


Approved
SNA
23/9/25

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 SEP 2025	
REPUBLIC OF KENYA PARLIAMENT OF KENYA	
TABLED BY:	Hon. Benjamin B. Samuel MP Attorney Chairperson
CLERK-AT THE-TABLE:	A. Shibuko



THIRTEENTH PARLIAMENT – FOURTH SESSION -2025

**REPORT OF THE BUDGET AND APPROPRIATIONS COMMITTEE
ON THE COUNTY GOVERNMENTS' ADDITIONAL ALLOCATIONS
BILL, 2025 (SENATE BILL NO.8 OF 2025)**

The Clerk's Chambers
National Assembly
Parliament Buildings
NAIROBI



SEPTEMBER, 2025

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Chairperson's Foreword

The County Governments Additional Allocations Bill, 2025 was published on 18th June 2025 and introduced in the Senate on 27th June 2025. The Senate considered the Bill and passed it with amendments on 23rd July 2025. The Bill was then forwarded to the National Assembly for concurrence in line with Article 110(4) of the Constitution. It was read a first time in the National Assembly on July 31, 2025, and subsequently referred to the Budget and Appropriations Committee for consideration.

This Bill seeks to authorize the transfer of both conditional and unconditional additional allocations to county governments for the financial year 2025/26. These allocations come from the National Government's share of revenue as well as from development partners. In considering the Bill, the Committee received submissions from the Intergovernmental Budget and Economic Council, the Council of Governors, the Ministry of Roads and Transport and the National Treasury.

The Bill proposes to allocate a total of **Kshs. 93.53 billion** as additional funds to county governments. This includes **Ksh. 2.95 billion** from Court Fines and 20 percent of Mineral Royalties as contained in the first schedule, **Ksh. 10.04 billion** from the National Government's Share of Revenue contained in the second schedule, **Ksh. 23.63 billion** from the Road Maintenance Fuel Levy Fund contained in the third schedule, and **Ksh. 56.91 billion** from loans and grants from development partners as contained in the fourth schedule.

Committee Recommendations

Having deliberated on the provisions of the Bill and taking into consideration the various submissions by stakeholders, the Committee recommends that the House approve the County Governments Additional Allocations Bill, 2025 (Senate Bill No.8 of 2025) and the Schedules contained in the Bill, **with the following amendments:**

- i. **Construction of county Headquarters** - Amending the second schedule to reflect the actual transfers to counties of Ksh. 449,000,000, netting out the Ksh.5,000,000 for operation expenses;

- ii. **County Aggregation of Industrial Parks (CAIPs)**-Amending the second schedule to prioritize counties with outstanding balances from the National government and sharing the balance among counties that have made significant progress in terms of implementation of the projects.
- iii. **Road Maintenance Levy Fund**- Deletion of the third schedule that contains allocation to counties from the Road Maintenance Levy Fund.
- iv. **Kenya Informal Settlement Improvement Project** – Amending the allocation in the fourth schedule by reducing the funds to be sent to the counties under the World Bank (IDA) from **KSh. 800,000,000** to **KSh. 167,500,000** while increasing the allocation of AFD Funds from **KSh. 1,000,000,000** to **KSh. 2,500,000,000**.
- v. **Kenya Devolution Support Programme II (KDSP II)**-Amending the fourth schedule to increase the allocation for level one grants to **KSh. 3,426,746,500** and reduce level two grants to **KSh. 11,378,253,500**.
- vi. **Schedules to the Bill** – that the First, Second, and Third Schedules to this report be the Schedules to the Bill.

Acknowledgements

The Budget and Appropriations Committee wishes to express gratitude to the Office of the Speaker of the National Assembly, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the support extended in fulfilling this mandate of reviewing the County Governments Additional Allocations Bill, 2025.


On behalf of the Committee and pursuant to Standing Order 199(6), it is my pleasant duty and privilege to table the Report and recommend it to the House for adoption.

SIGNED

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HON. SAMUEL ATANDI, M.P.

CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

DATE

I.0 Preface

I.1 Establishment of the Committee

- I. Article 221 (4) of the Constitution and Section 7 of the Public Finance Management Act, 2012 provide for the establishment of a Committee of the National Assembly whose main role is to take the lead in budgetary oversight by the National Assembly. Pursuant to this constitutional provision, Standing Order 207 establishes the Budget and Appropriations Committee with specific mandates as follows:
 - i. Examine the Division of Revenue Bill.
 - ii. Investigate, inquire into, and report on all matters relating to the coordination, control, and monitoring of the national budget.
 - iii. Review the budget estimates and make recommendations to the House.
 - iv. Examine the Budget Policy Statement presented to the House.
 - v. Examine bills related to the national budget, including appropriation bills; and
 - vi. Evaluate tax estimates, economic and budgetary policies, and programmes with direct budget outlays.

I.2 Membership of the Committee

2. Pursuant to Standing Order 207(2), the Budget and Appropriations Committee as currently constituted comprises the following Honourable Members:

CHAIRPERSON

Hon. Atandi, Samuel Onunga, M.P.
Alego Usonga Constituency
ODM PARTY

VICE CHAIRPERSON

Hon. (Dr.) Robert Pukose, CBS, M.P.
Endebess Constituency
UDA PARTY

MEMBERS

Hon. Chumel, Samwel Moroto, M.P.
Kapenguria Constituency
UDA PARTY

Hon. (Dr.) Adan Wehliye Keynan, CBS, M.P.
Eldas Constituency
JUBILEE PARTY

Hon. Mulu, Makali, PhD, CBS, M.P.
Kitui Central Constituency
WDM – KENYA

Hon. Lekuton, Joseph, M.P.
Laisamis Constituency
UDM PARTY

Hon. Lesuuda, Josephine Naisula, OGW, M.P.
Samburu West Constituency
KANU PARTY

Hon. Ochieng, David Ouma, M.P.
Ugenya Constituency
MDG PARTY

Hon. Robi, Mathias Nyamabe, M.P.
Kuria West Constituency
UDA PARTY

Hon. Ongili, Babu Owino Paul, M.P.
Embakasi East Constituency
ODM PARTY

Hon. Muchira, Michael Mwangi, M.P.
Ol Jorok Constituency
UDA PARTY

Hon. Mwirigi, John Paul, M.P.
Igembe South Constituency
UDA PARTY

Hon. Wangaya, Christopher Aseka, M.P.
Khwisero Constituency
ODM PARTY

Hon. Mwakuwona, Danson Mwashako, M.P.
Wundanyi Constituency
WDM – Kenya

Hon. (Dr.) Gogo, Lilian Achieng, M.P.
Rangwe Constituency
ODM PARTY

Hon. Wanjiku, John Njuguna, M.P.
Kiambaa Constituency
UDA PARTY

Hon. Guyo, Ali Wario, M.P.
Garsen Constituency
ODM PARTY

Hon. Masara, Peter Francis, M.P.
Suna West Constituency
ODM PARTY

Hon. Murumba, John Chikati, PhD, M.P.
Tongaren Constituency
FORD-KENYA

Hon. Kitilai, Ole Ntutu, M.P.
Narok South
INDEPENDENT

Hon. Busia, Ruth Adhiambo Odinga, M.P.
Kisumu County
ODM PARTY

Sergon, Flowrence Jematiah, M.P.
Baringo County
UDA PARTY

Hon. Mokaya, Nyakundi Japheth, M.P.
Kitutu Chache North Constituency
UDA PARTY

Hon. Mutuse, Eckomas Mwengi, OGW, M.P.
Kibwezi West Constituency
MCC PARTY

Hon. Abdirahman Mohamed Abdi, M.P.
Lafey Constituency
JUBILEE PARTY

Hon. Kagiri, Jane Wangechi, OGW, M.P.
Laikipia County
UDA PARTY

Hon. (Dr.) Mugo, Edwin Gichuki
Mathioya Constituency
UDA PARTY

I.3 Committee Secretariat

2. The Committee Secretariat is comprised of the following officers:

Mr. Danson Kachumbo
Senior Fiscal Analyst/ Lead Clerk

Ms. Sylvia Ocharo
Senior Research Officer/Clerk Assistant

Mr. Ringine Mutwiri
Fiscal Analyst/ Clerk Assistant

Mr. Moses Mwariri
Legal Counsel

FA. Loice Olesia
Fiscal Analyst

Mr. David Milimu
Hansard Officer

Ms. Fridah Ngari
Media Relations

Mr. Simon Ouko
Serjeant-at-arms

Mr. Nimrod Ochieng
Audio Officer

Mr. Jared Amara
Office Assistant

I.4 Technical Staff from the Parliamentary Budget Office

3. The Committee received technical support from the following officers from the Parliamentary Budget Office.

FA. Dr. Martin Masinde
Director, Parliamentary Budget Office

Dr. Abel Nyagwachi
Senior Fiscal Analyst

Ms. Julie Mwithiga
Senior Fiscal Analyst

Mr. Onyango Adera
Fiscal Analyst II

Mr. Kioko Kiminza
Fiscal Analyst II

2.0 Introduction

4. The County Governments Additional Allocations Bill, 2025 was published on 18th June 2025 and introduced in the Senate on 27th June 2025. The Senate considered the Bill and passed it with amendments on Tuesday 23rd July 2025. Thereafter, the Bill was referred to the National Assembly for concurrence as per the provisions of Article 110(4) of the Constitution. The bill was read a first time 31st July 2025 in the National Assembly, and referred to the Budget and Appropriations Committee for consideration.
5. The Bill provides for the transfer of conditional and unconditional allocations from the National government's share of Revenue and from development partners to the county governments for the financial year 2025/26.
6. The additional allocation to counties is provided for under Article 202(2) of the Constitution, which provides that County governments may be given additional allocations from the national government's share of the revenue, either conditionally or unconditionally. Further, Article 190 of the Constitution provides for additional support to county governments to enable them to perform their functions adequately.
7. Overall, the Bill proposes to allocate Kshs. 93.53 billion as additional allocations (conditional and unconditional) to County Governments. Out of this, Ksh.2.95 billion from Court Fines and 20% Share of Mineral Royalties (*First Schedule*), Ksh.10.04 billion from the National Government's Share of Revenue (*Second Schedule*), Ksh.23.63 billion from the Road Maintenance Fuel Levy Fund (*Third Schedule*) and Ksh.56.91 billion from Proceeds of Loans and Grants from Development Partners (*Fourth Schedule*).

Highlights of the County Government Additional Allocations Bill, 2025

FIRST SCHEDULE ALLOCATIONS

a. Court fines

8. The Bill allocates a total of Kshs. 11.5 million for court fines collected by the Judiciary from contravention of county laws. The allocation is spread among ten (10) counties as contained in the Schedule namely: Kiambu, Kisumu, Kitui, Laikipia, Machakos, Migori, Mombasa, Nairobi, Nakuru and Nyeri.

b. The 20% Share of Mineral Royalties

9. The Bill proposes to allocate a total of Ksh.2.94 billion as the share of Mineral royalties due to specific counties for FY 2025/26. Ksh.2.94 billion comprises the allocation of Ksh.1.055 billion for FY 2024/25, which was not disbursed to the beneficiary counties due to non-budgetary allocation, and Ksh. 1.88 billion proposed for FY 2025/26. The proposed allocation is spread across thirty-two (32) counties, being the total sum of mineral royalties accrued for the counties up to FY 2023/24.
10. Counties with the highest allocation include: Kwale-Ksh.1.167 billion, Kilifi-950.1 million, and Kajiado-Ksh.660.2 million. Section 183(5) of the Mining Act (Cap. 306) stipulates that twenty percent (20%) of mineral royalties paid to the state shall accrue to the County Government where the mining operations occurred.

SECOND SCHEDULE ALLOCATIONS

a. Settlement of Doctor's Salary Arrears

11. The Return-to-Work Formula agreement between the Government and the Kenya Medical Practitioners, Pharmacists, and Dental Union (KMPDU), necessitated that the doctors' outstanding salary arrears of Ksh.3.52 billion to be settled in two equal installments of Ksh.1.759 billion each in FY 2024/25 and FY 2025/26. The Bill therefore allocates a total allocation of Ksh.1.759 billion for the facilitation of payment of doctors'

Basic Salary Arrears in the 47 counties. The allocation per county is based on the average number of doctors in a county between 2017 to 2024.

b. Community Health Promoters (CHPs)

12. The Community Health Promoters (CHPs) Programme is allocated a total of Ksh.3.234 billion in the FY 2025/26. The allocation is similar to what was allocated under the programme in FY 2024/25 to be distributed across all 47 counties based on the number of Community Health Promoters (CHPs) in each County. The funds are intended to provide a monthly stipend of **Ksh.5,000** per CHP, with the National Government contributing **Ksh.2,500** and county governments matching the remaining **Ksh.2,500**. Nationwide, an estimated 107,831 CHPs will receive this compensation.
13. This implies that the higher the number of CHPs, the higher the allocation per county. The number of CHPs across the 47 counties is estimated to be 107,831, with the highest numbers being concentrated in Nairobi, Kakamega, Kilifi, Makueni, Bungoma, Nakuru, and Nandi -each above 3,000 CHPs.

c. Construction of County Headquarters

14. The Bill allocates Ksh.454 million towards the construction of county headquarters offices for five (5) County Governments (Isiolo, Lamu, Tana River, Tharaka Nithi, and Nyandarua). The allocation follows the National Government's commitment to support these five counties, which did not inherit adequate facilities that could accommodate the new administration at the onset of devolution since FY 2017/18.
15. The FY 2025/26 approved budget estimates have made a provision of Ksh. 449 million to be directly applied to the construction works (*the conditional transfer to counties*) and Ksh.5 million set aside for operational expenses at Kshs. 1 million per county for the five (5) counties.

d. County Aggregation and Industrial Parks (CAIPs) Programme

16. The Bill allocates a total of Kshs. 4.5 billion towards the construction of County Aggregation and Industrial Parks (CAIPs) to eighteen (18) counties in FY 2025/26. The

money is shared equally with each beneficiary county receiving Ksh.250 million, and the county is expected to provide matching funds. The eighteen (18) counties include; Kisii, Wajir, Baringo, Elgeyo Marakwet, Kajiado, Kericho, Kakamega, Kilifi, Kitui, Laikipia, Mandera, Narok, Nyandarua, Nyeri, Taita Taveta, Tana River, Tharaka Nithi and Vihiga.

e. 0.5 percent Housing Levy Fund

- 17.** The Bill allocates Ksh.93.4 million towards the county rural and urban affordable housing committees in accordance with Section 11(4)(c) of the Affordable Housing Act. The law mandates the Board to allocate out of the Fund not less than point five percent (0.5%) of the monies to the county committees for the administration expenses.
- 18.** The Act provides that 0.5 percent of the collected funds should be transferred to counties, and the State Department for Housing and Urban Development, in consultation with the National Treasury, developed a framework and criteria for allocating the funds to the counties. Based on the criteria, the allocation is determined from the Affordable Housing Board's Audited Financial Accounts of the Previous Financial Year, and 0.5 percent is applied to actual collections. The rationale for sharing the amount equally was based on the fact that the roles played by all county committees are similar.
- 19.** Based on this criterion, the Ksh. 93.4 million is equivalent to 0.5 percent of Ksh.18.68 billion, which is the actual receipts from the Housing Levy for FY 2023/24. The amount is shared equally among the 47 counties, with each receiving Ksh.1.99 million. The money will be used to cover the recurrent expenses of the County Rural and Urban Affordable Housing Committee.

THIRD SCHEDULE ALLOCATIONS

a. Road Maintenance Levy Fuel (RMLF)

20. The Bill allocates Ksh.23.64 billion from the Road Maintenance Levy Fund to counties. This amount consists of: Ksh.10.522 billion for FY 2024/25 as proposed in the draft CGAAB,2024, and Ksh.13.12 billion proposed allocation for FY 2025/26.
21. The Ksh.13.12 billion allocation for FY 2025/26 was calculated by summing the total proposed budgetary allocations to road agencies (KeNHA, KURA, KeRRA, KWS, and KRB) and the Road Annuity Fund for FY 2025/26, which amounted to Ksh.87.44 billion (as per the tabled Budget), and then applying a 15% share of this total to determine the indicative allocation for counties. However, it is noted that the estimated receipts from the RMLF for FY 2025/26 is Ksh.70.22 billion, notably, the Annuity Fund is estimated to be Ksh.14.38 billion.
22. The sharing criteria of the funds per county is calculated based on weights of different factors: Length of Road, Climate/Rainfall, Rural Access Index (RAI), soil type distribution & Equal Share, which are eventually summed up to give an allocation index for each county.

FOURTH SCHEDULE ALLOCATIONS

23. The fourth schedule of the Bill allocates Ksh. 56.91 billion from the proceeds of loans and grants from development partners. The funds are divided among 47 counties and allocated to seventeen programs targeting key areas such as food security, climate action, urban development, and healthcare:-
 - i. **Aquaculture Business Development Programme (ABDP) with an allocation of Ksh.200 million** to be shared among fifteen (15) beneficiary counties. The project is funded by the International Fund for Agricultural Development (IFAD) and aims to improve incomes, food security, and nutrition among poor rural households involved in aquaculture activities.

- ii. **IDA (World Bank) Credit (Financing Locally Led Climate Action Program, FLLoCA) CCIS** Grant allocated Ksh-121 million shared among seven counties, with Mombasa and Nairobi meant to receive the highest allocation of Ksh.33 million each, and the other five counties Ksh.11 million each.
- iii. **IDA (World Bank) Credit (Financing Locally Led Climate Action Program, FLLoCA) CCRI Grant** allocated **Ksh.6.2 billion**, going towards funding climate change activities across 45 counties. The main objective is to support counties in implementing their County Climate Action Plans (CCAPs), encourage greater county investment in climate action through the County Climate Change Fund (CCCCF), and mainstream climate considerations across all county functions.
- iv. **KfW (German Financial Cooperation) Credit Co- Financing of Financing Locally- Led Climate Action Program, (FLLoCA) CCRI-grant of Ksh.1.2 billion for the 16 counties.** The programme funded by the KfW (German Financial Cooperation) is similar to the World Bank programme on climate change, and it aims to increase the support of County Climate Action Plans (CCAPs) and increase local investment into the County Climate Change Fund.
- v. **Food Systems Resilience Project (FSRP) funded by the IDA (World Bank) Credit by Ksh.3.2 billion.** The project will be implemented in thirteen counties aimed at enhancing food security and strengthening the resilience of food systems. Each county will receive Ksh.246.2 million from the donor and contribute Ksh.5 million.
- vi. **Drought Resilience Programme in Northern Kenya (DRPNK) funded by the German Development Bank (KfW) by Ksh.1.28 billion** to be shared between Marsabit and Turkana Counties, with an allocation of Ksh. 580 million and Ksh.696.7 million, respectively. The

programme's objective is to enhance drought resilience and climate change adaptive capacity in pastoral and agro-pastoral communities by constructing and rehabilitating relevant infrastructure in selected areas of Marsabit and Turkana counties.

- vii. **Second Kenya Devolution Support Program (KDSP II) – Institutional Grant (Level I Grant) allocated Ksh.1.762 billion**, going to all the 47 counties, with each benefiting with Ksh.37.5 million. The IDA-World Bank-funded project aims to incentivize county governments to establish core governance and institutional systems for effective public resource management.
- viii. **Second Kenya Devolution Support Program (KDSP II) - Service Delivery and Investment Grant (Level 2) that allocates Ksh.13 billion funded by the IDA -World Bank across the 47 counties.** The grant aims to finance county-level infrastructure and service delivery investments, while incentivizing performance improvement. The investments must align with each county's County Integrated Development Plan (CIDP) and County Annual Development Plan (CADP).
- ix. **Kenya Livestock Commercialization Project (KELCOP) with an allocation of Ksh.634.5 million from the International Fund for Agricultural Development (IFAD) for sharing among ten (10) counties.** The project's main goal is to enhance incomes, food, and nutrition security for rural small-scale farmers, particularly women and youth. The development objective is to increase incomes for 110,000 poor livestock and pastoralist households in an environmentally sustainable manner within the selected counties.
- x. **Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) programme supported by IDA World Bank Credit amounting to Ksh.1.3 billion.** The grant aims to support urban development planning, establishment, and operationalization of urban

- institutional frameworks, such as charters, boards, and administrations, and initial preparations for urban infrastructure investments across 45 counties.
- xi. **Second Kenya Urban Support Project (KUSPII)- Urban Development Grant (UDG)-with an allocation of Ksh.10.3 billion from IDA -World Bank credit.** The programme will be implemented in 45 counties, and the money will go to actual infrastructure investments in urban areas through urban boards and other administrators.
 - xii. **Kenya Water, Sanitation and Hygiene (K-WASH) Program of Ksh.4.6 billion.** The project seeks to expand access to water and sanitation across 19 counties classified as either rural or ASAL areas in Kenya. Overall, K-WASH aims to enhance lives and health by developing and managing sustainable Water, Sanitation, and Hygiene (WASH) services in these counties.
 - xiii. **National Agricultural Value Chain Development Project (NAVCDP)- funded through IDA -World Bank by Ksh.7.7 billion.** The project's main goal is to enhance market participation and value addition for targeted farmers in selected value chains in 34 counties. Beneficiary county governments are expected to give a counterpart contribution of Ksh.5 million each.
 - xiv. **DANIDA Grant -Primary Health Care in Devolved Context (PHDC) Programme of Ksh.510 million shared in all the 47 counties.** The grant aims to enhance primary healthcare services, particularly Reproductive, Maternal, Newborn, Child, and Adolescent Health (RMNCAH) services at the county level in level 1, 2 & 3 facilities.
 - xv. **Water and Sanitation Development Project (WSDP) through IDA World Bank support of Ksh.3 billion.** The project is designed to improve water and sanitation coverage in six select coastal and Northeastern counties. The county with the highest allocation is Kilifi with an allocation of Ksh.900 million. The other beneficiary counties are; Wajir-

Ksh.550million, Mombasa-Ksh.500 million, Taita Taveta-Ksh.450million, Kwale-Ksh.450million, and Garissa-Ksh. 150million.

- xvi. **Kenya Informal Settlement Improvement Project II (KISIP-II) of Ksh.1 billion from the AFD-France.** The project will be implemented in seven counties and aims to support the development of sustainable infrastructure in informal settlements as part of slum upgrading efforts.
- xvii. **Kenya Informal Settlement Improvement Project II (KISIP-II) funded by the IDA -World Bank to a tune of Ksh.840 million.** The project targets 11 counties and is designed to support the development of sustainable infrastructure in selected informal settlements.

4.0 Committee Observations

- 24.** The Committee considered the additional allocations as contained in the Bill and observed the following:
- i. The Bill allocates Ksh. 2.93 billion to ten specific counties, equivalent to the 20% share of mineral royalties accumulated since 2016. Previously, these funds could not be disbursed due to the lack of transfer frameworks and were held in the Consolidated Fund. To facilitate the withdrawal from the Consolidated Fund, and disbursement of these funds to the beneficiary counties, the allocation has been included in the budget.
 - ii. While the Bill allocates Ksh 454 million for County Headquarters construction, the FY 2025/26 budget designates Ksh. 449 million as a direct conditional transfer for the construction works and Ksh. 5 million for operational expenses of the state department.
 - iii. The allocation of Ksh. 4.5 billion to eighteen counties under the CAIPs Programme demonstrates a possible misalignment with implementation progress. While certain counties have achieved significant milestones in project execution, they have not

been prioritised for funding in FY 2025/26. Conversely, some counties still at the initial stages of implementation are being considered for funding.


- iv. The Bill provides for an allocation of Ksh. 23.64 billion from the Road Maintenance Levy Fund (RMLF) to support county road maintenance. On 25th July 2025, the Court of Appeal issued stay orders on the implementation of the High Court judgement, which had previously invalidated the legislation regarding the establishment and distribution of the RMLF. The Court of Appeal granted Parliament a 12-month period to align road funding and classification laws with the devolved system of governance, thereby preserving the status quo.
- v. The Bill provides for allocations from the proceeds of loans and grants from development partners totalling Ksh. 56.91 billion. Nonetheless, donor-funded projects have historically faced implementation delays attributed to late or insufficient disbursements. These setbacks arise from missed implementation deadlines, unmet conditions, and the impact of currency fluctuations.

5.0 Recommendation

25. Having deliberated on the provisions of the Bill, the Committee recommends that the House approve the County Governments Additional Allocations Bill, 2025 (Senate Bill No.8 of 2025) and the Schedules contained in the Bill, **with the following amendments:**

- i. **Construction of county Headquarters** - Amending the second schedule to reflect the actual transfers to counties of Ksh. 449,000,000, netting out the Ksh.5,000,000 for operation expenses;
- ii. **County Aggregation of Industrial Parks (CAIPs)**-Amending the second schedule to prioritize counties with outstanding balances from the National government and sharing the balance among counties that have made significant progress in terms of implementation of the projects.

- iii. **Road Maintenance Levy Fund-** Deletion of the third schedule that contains allocation to counties from the Road Maintenance Levy Fund.
- iv. **Kenya Informal Settlement Improvement Project –** Amending the allocation in the fourth schedule by reducing the funds to be sent to the counties under the World Bank (IDA) from KSh. 800,000,000 to Ksh. 167,500,000 while increasing the allocation of AFD Funds from Ksh. 1,000,000,000 to Ksh. 2,500,000,000.
- v. **Kenya Devolution Support Programme II (KDSP II)-**Amending the fourth schedule to increase the allocation for level one grants to **Ksh. 3,426,746,500** and reduce level two grants to **Ksh. 11,378,253,500**.
- vi. **Schedules to the Bill –** that the First, Second, and Third Schedules to this report be the Schedules to the Bill.

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 SEP 2025	
DAY: Tuesday	
TABLED BY:	Hon. Samuel Atandi M.P. Chairperson
CLERK-AT-TABLE:	A. Umbuko

SIGNED

HON. ATANDI, SAMUEL ONUNGA, M.P.
CHAIRPERSON, THE BUDGET AND APPROPRIATIONS COMMITTEE

5-9-2025

DATE

FIRST SCHEDULE:
SECOND SCHEDULE
THIRD SCHEDULE

FIRST SCHEDULE

Unconditional Additional Allocations to County Governments from Court Fines and 20% Share of Mineral Royalties in Financial Year 2025/26 (Kenya Shillings)					
SN	County	FY 2024/25	FY 2025/26		
		Total Unconditional Additional Allocations to County Governments	Allocations for Court Fines	Allocations for 20% Share of Mineral Royalties	Total Unconditional Additional Allocations to County Governments
		Column A	Column B	Column C	Column D=B+C
1	Baringo	-	-	20,355	20,355
2	Bomet	-	-	-	-
3	Bungoma	-	-	-	-
4	Busia	-	-	-	-
5	Elgeyo/Marakwet	-	-	-	-
6	Embu	-	-	2,142	2,142
7	Garissa	-	-	844,692	844,692
8	Homa Bay	-	-	-	-
9	Isiolo	-	-	348,837	348,837
10	Kajiado	-	-	660,242,991	660,242,991
11	Kakamega	-	-	16,555	16,555
12	Kericho	-	-	-	-
13	Kiambu	10,782,328	4,105,101	10,139,863	14,244,964
14	Kilifi	-	-	950,062,290	950,062,290
15	Kirinyaga	-	-	100	100
16	Kisii	-	-	682,562	682,562
17	Kisumu	299,912	93,000	-	93,000
18	Kitui	100,000	99,723	336,118	435,841
19	Kwale	-	-	1,166,507,886	1,166,507,886
20	Laikipia	1,515,334	27,334	-	27,334
21	Lamu	-	-	-	-
22	Machakos	16,053,513	1,682,747	99,716	1,782,463
23	Makueni	-	-	99,857	99,857
24	Mandera	-	-	1,028	1,028
25	Marsabit	-	-	1,724,590	1,724,590
26	Meru	-	-	32,901	32,901
27	Migori	974,165	559,346	3,125,408	3,684,754
28	Mombasa	13,428,433	1,398,424	18,830	1,417,254
29	Murang'a	-	-	-	-
30	Nairobi	70,740,842	2,454,707	3,884	2,458,591
31	Nakuru	1,948,197	1,022,898	82,769	1,105,667
32	Nandi	-	-	55,110,901	55,110,901

Unconditional Additional Allocations to County Governments from Court Fines and 20% Share of Mineral Royalties in Financial Year 2025/26 (Kenya Shillings)					
SN	County	FY 2024/25	FY 2025/26		
		Total Unconditional Additional Allocations to County Governments	Allocations for Court Fines	Allocations for 20% Share of Mineral Royalties	Total Unconditional Additional Allocations to County Governments
		Column A	Column B	Column C	Column D=B+C
33	Narok	-	-	27,206,336	27,206,336
34	Nyamira	-	-	-	-
35	Nyandarua	-	-	-	-
36	Nyeri	250,000	76,000	-	76,000
37	Samburu	-	-	905,744	905,744
38	Siaya	-	-	259,152	259,152
39	Taita Taveta	-	-	51,756,326	51,756,326
40	Tana River	-	-	10,624	10,624
41	Tharaka Nithi	-	-	43,000	43,000
42	Trans Nzoia	-	-	-	-
43	Turkana	-	-	141,279	141,279
44	Uasin Gishu	-	-	5,090,269	5,090,269
45	Vihiga	-	-	-	-
46	Wajir	-	-	4,493	4,493
47	West Pokot	-	-	1,650	1,650
	TOTAL	116,092,724	11,519,280	2,934,923,148	2,946,442,428

SECOND SCHEDULE

Conditional Additional Allocations to County Governments from National Government's Share of Revenue for the Financial Year 2025/26 (Kenya Shillings)									
		FY 2024/25		FY 2025/2026					
SN	County	Total Conditional Additional Allocations	Settlement of Doctors' Salary Arrears	Community Health Promoters (CHPs) Programme	Supplement for Construction of County Headquarters	County Aggregation and Industrial Parks (CAIPs) Programme	Allocations for 0.5% of Housing Levy Fund to the County Rural and Urban Housing Committees	Total Conditional Additional Allocations	
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	
1	Baringo	83,073,318	19,263,318	63,810,000	-	250,000,000	1,987,622	335,060,940	
2	Bomet	95,331,693	21,261,693	74,070,000	-	-	1,987,622	97,319,315	
3	Bungoma	333,254,059	39,854,059	107,400,000	-	-	1,987,622	149,241,682	
4	Busia	276,081,627	23,691,627	66,390,000	-	-	1,987,622	92,069,249	
5	Elgeyo Marakwet	52,885,017	15,685,017	37,200,000	-	-	1,987,622	54,872,640	
6	Embu	279,101,231	32,801,231	60,300,000	-	-	1,987,622	95,088,854	
7	Garissa	293,501,339	32,981,339	74,520,000	-	-	1,987,622	109,488,961	
8	Homa Bay	301,039,251	26,419,251	88,620,000	-	-	1,987,622	117,026,874	
9	Isiolo	149,128,044	12,147,883	21,630,000	59,000,000	-	1,987,622	94,765,505	
10	Kajiado	93,565,118	43,495,118	50,070,000	-	250,000,000	1,987,622	345,552,741	
11	Kakamega	172,029,977	44,529,977	127,500,000	-	50,000,000	1,987,622	224,017,600	
12	Kericho	89,129,856	43,439,856	45,690,000	-	250,000,000	1,987,622	341,117,479	
13	Kiambu	267,268,781	119,957,202	94,680,000	-	133,368,421	1,987,622	349,993,246	
14	Kilifi	174,381,743	58,281,743	116,100,000	-	250,000,000	1,987,622	426,369,365	
15	Kirinyaga	242,049,816	19,389,816	36,660,000	-	-	1,987,622	58,037,438	
16	Kisii	345,101,961	72,428,277	88,200,000	-	127,894,743	1,987,622	290,510,643	
17	Kisumu	165,339,627	75,399,627	89,940,000	-	-	1,987,622	167,327,249	
18	Kitui	117,856,694	43,756,694	74,100,000	-	250,000,000	1,987,622	369,844,316	
19	Kwale	330,913,123	28,773,123	52,140,000	-	75,263,158	1,987,622	158,163,903	
20	Laikipia	65,684,974	40,454,974	25,230,000	-	250,000,000	1,987,622	317,672,596	

Conditional Additional Allocations to County Governments from National Government's Share of Revenue for the Financial Year 2025/26 (Kenya Shillings)								
		FY 2024/25	FY 2025/2026					
SN	County	Total Conditional Additional Allocations	Settlement of Doctors' Salary Arrears	Community Health Promoters (CHPs) Programme	Supplement for Construction of County Headquarters	County Aggregation and Industrial Parks (CAIPs) Programme	Allocations for 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	Total Conditional Additional Allocations
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
21	Lamu	290,553,991	11,301,830	14,520,000	120,000,000	-	1,987,622	147,809,452
22	Machakos	327,896,293	58,646,293	83,250,000	-	-	1,987,622	143,883,916
23	Makueni	144,268,273	30,568,273	113,700,000	-	-	1,987,622	146,255,895
24	Mandera	38,349,159	19,809,159	18,540,000	-	-	1,987,622	40,336,781
25	Marsabit	75,118,763	15,028,763	60,090,000	-	250,000,000	1,987,622	327,106,385
26	Meru	341,395,785	43,915,785	111,480,000	-	-	1,987,622	157,383,407
27	Migori	302,067,815	27,687,815	88,380,000	-	-	1,987,622	118,055,437
28	Mombasa	233,213,493	108,971,914	71,610,000	-	133,368,421	1,987,622	315,937,957
29	Murang'a	155,675,190	56,993,611	46,050,000	-	133,368,421	1,987,622	238,399,655
30	Nairobi	336,278,649	112,268,649	224,010,000	-	-	1,987,622	338,266,271
31	Nakuru	242,425,840	90,404,261	99,390,000	-	133,368,421	1,987,622	325,150,304
32	Nandi	176,056,360	26,764,781	96,660,000	-	133,368,421	1,987,622	258,780,824
33	Narok	71,296,514	21,496,514	49,800,000	-	250,000,000	1,987,622	323,284,136
34	Nyamira	116,981,290	19,979,711	44,370,000	-	133,368,421	1,987,622	199,705,755
35	Nyandarua	57,653,981	16,043,981	41,610,000	120,000,000	250,000,000	1,987,622	429,641,603
36	Nyeri	129,422,326	55,172,326	74,250,000	-	250,000,000	1,987,622	381,409,948
37	Samburu	59,219,798	13,079,798	46,140,000	-	-	1,987,622	61,207,421
38	Siaya	139,165,399	22,723,820	63,810,000	-	133,368,421	1,987,622	221,889,863
39	Taita Taveta	73,661,911	32,591,911	41,070,000	-	-	1,987,622	75,649,534
40	Tana River	130,917,307	6,982,057	28,890,000	120,000,000	250,000,000	1,987,622	407,859,679
41	Tharaka Nithi	110,528,540	24,597,481	37,950,000	30,000,000	-	1,987,622	94,535,103
42	Trans Nzoia	166,458,256	46,626,677	67,200,000	-	133,368,421	1,987,622	249,182,720

Conditional Additional Allocations to County Governments from National Government's Share of Revenue for the Financial Year 2025/26 (Kenya Shillings)								
		FY 2024/25		FY 2025/2026				
SN	County	Total Conditional Additional Allocations	Settlement of Doctors' Salary Arrears	Community Health Promoters (CHPs) Programme	Supplement for Construction of County Headquarters	County Aggregation and Industrial Parks (CAIPs) Programme	Allocations for 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	Total Conditional Additional Allocations
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
43	Turkana	99,236,518	24,986,518	74,250,000	-	-	1,987,622	101,224,140
44	Uasin Gishu	257,580,471	9,600,471	61,980,000	-	-	1,987,622	73,568,093
45	Vihiga	58,424,112	15,044,112	43,380,000	-	250,000,000	1,987,622	310,411,734
46	Wajir	265,153,485	19,869,801	60,810,000	-	127,894,742	1,987,622	210,562,165
47	West Pokot	91,423,594	13,933,594	77,490,000	-	-	1,987,622	93,411,216
	Total	8,417,140,362	1,759,101,729	3,234,930,000	449,000,000	4,448,000,011	93,418,251	9,984,449,991

THIRD SCHEDULE

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)

		FY 2025/26																			
		FY 2024/25	(IFAD) Loan for the Aquaculture Business Development Project (ABDP)	Financing of FLOCC A - County Climate Institutional Support Grant (CCIS)	Financing of FLOCC A - County Climate Resilience Investment Grant (CCRI)	Financing of FLOCCA - County Climate Resilience Investment Grant (CCRI)	Food Systems Resilience Project (FSRP)	Drought Resilience Programme in North Kenya (DRPN K)	Kenya Devolution Support Programme (KDSP II) Level 1 Grant	Kenya Devolution Support Programme (KDSP II) Level 2 Grant	Kenya Livestock Commercialization Project (KELCOP)	Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UG)	Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSD P)	Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Informal Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26	
S N	County	Total Loans and Grants for FY 2024/25	Loan for the Aquaculture Business Development Project (ABDP)	Financing of FLOCC A - County Climate Institutional Support Grant (CCIS)	Financing of FLOCC A - County Climate Resilience Investment Grant (CCRI)	Financing of FLOCCA - County Climate Resilience Investment Grant (CCRI)	Food Systems Resilience Project (FSRP)	Drought Resilience Programme in North Kenya (DRPN K)	Kenya Devolution Support Programme (KDSP II) Level 1 Grant	Kenya Devolution Support Programme (KDSP II) Level 2 Grant	Kenya Livestock Commercialization Project (KELCOP)	Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UG)	Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSD P)	Kenya Informal Settlement Improvement Project (KISIP II)	Kenya Informal Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26	
			Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column T
1	Baringo	453,330,587	-	-	-	-	-	246,153,846	-	72,909,500	-	65,350,000	-	-	-	-	8,211,000	-	-	-	392,624,346
2	Bomet	261,694,860	-	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	8,874,000	-	-	-	313,033,500
3	Bungoma	691,817,130	-	-	-	-	-	-	-	72,909,500	-	60,550,000	-	-	-	231,250,000	14,331,000	-	-	2,500,000	381,540,500
4	Busia	376,796,674	13,447,401	-	-	-	-	-	-	72,909,500	-	60,550,000	-	-	-	231,250,000	9,690,000	-	-	-	387,846,901
5	Elgeyo Marakwet	942,648,171	-	-	-	-	-	246,153,846	-	72,909,500	-	65,350,000	-	-	-	-	6,222,000	-	157,000,000	1,000,000	548,635,346
6	Embu	408,997,184	10,020,926	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	6,936,000	-	-	-	321,116,426
7	Garissa	1,281,901,230	-	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	11,322,000	150,000,000	-	-	480,385,346
8	Homa Bay	1,299,909,323	10,866,551	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	10,863,000	-	8,000,000	-	333,889,051

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)

FY 2025/26																				
		FY 2024/25	(IFAD) Loan for the Aquaculture Business Development Project (ABDP)	Financial of FLLoC A - County Climate Institutional Support (CCIS) Grant	Financial of FLLoC A - County Climate Resilience Investment (CCRI) Grant	Financial of FLLoC A - County Climate Resilience Investment (CCRI) Grant	Food Systems Resilience Project (FSR P)	Drought Resilience Programme in Northern Kenya (DRNP K)	Kenya Devolution Support Programme 1 Grant	Kenya Devolution Support Programme 2 Grant	Kenya Livestock Commercialization Project (KeLC oP)	Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG)	Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSD P)	Kenya Information Settlement Improvement Project (KISIP II)	Kenya Information Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26
S N	County	Total Loans and Grants for FY 2024/25																		
9	Isiolo	478,809,540	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	-	6,834,000	-	-	325,897,346
10	Kajiado	663,767,837	8,605,999	-	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	10,353,000	-	65,000,000	388,118,499
11	Kakamega	539,680,915	19,994,377	-	-	-	-	-	72,909,500	-	60,550,000	-	-	-	-	231,250,000	16,779,000	-	20,000,000	421,482,877
12	Kericho	286,771,820	-	-	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	8,670,000	-	-	312,829,500
13	Kiambu	2,064,884,057	15,882,359	11,000,000	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	15,198,000	-	380,000,000	726,239,859
14	Kilifi	2,868,424,744	-	11,000,000	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	16,830,000	900,000,000	250,000,000	1,491,989,500
15	Kirinyaga	286,965,538	11,283,380	-	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	6,834,000	-	-	322,276,880
16	Kisii	359,406,164	15,547,479	-	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	12,546,000	-	-	332,252,979
17	Kisumu	1,451,265,551	12,616,483	-	-	-	-	-	72,909,500	-	-	-	-	-	-	231,250,000	11,016,000	-	110,000,000	457,791,983

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)

		FY	FY 2025/26																	
S N	County	2024/25	(IFAD) Loan for the Aquaculture Business Development Project (ABDP)	Financing of FLOCC A - County Climate Institutional Support (CCIS) Grant	Financing of FLOCC A - County Climate Resilience Investment (CCRI) Grant	Financing of FLOCC A - County Climate Resilience Investment (CCRI) Grant	Food Systems Resilience Programme	Drought Resilience Programme	Kenya Devolution Support Programme	Kenya Devolution Support Programme	Kenya Livestock Commercialization Project (KeLCOP)	Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UG)	Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSD P)	Kenya Information System Improvement Project (KISIP II)	Kenya Information System Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26
		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q	Column R	Column T
1	Kitui	411,362,090	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	14,229,000	-	-	-	318,388,500
9	Kwale	1,454,934,744	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	12,546,000	450,000	20,000,000	-	786,705,500
20	Laikipia	340,145,721	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	6,732,000	-	15,000,000	-	325,795,346
2	Lamu	591,169,100	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	4,182,000	-	-	-	338,245,346
2	Machakos	453,914,825	11,679,038	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	12,495,000	-	-	-	328,333,538
2	Makueni	286,509,113	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	11,934,000	-	-	-	316,093,500
2	Mandera	556,755,533	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	16,473,000	-	-	-	346,536,346
2	Marsabit	942,486,800	-	-	-	-	246,153,846	580,002,208	72,909,500	-	70,250,000	-	-	-	-	10,914,000	-	-	-	980,229,554

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)

FY 2025/26																					
		FY 2024/25	Column nA	Column nB	Column C	Column D	Column E	Column F	Column nG	Column H	Column I	Column nJ	Column K	Column L	Column nM	Column nN	Column O	Column P	Column Q	Column R	Column T
S	N	County	Total Loans and Grants for FY 2024/25	(IFAD Loan Aquaculture Business Development Project (ABDP))	Financing of FLLoC A-County Climate Institutional Support (CCIS) Grant	Financing of FLLoC A-County Climate Resilience Investment (CCRI) Grant	Financing of FLLoC A-County Climate Resilience Investment (CCRI) Grant	Food Systems Resilience Project (FSR P)	Drought Resilience Programme in Northern Kenya (DRNP K)	Kenya Devolution Support Programme Phase Two Grant 1	Kenya Devolution Support Programme Phase Two Grant 2	Kenya Livestock Commercialization Project (KeLCOP)	Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UIG)	Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC Programme)	Water & Sanitation Development Project (WSD P)	Kenya Information Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26	
26		Meru	674,777,970	17,038,152	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	12,954,000	-	-	11,000,000	345,151,652
27		Migori	371,829,022	12,788,888	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	10,914,000	-	-	-	327,862,388
28		Mombasa	1,919,290,169	-	33,000,000	-	-	-	-	72,909,500	-	-	-	-	-	150,000,000	11,373,000	500,000,000	240,000,000	5,000,000	1,012,282,500
29		Murang'a	315,378,979	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	10,149,000	-	-	-	314,308,500
30		Nairobi City	831,890,169	-	33,000,000	-	-	-	-	72,909,500	-	-	-	-	-	150,000,000	25,653,000	-	550,000,000	30,000,000	861,562,500
31		Nakuru	1,511,033,830	-	-	-	-	-	-	72,909,500	-	60,550,000	-	-	-	231,250,000	16,881,000	-	230,000,000	36,000,000	647,590,500
32		Nandi	485,520,259	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	8,619,000	-	-	1,000,000	313,778,500
33		Narok	325,955,472	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	12,954,000	-	-	-	317,113,500
34		Nyamira	410,284,521	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	7,752,000	-	-	17,000,000	328,911,500
35		Nyandarua	567,460,682	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	7,854,000	-	30,000,000	30,000,000	372,013,500

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)

		FY 2024/25	FY 2025/26																		
S	County	Total Loans and Grants for FY 2024/25	(IFAD) Loan for the Aquaculture Business Development Project (ABDP)	Financing of FLOCC A-County Climate Institutional Support (CCIS) Grant	Financing of FLOCC A-County Climate Resilience Investment (CCRI) Grant	Financing of FLOCC A-County Climate Resilience Investment (CCRI) Grant	Food Systems Resilience Project (FSRP)	Drought Resilience Programme in North Kenya (DRPN K)	Kenya Devolution Phase Two (KDSP II) Level 1 Grant	Kenya Devolution Phase Two (KDSP II) Level 2 Grant	Kenya Livestock Commercialization Project (KelCOP)	Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UG)	Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSDP)	Kenya Information Settlement Improvement Project (KISIP II)	Kenya Information Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26	
N																					
3	Nyeri	688,008,026	16,769,367	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	8,721,000	-	52,000,000	-	381,649,867	
3	Samburu	472,738,784	-	-	-	-	246,153,846	-	72,909,500	-	70,250,000	-	-	-	-	7,446,000	-	-	-	396,759,346	
3	Siaya	336,462,266	12,969,602	11,000,000	-	-	-	-	72,909,500	-	60,550,000	-	-	-	231,250,000	9,333,000	-	-	-	398,012,102	
3	Taita Taveta	1,300,370,871	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	6,834,000	450,000	60,000,000	-	820,993,500	
4	Tana River	435,308,033	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	9,435,000	-	-	-	328,498,346	
4	Tharaka Nithi	593,697,047	10,489,999	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	6,324,000	-	-	1,000,000	321,973,499	
4	Trans Nzoia	1,035,958,172	-	-	-	-	-	-	72,909,500	-	60,550,000	-	-	-	231,250,000	9,282,000	-	-	3,000,000	376,991,500	
4	Turkana	1,097,542,698	-	-	-	-	246,153,846	696,652,000	72,909,500	-	-	-	-	-	-	16,983,000	-	-	-	1,032,698,346	
4	Uasin Gishu	1,619,740,019	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	10,200,000	-	260,000,000	-	574,359,500	

Conditional Allocations to County Governments from Loans and Grants from Development Partners for the FY 2025/26 (Kenya Shillings)																				
		FY 2024/25	FY 2025/26																	
S N	County	Total Loans and Grants for FY 2024/25	(IFAD) Loan for the Aquaculture Business Development Project (ABDP)	Financing of FFLoC A - County Climate Institutional Support Grant (CCIS)	Financing of FFLoC A - County Climate Resilience Investment Grant (CCRI)	Financing of FFLoC A - County Climate Resilience Investment Grant (CCRI)	Food Systems Resilience Project (FSR P)	Drought Resilience Programme in Northern Kenya (DRPN K)	Kenya Devolution Support Programme Phase Two (KDSP II) Level 1 Grant	Kenya Devolution Support Programme Phase Two (KDSP II) Level 2 Grant	Kenya Livestock Commercialization Project (KeLC oP)	Kenya Urban Support Project (KUSP)- Urban Institutional Grant (UIG)	Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG)	Kenya Water, Sanitation and Hygiene (K-WASH) Programme	National Agricultural Value Chain Development Project (NAVC DP)	Primary Health Care in Devolved Context (PHDC) Programme	Water & Sanitation Development Project (WSD P)	Kenya Information Settlement Improvement Project (KISIP II)	Kenya Information Settlement Improvement Project (KISIP II)	Total Loans and Grants for FY 2025/26
		Column n A	Column n B	Column C	Column D	Column E	Column F	Column n G	Column H	Column I	Column n J	Column K	Column L	Column n M	Column n N	Column O	Column P	Column Q	Column R	Column T
45	Vihiga	260,378,610	-	-	-	-	-	-	72,909,500	-	-	-	-	-	231,250,000	7,497,000	-	-	-	311,656,500
46	Wajir	1,673,716,058	-	11,000,000	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	13,770,000	550,000,000	53,000,000	-	946,833,346
47	West Pokot	408,266,834	-	-	-	-	246,153,846	-	72,909,500	-	-	-	-	-	-	8,058,000	-	-	-	327,121,346
	TOTAL	37,089,957,743	200,000,000	121,000,000	6,187,500,000	1,200,000,000	3,200,000,000	1,276,654,208	3,426,746,500	11,378,253,500	634,500,000	1,300,000,000	10,325,754,660	4,607,526,599	7,700,000,000	510,000,000	3,000,000,000	2,500,000,000	167,500,000	57,735,435,467

REPUBLIC OF KENYA



NATIONAL ASSEMBLY



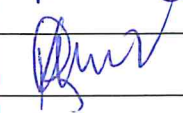

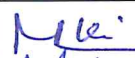

THIRTEENTH PARLIAMENT- FOURTH SESSSION

BUDGET AND APPROPRIATIONS COMMITTEE

ADOPTION SCHEDULE

We, the undersigned Members of the Budget and Appropriations Committee, today 5/09/2025.....do hereby affix our signatures to this **REPORT OF BUDGET AND APPROPRIATIONS COMMITTEE ON THE COUNTY GOVERNMENTS' ADDITIONAL ALLOCATION BILL, 2025 (SENATE BILLS NO. 8 OF 2025)** to affirm our approval and confirm accuracy, validity and authenticity: -

No	NAME	SIGNATURE
1.	Hon. Atandi, Samuel Onunga, M.P. -Chairperson	
2.	Hon. (Dr.) Pukose Robert, CBS, M.P.- Vice Chairperson	
3.	Hon. Chumel, Samwel Moroto, M.P.	
4.	Hon. (Dr.) Adan Wehliye Keynan, CBS, M.P.	
5.	Hon. Mulu, Makali, PhD.CBS, M.P.	
6.	Hon. Lekuton, Joseph, M.P.	
7.	Hon. Lesuuda, Josephine Naisula, OGW, M.P.	
8.	Hon. Robi, Mathias Nyamabe, M.P.	
9.	Hon. Ochieng, David Ouma, M.P.	
10.	Hon. Muchira, Michael Mwangi, M.P.	
11.	Hon. Mwakuwona, Danson Mwashako, M.P.	
12.	Hon. Mwirigi, John Paul, M.P.	
13.	Hon. Wangaya, Christopher Aseka, M.P.	
14.	Hon. (Dr.) Masara, Peter Francis, M.P.	
15.	Hon. (Dr.) Ongili, Babu Owino Paul, M.P.	
16.	Hon. Wanjiku, John Njuguna, M.P.	
17.	Hon. Sergon, Flowrence Jematiah, M.P.	
18.	Hon. Guyo, Ali Wario, M.P.	

19.	Hon. (Dr.) Gogo, Lilian Achieng, M.P.	
20.	Hon. Murumba, John Chikati, PhD., M.P.	
21.	Hon. Busia, Ruth Adhiambo Odinga, M.P.	
22.	Hon. Kitilai, Ole Ntutu, M.P.	
23.	Hon. Mokaya, Nyakundi Japheth, M.P.	
24.	Hon. Abdirahman Mohamed Abdi, M.P.	
25.	Hon. Mutuse, Eckomas Mwengi, OGW, M.P.	
26.	Hon. Kagiri, Jane Wangechi, OGW, M.P.	
27.	Hon. (Dr.) Mugo, Edwin Gichuki, M.P.	

MINUTES OF THE 33RD SITTING OF THE SELECT COMMITTEE ON BUDGET & APPROPRIATIONS HELD ON FRIDAY, 5TH SEPTEMBER 2025 FROM 3.00 P.M. AT MAIN CONFERENCE ROOM ENGLISH POINT MARINA HOTEL, MOMBASA COUNTY.

PRESENT:

1. **Hon. Atandi, Samuel Onunga, M.P. -Chairperson**
2. **Hon. (Dr.) Pukose Robert, CBS, M.P.- Vice Chairperson**
3. Hon. Chumel, Samwel Moroto, CBS, M.P.
4. Hon. (Dr.) Adan Wehliye Keynan, CBS, M.P.
5. Hon. Lekuton, Joseph, M.P.
6. Hon. Muchira, Michael Mwangi, M.P.
7. Hon. Mwakuwona, Danson Mwashako, M.P.
8. Hon. Mwirigi, John Paul, M.P.
9. Hon. (Dr.) Gogo, Lilian Achieng, M.P.
10. Hon. (Dr.) Masara, Peter Francis, M.P.
11. Hon. Wanjiku, John Njuguna, M.P.
12. Hon. Sergon, Flowrence Jematiah, M.P.
13. Hon. Kitilai, Ole Ntutu, M.P.
14. Hon. Guyo, Ali Wario, M.P.
15. Hon. Murumba, John Chikati, PhD, M.P.
16. Hon. Abdirahman Mohamed Abdi, M.P.
17. Hon. Mutuse, Eckomas Mwengi, OGW, M.P.

APOLOGIES:

1. Hon. Mulu, Makali, PhD, CBS, M.P.
2. Hon. Lesuuda, Josephine Naisula, OGW, M.P.
3. Hon. Robi, Mathias Nyamabe, M.P.
4. Hon. Ochieng, David Ouma, M.P.
5. Hon. Busia, Ruth Adhiambo Odinga, M.P.
6. Hon. Wangaya, Christopher Aseka, M.P.
7. Hon. (Dr.) Ongili, Babu Owino Paul, M.P.
8. Hon. Mokaya, Nyakundi Japheth, M.P.
9. Hon. Kagiri, Jane Wangechi, OGW, M.P.
10. Hon. (Dr.) Edwin Mugo, M.P.

PARLIAMENTARY BUDGET OFFICE

- | | |
|----------------------------------|-----------------------|
| 1. FA. (Dr.) Martin Masinde, OGW | Director, PBO |
| 2. Dr. Abel Nyagwachi | Senior Fiscal Analyst |
| 3. Ms. Julie Mwithiga | Senior Fiscal Analyst |
| 4. Mr. Benard Adera | Fiscal Analyst II |
| 5. Mr. Michael Kiminza | Fiscal Analyst II |

COMMITTEE SECRETARIAT

1. Mr. Danson Kachumbo	Senior Fiscal Analyst
2. Ms. Sylvia Ocharo	Senior Research and Policy Analyst
3. Mr. Mosses Mwariri	Legal Counsel
4. Ms. Loice Olesia	Fiscal Analyst II
5. Ms. Fridah Ngari	Media Relations Officer III
6. Mr. Simon Ouko	Sergeant at Arms
7. Mr. Jared Amara	Office Assistant

AGENDA

1. Preliminaries.
2. Adoption of Committee Reports on:-
 - i. ***The County Governments' Additional Allocations (No. 2) Bill (Senate Bill No. 8 of 2025); and***
 - ii. ***The Equalization Fund Bill (Senate Bill No. 7 of 2025)***
3. Any Other Business (A.O.B).

MIN. NO.NA/BAC/2025/131: PRELIMINARIES

The Chairperson welcomed the committee members to the meeting and called the meeting to order at 3.00 p.m. A prayer was said by Hon. Sergon, Flowrence Jematiah, M.P.

MIN.NO.NA/BAC/2025/132: ADOPTION OF COMMITTEE REPORTS ON THE COUNTY GOVERNMENTS' ADDITIONAL ALLOCATIONS (NO. 2) BILL (SENATE BILL NO. 8 OF 2025)

The Parliamentary Budget office took members through the draft report. The report was proposed by Hon. (Dr.) Pukose Robert, CBS, M.P. and seconded by Hon. Kitilai, Ole Ntutu, M.P. After deliberation the report was **ADOPTED** with the following observations and recommendations as follows:

Committee Observations

1. The Bill allocates Ksh. 2.93 billion to ten specific counties, equivalent to the 20% share of mineral royalties accumulated since 2016. Previously, these funds could not be disbursed due to the lack of transfer frameworks and were held in the Consolidated Fund. To

facilitate the withdrawal from the Consolidated Fund, and disbursement of these funds to the beneficiary counties, the allocation has been included in the budget.

2. While the Bill allocates Ksh 454 million for County Headquarters construction, the FY 2025/26 budget designates Ksh. 449 million as a direct conditional transfer for the construction works and Ksh. 5 million for operational expenses of the state department.
3. The allocation of Ksh. 4.5 billion to eighteen counties under the CAIPs Programme demonstrates a possible misalignment with implementation progress. While certain counties have achieved significant milestones in project execution, they have not been prioritised for funding in FY 2025/26. Conversely, some counties still at the initial stages of implementation are being considered for funding.
4. The Bill provides for an allocation of Ksh. 23.64 billion from the Road Maintenance Levy Fund (RMLF) to support county road maintenance. On 25th July 2025, the Court of Appeal issued stay orders on the implementation of the High Court judgement, which had previously invalidated the legislation regarding the establishment and distribution of the RMLF. The Court of Appeal granted Parliament a 12-month period to align road funding and classification laws with the devolved system of governance, thereby preserving the status quo.
5. The Bill provides for allocations from the proceeds of loans and grants from development partners totalling Ksh. 56.91 billion. Nonetheless, donor-funded projects have historically faced implementation delays attributed to late or insufficient disbursements. These setbacks arise from missed implementation deadlines, unmet conditions, and the impact of currency fluctuations.

Recommendation

Having deliberated on the provisions of the Bill, the Committee recommends that the House approve the County Governments Additional Allocations Bill, 2025 (Senate Bill No.8 of 2025) and the Schedules contained in the Bill, with the following amendments:

1. **Construction of county Headquarters** - Amending the second schedule to reflect the actual transfers to counties of Ksh. 449,000,000, netting out the Ksh. 5,000,000 for operation expenses;
2. **County Aggregation of Industrial Parks (CAIPs)**-Amending the second schedule to prioritize counties with outstanding balances from the National government and sharing

the balance among counties that have made significant progress in terms of implementation of the projects.

3. **Road Maintenance Levy Fund**- Deletion of the third schedule that contains allocation to counties from the Road Maintenance Levy Fund.
4. **Kenya Informal Settlement Improvement Project** – Amending the allocation in the fourth schedule by reducing the funds to be sent to the counties under the World Bank (IDA) from KSh. 800,000,000 to KSh. 167,500,000 while increasing the allocation of AFD Funds from KSh. 1,000,000,000 to KSh. 2,500,000,000.
5. **Kenya Devolution Support Programme II (KDSP II)**-Amending the fourth schedule to increase the allocation for level one grants to KSh. 3,426,746,500 and reduce level two grants to KSh. 11,378,253,500.
6. **Schedules to the Bill** – that the First, Second, and Third Schedules to this report be the Schedules to the Bill.

MIN.NO.NA/BAC/2025/133: ADOPTION OF COMMITTEE REPORTS ON THE EQUALIZATION FUND BILL (SENATE BILL NO. 7 OF 2025)

The Parliamentary Budget office took members through the draft report. The report was proposed by Hon. (Dr.) Masara, Peter Francis, M.P. and seconded by Hon. Guyo, Ali Wario, M.P. After deliberation the report was **ADOPTED** with the following observations and recommendations as follows:

Committee Observations

1. The Committee observed that while the Senate Bill mirrors the National Assembly Bill in proposing the appropriation of Ksh. 16.8 billion, including Ksh. 10.6 billion for FY 2025/26, the enactment of the Division of Revenue Act, 2025, by Parliament has since revised the actual allocation for FY 2025/26 to Ksh. 9.59 billion.
2. The Committee observed inconsistencies in the commencement dates under Clauses 1 and 3, creating ambiguity as to whether the Act was intended to operate retrospectively. It further noted that the Bill lacked clear definitions of key terms, including “Board” and “Equalisation Fund,” and erroneously assigned the role of fund management to the

Secretariat instead of the Equalisation Fund Advisory Board, contrary to the Public Finance Management (Equalisation Fund Administration) Regulations, 2021. The Committee cautioned that such gaps and inconsistencies could undermine the proper interpretation and effective implementation of the Act.

3. The Committee observed that although Clause 4 excluded the Equalisation Fund from being paid into the County Revenue Fund, it failed to establish a clear framework for managing the funds at the county level. In particular, the absence of a legal requirement for counties to open dedicated special-purpose accounts at the Central Bank of Kenya poses risks of diversion or absorption of allocations into general county accounts. This gap undermines the objective of financing basic services in marginalised areas and runs contrary to the principles of accountability and prudent use of public resources under Article 201 of the Constitution.

Committee Recommendations

The Committee, having reviewed, scrutinized, and examined the Equalization Fund Appropriation Bill, 2025, recommends that the House approve the Bill with the following amendments:-

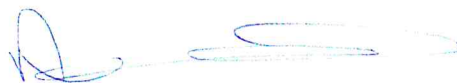
- i. **THAT**, Clause 1 of the Bill be amended by deleting the words “the date of publication in the Gazette” and substituting therefor the words “1st July, 2025”, since the commencement date in Clause 1 conflicts with Clause 3, which deems the amount appropriated as of 1st July, 2025, the amendment harmonises the commencement provisions and aligns them with the standard practice for Appropriation Acts, which ordinarily take effect on 1st July of the relevant financial year.
- ii. **THAT**, the Bill be amended by inserting the following new clause immediately after Clause 1 Interpretation 1A. In this Act, unless the context otherwise requires “Board” means the Equalisation Fund Advisory Board established under regulation 4 of the Public Finance Management (Equalisation Fund Administration) Regulations; and “Equalisation Fund” means the Equalisation Fund established under Article 204(1) of the Constitution to provide clear definitions of key terms, ensure consistency with existing legal and regulatory frameworks, and enhance the effective interpretation and implementation of the Act.

- iii. **THAT**, Clause 3 of the Bill be amended by deleting the words “is deemed to have been appropriated on 1st July 2025 for” and substituting therefor the words “shall be applied towards”. The Clause provides for the appropriation of the money granted. The proposed deletion is a consequential amendment arising from the change to Clause 1.
- iv. **THAT**, Clause 4 of the Bill be amended by inserting the following new subsection immediately after the existing provision “(2) A county to which funds are to be transferred shall open a special purpose account at the Central Bank of Kenya into which shall be paid that county’s allocation of the Equalisation Fund for the respective year.” This amendment ensures compliance with Article 201 of the Constitution on transparency and accountability in public financial matters. Excluding the Fund from being paid into the County Revenue Fund without specifying an alternative account would defeat the Fund’s purpose.

MIN.NO.NA/BAC/2025/134: ANY OTHER BUSINESS & ADJOURNMENT

There being no other business, the meeting was adjourned at 4.00 p.m. The next meeting will be communicated on notice.

SIGNED



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HON. ATANDI SAMUEL ONUNGA, M.P.

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

05. 09. 2025

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DATE