

SPECIAL ISSUE

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REPUBLIC OF KENYA

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NATIONAL ASSEMBLY BILLS, 2025

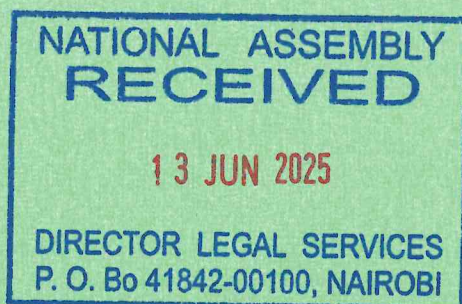
NAIROBI, 12th June, 2025

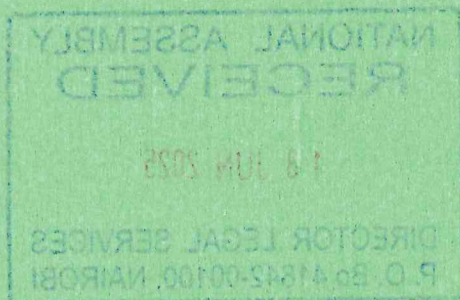
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**THE EQUALISATION FUND APPROPRIATION
BILL, 2025**

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**SCHEDULE: ALLOCATION TO
BENEFICIARY COUNTIES
FROM EQUALISATION FUND**

THE EQUALISATION FUND APPROPRIATION BILL, 2025

A Bill for

AN ACT of Parliament to authorize the issue of a sum of money out of the Equalisation Fund and its application towards the service of the year ending 30th June, 2026; to appropriate that sum for certain public basic services; and for connected purposes

ENACTED by the Parliament of Kenya, as follows —

1. This Act may be cited as the Equalisation Fund Appropriation Act, 2025, and shall be deemed to have come into force on 1st July, 2025.

Short title.

2. In this Act —

Interpretation.

“Board” means the Equalisation Fund Advisory Board established under regulation 4 of the Public Finance Management (Equalization Fund Administration) Regulations;

L.N. No. 54 of 2021.

“beneficiary county” means a county identified as beneficiary of the Fund by the Commission on Revenue Allocation in the marginalization policy developed pursuant to Article 216(4) of the Constitution and set out in column A of the Schedule; and

“Fund” means the Equalisation Fund established under Article 204(1) of the Constitution.

3. The Board may issue the sum of Kenya Shillings, sixteen billion eight hundred million (KSh. 16,800,000,000), being allocation for FY 2025/26, out of the Fund and apply it towards the supply granted for the service of the year ending on the 30th June, 2026 of which —

Issue of monies out of the Fund.

(a) Kenya shillings five hundred and four million shall be applied towards the expenses of the Board in accordance with regulation 10(3) of the Public Finance Management (Equalization Fund Administration) Regulations; and

L.N. No. 54 of 2021.

- (b) Kenya shillings sixteen billion, two hundred ninety-six million shall be transferred to beneficiary counties in accordance with the Schedule.

4. The sums granted under section 3 shall and set out in column C of the Schedule shall be applied towards the basic services under Article 204(2) of the Constitution of which—

Appropriation of the money granted.

- (a) beneficiary counties specified in column A of the Schedule; and
- (b) constituencies specified in column B of the Schedule.

5. (1) The sums transferred under section 4 shall not be paid into the County Revenue Fund.

Exclusion from County Revenue Fund.

(2) A beneficiary county to which funds are to be transferred shall open a special purpose account in the Central Bank of Kenya into which shall be paid that beneficiary county's allocation of the Fund for the respective financial year.

6. Despite the provisions of this Act, the approval granted under section 4 shall continue in force until all the projects identified in each constituency specified in column B of the Schedule are completed and this Act shall be sufficient authority for the Controller of Budget to authorize withdrawal of funds from the Fund for the amounts specified in column C of the Schedule for each county specified in column A of the Schedule, where the projects are implemented for a period beyond one financial year.

Duration of approval of projects.

7. The authorization by the Controller of Budget of a withdrawal from the Fund, together with written instructions from the secretary of the Board through National Treasury requesting for the withdrawal, shall be sufficient authority for the Central Bank of Kenya to pay amounts from the Fund Account in accordance with the approval and instructions given.

Withdrawals from the Fund.

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	Recurrent Expenditure	KSh.
Equalisation Fund Secretariat	The amount required in the year ending 30th June, 2026 for Equalisation Fund Secretariat expenses	504,000,000
	<i>Sub-class total</i>	504,000,000
	Development Expenditure	KSh.
COUNTY	CONSTITUENCY	FY 2025/26
BARINGO	The amount required in the year ending 30th June, 2026 in Baringo County for development expenses (provision of basic services including water, roads, health facilities and electricity)	967,681,327
	BARINGO NORTH	86,554,756
	BARINGO SOUTH	134,368,950
	MOGOTIO	164,233,062
	TIATY	582,524,558
BOMET	The amount required in the year ending 30th June, 2026 in Bomet County for development expenses (provision of basic services including water, roads, health facilities and electricity)	31,249,275
	CHEPALUNGU	31,249,275
BUNGOMA	The amount required in the year ending 30th June, 2026 in Bungoma County for development expenses (provision of basic services including water, roads, health facilities and electricity)	95,592,537
	MT ELGON	95,592,537
BUSIA	The amount required in the year ending 30th June, 2026 in Busia County for	

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	development expenses (provision of basic services including water, roads, health facilities and electricity)	29,239,974
	BUDALANGI	9,710,807
	TESO NORTH	19,529,167
ELGEYO MARAKWET	The amount required in the year ending 30th June, 2026 in Elgeyo Marakwet County for development expenses (provision of basic services including water, roads, health facilities and electricity)	105,894,890
	KEIYO SOUTH	9,039,410
	MARAKWET EAST	87,509,704
	MARAKWET WEST	9,345,776
GARISSA	The amount required in the year ending 30th June, 2026 in Garissa County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,026,040,684
	BALAMBALA	256,507,727
	DADAAB	152,216,367
	FAFI	144,459,455
	GARISSA TOWNSHIP	23,942,133
	IJARA	287,356,119
	LAGDERA	161,558,883
HOMA BAY	The amount required in the year ending 30th June, 2026 in Homa Bay County for development expenses (provision of basic services including water, roads, health facilities and electricity)	214,023,965

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	HOMA BAY TOWN	10,440,869
	NDHIWA	120,305,473
	SUBA NORTH	29,748,410
	SUBA SOUTH	53,529,213
ISIOLO	The amount required in the year ending 30th June, 2026 in Isiolo County for development expenses (provision of basic services including water, roads, health facilities and electricity)	270,219,210
	ISIOLO NORTH	162,425,832
	ISIOLO SOUTH	107,793,378
KAJIADO	The amount required in the year ending 30th June, 2026 in Kajiado County for development expenses (provision of basic services including water, roads, health facilities and electricity)	674,525,449
	KAJIADO CENTRAL	233,919,794
	KAJIADO SOUTH	102,681,312
	KAJIADO WEST	337,924,343
KERICHO	The amount required in the year ending 30th June, 2026 in Kericho County for development expenses (provision of basic services including water, roads, health facilities and electricity)	99,011,445
	BURETI	10,812,419
	KIPKELION WEST	10,385,463
	SIGOWET/SOIN	77,813,563
KILIFI	The amount required in the year ending 30th June, 2026 in Kilifi County for	

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	development expenses (provision of basic services including water, roads, health facilities and electricity)	878,031,953
	GANZE	313,863,249
	KALOLENI	175,930,356
	KILIFI NORTH	11,584,851
	MAGARINI	300,133,840
	MALINDI	53,977,354
	RABAI	22,542,304
KISUMU	The amount required in the year ending 30th June, 2026 in Kisumu County for development expenses (provision of basic services including water, roads, health facilities and electricity)	39,573,290
	MUHORONI	20,167,972
	NYANDO	19,405,318
KITUI	The amount required in the year ending 30th June, 2026 in Kisumu County for development expenses (provision of basic services including water, roads, health facilities and electricity)	646,409,901
	KITUI EAST	215,946,897
	KITUI SOUTH	149,954,477
	MWINGI CENTRAL	95,410,021
	MWINGI NORTH	185,098,505
KWALE	The amount required in the year ending 30th June, 2026 in Kwale County for development expenses (provision of basic services including water, roads, health facilities and electricity)	475,834,422

SCHEDULE**(s. 2, 3(b),4,5)****ALLOCATION TO BENEFICIARY COUNTIES FROM
EQUALISATION FUND**

A	B	C
	KINANGO	265,266,845
	LUNGA LUNGA	130,555,678
	MATUGA	59,410,452
	MSAMBWENI	20,601,446
LAIKIPIA	The amount required in the year ending 30th June, 2026 in Laikipia County for development expenses (provision of basic services including water, roads, health facilities and electricity)	194,020,583
	LAIKIPIA NORTH	182,140,774
	LAIKIPIA WEST	11,879,809
LAMU	The amount required in the year ending 30th June, 2026 in Lamu County for development expenses (provision of basic services including water, roads, health facilities and electricity)	93,697,308
	LAMU EAST	41,721,107
	LAMU WEST	51,976,201
MACHAKOS	The amount required in the year ending 30th June, 2026 in Machakos County for development expenses (provision of basic services including water, roads, health facilities and electricity)	21,016,995
	MASINGA	21,016,995
MANDERA	The amount required in the year ending 30th June, 2026 in Mandera County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,225,254,814
	BANISSA	157,776,574

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	LAFEY	247,689,943
	MANDERA EAST	209,045,527
	MANDERA NORTH	231,939,825
	MANDERA SOUTH	227,192,791
	MANDERA WEST	151,610,154
MARSABIT	The amount required in the year ending 30th June, 2026 in Marsabit County for development expenses (provision of basic services including water, roads, health facilities and electricity)	763,773,939
	LAISAMIS	302,749,353
	MOYALE	175,933,615
	NORTH HERR	239,618,517
	SAKU	45,472,454
MERU	The amount required in the year ending 30th June, 2026 in Meru County for development expenses (provision of basic services including water, roads, health facilities and electricity)	48,669,736
	IGEMBE SOUTH	19,532,427
	SOUTH IMENTI	9,893,322
	TIGANIA EAST	19,243,987
MIGORI	The amount required in the year ending 30th June, 2026 in Migori County for development expenses (provision of basic services including water, roads, health facilities and electricity)	289,094,906
	KURIA WEST	11,594,628

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	NYATIKE	178,265,578
	SUNA WEST	77,917,858
	URIRI	21,316,842
MURANG'A	The amount required in the year ending 30th June, 2026 in Murang'a County for development expenses (provision of basic services including water, roads, health facilities and electricity)	9,236,592
	GATANGA	9,236,592
NAKURU	The amount required in the year ending 30th June, 2026 in Nakuru County for development expenses (provision of basic services including water, roads, health facilities and electricity)	10,465,313
	RONGAI	10,465,313
NANDI	The amount required in the year ending 30th June, 2026 in Nandi County for development expenses (provision of basic services including water, roads, health facilities and electricity)	189,860,206
	NANDI HILLS	20,159,824
	TINDERET	169,700,382
NAROK	The amount required in the year ending 30th June, 2026 in Narok County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,254,952,707
	EMURUA DIKIRR	36,323,860
	KILGORIS	350,053,482
	NAROK EAST	148,337,911

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	NAROK NORTH	246,547,591
	NAROK SOUTH	278,241,748
	NAROK WEST	195,448,116
SAMBURU	The amount required in the year ending 30th June, 2026 in Samburu County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,056,572,934
	SAMBURU EAST	308,536,075
	SAMBURU NORTH	498,423,984
	SAMBURU WEST	249,612,875
SIAYA	The amount required in the year ending 30th June, 2026 in Siaya County for development expenses (provision of basic services including water, roads, health facilities and electricity)	51,997,386
	BONDO	20,563,966
	GEM	19,889,310
	RARIEDA	11,544,111
TAITA TAVETA	The amount required in the year ending 30th June, 2026 in Taita Taveta County for development expenses (provision of basic services including water, roads, health facilities and electricity)	21,686,762
	TAVETA	10,305,612
	VOI	11,381,150
TANA RIVER	The amount required in the year ending 30th June, 2026 in Tana River County for development expenses (provision of basic services including water, roads, health facilities and electricity)	719,015,252

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	BURA	259,489,901
	GALOLE	196,502,469
	GARSEN	263,022,881
THARAKA NITHI	The amount required in the year ending 30th June, 2026 in Tharaka Nithi County for development expenses (provision of basic services including water, roads, health facilities and electricity)	71,565,664
	MAARA	18,450,370
	THARAKA	53,115,294
TRANS NZOIA	The amount required in the year ending 30th June, 2026 in Trans Nzoia County for development expenses (provision of basic services including water, roads, health facilities and electricity)	12,161,730
	ENDEBESS	12,161,730
TURKANA	The amount required in the year ending 30th June, 2026 in Turkana County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,860,614,374
	LOIMA	340,702,817
	TURKANA CENTRAL	210,644,168
	TURKANA EAST	190,727,155
	TURKANA NORTH	516,114,959
	TURKANA SOUTH	185,266,354
	TURKANA WEST	417,158,921
WAJIR	The amount required in the year ending 30th June, 2026 in Wajir County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,187,457,792

SCHEDULE (s. 2, 3(b),4,5) ALLOCATION TO BENEFICIARY COUNTIES FROM EQUALISATION FUND		
A	B	C
	ELDAS	158,053,606
	TARBAJ	197,481,861
	WAJIR EAST	88,428,800
	WAJIR NORTH	242,687,060
	WAJIR SOUTH	335,743,934
	WAJIR WEST	165,062,531
WEST POKOT	The amount required in the year ending 30th June, 2026 in West Pokot County for development expenses (provision of basic services including water, roads, health facilities and electricity)	1,661,556,686
	KACHELIBA	570,382,383
	KAPENGURIA	436,047,654
	POKOT SOUTH	236,170,276
	SIGOR	418,956,373
	<i>Sub-class total</i>	16,296,000,000
	Total Equalisation Fund	16,800,000,000

MEMORANDUM OF OBJECTS AND REASONS

Statement of the Objects and Reasons for the Bill

The principal object of the Bill is to authorize the issue of a sum of money out of the Equalisation Fund and its application towards the service of 2025/26 financial year. Article 204(1) of the Constitution establishes the Equalisation Fund to facilitate the provision of basic services including water, roads, health facilities and electricity to marginalised areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible.

This Bill therefore proposes a legal framework for the issuance of monies out of the Equalisation Fund to counties in which marginalized areas fall for the provision of these crucial basic services.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms.

This Bill does not delegate legislative powers nor limit fundamental rights and freedoms.

Statement as to whether the Bill concerns county governments

The Bill is a Bill concerning county governments in terms of Article 110 (1) (a) of the Constitution as it contains provisions affecting the powers and functions of county governments as set out in the Fourth Schedule to the Constitution.

Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution

The Bill is a money Bill for purposes of Article 114 of the Constitution as the enactment of this Bill shall occasion additional expenditure of public funds.

Dated the 11th June, 2025

SAMUEL ATANDI,
Chairperson, Budget and Appropriations Committee.