocation of the ith County; PN_i is Population Factor (Population of ith County/total population); ES_i is Basic Equal Share Factor (Total Equal share/47); PI_i is Poverty Gap (Poverty Resources of ith County/total poverty Resources); LA_i Land Area Factor (Land Area (Sq. Kms.) of ith County/Total Land area); FE_i is Fiscal Effort Factor (County’s own revenue increment/2009 population of the ith County); and DF_i is Development Factor=

$$\frac{1}{3} \left(\frac{E_i * N_i}{\sum_i (E_i * N_i)} + \frac{W_i * N_i}{\sum_i (W_i * N_i)} + \left(\frac{URN_i}{\sum_i URN_i} \right) \right)$$

Where E_i is proportion of household with access to electricity of the ithCounty

W_i is proportion of household without access to improved water of the ithCounty

URN_iis Un-paved road network of class D, E, F, G, H, J, K, M, N & P of the ith County.

...../Amendments

c. Equitable share over and above Kshs. 348 billion

⁹ The formula will use the 2009 population & poverty statistics

The following formula shall apply

$$CA_i = 0.18 * \text{Population Index}_i + 0.17 * \text{Health Index}_i + 0.10 * \text{Agriculture Index}_i + 0.05 * \text{Urban Index}_i + 0.14 * \text{Poverty Index}_i + 0.08 * \text{Land Area Index}_i + 0.02 * \text{Fiscal Effort}_i + 0.04 * \text{Roads Index}_i + 0.02 * \text{Prudence Index}_i + 0.20 * \text{Basic Share Index}_i^{10}$$

Where,

Parameter	Indicator of Expenditure Need										
Health services	<p>Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%) and three years average in-patient days in levels 4 and 5 hospitals (20%)</p> $\text{Facility gap factor}_i = \frac{\text{Facility gap funding in county } i}{\sum_{i=1}^{47} \text{facility gap funding in county } i}$ $\text{Primary health care factor}_i = \frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ $\text{In - patient days factor}_i = \frac{\text{No. of in - patient days in county } i}{\sum_{i=1}^{47} \text{No. of in - patient days in county } i}$										
Agriculture services	$\text{Agriculture Index}_i = 0.005 * \text{Minimum Share index} + 0.095 * \frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$										
Other county services	$\text{Population index}_i = \frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$										
Minimum share	<p>Basic share index</p> $= 0.19 * \text{Equal Share index} + 0.01 * \frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$										
Land	$\text{Land area index}_i = \frac{\text{Land area in county } i}{\sum_{i=1}^{47} \text{Land area in county } i}$										
Roads	$\text{Roads index}_i = \frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$										
Poverty level	$\text{Poverty index}_i = \frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$										
Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$										
Fiscal prudence	<table border="1"> <thead> <tr> <th>No. Variable</th> <th>Indicator</th> <th>Score</th> <th>Responsible</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	No. Variable	Indicator	Score	Responsible	Weighting					
No. Variable	Indicator	Score	Responsible	Weighting							

¹⁰ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

	1	Audit Reports	Non-Qualified	4	County Executive Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executive Assembly	CE=90% CA=10%
	4	County Budget and Economic Forum	In place	1	County Government	100%
			Not In place	0		

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share over and above Kshs. 348 billion using the proposed amendment by Senator Petronilla Were-

No	County	Allocation FY 2019/20	Allocations when Equitable share Hits Kshs. 348 billion	Net Change from the Baseline of 2019/20
1	Mandera	10,222.95	8,946.67	(1,276)
2	Wajir	8,545.50	7,813.54	(732)
3	Kwale	7,785.90	7,227.18	(559)
4	Marsabit	6,773.10	6,358.76	(414)
5	Kilifi	10,444.50	10,260.63	(184)
6	Narok	8,039.10	7,888.39	(151)
7	Tharaka-Nithi	3,924.60	3,781.58	(143)
8	Nyamira	4,810.80	4,690.32	(120)
9	Mombasa	7,057.95	7,010.21	(48)
10	Tana-River	5,855.25	5,884.65	29
11	Makueni	7,406.10	7,503.22	97
12	Vihiga	4,652.55	4,767.77	115
13	Garissa	7,026.30	7,189.49	163
14	Homa-Bay	6,741.45	7,072.92	331
15	Taita-Taveta	4,241.10	4,586.61	346
16	Isiolo	4,241.10	4,609.89	369
17	Elgeyo-Marakwet	3,861.30	4,317.65	456
18	Lamu	2,595.30	3,093.81	499
19	Samburu	4,620.90	5,130.86	510
20	Kisii	7,785.90	8,312.28	526
21	Nyeri	5,412.15	5,958.74	547
22	Murang'a	6,298.35	6,856.69	558
23	Nyandarua	4,874.10	5,506.60	632
24	Turkana	10,539.45	11,232.13	693
25	Siaya	5,791.95	6,590.16	798
26	Embu	4,304.40	5,118.58	814

No	County	Allocation FY 2019/20	Allocations when Equitable share Hits Kshs. 348 billion	Net Change from the Baseline of 2019/20
27	Meru	8,039.10	8,876.27	837
28	Kisumu	6,836.40	7,687.11	851
29	Kericho	5,380.50	6,236.26	856
30	Kitui	8,830.35	9,754.29	924
31	Busia	6,013.50	6,956.83	943
32	West Pokot	5,000.70	5,972.45	972
33	Migori	6,773.10	7,774.54	1,001
34	Kirinyaga	4,241.10	5,268.65	1,028
35	Bomet	5,507.10	6,548.36	1,041
36	Baringo	5,095.65	6,194.56	1,099
37	Laikipia	4,177.80	5,305.73	1,128
38	Machakos	7,754.25	8,928.67	1,174
39	Trans-Nzoia	5,760.30	7,012.06	1,252
40	Bungoma	8,893.65	10,225.50	1,332
41	Nandi	5,348.85	6,760.87	1,412
42	Kajiado	6,424.95	7,899.10	1,474
43	Kakamega	10,412.85	11,896.16	1,483
44	Uasin-Gishu	6,330.00	7,980.33	1,650
45	Nakuru	10,476.15	12,333.57	1,857
46	Kiambu	9,431.70	11,821.97	2,390
47	Nairobi City	15,919.95	18,857.41	2,937
	Total	316,500	348,000	31,500

5) **NOTICE** is given that Sen. Kimani Wamatangi, MP intends to move the following amendment to the motion on the Report of the Standing Committee on Finance and Budget on the third basis for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT the motion be amended by deleting the full stop at the end and inserting the following words

‘subject to the deletion of the recommendation appearing as paragraph 26 of the report and substituting therefor the following new recommendation-

The Senate resolves that pursuant to Article 217(1) of the Constitution, the Third Basis for sharing revenue among counties, for the financial Year 2020/21 to 2014/25 be as follows-

a) Allocation for FY 2020/21

The following formula shall apply

CA_i = Allocation per county for FY 2019/20

b) Equitable share for FY 2021/22

i) The following formula shall apply

$$CA_i = \text{Allocation for FY 2019/20} - \{ \text{Allocation for FY 2019/20} - 0.16 * \text{Population Index}_i + 0.20 * \text{Health Index}_i + 0.12 * \text{Agriculture Index}_i + 0.04 * \text{Urban Index}_i + 0.14 * \text{Poverty Index}_i + 0.05 * \text{Land Area Index}_i + 0.01 * \text{Fiscal Effort}_i + 0.07 * \text{Roads Index}_i + 0.01 * \text{Prudence Index}_i + 0.20 * \text{Basic Share Index}_i^{11} \} + (0.5 * \text{Loss/gain of County}_i)$$

Where,

Parameter	Indicator of Expenditure Need
Health services	Health index- health facility-gaps (20%), three years average number of primary health care visits to levels 2 and 3 health facilities (60%) and three years average in-patient days in levels 4 and 5 hospitals (20%) $\text{Facility gap factor}_i = \frac{\text{Facility gap funding in county } i}{\sum_{i=1}^{47} \text{facility gap funding in county } i}$ $\text{Primary health care factor}_i = \frac{\text{No. of primary health care visits in county } i}{\sum_{i=1}^{47} \text{No. of primary health care visits in county } i}$ $\text{In – patient days factor}_i = \frac{\text{No. of in – patient days in county } i}{\sum_{i=1}^{47} \text{No. of in – patient days in county } i}$
Agriculture services	$\text{Agriculture Index}_i = 0.005 * \text{Minimum Share index} + 0.095 * \frac{\text{Rural households in county } i}{\sum_{i=1}^{47} \text{Rural households in county } i}$

¹¹ The formula will use the 2019 population and 2015/16 KIHBS poverty statistics

Other county services	$\text{Population index}_i = \frac{\text{Population in county } i}{\sum_{i=1}^{47} \text{Population in county } i}$					
Minimum share	Basic share index $= 0.19 * \text{Equal Share index} + 0.01 * \frac{\text{inverse of population in county } i}{\sum_{i=1}^{47} \text{inverse of population in county } i}$					
Land	$\text{Land Index}_i = \frac{\sqrt{\text{Land Area in County } i}}{\sum_{i=1}^{47} \sqrt{\text{Land area in County } i}}$					
Roads	$\text{Roads index}_i = \frac{\text{Rural access index in county } i}{\sum_{i=1}^{47} \text{Rural access index in county } i}$					
Poverty level	$\text{Poverty index}_i = \frac{\text{No. of poor people in county } i}{\sum_{i=1}^{47} \text{No. of poor people in county } i}$					
Urban service	$\text{Urban Index } i = \frac{\text{urban household in county } i}{\sum_{i=1}^{47} \text{Urban Household in County } i}$					
Fiscal effort	$\text{Fiscal effort index}_i = \frac{\text{OSR collections of county } i}{\text{GCP of county } i}$					
Fiscal prudence	No.	Variable	Indicator	Score	Responsible	Weighting
	1	Audit Reports	Non-Qualified	4	County Executive Assembly	CE=90% CA=10%
			Qualified	2		
			Adverse	0		
			Disclaimer	0		
	2	Development Expenditure	At least 30%	1	County Government	100%
			Below 30%	0		
	4	Internal Audit Committee	In place	1	County Executive Assembly	CE=90% CA=10%
	4	County Budget Economic Forum	In place	1	County Government	100%
			Not In place	0		

The basis used is as shown

No.	Parameter	Weight
1	Other County Services	16%
2	Health	20%

3	Agriculture	12%
4	Urban	4%
5	Roads services	7%
6	Poverty	14%
7	Land	5%
8	Basic Share	20%
9	Fiscal Effort	1%
10	Fiscal Prudence	1%

SIMULATION FOR ILLUSTRATION ONLY

Simulation using Equitable share of Kshs. 316.5 billion for FY 2021/22 using Committee Proposed Formula with 50% cushioning from the gaining counties (Part(b)(ii))

No	County	2019/20 Allocation	Committee proposal	Net Change with committee proposal	50%/50%-cushioning	Total Allocation
1	Wajir	8,545.50	6,521	(2,024.81)	(1,012.40)	7,533.10
2	Marsabit	6,773.10	4,846	(1,926.67)	(963.33)	5,809.77
3	Mandera	10,222.95	8,307	(1,916.43)	(958.22)	9,264.73
4	Garissa	7,026.30	5,379	(1,646.81)	(823.40)	6,202.90
5	Tana-River	5,855.25	4,269	(1,586.33)	(793.16)	5,062.09
6	Mombasa	7,057.95	6,032	(1,025.50)	(512.75)	6,545.20
7	Kwale	7,785.90	6,774	(1,011.72)	(505.86)	7,280.04
8	Narok	8,039.10	7,057	(981.89)	(490.95)	7,548.15
9	Isiolo	4,241.10	3,371	(869.85)	(434.93)	3,806.17
10	Kilifi	10,444.50	9,585	(859.98)	(429.99)	10,014.51
11	Turkana	10,539.45	9,992	(547.11)	(273.55)	10,265.90
12	Kitui	8,830.35	8,398	(432.85)	(216.42)	

						8,613.93
13	Makueni	7,406.10	6,974	(432.54)	(216.27)	7,189.83
14	Nyamira	4,810.80	4,388	(423.19)	(211.59)	4,599.21
15	Samburu	4,620.90	4,217	(403.63)	(201.81)	4,419.09
16	Taita-Taveta	4,241.10	3,841	(399.61)	(199.80)	4,041.30
17	Tharaka-Nithi	3,924.60	3,587	(338.05)	(169.02)	3,755.58
18	Vihiga	4,652.55	4,414	(239.00)	(119.50)	4,533.05
	Total Loss	125,017.50	107,951.55	(17,065.95)	(8,532.98)	116,484.52
1	Nairobi City	15,919.95	16,044	123.88	61.94	15,981.89
2	Homa-Bay	6,741.45	6,872	130.51	65.25	6,806.70
3	Kisii	7,785.90	7,917	130.96	65.48	7,851.38
4	Kajiado	6,424.95	6,564	139.42	69.71	6,494.66
5	Murang'a	6,298.35	6,472	173.32	86.66	6,385.01
6	Lamu	2,595.30	2,786	190.85	95.43	2,690.73
7	Nyeri	5,412.15	5,656	243.90	121.95	5,534.10
8	Elgeyo-Marakwet	3,861.30	4,180	318.74	159.37	4,020.67
9	Nyandarua	4,874.10	5,194	320.30	160.15	5,034.25
10	Kisumu	6,836.40	7,227	390.93	195.47	7,031.87
11	Meru	8,039.10	8,513	473.72	236.86	8,275.96
12	Embu	4,304.40	4,809	504.81	252.41	4,556.81
13	Laikipia	4,177.80	4,701	523.22	261.61	4,439.41
14	Machakos	7,754.25	8,306	551.55	275.77	8,030.02
15	Busia	6,013.50	6,573	559.61	279.81	6,293.31
16	Kericho	5,380.50	5,947	566.63	283.31	5,663.81
17	Migori	6,773.10	7,348	574.60	287.30	7,060.40
18	Siaya	5,791.95	6,379	586.61	293.30	6,085.25
19	Baringo	5,095.65	5,760	663.85	331.93	5,427.58
20	West Pokot	5,000.70	5,693	692.35	346.17	5,346.87
21	Bomet	5,507.10	6,237	730.21	365.10	5,872.20
22	Kirinyaga	4,241.10	5,003	762.31	381.15	4,622.25

23	Bungoma	8,893.65	9,820	926.70	463.35	9,357.00
24	Trans-Nzoia	5,760.30	6,755	994.69	497.34	6,257.64
25	Kakamega	10,412.85	11,436	1,022.69	511.34	10,924.19
26	Kiambu	9,431.70	10,492	1,060.53	530.27	9,961.97
27	Nakuru	10,476.15	11,631	1,155.12	577.56	11,053.71
28	Uasin-Gishu	6,330.00	7,522	1,191.92	595.96	6,925.96
29	Nandi	5,348.85	6,711	1,362.02	681.01	6,029.86
	Total Gains	191,482.50	208,548.45	17,065.95	8,532.98	200,015.48
	Total	316,500	316,500	-	-	316,500

ii) Further cushioning losing counties for FY 2021/22

Further, the National Treasury to provide additional funds equal to the losses arising from the application of the formula (part (b)(ii)) for the FY 2021/22 to cushion the losing counties.

SIMULATION FOR ILLUSTRATION ONLY

Simulation using additional Kshs. 8.532 billion (loss occurring with equitable share of Kshs. 316.5billion) for cushioning the losing counties for FY 2021/22 after cushioning in part b (ii) above for Illustration Purpose

County	2019/20 Allocations	Allocations as per Committee Proposal	Allocations as per (ii) above Cushioning	Variance	Cushioning with additional funds from National Treasury	Total Allocations as per cushioning (iii)
Vihiga	4,652.55	4,413.55	4,533.05	(119.50)	119.50	4,652.55
Tharaka-Nithi	3,924.60	3,586.55	3,755.58	(169.02)	169.02	3,924.60
Taita-Taveta	4,241.10	3,841.49	4,041.30	(199.80)	199.80	4,241.10
Samburu	4,620.90	4,217.27	4,419.09	(201.81)	201.81	4,620.90
Nyamira	4,810.80	4,387.61	4,599.21	(211.59)	211.59	4,810.80
Makueni	7,406.10	6,973.56	7,189.83	(216.27)	216.27	7,406.10
Kitui	8,830.35	8,397.50	8,613.93	(216.42)	216.42	8,830.35
Turkana	10,539.45	9,992.34	10,265.90	(273.55)	273.55	10,539.45
Kilifi	10,444.50	9,584.52	10,014.51	(429.99)	429.99	10,444.50

Isiolo	4,241.10	3,371.25	3,806.17	(434.93)	434.93	4,241.10
Narok	8,039.10	7,057.21	7,548.15	(490.95)	490.95	8,039.10
Kwale	7,785.90	6,774.18	7,280.04	(505.86)	505.86	7,785.90
Mombasa	7,057.95	6,032.45	6,545.20	(512.75)	512.75	7,057.95
Tana-River	5,855.25	4,268.92	5,062.09	(793.16)	793.16	5,855.25
Garissa	7,026.30	5,379.49	6,202.90	(823.40)	823.40	7,026.30
Mandera	10,222.95	8,306.52	9,264.73	(958.22)	958.22	10,222.95
Marsabit	6,773.10	4,846.43	5,809.77	(963.33)	963.33	6,773.10
Wajir	8,545.50	6,520.69	7,533.10	(1,012.40)	1,012.40	8,545.50
Total				(8,532.98)	8,532.98	125,017.50

c) Equalization Fund

The Senate resolves to expedite approval of the Equalization Fund Bill (National Assembly Bills No. 43 of 2019). Further that, the National Treasury shall expedite operationalization of the equalization fund within a period of three (3) months of the passage of this motion to ensure the quality of services in the marginalized areas are brought to a level generally enjoyed by the rest of the nation.

d) Review of Economic Activities relating to Agriculture

That the Commission on Revenue Allocation (CRA) in reviewing the vertical sharing of revenue for Financial Year 2021/22 should further review the matters relating to the parameter on the Agriculture in the Third Basis of Sharing of Revenue among counties. The review on the parameter of Agriculture should seek to include other economic activities such as livestock keeping/ pastoralism, fishing and blue economy.

6) **NOTICE** is given that Sen. James Orengo, MP intends to move the following amendment to the Motion on the Report of the Standing Committee on Finance and Budget on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025-

THAT, the Motion be amended by deleting the full stop at the end and inserting the following words-

‘subject to insertion of a new recommendation after paragraph 26 of the Report as follows-

27) The Senate, pursuant to Article 217 (2) (b) of the Constitution, recommends that the Commission on Revenue Allocation take into consideration the Report of the Standing Committee on Finance and Budget on the Third Basis for Revenue Allocation and the debate thereon by the Senate and review its original recommendation on the third basis/ criteria for allocating among the counties the share of national revenue for financial years 2020/2021 to 2024/2025, and submit the revised recommendations to the Senate within three months, taking into account additional factors including pastoralism; the livestock sector; the blue economy; the extractive industries; and wildlife and conservation in determining principles and parameters of equitable sharing of national revenue among the counties”.

...../Amendments

B. *THE COUNTY OUTDOOR ADVERTISING CONTROL BILL (SENATE BILLS NO. 19 OF 2018)

(Sen. Samuel Poghio, MP)

(Consideration of the National Assembly amendments)

Schedule of amendments to the Bill, as passed by the National Assembly on Thursday, June 25, 2020

CLAUSE 2

Clause 2 of the Bill be amended by inserting the following definition in its proper alphabetical sequence—

“rate card” means a document containing prices and descriptions for various advertisement placement options available from a service sector, which sets out the minimum and maximum price of a service.

CLAUSE 3

Clause 3 of the Bill be amended—

(a) by deleting the expression “(1)”;

(b) in paragraph (c) by inserting the words “that has a licence from another county” immediately after the words “a moving vehicle” appearing in subparagraph (vi).

CLAUSE 4

Clause 4 of the Bill be amended in sub-clause (2) by deleting paragraph (b) and substituting therefor the following new paragraph--

“(b) the written consent of the owner of the site or any other person with an interest in the site entitled to give consent”.

CLAUSE 10

Clause 10 of the Bill be amended in sub-clause (2) by deleting paragraph (b) and substituting therefor the following new paragraph—

“(b) the written consent of the owner of the site or any other person with an interest in the site entitled to give consent”.

CLAUSE 15

Clause 15 of the Bill be amended by inserting the words “regulate and” immediately after the words “government entity shall”.

...../Amendments

CLAUSE 21

Clause 21 of the Bill be amended in sub-clause (2) by deleting paragraph (b) and substituting therefor the following new paragraph—

“(b) a rate card that shall be reviewed every seven years stating the fees and charges to be paid in respect of any matter required for the purposes of this Act”.

...../Appendix

APPENDIX

1. PETITIONS

- i. Report of the Standing Committee on Justice, Legal Affairs and Human Rights on consideration of a Petition to the Senate by Bernard Waheire and Jacqueline Mutere on implementation of the report of the Truth, Justice and Reconciliation Commission (TJRC)

(Chairperson, Standing Committee on Justice, Legal Affairs and Human Rights)

- ii. Report of the Standing Committee on Labour and Social Welfare on a Petition to the Senate by the Kenya Union on Clinical Officers regarding alleged refusal by the Ministry of Health and county governments, to conclude on the collective bargaining agreement negotiations.

- iii. Report of the Standing Committee on Labour and Social Welfare on a Petition to the Senate by Mr. Patrick Wambua regarding the plight of former Machakos County Ward Representative staff.

(Chairperson, Standing Committee on Labour and Social Welfare)

- iv. Report of the Standing Committee on Agriculture, Livestock and Fisheries on the Petition to the Senate by Mr. Isaack Mwangi Mugo and Mr. P. Njiraini Wanjohi seeking the recognition of graduates of the range management course to treat livestock diseases and offer related extension services.

(Chairperson, Standing Committee on Agriculture, Livestock and Fisheries)

2. STATEMENTS

a) Pursuant to Standing Order 47 (1)

- i) Nominated Senator (Sen. (Dr.) Alice Milgo, MP) to make a statement regarding the appointment of Sen (Dr.) Gertrude Musuruve Inimah, MP, to the position of Co-chair of the International Parliamentary Network on Education.
- ii) The Senator for Trans- Nzoia County (Sen. (Dr.) Michael Mbito, MP) to make a statement concerning boosting of domestic tourism in Kenya.
- iii) Nominated Senator (Sen. (Dr.) Gertrude Musuruve Inimah, MP) to make a statement concerning the alleged approval of the vaginal ring to curb the spread of HIV/Aids in Africa.

b) Pursuant to Standing Order 48 (1)

- i) Nominated Senator (Sen. Beatrice Kwamboka, MP) to seek a statement from the Standing Committee on Land, Environment and Natural Resources concerning pollution of the environment by industrial emissions.
- ii) The Senator for Kakamega County (Sen. Cleophas Malalah, MP) to seek a statement from the Standing Committee on Finance and Budget concerning the proposed increase of Excise Duty on beer made from sorghum, millet and cassava.
- iii) The Senator for Nairobi County (Sen. Johnson Sakaja, MP) to seek a statement from the Sessional Committee on County Public Accounts and Investments concerning the source and utilization of funds on the beautification and “ng’arisha jiji” programme by Nairobi City County government.
- iv) The Senator for Wajir County (Sen. (Dr.) Abdullahi Ali, MP) to seek a statement from the Standing Committee on Labour and Social welfare regarding misappropriation of Staff emoluments, statutory deductions and other labour relations violations.
- v) The Senator for Trans – Nzoia County (Sen. (Dr.) Michael Mbito, MP) to seek a statement from the Standing Committee on Health concerning payment of allowances to Office Administrative Personnel working in the health sector in county governments.
- vi) The Senator for Mombasa County (Sen. Mohamed Faki Mwinyihaji, MP) to seek a statement from the Standing Committee on Information and Technology regarding the state of affairs at the Postal Corporation of Kenya.
- vii) Nominated Senator (Sen. (Dr.) Alice Milgo, MP) to seek a statement from the Standing Committee on Land, Environment and Natural Resources regarding alleged continued destruction by fires, of the conservation area around the Tsavo National Park.
- viii) The Senator for Isiolo County (Sen. Fatuma Dullo, MP) to seek a statement from the Standing Committee on National Security, Defence and Foreign Relations regarding an alleged assault against a resident of Isiolo County by police officers at Barambate Police Post in the County.
- ix) The Senator for Lamu County (Sen. Anwar Loitiptip, MP) to seek a statement from the Standing Committee on Roads and Transportation concerning the status of dock work job opportunities at the Lamu Port for youths in Lamu County.

- x) The Senator for Isiolo County (Sen. Fatuma Dullo, MP) to seek a statement from the Standing Committee on Land, Environment and Natural Resources concerning alleged human – wildlife conflict in Isiolo County.
- xi) The Senator for Wajir County (Sen. (Dr.) Abdullahi Ali, MP) to seek a Statement from the Ad-hoc Committee on COVID-19 Situation in Kenya concerning the status of preparedness for COVID-19 by the Wajir County Government.
- xii) The Senator for Kericho County (Sen. Aaron Cheruiyot, MP) to seek a statement from the Standing Committee on Labour and Social Welfare regarding the operations of the Anti-Doping Agency of Kenya (ADAK) and the alleged rampant doping test failure by Kenyan athletes.
- xiii) Nominated Senator (Sen. Beatrice Kwamboka, MP) to seek a statement from the Standing Committee on Education concerning the status of graduations in various learning institutions that are due in the year 2020.
- xiv) Nominated Senator (Sen. Falhada Iman, MP) to seek a statement from the Standing Committee on National Security, Defence and Foreign Relations regarding alleged use of excessive force by the police when engaging with civilians.
- xv) The Senator for Homa Bay County (Sen. Moses Kajwang', MP) to seek a Statement from the Standing Committee on Health regarding alleged industrial strike by health workers in Homa Bay County in the midst of the COVID-19 Pandemic, as well as the general state of health services in the county.

c) Pursuant to Standing Order 51 (1) (a)

- i) The Chairperson, Standing Committee on Justice, Legal Affairs and Human Rights to make a statement relating to matters for which the Committee is responsible.
- ii) The Chairperson, Standing Committee on Labour and Social Welfare to make a statement regarding the passing-on of renowned artist, the late Mr. Charles Bukeko, popularly known as Papa Shirandula.

d) Pursuant to Standing Order 51 (1) (b)

- i) The Chairperson, Standing Committee on Agriculture, Livestock and Fisheries to make a statement relating to the activities of the Committee;
- ii) The Chairperson, Standing Committee on Devolution and Intergovernmental Relations to make a statement relating to the activities of the Committee;

iii) The Chairperson, Standing Committee on Education to make a statement relating to the activities of the Committee;

e) Pursuant to Standing Order 52 (1)

The Senate Majority Leader to issue a statement on the business of the Senate for the week commencing Tuesday, 8th September, 2020.
