

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY THIRTEENTH PARLIAMENT - (FOURTH SESSION)

MESSAGES

MESSAGES FROM THE SENATE

	(No.	011	of	2025)	
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ON APPROVAL OF THE FOURTH BASIS FOR ALLOCATION OF THE SHARE OF NATIONAL REVENUE AMONG COUNTY GOVERNMENTS

Honourable Members,

- 1. Pursuant to the provisions of Standing Order 41(4) of the National Assembly Standing Orders, I wish to report to the House that I have received a Message from the Senate regarding the approval of the Fourth Basis for revenue allocation among county governments in accordance with Article 217(3) of the Constitution.
- 2. Honourable Members, the Message conveys that, on Thursday, 12th June 2025, the Senate considered and <u>approved</u> the Fourth Basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government. This consists of the Baseline Allocation Ratio and the formula for distribution, for the Financial Years 2025/2026 to 2029/2030.
- 3. For clarity, **Honourable Members**, the Baseline Allocation Ratio refers to the shareable revenue allocated to the counties in the Financial Year 2024/2025. The formula contains parameters and the various respective thresholds to be considered in determining the criteria for horizontal distribution of the shareable revenue among the 47 county governments. The parameters include the basic equal share, population, poverty and land area.

- 4. Honourable Members, as you are aware and no doubt appreciate, the basis for revenue sharing among county governments is a very critical element in facilitating the seamless execution of the devolved functions of our county governments. Notably, the Division of Revenue Bill and the County Allocation of Revenue Bill for the financial year 2025/2026. In this regard, it ought to be concluded expeditiously and before the conclusion of these two Bills.
- 5. Honourable Members, as contemp ated under Article 217 of the Constitution, the National Assembly may consider the Senate's resolution and vote to approve it with or without a mendments, or reject it in toto.
- 6. It is worth noting that the decision of the National Assembly to amend or reject the Senate's resolution on the formula requires the support of <u>at</u> <u>least two-thirds</u> of the Members of the National Assembly, <u>being not less than 233 Members</u>.
- 7. **Honourable Members**, in order for the House to commence consideration of the resolution of the Senate on the Fourth Basis for revenue allocation among county governments, I direct as follows—
 - (a) **THAT**, the Message from the Senate, together with the accompanying Fourth Basis for revenue allocation formula, is hereby committed to the Budget and Appropriations Committee for expedited consideration;
 - (b) THAT, cognizant of the urgency of the matter, the Committee is expected to consider the formula and submit a report to the House on Tuesday, 24th June 2025;
 - (c) **THAT**, the House Business Committee shall place the Senate Resolution on the formula in the Order Paper for **Tuesday**, **24**th **June 2025** for consideration by the House; and

- (d) **THAT**, the Clerk is hereby directed to circulate the Message containing the formula to all Members and publish it on the parliamentary website.
- **8.** The House is accordingly guided.

I thank you!

THE RT. HON. (DR.) MOSES F. M. WETANG'ULA, EGH, MP SPEAKER OF THE NATIONAL ASSEMBLY

Wednesday, June 18, 2025



REPUBLIC OF KENYA THIRTEENTH PARLIAMENT - (FOURTH SESSION)

THE SENATE

MESSAGES

MESSAGE TO THE NATIONAL ASSEMBLY

No. 14 of 2025

SUBJECT: APPROVAL OF THE FOURTH BASIS FOR REVENUE ALLOCATION AMONG THE COUNTY GOVERNMENTS PURSUANT TO ARTICLE 217 OF THE CONSTITUTION

PURSUANT to Article 217 (1) and (3) of the Constitution and Standing Order 46 (1) of the Senate, I hereby convey the following Message from the Senate -

"THAT, pursuant to the provisions of Article 217 (1) of the Constitution, the Senate considered the report of the Standing Committee on Finance and Budget and by a Resolution passed on Thursday, 12th June, 2025, approved the Fourth Basis for allocating among the counties the share of national revenue that is annually allocated to the county level of government, for the Financial Years 2025/2026 to 2029/2030 as follows-

- (i) For County Equitable Share below Ksh. 415 billion -
 - County Allocation = (Baseline Allocation Ratio*Ksh.387.425 billion) + (Ksh. 3 billion shared equally among the identified 12 counties) + {[(0.45*Population Index) + (0.35*Equal Share Index) + (0.12*Poverty Index) + (0.08*Geographical Size Index)] *(County Equitable Share Ksh. 390.425 billion)}.
- (ii) For County Equitable Share of Ksh. 415 billion and above-
 - County Allocation = (Baseline Allocation Ratio*Ksh.387.425 billion) + (Ksh. 4.46 billion shared equally among the identified 12 counties) + {[(0.45*Population Index) + (0.35*Equal Share

Index) + (0.12*Poverty Index) + (0.08*Geographical Size Index)] *(County Equitable Share - Ksh. 391.89 billion)).

Where -

- i. Baseline Allocation Ratio = The allocation factor derived from each County's allocation for the Financial Year 2024/2025;
- ii. The 12 identified counties are: Elgeyo/Marakwet, Embu, Islolo, Kirinyaga, Laikipia, Lamu, Nyamira, Nyandarua, Samburu, Taita/Taveta, Tharaka-Nithi and Vihiga;
- iii. The Population Index is based on the 2019 Kenya Population and Housing Census (KPHC);
- iv. The Poverty Index is based on the 2022 Kenya Poverty Report by the Kenya National Bureau of Statistics (KNBS); and
- v. Geographical Size is capped at 10%."

NOW THEREFORE, in accordance with Article 217 (3) of the Constitution and Standing Order 46 (1) of the Senate, I hereby convey this Resolution to the National Assembly for consideration.

RT. HON. AMASON JEFFAH KINGI, EGH, MP SPEAKER OF THE SENATE

12th June, 2025