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REPUBLIC OF KENYA

THE NATIONAL TREASURY AND ECONOMIC PLANNING

County Governments Additional Allocations Bill, 2026

A legislative proposal for submission to Parliament

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County Governments Additional Allocations Bill, 2026

COUNTY GOVERNMENTS ADDITIONAL ALLOCATIONS BILL, 2026
ARRANGEMENT OF CLAUSES

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FIRST SCHEDULE

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THIRD SCHEDULE

Conditional allocations to County Governments from Loans and Grants from Development Partners in the financial year 2026/27.

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County Governments Additional Allocations Bill, 2026

A Bill for

AN ACT of Parliament to provide for additional allocations to County Governments for the financial year 2026/2027; the responsibilities of National Government and County Governments with respect to such allocation; and for connected purposes.

ENACTED by Parliament of Kenya, as follows—

- Short title. 1. This Act may be cited as the County Governments Additional Allocations Act, 2026.
- Interpretation. 2. In this Bill, unless the context otherwise requires—
“agreement” means an Intergovernmental Agreement entered into under section 191A of the Public Finance Management Act, CAP 412A
- No. 17 of 2022 “Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to Finance;
“Additional allocations” means additional resources allocated to County Governments from the National Government’s revenue or in the form of loans and grants from development partners;
“County Executive Committee Member” means the County Executive Committee Member in charge of matters relating to Finance.

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Object and Purpose of this Act.

3. The object and purpose of this Act is to—
- (a) provide, pursuant to Article 190 and 202 (2) of the Constitution, for additional allocations to County Governments for the financial year 2026/27;
 - (b) provide for additional allocations from proceeds of loans and grants from development partners; and
 - (c) facilitate the transfer of additional allocations to counties under this Act from the Consolidated Fund to the respective County Revenue Fund.

Additional allocations to County Governments

4. (1) Additional allocations shall be funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement and shall comprise of—
- (a) additional allocations provided for under Article 190 and 202(2) of the Constitution;
 - (b) additional allocations required for transfer of functions to counties from the National Government as provided for under Article 187 of the Constitution; and
 - (c) additional allocations in the form of loans and grants from development partners.
- (2) Additional funds allocated under this section shall be included in the respective County Governments' approved revenue and appropriation legislation for financial year 2026/27.

Unconditional additional allocations

5. (1) Unconditional additional allocations to beneficiary County Governments from the National Government Share of Revenue for the financial year 2026/27 shall be as set out in the First Schedule, comprising—

- (a) unconditional allocations to the beneficiary County Governments from proceeds of Court Fines emanating from contravention of County Government legislation as set out in Column B

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No. 12 of 2016

of the First Schedule;

(b) unconditional allocations to the beneficiary County Governments emanating from the twenty percent (20%) Share of Mineral Royalties, pursuant to section 183 of the Mining Act, 2016 as set out in Column C of the First Schedule.

(2) Each County Government's allocation under this subsection shall be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the Gazette by the Cabinet Secretary in accordance with Section 17 of the Public Finance Management Act, CAP 412A.

Conditional
additional
allocations

6. (1) Conditional allocations to each County Government from the National Government's revenue for the financial year 2026/27 shall be as set out in the Second Schedule, comprising —

- (a) conditional allocation for the Community Health Promoters (CHP) Project as set out in Column B of the Second Schedule;
- (b) conditional allocations for the construction of County Headquarters as set out in Column C of the Second Schedule;
- (c) conditional allocations for the County Aggregation and Industrial Parks (CAIP) Programme as set out in Column D of the Second Schedule;
- (d) conditional allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees as set out in Column E of the Second Schedule; and
- (e) conditional allocations for transitioning Universal Health Coverage (UHC) workers' salary to permanent and pensionable terms as set out in Column F of the Second Schedule.

(2) Conditional allocations financed from proceeds of loans and grants

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from development partners to the respective County Governments for the financial year 2026/27 shall be as set out in the Third Schedule, comprising of—

- a) conditional allocations financed by proceeds from AFD (French Development Agency) Credit for the Kenya Informal Settlement Improvement Project Phase Two (KISIP II) as set out in Column B of the Third Schedule;
- b) conditional allocations in paragraphs (a) above shall be allocated among the eligible county governments based on the county readiness criteria and the settlement eligibility criteria as detailed in Project Appraisal Document and Project Operation Manual;
- c) conditional allocations financed by proceeds from International Development Association (IDA) (World Bank) Credit/Grant for Building Resilient & Responsive Health Systems (BREHS) program as set out in Column C of the Third Schedule;
- d) conditional allocations amounting to Kenya Shillings one billion two hundred million financed by proceeds from KfW (German Financial Cooperation) Credit Co- Financing of Financing Locally- Led Climate Action Program, (FLLoCA) County Climate Resilience Investment Grant (CCRIG) as set out in Column D of the Third Schedule;

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- e) conditional allocations amounting to Kenya Shillings six billion one hundred eighty-seven million five hundred thousand financed by proceeds from IDA (World Bank) Credit for Co-Financing of Locally- Led Climate Action - CCRIG as set out in Column E of the Third Schedule;
- f) conditional allocations in paragraphs (d) and (e) shall be allocated among the eligible County Governments based on criteria to be determined as follows—
 - i. The allocation formula has three variables being the county’s rural population, the county’s rural area and the county’s multidimensional poverty, the latter is a proxy for climate risks and vulnerability;
 - ii. the Accounting Officer responsible for the grant shall for each eligible transfer to a county government, carry out or cause to be carried out, in accordance with the participatory agreement between the National Government and each eligible county government, through the Annual Performance Assessment (APA) Firm, an assessment to determine the eligible county government’s performance score for purposes of determining the Performance grant allocation for the financial year 2026/2027;
 - iii. The calculations will be done by the Project Implementation Unit (PIU) on the basis of data specified in subparagraphs (i) and (ii) and the certified APA results, using a template spreadsheet from the PIU to guarantee total transparency. The calculated allocations shall be certified by the Program Steering Committee; and
 - iv. the Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of subparagraph (iii) above.
- g) conditional allocations financed by proceeds from IDA (World Bank) Credit for Food Systems Resilience Project (FSRP) as set out in Column F of the Third Schedule;
- h) conditional allocations financed by proceeds from IDA (World Bank) Credit for National Agricultural Value Chain Development Project (NAVCDP) as set out in Column G of the Third Schedule;
- i) conditional allocations financed by proceeds from IDA (World Bank) Credit for

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the Water and Sanitation Development Project (WSDP) as set out in Column H of the Third Schedule;

- j) conditional allocations amounting to Kenya Shillings nine hundred and fifty-four million seven hundred and thirty-four thousand nine hundred and eighty two financed by proceeds from IDA (World Bank) Credit for the Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) as set out in Column I of the Third Schedule;
- k) conditional allocation in paragraph (j) shall be allocated among the County Governments on the basis of criteria to be determined as follows-

Each of the eligible 45 counties will access the UIG, set at a flat rate and made available for the first three years of the Program as follows:

- US\$250,000 (approx. KSh. 35,500,000) in year 1
- US\$200,000 (approx. KSh. 26,000,000) in year 2, and
- US\$100,000 (approx. KSh. 14,200,000) in year 3

For Window for Host Communities and Refugee (WHR), the Grant will be allocated at a flat rate of US\$ 500,000 equivalent to KSh. 65,000,000 annually for 5 years. For the counties to access the Grant, county governments will need to comply with WHR UIG minimum conditions. Failure to satisfy any of the minimum conditions will disqualify the county from accessing the WHR UIG Grant.

- l) conditional allocations amounting to Kenya Shillings Sixteen billion Seven hundred and three million one hundred and seventy-one thousand four hundred and twenty financed by proceeds from IDA (World Bank) Credit for the Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG) as set out in Column J of the Third Schedule;
- m) conditional allocation in paragraph (l) shall be allocated among the County Governments based on financing agreement between the IDA and the Government of Kenya on the basis of criteria to be determined as follows.
 - i. UDG performance allocation of KSh 2,340 per head using the urban area population data of 2019 census;
 - ii. UDG Minimum floor of KSh. 52 million. However, due to limited fiscal space the allocation formula has been harmonized at 65% to fit within the allocated budget; and

- iii. WHR UDG KSh 2,600 per head using the urban area population data of 2019 census
 - A. 1st year 40% of maximum allocation.
 - B. 2nd Year 90% of maximum allocation
 - C. 3rd Year 100% maximum allocation
- n) conditional allocations financed by proceeds from International Fund for Agricultural Development (IFAD) Credit for the Kenya Livestock Commercialization Project (KeLCoP) as set out in Column K of the Third Schedule;
- o) conditional allocations financed by proceeds from KfW (German Development Bank) Credit for the Drought Resilience Programme in Northern Kenya (DRPNK) as set out in Column L of the Third Schedule;
- p) conditional allocations financed by proceeds from International Fund for Agricultural Development (IFAD) Credit for the Integrated Natural Resources Management Programme (INReMP) as set out in Column M of the Third Schedule;
- q) conditional allocations amounting to Kenya Shillings one billion seven hundred and sixty-two million five hundred thousand financed by proceeds from IDA (World Bank) Credit for the Kenya Devolution Support Program II (Level 1 Grants) as set out in Column N of the Third Schedule;
- r) conditional allocation in paragraph (q) shall be allocated to each of the eligible counties at a flat amount of KSh. 37,500,000 for FY 2026/2027 subject to achievement of all applicable results.
- s) conditional allocations amounting to Kenya Shillings seven billion seven hundred and fifty-five million financed by proceeds from IDA (World Bank) Loan for the Kenya Devolution Support Program II (Level 2 Grants) as set out

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in Column O of the Third Schedule;

- t) conditional allocation in paragraph (s) shall be allocated among the County Governments based on allocation criteria as follows:
- i. The Accounting Officer responsible for the grant, shall for each eligible transfer to a county government, carry out, in accordance with the participatory agreement between the National Government and each eligible county government, through the APA Firm, an assessment to determine the eligible county government's performance score for purposes of determining the Performance Grant allocation.
 - ii. For each Disbursement Link Indicator (DLI), that is, DLIs 3–7, a qualifying county government will get 50 percent of the Level 2 Grant allocation if it meets that respective DLI result. The other 50 percent is allocated based on the scores against the performance measures pertaining to each respective DLI result area.
 - iii. The investment Grant for a qualifying county government is the sum of what it is allocated under DLIs 3–7 as follows:
 - A. DLI 3: KSh.75,000,000 for each county that has increased its Own Source Revenue (OSR) by at least 5 percent annually, over and above the rate of inflation
 - B. DLI 4: KSh.75,000,000 for each county that has prepared and is implementing an action plan to reduce the stock of pending bills and maintain it at minimal levels
 - C. DLI 5: KSh.97,500,000 for each county that has integrated its Human Resource records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the Human Resource Management Information System
 - D. DLI 6: KSh.45,000,000 for each county that is enhancing accountability for results through an integrated performance management framework
 - E. DLI 7: KSh.60, 000,000 for each county with a Public Investment Management dashboard with citizen feedback mechanisms.
 - iv. The Cabinet Secretary shall publish in the Kenya Gazette the allocations for all the qualifying county governments determined in terms (ii) and (iii) above.

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- u) conditional allocations amounting to Kenya Shillings four billion two hundred and eighty-two million eighty-six thousand and nine hundred financed by proceeds from IDA (World Bank) Loan for the Kenya Water, Sanitation and Hygiene (K-WASH) Program as set out in Column P of the Third Schedule;
- v) conditional allocation in paragraph (u) shall be allocated among the County Governments on the basis of a criteria to be determined as follows-
 - i. Funds will be allocated to counties based on Disbursement Linked Indicators (DLIs)/Disbursement Linked Results (DLRs) and verified results in the Approved Results Verification Report (RVR) by an Independent Verification Agent (IVA) hired by the Program, according to the following formulas.

Definitions:

- Let C be the county allocation. (The sum of all 19 county allocations should be equal to or less than **KES 4,282,086,900.00** If this amount is exceeded, rationalization will be applied to indicators under DLI/DLR 2, 3, 4, 10.1, 10.2, 11, 12.1, and 12.3.)
- Let S be a binary variable for DLI 1, $S=1$ if the strategy is verified by IVA as developed in the Approved Results Verification Report (RVR), otherwise $S=0$
- Let H_w be the Number of households provided with access to improved water services as verified by IVA in Approved RVR (DLI 2 and DLR 10.1)
- Let Q be the number of sustainably functioning water schemes water schemes meeting standards as verified by IVA in Approved RVR (DLI 3 and DLI 11)
- Let H_s be the number of Households provided with access to an improved sanitation facility as verified by IVA in Approved RVR (DLI 4 and DLR 10.2)
- Let V_{ODF} be the number of villages that achieve ODF status as verified by IVA in Approved RVR (DLR 5.1 and DLR 12.1)
- Let V_{CWS} be the number of villages certified as achieving CWS status as verified by IVA in Approved RVR (DLR 5.2 and DLR 12.2)
- Let V_{SWS} be the number of villages that sustain CWS status as verified by IVA in Approved RVR (DLR 5.3 and DLR 12.3)
- Let R_I be the exchange rate of Foreign Currency to Kenya Shillings.

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- ii. The formula for allocating funds to the counties of Baringo, Bomet, Kericho, Kirinyaga, Kitui, Kwale, Makueni, Mandera, Migori, Murang'a, Nandi, Narok, Samburu, Tana River, Tharaka Nithi, Vihiga, and West Pokot is as follows:

$$C = R_I (1,000,000S + 40H_w + 5,000Q + 30H_s + 2,000V_{ODF} + 24,600V_{CWS} + 3,000V_{SWS})$$

The formula for allocating Turkana and Garissa Counties is as follows:

$$C = R_I (1,000,000S + 61.11H_w + 10,000Q + 50H_s + 2,000V_{ODF} + 20,000V_{CWS} + 1,250V_{SWS})$$

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CAP 412

- (3) Each County Government's allocation under subsection (1) and (2) shall —
 - a) be transferred to the respective County Revenue Fund, in accordance with a payment schedule published in the *Gazette* by the Cabinet Secretary in accordance with Section 17 of the Public Finance Management Act, 2012.

(4) The County Governments' additional allocations under subsection (1) and (2) shall be included in the budget estimates of the National Government and shall be submitted to Parliament for approval.

Report on actual transfers.

7. The Cabinet Secretary shall publish, quarterly by the 30th day after the end of each quarter, a quarterly report on actual transfers of all additional allocations to County Governments disbursed pursuant to this Act.

Books of accounts to reflect National Government transfers.
Reporting.

8. Each County Treasury shall reflect all transfers of conditional allocations by the National Government to the respective County Government in its books of accounts.

CAP 412

9. A County Treasury shall, as part of its consolidated quarterly and annual reports required under the Public Finance Management Act, to report on-

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- (a) actual transfers received by the County Government from the National Government, up to the end of that quarter or year in the format prescribed by the Public Sector Accounting Standards Board or in the absence of a format prescribed by the Board, in the format prescribed by the National Treasury;
- (b) the actual expenditure by the County Government of the allocations made under Sections (5) and (6);
- (c) the extent of compliance with the provisions of this Act and with the conditions of allocations as set out in the intergovernmental agreement entered into by the National Government, the development partner and the County Government;
- (d) an explanation of any material challenges in the expenditure of any allocations made under this Act or compliance with any conditions of allocations set out in an intergovernmental agreement; and
- (e) any other information that may be required by the relevant Intergovernmental Agreement.

Transition

10. The requirements under sections 191 A to 191 E of the Public Finance Management Act shall not apply to the 2026/2027 financial year.

Financial
Misconduct –
CAP 412

11. Despite the provisions of any other law, any serious or persistent non-compliance with provisions of this Act constitutes an offence under the Public Finance Management Act, 2012.

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FIRST SCHEDULE. (S5(1))

Unconditional allocations to County Governments from Court Fines and 20% Share of Mineral Royalties in the Financial Year 2026/27 (KSh.)					
S/N	County	FY 2025/26	FY 2026/27		
		Total Unconditional Additional Allocations to County Governments	Allocations for Court Fines	Allocations for 20% Share of Mineral Royalties	Total Unconditional Allocations
		Column A	Column B	Column C	Column D= B+C
1.	Baringo	20,355	-	525,350.78	525,350.78
2.	Bomet	-	49,000.00	-	49,000.00
3.	Bungoma	-	35,000.00	-	35,000.00
4.	Busia	-	5,000.00	-	5,000.00
5.	Elgeyo/Marakwet	-	-	-	-
6.	Embu	2,142	3,000.00	1,190,390.94	1,193,390.94
7.	Garissa	844,692	-	472,147.43	472,147.43
8.	Homa Bay	-	-	-	-
9.	Isiolo	348,837	-	12,230.74	12,230.74
10.	Kajiado	660,242,991	183,000.00	310,261,593.19	310,444,593.19
11.	Kakamega	16,555	8,000.00	58.36	8,058.36
12.	Kericho	-	10,782,328.00	1,293,208.62	12,075,536.62
13.	Kiambu	14,244,964	2,444,183.00	23,906,202.29	26,350,385.29
14.	Kilifi	950,062,290	337,549.00	240,807,157.18	241,144,706.18
15.	Kirinyaga	100	-	0.73	0.73
16.	Kisii	682,562	-	1,560,789.62	1,560,789.62
17.	Kisumu	93,000	399,412.00	97,981,739.46	98,381,151.46
18.	Kitui	435,841	100,000.00	2,249,027.23	2,349,027.23
19.	Kwale	1,166,507,886	1,500.00	804,286,607.77	804,288,107.77
20.	Laikipia	27,334	1,957,621.00	-	1,957,621.00
21.	Lamu	-	-	-	-
22.	Machakos	1,782,463	19,172,758.00	28,102,173.92	47,274,931.92
23.	Makueni	99,857	6,000.00	33,462.95	39,462.95
24.	Mandera	1,028	-	-	-
25.	Marsabit	1,724,590	-	2,169,704.82	2,169,704.82

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Unconditional allocations to County Governments from Court Fines and 20% Share of Mineral Royalties in the Financial Year 2026/27 (KSh.)					
S/N o	County	FY 2025/26	FY 2026/27		
		Total Unconditional Additional Allocations to County Governments	Allocations for Court Fines	Allocations for 20% Share of Mineral Royalties	Total Unconditional Allocations
		Column A	Column B	Column C	Column D= B+C
26.	Meru	32,901	19,000.00	-	19,000.00
27.	Migori	3,684,754	1,366,803.00	33,228,842.66	34,595,645.66
28.	Mombasa	1,417,254	14,239,770.00	10,506,292.24	24,746,062.24
29.	Murang'a	-	7,000.00	264,782.40	271,782.40
30.	Nairobi	2,458,591	72,876,979.00	12,495,304.89	85,372,283.89
31.	Nakuru	1,105,667	2,709,201.00	5,434,451.41	8,143,652.41
32.	Nandi	55,110,901	5,465,792.00	121,480,247.96	126,946,039.96
33.	Narok	27,206,336	4,000.00	4,050,801.57	4,054,801.57
34.	Nyamira	-	141,143.00	-	141,143.00
35.	Nyandarua	-	-	-	-
36.	Nyeri	76,000	283,500.00	-	283,500.00
37.	Samburu	905,744	-	375,688.80	375,688.80
38.	Siaya	259,152	128,000.00	-	128,000.00
39.	Taita Taveta	51,756,326	1,608,239.00	21,728,740.33	23,336,979.33
40.	Tana River	10,624	-	326,033.28	326,033.28
41.	Tharaka Nithi	43,000	-	29,425.66	29,425.66
42.	Trans Nzoia	-	-	-	-
43.	Turkana	141,279	25,000.00	4,710.48	29,710.48
44.	Uasin Gishu	5,090,269	13,900,592.00	4,504,505.26	18,405,097.26
45.	Vihiga	-	-	-	-
46.	Wajir	4,493	-	-	-
47.	West Pokot	1,650	-	103,847,148.24	103,847,148.24
	TOTAL	2,946,442,428	148,259,370.00	1,833,128,821.22	1,981,388,191.22

SECOND SCHEDULE. (S. 6(1))

Conditional allocations to County Governments from the National Government's Revenue in the Financial Year 2026/27 (KSh.)								
S/No	County	Allocation for FY 2025/26	Community Health Promoters (CHP)	Construction of County Headquarters (CHQ)	Establishment of County Aggregation and Industrial Parks (CAIP)	Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	Transitioning Universal Health Coverage (UHC) workers' salary to permanent and pensionable terms	Total Conditional Allocations for FY 2026/27
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
1.	Baringo	335,060,940	63,810,000	-		7,787,057		71,597,057
2.	Bomet	97,319,315	74,070,000	-	250,000,000	7,787,057		331,857,057
3.	Bungoma	149,241,681	107,400,000	-		7,787,057		115,187,057
4.	Busia	92,069,249	66,390,000	-		7,787,057		74,177,057
5.	Elgeyo/ Marakwet	54,872,639	37,200,000	-	250,000,000	7,787,057		294,987,057
6.	Embu	95,088,853	60,300,000	-		7,787,057		68,087,057
7.	Garissa	109,488,961	74,520,000	-		7,787,057		82,307,057
8.	Homa Bay	117,026,873	88,620,000	-		7,787,057		96,407,057
9.	Isiolo	94,765,505	21,630,000	158,780,000	250,000,000	7,787,057		438,197,057
10.	Kajiado	345,552,740	50,070,000	-		7,787,057		57,857,057
11.	Kakamega	224,017,599	127,500,000	-		7,787,057		135,287,057
12.	Kericho	341,117,478	45,690,000	-		7,787,057		53,477,057
13.	Kiambu	349,993,245	94,680,000	-		7,787,057		102,467,057
14.	Kilifi	426,369,365	116,100,000	-		7,787,057		123,887,057
15.	Kirinyaga	58,037,438	36,660,000	-		7,787,057		44,447,057
16.	Kisii	290,510,642	88,200,000	-		7,787,057		95,987,057
17.	Kisumu	167,327,249	89,940,000	-	250,000,000	7,787,057		347,727,057
18.	Kitui	369,844,316	74,100,000	-		7,787,057		81,887,057
19.	Kwale	158,163,903	52,140,000	-		7,787,057		59,927,057
20.	Laikipia	317,672,596	25,230,000	-		7,787,057		33,017,057
21.	Lamu	147,809,452	14,520,000	71,630,000	250,000,000	7,787,057		343,937,057
22.	Machakos	143,883,915	83,250,000	-		7,787,057		91,037,057

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Conditional allocations to County Governments from the National Government's Revenue in the Financial Year 2026/27 (KSh.)								
S/No	County	Allocation for FY 2025/26	Community Health Promoters (CHP)	Construction of County Headquarters (CHQ)	Establishment of County Aggregation and Industrial Parks (CAIP)	Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	Transitioning Universal Health Coverage (UHC) workers' salary to permanent and pensionable terms	Total Conditional Allocations for FY 2026/27
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
23.	Makueni	146,255,895	113,700,000	-	250,000,000	7,787,057		371,487,057
24.	Mandera	40,336,781	18,540,000	-	250,000,000	7,787,057		276,327,057
25.	Marsabit	327,106,385	60,090,000	-		7,787,057		67,877,057
26.	Meru	157,383,407	111,480,000	-		7,787,057		119,267,057
27.	Migori	118,055,437	88,380,000	-		7,787,057		96,167,057
28.	Mombasa	315,937,957	71,610,000	-		7,787,057		79,397,057
29.	Murang'a	238,399,654	46,050,000	-		7,787,057		53,837,057
30.	Nairobi	338,266,271	224,010,000	-	250,000,000	7,787,057		481,797,057
31.	Nakuru	325,150,304	99,390,000	-		7,787,057		107,177,057
32.	Nandi	258,780,824	96,660,000	-		7,787,057		104,447,057
33.	Narok	323,284,136	49,800,000	-		7,787,057		57,587,057
34.	Nyamira	199,705,754	44,370,000	-		7,787,057		52,157,057
35.	Nyandarua	429,641,603	41,610,000	166,750,000		7,787,057		216,147,057
36.	Nyeri	381,409,948	74,250,000	-		7,787,057		82,037,057
37.	Samburu	61,207,420	46,140,000	-	250,000,000	7,787,057		303,927,057
38.	Siaya	221,889,863	63,810,000	-		7,787,057		71,597,057
39.	Taita Taveta	75,649,533	41,070,000	-	250,000,000	7,787,057		298,857,057
40.	Tana River	407,859,679	28,890,000	95,340,000		7,787,057		132,017,057
41.	Tharaka Nithi	94,535,103	37,950,000	30,510,000	250,000,000	7,787,057		326,247,057
42.	Trans	249,182,720	67,200,000	-				74,987,057

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County Governments Additional Allocations Bill, 2026

Conditional allocations to County Governments from the National Government's Revenue in the Financial Year 2026/27 (KSh.)								
S/No	County	Allocation for FY 2025/26	Community Health Promoters (CHP)	Construction of County Headquarters (CHQ)	Establishment of County Aggregation and Industrial Parks (CAIP)	Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	Transitioning Universal Health Coverage (UHC) workers' salary to permanent and pensionable terms	Total Conditional Allocations for FY 2026/27
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Nzoia					7,787,057		
43.	Turkana	101,224,140	74,250,000	-	250,000,000	7,787,057		332,037,057
44.	Uasin Gishu	73,568,093	61,980,000	-		7,787,057		69,767,057
45.	Vihiga	310,411,734	43,380,000	-		7,787,057		51,167,057
46.	Wajir	210,562,165	60,810,000	-		7,787,057		68,597,057
47.	West Pokot	93,411,216	77,490,000	-	250,000,000	7,787,057		335,277,057
	TOTAL	9,984,449,974	3,234,930,000	523,010,000	3,250,000,000	365,991,679	8,937,615,000	16,311,546,679

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County Governments Additional Allocations Bill, 2026

THIRD SCHEDULE. (S 6(2))

Conditional Additional Allocations from Proceeds of Loans or Grants from Development Partners for Financial Year 2026/27 (Kenya Shillings)

No	County	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 U
		Total Loans and Grants for FY 2025/26	French Development Agency (ADF) Credit for the Kenya Informa	IDA (World Bank) Credit/Resilient Building Health System - BREHS	KFW (German Financial Cooperation Credit Co-Financing Locally Led Climate Action Program, (FLLoCA) CCRI)	IDA (World Bank) Credit (Financing Locally Led Climate Action Program, (FLLoCA) CCRI)	IDA (World Bank) Credit for the Food Systems Project (FSRP)	IDA World Bank Credit for the National Agricultural Value Chain Development Project (NAACP)	IDA (World Bank) Credit for the Water & Sanitation Project (WSP)	IDA (World Bank) Credit for the Kenya Urban Support Project (KUSP)-Urban Institutional Grant (UITG)	IDA (World Bank) Credit for the Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	International Fund for Agricultural Development (IFAD) Credit for Kenya Livestock Commercialization Project (KELCoP)	KfW (German Development Bank) Credit and Grant for Drought Resilience Programs in Kenya (DRPK)	Integrated Natural Resources Management (INRM) IFAD	IDA (World Bank) Loan for the Kenya Devolution Support Program Phase Two (KDSPT II) Level 1 Grant	IDA (World Bank) Loan for the Kenya Devolution Support Program Phase Two (KDSPT II) Level 2 Grant	IDA (World Bank) Credit for the Kenya Hygiene (K-WASH) Programme	Total additional allocation from Loans and Grants for FY 2026/27
1	Baringo	392624346.2		55,896,623.20		298,674,890.28		105,000,000.00			40,150,000.00							391,661,513
2	Bomet	313033500		58,666,824.51				105,000,000.00										163,666,825
3	Bungoma	381540500		93,419,326.22				105,000,000.00										331,919,326
4	Busia	387846901.3		62,846,722.04				105,000,000.00										201,346,722
5	Elgeyo Marakwet	548635346.2		40,366,520.40				105,000,000.00										438,385,302
6	Embu	321116425.5		44,907,958.28				105,000,000.00										149,907,958
7	Garissa	480385346.2		1,705,845,181.39				105,000,000.00										2,135,666,589
8	Isiolo	333899051		202,861,541.63				105,000,000.00										389,105,742
9	Isiolo	325897346.2		41,174,842.32				105,000,000.00										317,571,606
10	Kajiado	388118499.3		69,788,589.01				105,000,000.00										174,788,589
11	Kakamega	421482876.5		108,554,767.39				105,000,000.00										328,298,967
12	Kericho	312829500		56,353,171.78				105,000,000.00										242,597,372
13	Kisumu	726239850.1		102,811,065.95				105,000,000.00										307,811,066
14	Kilifi	1491989500		302,167,488.97				105,000,000.00										607,167,486
15	Kericho	322276879.9		45,571,771.59				105,000,000.00										150,571,772
16	Kisumu	332252978.5		77,823,856.56				105,000,000.00										182,823,857
17	Kisumu	457791923.6		70,292,997.55				105,000,000.00										256,537,198
18	Kisumu	318388500		91,038,360.05				105,000,000.00										196,038,360
19	Kwale	786705500		214,162,075.68				105,000,000.00										469,162,076
20	Lamuria	325795346.2		45,051,280.97				105,000,000.00										256,537,198
21	Lamuria	33824346.2		27,216,507.82				105,000,000.00										149,835,092
22	Machakos	32833358.3		80,260,709.98				105,000,000.00										358,442,070
23	Makueni	316093500		71,062,215.40				105,000,000.00										185,260,710
24	Mandera	346536346.2		290,268,714.35				105,000,000.00										344,777,569
25	Maralal	980229554.2		63,534,283.72				105,000,000.00										176,062,215
26	Meru	345151651.7		83,163,614.00				105,000,000.00										608,543,107
27	Migori	327862387.9		70,123,630.46				105,000,000.00										741,794,124
28	Mombasa	1012982500		66,064,245.72				105,000,000.00										188,163,614
29	Murang'a	314198500		62,821,060.03				105,000,000.00										256,367,830
30	Nairobi City	861562500		168,752,230.83				105,000,000.00										266,064,246
31	Nakuru	647590500		114,295,856.93				105,000,000.00										268,752,731
32	Nandi	313778500		61,434,523.81				105,000,000.00										253,445,857
33	Narok	317113500		229,468,009.53				105,000,000.00										347,678,724
34	Nyamira	338911500		44,825,091.57				105,000,000.00										334,468,010
35	Nyandarua	372013500		49,646,590.06				105,000,000.00										149,835,092
36	Nyeri	381649867.1		54,514,535.68				105,000,000.00										151,646,590
37	Samburu	396759346.2		47,026,548.03				105,000,000.00										159,514,536
38	Siaya	398012102		61,061,557.51				105,000,000.00										372,358,965
39	Taita Taveta	820993500		42,367,645.03				105,000,000.00										199,561,558
40	Tana River	328498346.2		169,452,313.55				105,000,000.00										247,367,645
41	Tharaka Nithi	321973499.3		36,792,687.44				105,000,000.00										458,111,433
42	Trans Nzoia	376091500		63,060,522.65				105,000,000.00										141,792,687
43	Turkana	1032098346		1,828,075,263.26				105,000,000.00										282,804,723
44	Uasin Gishu	574350500		70,853,901.10				105,000,000.00										2,725,821,475
45	Vihiga	94083346.2		44,264,221.82				105,000,000.00										257,098,101
46	Wajir	327121346.2		245,876,584.73				105,000,000.00										149,264,222
47	West Pokot	327121346.2		164,111,454.52				105,000,000.00										780,321,564
TOTALS		57,735,435,467	400,000,000	7,799,999,982	1,200,000,000.00	6,187,500,000	3,900,000,000	3,560,000,000	850,000,000	954,734,992	16,703,171,420	378,730,000	853,600,000	812,442,000	1,762,500,000	7,755,000,000	4,282,086,900	57,909,765,294

* IDA-FLLoCA -CCRI, KUSP-UIG, KUSP-UDG, KDSPT Level 1 & 2, and K-WASH grants are to be allocated among County Governments on the basis of the criteria set out in Section 6 (2) (e) (k) (m) (r), (t) and (v) of the County Government Additional Allocations Act, 2026 respectively.

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County Governments Additional Allocations Bill, 2026

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to make provision for the additional allocations to County Governments for the 2026/2027 financial year.

Clause 1 of the Bill provides for the short title while

Clause 2 defines the various terms used in the Bill.

Clause 3 of the Bill contains the objects and the purpose of the Bill which is to provide for the allocation of additional allocations to respective County Governments for the financial year 2026/27 as well as the transfer of these allocations from the Consolidated Fund to the respective County Revenue Fund.

Clause 4 of the Bill provides for types of additional allocations to County Governments and defines them as funds agreed upon by the National Assembly and the Senate during the consideration of the Budget Policy Statement.

Clause 5 and 6 of the Bill identifies the respective Unconditional additional allocations and conditional additional allocations to County Governments in the financial year 2026/27.

Clause 7 of the Bill provides for the Cabinet Secretary/ National Treasury to publish, by the 15th day of each subsequent month, a monthly report on actual transfers of all additional allocations to County Governments.

Clause 8 of the Bill obligates the respective county treasuries to have their books of accounts to reflect National Government transfers.

Clause 9 of the Bill provides for quarterly and annual financial and non-financial statutory reporting by the county treasuries on all additional allocations made under the Act.

Clause 10 provides for the transition period for exemption of the provision of Section 191 A-E of the PFMA, 2012 that requires there be intergovernmental agreements.

Clause 11 provides for enforcement of the Act and implication of Financial Misconduct under the Act the Public Finance Management Act, 2012



Dated....., 2026

HON. FCPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY
THE NATIONAL TREASURY AND ECONOMIC PLANNING

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Annexes: Frameworks for Managing Conditional Additional Allocations

I. Conditional Additional Allocations from The National Government Share of Revenue

S/No	Project Description	Allocation (KSh.)
1.	Community Health Promoters	3,234,930,000.00
2.	Construction of County Headquarters	523,010,000.00
3.	Establishment of County Aggregation and Industrial Park	3,250,000,000.00
4.	Allocations from 0.5% of Housing Levy Fund to the County Rural and Urban Affordable Housing Committees	365,991,679.00
5.	Transitioning Universal Health Coverage (UHC) workers' salary to permanent and pensionable terms	8,937,615,000
	Total	16,311,546,679.00

Detailed Frameworks for the Management of Conditional Additional Allocations from The National Government Share of Revenue in the Financial Year 2026/27

1. Framework For Administration of Community Health Promoters

Ministry/ State Department Responsible	Ministry of Health – State Department for Public Health & Professional Standards	
Accounting Officer of the National Government responsible	Principal Secretary, State Department for Public Health & Professional Standards	
Responsibilities of the National Government Accounting Officer	a) Set conditions for transfers and monitor compliance. b) Initiate requests for disbursements to County Revenue Funds. c) Submit quarterly financial and technical reports in agreed formats to the National Treasury, Controller of Budget and Commission on Revenue Allocation.	
Conditions	1. Signing of the IPA 2. Evidence of allocation of Community Health Promoters (CHPs) stipends in the County health budget 3. Open a special purpose account for the CHP conditional grant 4. Ensure the funds are disbursed from County Revenue Fund (CRF) to the CHP Special Purpose Account (SPA) within 21 working days. 5. Quarterly submission of financial and technical reports for FY 2025/26 clearly accounting for the grant.	
Accounting officer of the County Government responsible	Chief Officer responsible for health in the County Government	
Responsibilities of the County Government Accounting Officer	a) Ensure funds are included in the budget estimates of the department responsible for health for the FY 2026/27. b) Ensure quality data submitted through eCHIS. c) Prepare financial expenditure reports to County Treasury with copies to The National Treasury and Planning and Ministry of Health.	
Allocation: 2026/2027	KSh. 3,234,000,000 cumulatively for all the 47 Counties	
Purpose of the Grant	Payment of Stipends to CHPs	
Allocation criteria	1. Each County provides evidence of the allocation of funds for the payment of CHP stipends 2. Evidence that CHPs are submitting data through the e-CHIS	
Allocation by County Government		
1	Baringo	63,810,000

County Governments Additional Allocations Bill, 2026

2	Bomet	74,070,000
3	Bungoma	107,400,000
4	Busia	66,390,000
5	Elgeyo Marakwet	37,200,000
6	Embu	60,300,000
7	Garissa	74,520,000
8	Homa Bay	88,620,000
9	Isiolo	21,630,000
10	Kajiado	50,070,000
11	Kakamega	127,500,000
12	Kericho	45,690,000
13	Kiambu	94,680,000
14	Kilifi	116,100,000
15	Kirinyaga	36,660,000
16	Kisii	88,200,000
17	Kisumu	89,940,000
18	Kitui	74,100,000
19	Kwale	52,140,000
20	Laikipia	25,230,000
21	Lamu	14,520,000
22	Machakos	83,250,000
23	Makueni	113,700,000
24	Mandera	18,540,000
25	Marsabit	60,090,000
26	Meru	111,480,000
27	Migori	88,380,000
28	Mombasa	71,610,000
29	Murang'a	46,050,000
30	Nairobi City	224,010,000
31	Nakuru	99,390,000
32	Nandi	96,660,000
33	Narok	49,800,000
34	Nyamira	44,370,000
35	Nyandarua	41,610,000
36	Nyeri	74,250,000
37	Samburu	46,140,000
38	Siaya	63,810,000
39	Taita Taveta	41,070,000
40	Tana River	28,890,000
41	Tharaka Nithi	37,950,000
42	Trans Nzoia	67,200,000
43	Turkana	74,250,000
44	Uasin Gishu	61,980,000
45	Vihiga	43,380,000
46	Wajir	60,810,000
47	West Pokot	77,490,000
	GRAND TOTAL	3,234,930,000

2. Framework for the Management of the Construction of County Headquarters

State Department Responsible	State Department for Public Works (Vote 1095)
Accounting officer of Responsible National Government Entity	Principal Secretary, State Department for Public Works
Responsibilities of the National Government Accounting Officer	According to the Intergovernmental Agreement between the National Government through the Ministry of Lands, Public Works, Housing & Urban Development and the respective County Government, obligations of the State

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	<p>Department are to:</p> <ol style="list-style-type: none"> i. Prepare and handover to the County Government a status report of the project as at the date of the agreement; ii. Report to the National Treasury on implementation of the Intergovernmental Agreement; iii. Ensure that the Conditional Grant benefiting the counties is included in the budget Estimates for the State Department for the respective Financial Year and included in the County Government Additional Allocation Act; iv. Provide information as regards to the project; v. Issue written Instructions to the National Treasury to transfer the Conditional Grant to the County Government; and vi. Undertake joint monitoring and evaluation of the project and report to the Summit on the same.
<p>Accounting Officer of County Government Responsible</p>	<p>Chief Officer Responsible for matters relating to Public Works in the County Government</p>
<p>Responsibilities of the County Government Accounting Officer</p>	<p>According to Intergovernmental Agreement between the National Government through the Ministry of Lands, Public works, Housing & Urban Development and the respective County Government, obligations of the respective County Government are to:</p> <ol style="list-style-type: none"> 1. Complete the project within the scope of the contract; and in any event not later than three financial years from the date of the agreement; 2. Include in its budget Estimates the allocation for the project in the respective financial year; 3. Ensure that the allocation is used for construction of the project; 4. Reflect all transfer of the conditional allocation by the National Treasury in their books of account; 5. Finance the completion of the project to its usable state and any other additional works that may have been omitted; 6. Submit quarterly and annual implementation and financial reports to the State Department and the National Treasury; 7. Open a Special Purpose Account at the Central Bank of Kenya for the conditional grant allocation; 8. Transfer money from the County Revenue Fund to the Special Purpose Account within 14 days upon receipt of the money; and 9. Take all reasonable steps within the County Government's control to mitigate and/or remedy the consequences of any event which may affect the completion of the project.
<p>Conditions</p>	<ol style="list-style-type: none"> i. The cost for the construction of the projects amounts to Kshs. 2,785,058,202.00 ii. The National Government is to contribute Kshs. 1,949,540,741.00 being the equivalent of 70% of the County Headquarter construction cost. iii. The National Government is to ensure that proceeds from the conditional allocation is used for constructing the offices of 7,000m² of the County Headquarter Executive Offices. iv. The five (5) County Governments are to contribute Kshs. 835,517,460.60 being the equivalent of 30% of the County Headquarters construction cost. These estimates are to be considered for approval by the respective County Assemblies. v. Each county Government to ensure that proceeds from conditional allocation is used for constructing the offices of 7,000m² of the County Headquarter Executive Offices.
<p>Total Allocation for FY 2026/27</p>	<p>KSh. 523,010,000</p>

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Purpose of the grant	To support construction of offices for the five (5) County Governments Headquarters (Isiolo, Lamu, Tana River, Tharaka Nithi and Nyandarua). In the FY 2013/14 the 5 County Governments did not inherit adequate facilities that could accommodate the new administration.
Allocation criteria	Outstanding project cost, absorption rates of allocated funds and level of project completion.
Allocation per County (Kshs.)	
1095100601: Isiolo County Headquarter	158,780,000
1095100602: Lamu County Headquarters	71,630,000
1095100603: Nyandarua County Headquarters	166,750,000
1095100604: Tana River County Headquarters	95,340,000
1095100605: Tharaka Nithi County Headquarters	30,510,000
TOTAL	523,010,000

3. Framework for Management of Conditional Allocation for Establishment of County Aggregation and Industrial Park

Name of the Project/Programme	Development of County Aggregation and Industrial Park (CAIP)
Ministry/State Department Responsible	Ministry of Investments, Trade and Industry/ State Department for Industry
Accounting Officer of the Responsible National Government Entity	Principal Secretary State Department for Industry
Responsibilities of the National Government Accounting Officer	<ol style="list-style-type: none"> i. Develop and issue guidelines on the requirements for the establishment of CAIP in consultation with the Council of Governors. ii. Develop and disseminate implementation guidelines of the grant to the Counties in consultation with the Council of Governors. iii. Ensure that the grant is included in the budget estimates for the State Department for Industry for inclusion in the County Governments Additional Allocations Bill. iv. Initiate requests to the National Treasury for disbursement of grants to the State Department for Industry for onward transmission to the County Revenue Fund (CRF). v. Ensure disbursement of funds to the respective County Governments through the CRF. vi. Facilitate timely disbursement of funds by the National Treasury to the CRF accounts vii. Set conditions for transfer of grant and ensure compliance by Counties in consultation with the Council of Governors. viii. Monitoring and evaluation of the financial and non-financial performance of the project financed from the grants. ix. Prepare and submit quarterly financial and non-financial reports to the National Treasury in accordance with Regulation 130 of the Public Finance Management (PFM) (National Government (NG)) Regulations, 2015.
Conditions	<ol style="list-style-type: none"> i. The County Government shall commit to participate in CAIP by signing the Intergovernmental Participatory Agreement with the State Department for Industry. ii. The Industrial Park shall have a minimum area of 10 hectares, in an appropriate location accessible to major transport facilities, and with clear status of ownership. iii. Industrial Park should have basic infrastructure facilities like road, electricity,

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	<p>water and sewage and effluent treatment facilities.</p> <ul style="list-style-type: none"> iv. Detailed Feasibility Study (Pre-feasibility study, Master Planning, Detailed designs and Engineering; and Environmental and Social-Economic Impact Assessment). v. The County should set up a Governance Structure for management of the CAIP. vi. Adhere to timelines for completion of construction of basic infrastructure facilities and operation of the Industrial Park. vii. Grant funds shall be reflected in the respective County Estimates of Revenues and Expenditures for the relevant financial year and shall be included in the County Government Additional Allocations Bill. viii. The grant funds for development of the CAIP shall be transferred to a Special Purpose Account operated exclusively for management of the grant immediately but not later than fifteen (15) days after the receipt of the funds at the respective County Revenue Fund Account. ix. The county department responsible for Trade and Industry shall submit quarterly and annual financial and non-financial reports in formats issued by the Public Sector Accounting Standards Board with the respective County Treasury with a copy to the State Department for Industry. x. The grant shall not be utilized for any other purpose other than in the development of the CAIP as per the Regulations and guidelines provided from time to time by the National Government in consultation with the Council of Governors.
<p>Accounting Officer of the County Governments Responsible</p>	<ul style="list-style-type: none"> • County Chief Officer responsible for matters relating to Trade and Industry • County Chief Officer responsible for matters relating to Finance
<p>Responsibilities of the County Government Accounting Officer</p>	<ul style="list-style-type: none"> i. Develop the Governance and Management Structure for CAIP in consultation with the Council of Governors. ii. Ensure the grant funds are included in the budget estimates of the relevant departments responsible for Trade and Industry for the particular financial year. iii. Facilitate timely payment of eligible expenditures related to establishment of CAIP from the Special Purpose Account (SPA). iv. Ensure that the grant allocation for the development of CAIP is transferred from the CRF to a SPA operated exclusively for the management of the Grant. v. Ensure that all the activities funded by the grant are captured in the County Integrated Development Plans, County Annual Development Plans, County Procurement Plans, and County Departmental Work Plans and Procurement Plans. vi. Monitoring and evaluation of the financial and non-financial performance of the project financed from the grant. vii. Prepare and submit reports on: <ul style="list-style-type: none"> a. Actual transfers received by the county governments; b. Actual expenditure by the county government of the allocation made; c. Extent of compliance with CAIP d. An explanation of any material problem in the expenditure of any allocation received; e. Quarterly and annual financial and technical reports to the county treasury with copies to the State Department responsible for Industry. viii. Prepare and submit quarterly and annual financial and technical reports in agreed formats to the National Treasury and the Controller of Budgets.
<p>Total Allocation in the FY 2026/27</p>	<p>KSh. 3,250,000,000</p>
<p>Purpose of the grant</p>	<p>Development of County Aggregation Industrial Parks across thirteen (13) counties.</p>
<p>Allocation criteria</p>	<ul style="list-style-type: none"> • Provide Land and develop masterplan to access half of the conditional

II. Frameworks for the Management of Conditional Additional Allocations Financed from Proceeds of Loans and Grants from Development Partners

S/No	Project Description	Donor	Allocation (KSh.)
1.	Kenya Informal Settlement Improvement Project (KISIP2)	AFD	400,000,000.00
2.	Building Resilient & Responsive Health Systems (BREHS)	IDA	7,800,000,000.00
3.	KfW (German Financial Cooperation) Credit Co-Financing of Financing Locally- Led Climate Action Program, (FLLoCA) CCRI- A GRANT	KFW	1,200,000,000.00
4.	Financing Locally- Led Climate Action Program, FLLOCA) CCRI Grants	IDA (World Bank)	6,187,500,000.00
5.	Food Systems Resilience Project (FSRP)	IDA (World Bank)	3,900,000,000.00
6.	National Agricultural Value Chain Development Project (NAVCDP)	IDA (World Bank)	3,560,000,000.00
7.	Water and Sanitation Development Project (WSDP)	IDA (World Bank)	850,000,000.00
8.	Kenya Urban Support Project- Urban Development Grant (KUSP) UIG	IDA (World Bank)	954,734,992.00
9.	Kenya Urban Support Project - Urban Institutional Grant (KUSP) UDG	IDA (World Bank)	16,703,171,420.00
10.	Kenya Livestock Commercialization Project (KELCOP)	IFAD	378,730,000.00
11.	Drought Resilience Programme (DRP)	KfW	853,600,000.00
12.	Integrated Natural Resources Management Programme (INReMP)	IFAD	812,442,000.00
13.	Kenya Devolution Support Program (Level 1 Grant) (KDSP)	IDA (World Bank)	1,762,500,000.00
14.	Kenya Devolution Support Program (Level 2 Grant) (KDSP)	IDA (World Bank)	7,755,000,000.00
15.	Kenya Water, Sanitation and Hygiene K-WASH	IDA (World Bank)	4,282,086,900.00
Total			57,399,765,312.00

III. Detailed Frameworks for the Management of Conditional Additional Allocations Financed from Proceeds of Loans and Grants from Development Partners

1. Frameworks for Administration of AFD Kenya Informal Settlement Improvement Project 2 (KISIP II)

Allocation to Kenya Informal Settlement Improvement Project 2 (KISIP2) *to improve access to basic services and land tenure security of residents in participating urban informal settlements and strengthen institutional capacity for slum upgrading in Kenya.*

Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing and Urban Development / State Department for Housing and Urban Development (vote:1094.....)
Accounting officer of National Government Responsible	Principal Secretary, State Department for Housing and Urban Development

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Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Maintain a database of informal settlements for purposes of consideration for infrastructure improvement; subject the informal settlements to the agreed eligibility criteria for determination of interventions; • Ensure programme allocations as per Annual Work Plan & Budget (AWP&B) are included in the budget estimates of the Ministry for the FY 2026/2027 • Receive and review quarterly and annual financial and non-financial reports from the counties and consolidate • Receive exchequer requests from the counties and instruct the National Treasury to disburse the funds • Submit quarterly and annual financial and performance reports to the National Treasury • Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Housing
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B based on the approved activities for submission to the National Project Coordination Team; • Ensure that prior to submission of the AWP&B, it is approved by the County Executive and captured accordingly in the county budget and approved by the County Assembly • The County accounting officer, upon approval of the budget by respective county assembly shall submit on a quarterly basis, a disbursement request to the SDHUD through the county Treasury; and • Submit quarterly and annual financial and performance reports to the SDHUD • Ensure funds are spent for the purpose for which they were disbursed in a fair, efficient and economical manner
Conditions	<ul style="list-style-type: none"> • Duly signed Participation Agreement between the Cabinet Secretary, Ministry of Lands, Public Works, Housing and Urban Development and Governors of each county on prudent management of the programme funds; • County must have opened a Special Purpose Agreement in a commercial bank • County has formed and operationalized the Single Fiduciary Management Unit • SDHUD will ensure that the funds disbursed by donor are subsequently disbursed to the counties within 7 days after receipt of funds • The county ensure that the funds disbursed from National Government are subsequently credited to the SPA within 7 days after receipt of funds • Both levels will adhere to the requirements of Participation Agreement; • County Governments have carried out environmental and social safeguards and implemented relocation action plans if any; and • Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next period funding to all spending units. Accounting officer, State Department for Housing and Urban Development will additionally submit consolidated report for all the 24 spending units.
Allocation:	KES 400,000,000

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2026/2027			
Purpose of the grant	To develop sustainable infrastructure in selected informal settlements in selected urban areas as part of slum upgrading		
Allocation criteria	Based on the county readiness criteria and the settlement eligibility criteria as detailed in Project Appraisal Document and Project Operation Manual.		
	COUNTY	Donor: AFD	Total Allocation
1.	NAIROBI		
2.	MOMBASA		
3.	NAKURU		
4.	KIAMBU		
5.	WAJIR		
6.	LAMU		
7.	NYERI		
8.	NYANDARUA		
9.	ELGEYO MARAkwET		
10.	KAJIADO		
	Total	400,000,000	400,000,000

2. Frameworks for Administration of IDA/IBRD (World Bank) Credit/Grant Building Resilient & Responsive Health Systems - BREHS	
Ministry/State Department Responsible	Ministry of Health
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Public & Professional Standards
Responsibilities of the National Government Accounting officer	<ul style="list-style-type: none"> Ensure grant is included in the budget estimates of the State Department for the FY 2026/27.
	<ul style="list-style-type: none"> Develop and disseminate annual BREHS conditional grant framework
	<ul style="list-style-type: none"> Initiate requests to National Treasury to disburse funds to County Revenue Fund
	<ul style="list-style-type: none"> Submit quarterly and annual technical and financial reports to the National Treasury and planning, Controller of Budget and Commission on Revenue Allocation where applicable.
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> Chief officer of Health in conjunction with the Chief Officer Finance
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> Ensure grant is included in the estimates of the county health budget for the FY2026/27 and approved by the County Transfer all BREHS project funds from the County Revenue Fund (CRF) to the special purpose account, within 15 days of receipt at the CRF. Ensure that BREHS funds are used for the intended purpose as per the World Bank Approved Work Plan. Prepare quarterly financial expenditures report to the county Treasury; with copies to the National Treasury and Planning and the Ministry of Health. Prepare quarterly technical reports and submit to the Project. Ensure quality of the reports (Financial and Technical reports) by conducting data quality audits by internal auditors.

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Conditions	<ul style="list-style-type: none"> • Signing of the IPA for FY 2024/25 to FY 2028/29. • Budgetary allocation to health of at least 25 percent and increasing every year up to 30 percent. • Open a designated special purpose account (SPA) at central bank of Kenya (CBK). • Submit quarterly technical and financial reports with complete documentation of expenditure. • Allocate O&M funds to level 2 and 3 at the same level or higher than previous year. • Allocate budget for HPTs at the same level or higher than the previous year. • Compliance with the audit process.
Allocation 2026/27	<p>A total of KES 7,800,000,000 allocated from BREHS project as conditional grants to the counties, with KES. 2.51 billion being provided in-kind, and KES 5.30 billion in direct funds transfers, subject to meeting all the conditions and is disaggregated as below for the following areas of support:</p> <ul style="list-style-type: none"> • Commodity allocation for HPTs • Allocation for implementation of select PHC interventions
Purpose of the grant	<ul style="list-style-type: none"> • Strengthening community health services • Supporting levels 2 and 3 facility operations and maintenance and functionality of Health Facility Management Committees (HFMC) • Supporting drivers of quality improvement described in the positive list • Strengthening intercountry coordination and learning.
Allocation criteria	Based on Financing Agreement between the IDA/IBRD and the Government of Kenya and Annual Work plans and Budgets.

N o.	County	Fourth Basis Allocation Index	Commodity allocation for the 10 counties (2.2)	Commodity allocation 2.3	Total commodity allocation	Interventions allocation 2.1	Interventions allocation 2.2	Interventions allocation 2.3	Total Interventions allocations	Total County allocation 2026/27
1	Baringo	1.72520			-	55,896,623.20			55,896,623.20	55,896,623.20
2	Bomet	1.81070			-	58,666,824.51			58,666,824.51	58,666,824.51
3	Bungoma	2.88331			-	93,419,326.22			93,419,326.22	93,419,326.22
4	Busia	1.93971			-	62,846,722.04			62,846,722.04	62,846,722.04
5	Elgeyo-Marakwet	1.24585			-	40,365,520.40			40,365,520.40	40,365,520.40
6	Embu	1.38605			-	44,907,958.28			44,907,958.28	44,907,958.28
7	Garissa	2.13988	75,082,108.71	825,000,000.00	900,082,108.71	69,332,256.47	61,430,816.22	675,000,000.00	805,763,072.68	1,705,845,181.39
8	Homa Bay	2.10887	73,993,824.96		73,993,824.96	68,327,314.43	60,540,402.24		128,867,716.67	202,861,541.63
9	Isiolo	1.27083			-	41,174,842.32			41,174,842.32	41,174,842.32
10	Kajiado	2.15397			-	69,788,589.01			69,788,589.01	69,788,589.01
11	Kakamega	3.35046			-	108,554,767.39			108,554,767.39	108,554,767.39
12	Kereicho	1.73930			-	56,353,171.78			56,353,171.78	56,353,171.78
13	Kiambu	3.17318			-	102,811,065.95			102,811,065.95	102,811,065.95
14	Kilifi	3.1412	110,215.70		110,215,706	101,775,292.93	90,176,		191,951,779.8	302,167,485.97

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		1	6.17		.17		486.87		0	
15	Kirinyaga	1.40654			-	45,571,771.59			45,571,771.59	45,571,771.59
16	Kisii	2.40197			-	77,823,856.56			77,823,856.56	77,823,856.56
17	Kisumu	2.16954			-	70,292,997.55			70,292,997.55	70,292,997.55
18	Kitui	2.80983			-	91,038,360.05			91,038,360.05	91,038,360.05
19	Kwale	2.22634	78,115,699.08		78,115,699.08	72,133,531.89	63,912,844.70		136,046,376.60	214,162,075.68
20	Laikipia	1.39047			-	45,051,280.97			45,051,280.97	45,051,280.97
21	Lamu	0.84002			-	27,216,507.82			27,216,507.82	27,216,507.82
22	Machakos	2.47718			-	80,260,709.98			80,260,709.98	80,260,709.98
23	Makueni	2.19328			-	71,062,215.40			71,062,215.40	71,062,215.40
24	Mandera	3.01752	105,875,624.67		105,875,624.67	97,767,578.59	86,625,511.10		184,393,089.68	290,268,714.35
25	Marsabit	1.96093			-	63,534,283.72			63,534,283.72	63,534,283.72
26	Meru	2.56678			-	83,163,614.00			83,163,614.00	83,163,614.00
27	Migori	2.16431			-	70,123,630.46			70,123,630.46	70,123,630.46
28	Mombasa	2.03902			-	66,064,254.72			66,064,254.72	66,064,254.72
29	Muranga	1.93892			-	62,821,060.03			62,821,060.03	62,821,060.03
30	Nairobi City	5.20842			-	168,752,730.83			168,752,730.83	168,752,730.83
31	Nakuru	3.52765			-	114,295,856.93			114,295,856.93	114,295,856.93
32	Nandi	1.89613			-	61,434,523.81			61,434,523.81	61,434,523.81
33	Narok	2.38546	83,698,544.31		83,698,544.31	77,288,838.05	68,480,627.16		145,769,465.21	229,468,009.53
34	Nyamira	1.38349			-	44,825,091.57			44,825,091.57	44,825,091.57
35	Nyandarua	1.53230			-	49,646,590.06			49,646,590.06	49,646,590.06
36	Nyeri	1.68255			-	54,514,535.68			54,514,535.68	54,514,535.68
37	Samburu	1.45144			-	47,026,548.03			47,026,548.03	47,026,548.03
38	Siaya	1.88462			-	61,061,557.51			61,061,557.51	61,061,557.51
39	Taita-Taveta	1.30764			-	42,367,654.03			42,367,654.03	42,367,654.03
40	Tana-River	1.76156	61,807,796.23		61,807,796.23	57,074,502.22	50,570,015.10		107,644,517.32	169,452,313.55
41	Tharaka-Nithi	1.13558			-	36,792,687.44			36,792,687.44	36,792,687.44
42	Trans-Nzoia	1.94631			-	63,060,522.65			63,060,522.65	63,060,522.65
43	Turkana	3.41054	119,665,577.86	825,000,000.00	944,665,577.86	110,501,485.34	97,908,200.06	675,000,000.00	883,409,685.40	1,828,075,263.26

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44	Uasin-Gishu	2.1868 5			-	70,853,901.10			70,853,901.10	70,853,901.10
45	Vihiga	1.3661 8			-	44,264,221.82			44,264,221.82	44,264,221.82
46	Wajir	2.5560 6	89,684,307 .90		89,684,307. 90	82,816,206.73	73,378. 070.10		156,194,276.8 3	245,878,584.73
47	West Pokot	1.7060 7	59,860,810 .11		59,860,810. 11	55,276,617.96	48,977. 026.45		104,253,644.4 1	164,114,454.52
	Total	100.00	858,000.00 0.00	1,650,000.0 00.00	2,508,000.0 00.00	3,240,000,000. 00	702,000 ,000.00	1,350,000 ,000.00	5,292,000,000 .00	7,800,000,000.00

Note:

****The commodity allocation is in-kind and will be received as drawing rights for the counties.

** The intervention allocation will be received as direct funds transfers to the counties

Implementation Arrangements	<p>The implementation support plan for the project is based on the following considerations:</p> <ul style="list-style-type: none"> a) All activities under Component 1 will be implemented by the MoH and KEMSA as part of their work program b) The county annual planning, budgeting, implementation, and monitoring will follow public financial management (PFM) process and county Governments will be responsible for implementation of the world bank approved activities. c) The county will put in place a county implementation team (CIT) to oversee project implementation d) The implementation of sub-component 2.3 will be undertaken in close coordination with Department for Refugee Services and UNHCR e) The Project Management Team (PMT) will coordinate both the county and national level activities. <p>Planning and Budgeting.</p> <ul style="list-style-type: none"> a) The planning and budgeting for project activities will be done in accordance with existing Government procedures and submitted to the project management team and cleared by the World Bank. b) The project planning and budgetary process shall be implemented in accordance with the standard Government fiscal year which begins on 1st July of each financial year as provided for by the Public Financial Management Act 2012 and the Government Financial Regulations and Procedures. These will form the basis for defining the project activities and ensuring that sufficient funds are allocated to achieve the agreed results. <p>Accounting and Staffing.</p> <ul style="list-style-type: none"> a) All the participating counties will be required to designate project finance staff (accountant and procurement) with adequate qualifications and experience to ensure project financial processes are well coordinated, including preparations of financial reports for the project. b) The proposed staff will be reviewed and cleared by the World Bank. c) The counties will maintain projects' books of account using the integrated financial management information system (IFMIS) and manual ledgers. There will be comprehensive start-up workshop where finance staff of the counties will be sensitized on FM requirements for the project to build capacity on managing the project. d) Additional training will be provided on a need basis during project implementation.
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Internal Control and Internal Audit.

- a) The project expenditure initiation, authorization and payments will be in line with PFM Act 2012 and PFM regulations (2015) of Kenya as elaborated and customized in the FM manual.
- b) Project work plans will be integrated into the internal audit work plans.
- c) Internal Audit reports covering project activities will be shared with the World Bank on a semi-annual basis (i.e. 30 June and 31 December).
- d) Regular internal audit, implementation support, monitoring and reporting will be undertaken.

Financial Reporting.

- a) The PMT Project Accountant at national level, will be responsible for preparation of financial reports for the project.
- b) An interim unaudited Financial Report shall be prepared by the counties and submitted to the PMT by the 15th day after the end of the quarter. The PMT shall consolidate and submit to the World Bank 45 days after the end of the quarter.
- c) The annual project financial statements shall be consolidated and submitted to the Office of the Auditor General (OAG) for external audit on or before September 30 of each financial year.
- d) The dedicated Project Accountants at national and counties levels will be provided with capacity building trainings at the commencement of the project which will include refresher financial reporting requirements among other financial management procedures.
- e) PMT finance team will regularly review financial reports by counties and identify any further tailored support that may be provided.

Institutional Arrangements for Procurement:

- a) The MoH will be the implementing agency responsible for procurement activities at the national level, while KEMSA will be responsible for procurement and distribution of HPTs to primary care facilities.
- b) Counties will conduct procurement on a need-by-need basis under Sub-components 2.1, 2.2 and 2.3, based on their AWP. Counties have gained significant experience in implementing World Bank-financed projects.
- c) The procurement decision making process will utilize the internal institutional structures of MoH, KEMSA and the counties.

Disbursements and Funds Flow.

- a) IDA disbursements will be made into the three Designated Accounts (DA) based on unaudited Quarterly Interim Financial Reports (IFRs) which would provide actual expenditure for the preceding half-year (six months) and cash flow projections for the next two quarters (six months).
- b) The initial advance will be disbursed based on initial cash flow requirement for at least the first six months.
- c) Subsequent disbursement will be based on the advance amount requested as per the approved interim financial report submitted in every quarter by the Project for both national and county level activities.
- d) The banking arrangements for purposes of funds flow will consist of three Development Accounts (DA) denominated in Euros (DA-A for national level activities, DA-B for county level activities and DA-C for the IDA grant for Refugee Health and extra support to the counties).

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	<p>e) There shall be two project accounts for receipt of funds from DA-A and DA-C.</p> <p>f) The project accounts shall be opened in Kenyan shillings at the CBK or financial institution acceptable to IDA and shall be to pay for eligible project activities.</p> <p>g) The funds received through DA-B shall be transferred through the exchequer to the MOH Development Account for transfer to the county revenue fund.</p> <p>h) Each participating county shall open a Special Purpose Account (SPA), at CBK.</p> <p>i) Disbursements from the DAs shall be triggered by the PS, SDPHPS to the project accounts for national level activities and for the grant and separately to the County Revenue Fund and subsequently to each of the County Special Accounts for county level activity implementation.</p> <p>j) The funds received through DA-A and DA-C shall be transferred through the exchequer to the MoH Project Accounts for implementation of national level activities, and transfer to the County Revenue Fund and to the Project Special Purpose Account where applicable.</p> <p>k) The disbursements to the counties will be based on a schedule prepared by the Project at National level upon confirmation that the counties have met all the stipulated conditions.</p> <p>l) The funds will then be disbursed to the county revenue fund based on this schedule.</p> <p>m) The accounting officer at the county level will then transfer the funds to the designated project special purpose account, at the CBK within 15 days of the receipt of funds at the CRF.</p> <p>n) A follow up letter will be drafted by all county accounting officers communicating the disbursements by county and allocation.</p> <p>o) To allow for adequate time to utilize the resources, there will be a maximum of 2 disbursements per financial year, with the first disbursement being 75% of the annual allocation for the county, disbursed within the first quarter of the financial year, and a second disbursement in the third quarter of the financial year.</p> <p>p) Triggers for the initial transfer from DA-B and DA-C to CRF will include the signing of the intergovernmental participation agreement, and approved county AWP&B.</p> <p>q) Subsequent transfer of funds from DA-B, and DA-C shall be based on consolidated advance request by the Project through the approved IFR.</p> <p>r) The funds transferred from the Ministry Development Account to the CRF shall be within 7 working days.</p> <p>Record Keeping and Asset Management:</p> <p>a) All records pertaining to the procurement and contract management activities including contract monitoring and payment records and contract completion will be retained by the implementing agencies in procurement files for each procurable activity in accordance with requirements of the financing agreement and uploaded in the STEP system on a timely basis.</p> <p>b) The Project will also ensure that all inventory, stores, and assets procured are received by respective beneficiary counties, taken on charge, and used by the counties for intended purposes.</p>
<p>Monitoring and Evaluation of Compliance of National and County Conditions</p>	<p>Monitoring and Evaluation activities to ensure compliance with the conditions will be done at both the national and county level.</p> <p>a) At the National Level, the Project Management Team is charged with the overall responsibility of coordinating Monitoring and Evaluation and ensuring the respective Directorates/Departments submit quarterly technical and financial reports.</p> <p>b) The counties will be responsible for submitting quarterly technical reports through the</p>

	Component 2 Coordinator at the Council of Governors.
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3. Frameworks for Administration of KFW (German Financial Cooperation) Credit Co-Financing of Financing Locally- Led Climate Action Program, (FLLoCA) CCRI- A GRANTS	
Ministry/State Department Responsible	The National Treasury
Accounting Officer Responsible for the National Government	Principal Secretary, The National Treasury
Responsibilities of the National Government Accounting officer	To ensure that the program is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	County Executive Committee Member in Charge of Finance and Planning
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Treasury through the Financing Locally Led Climate Action Program; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury & Economic Planning through the Financing Locally Led Climate Action Program who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2026/27 to the Project Account; • Submit County quarterly and annual financial, monitoring and performance reports to the National Treasury through County Treasury; • Inform Internal Audit Department of the National Treasury and Economic Planning of any complaints or grievances related to use of the Grant, and which department these complaints were referred to for action; • Quarterly budget implementation reports including information on implementation of projects financed from the KFW funded CCRI-A grants; • Project completion reports (M&E reports) for all completed projects funded by CCRI-A; • Summary of complaints handling relating to CCRI-A grants; • Summary of social and environmental impact management relating

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	<p>to CCRI-A grants;</p> <ul style="list-style-type: none"> • Ensure proper use of the CCRI- A Grant, i.e., within the eligible set of activities and for the intended purposes, according to plan and with a minimum of 80% of the budget for investments; • Ensure that for projects funded under the CCRI–A Grant, the CG had obtained environmental licenses, where applicable, prior to the start of the projects. 	
Conditions	<p>Grant Government FY2026/2027 – conditions to be met by 31st March</p> <p>The CG has</p> <ol style="list-style-type: none"> 1. The CG has a designated Climate Change Unit with designated environmental and social focal points. 2. The CG has a rolling County Climate Change Action Plan (CCCAP), approved by the County Executive, with concrete investment priorities for FY 2026/2027 and a forecast for activities in FY 2026/27, based on the earlier and consultatively updated PCRA, with evidence of ward level public participation, latter either directly or as part of the ADP consultations. 3. The CG has established a County Climate Change Fund (CCCF) and allocated for FY 24/25 the equivalent of at least 1.5% of the county’s development budget (excl. CCRI and other conditional grants) to it. 4. By the time of the APA assessment, at least 50% of the CG contribution to the CCCF and the first CCRI allocation in FY 2023/24 combined has been either paid or contracted. 5. Timely physical and financial progress reporting to NTPIU that includes reporting on environmental and social safeguards, grievance redress and M&E. 6. Proper use of the CCRI Grant, i.e., within the eligible set of activities and for the intended purposes, according to plan and with a minimum of 95% of the budget for investments. 7. For projects funded under the CCCF (including CCRI), the CG had undertaken environmental and social impact assessments and did obtain all applicable licenses prior to the start of the projects. 	
Allocation 2026/2027	Kes 1,200,000,000	
Purpose of the grant	The objectives of the CCRI – A Grant are to allow CGs to implement, equally in a participatory manner, the CCAPs, whilst incentivizing them to increasingly put additional county resources into the CCCF and mainstream climate action into the regular operations of the county departments.	
Allocation criteria	Based on Financing Agreement between the KfW and the Government of Kenya and annual work plans and budgets.	
Allocation by County		
County	KfW Contribution	Total

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	CCRIG-A	CCRIG-A
Transzoia		
Uasin Gishu		
Elgeyo Marakwet		
Nandi		
Kericho		
Bomet		
Kakamega		
Vihiga		
Bungoma	1,200,000,000	1,200,000,000
Busia		
Siaya		
Kisumu		
Homabay		
Migori		
Kisii		
Nyamira		
TOTAL	1,200,000,000	1,200,000,000

4. Framework for the Administration of IDA (World Bank) Credit (Financing Locally-Led Climate Action Program, FLLoCA) CCRI Grants	
Ministry/State Department Responsible	The National Treasury
Accounting Officer Responsible for the National Government	Principal Secretary, The National Treasury
Responsibilities of the National Government Accounting officer	To ensure that the program is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • County Executive Committee Member in Charge of Finance and Planning
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> i. Prepare Project AWP&B and share with the National Treasury –Program Implementation Unit; ii. Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; iii. The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury & Planning through the Financing Locally Led Climate Action Program who will trigger the disbursements iv. Ensure disbursement of Counterpart funding in the FY 2026/2027 to the Project Account; and v. Submit quarterly and annual financial, monitoring and

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	<p>performance reports to the National Treasury through County Treasury</p> <p>vi. Project completion reports (M&E reports) for all completed projects</p> <p>vii. Summary of complaints handling relating to Grant</p> <p>viii. Summary of social and environmental impact management relating to Grant</p>
Conditions	<p>Grant Government FY2026/2027– conditions to be met by 31st March</p> <p>The County Government (CG) has:</p> <ol style="list-style-type: none"> 1. The CG has a designated Climate Change Unit with designated environmental and social focal points. 2. The CG has a rolling County Climate Change Action Plan (CCCAP), approved by the County Executive, with concrete investment priorities for FY 2026/27 and a forecast for activities in FY 2026/27, based on the earlier and consultatively updated PCRA, with evidence of ward level public participation, latter either directly or as part of the ADP consultations. 3. The CG has established a County Climate Change Fund (CCCF) and allocated for FY 24/25 the equivalent of at least 1.5% of the county’s development budget (excl. CCRI and other conditional grants) to it. 4. By the time of the APA assessment, at least 50% of the CG contribution to the CCCF and the first CCRI allocation in FY 2023/24 combined has been either paid or contracted. 5. Timely physical and financial progress reporting to NTPIU that includes reporting on environmental and social safeguards, grievance redress and M&E. 6. Proper use of the CCRI Grant, i.e., within the eligible set of activities and for the intended purposes, according to plan and with a minimum of 95% of the budget for investments. 7. For projects funded under the CCCF (including CCRI), the CG had undertaken environmental and social impact assessments and did obtain all applicable licenses prior to the start of the projects.
Allocation 2026/2027	Kes 6,187,500,000
Purpose of the grant	The main purpose of the CCRI Grant is to encourage and financially facilitate County Governments to implement the County Climate Action Plans (CCAPs) as prepared in a participatory manner, whilst at the same time incentivizing them to increase County contributions into the County Climate Change Fund (CCCF) and mainstreaming climate action into the regular operations of the county departments.
Allocation criteria	<p>Basic CCRI allocation criteria shall be follows:</p> <ol style="list-style-type: none"> i. The allocation formula has three variables being the county’s rural population, the county’s rural area and the county’s multidimensional poverty, the latter is a proxy for climate risks and vulnerability; ii. the Accounting Officer responsible for the grant, shall for each eligible transfers county government, carry out or cause to be carried out, in accordance with the participatory agreement between the National Government and each eligible county government, through the APA Firm, an assessment to determine the eligible county government's performance score for purposes of determining the Performance grant

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	<p>allocation for the financial year 2026/2027;</p> <p>iii. The calculations will be done by the PIU, on the basis of above-mentioned data and the certified APA results, using a template spreadsheet from the PIU to guarantee total transparency. The calculated allocations shall be certified by the PSC to become effective, after which the necessary steps will be taken to reflect the allocations in the National budget.</p> <p>iv. the allocation to the eligible county governments shall be on the basis of the criteria comprising of the performance score determined in paragraph;</p> <p>v. the Cabinet Secretary shall publish in the Kenya Gazette the allocations determined in terms of paragraph (iii) above.</p>
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Allocation by County

County	CCRIG	
Kwale		
Kilifi		
Tana River		
Lamu		
Taita Taveta		
Garissa		
Wajir		
Mandera		
Marsabit		
Isiolo		
Meru		
Tharaka Nithi		
Embu		
Kitui		
Machakos		
Makueni		
Nyandarua		
Nyeri		
Kirinyaga		
Murang'a	6,187,500,000	
Kiambu		
Turkana		6,187,500,000
West Pokot		
Samburu		
Transzoia		
Uasin Gishu		
Elgeyo Marakwet		
Nandi		
Baringo		
Laikipia		
Nakuru		

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Narok		
Kajiado		
Kericho		
Bomet		
Kakamega		
Vihiga		
Bungoma		
Busia		
Siaya		
Kisumu		
Homabay		
Migori		
Kisii		
Nyamira		
TOTAL	6,187,500,000	6,187,500,000

5. Framework for the Administration of IDA (World Bank) Credit (Food Systems Resilience Project - FSRP) IDA Credit Number: 7327-KE & 7328-KE – FRAMEWORKS FOR 2026/2027	
Ministry/State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Agriculture
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the intended beneficiaries and the Country as a whole.
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture Livestock, Fisheries and Irrigation who will trigger the disbursements • Ensure disbursement of Counterpart funds as per the approved budget • Submit quarterly and annual financial and performance reports to the

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	National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank through the County Treasury - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement
Allocation 2026/27	FSRP Counties.....Ksh 3,965,000,000.00
Purpose of the grant	'To increase preparedness against food insecurity and improve the resilience of food systems in targeted project areas of Kenya'
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and annual work plans and budgets.

COUNTY ALLOCATIONS

County	IDA(Ksh)	County Contribution (Ksh)	Total (Ksh)
Baringo	298,614,890.28	5,000,000.00	303,614,890.28
Elgeyo-Marakwet	276,625,581.58	5,000,000.00	281,625,581.58
Garissa	329,821,407.43	5,000,000.00	334,821,407.43
Isiolo	276,396,763.48	5,000,000.00	281,396,763.48
Laikipia	280,390,789.37	5,000,000.00	285,390,789.37
Lamu	257,501,061.63	5,000,000.00	262,501,061.63
Mandera	318,274,392.79	5,000,000.00	323,274,392.79
Marsabit	320,109,840.49	5,000,000.00	325,109,840.49
Samburu	278,702,416.48	5,000,000.00	283,702,416.48

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Tana-River	288,659,119.51	5,000,000.00	293,659,119.51
Turkana	352,146,211.56	5,000,000.00	357,146,211.56
Wajir	334,442,979.37	5,000,000.00	339,442,979.37
West-Pokot	288,314,546.03	5,000,000.00	293,314,546.03
Total	3,900,000,000.00	65,000,000.00	3,965,000,000.00

6. Framework for the Administration of IDA (World Bank) Credit (National Agricultural Value Chain Development Project; NAVCDP)	
Ministry/State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Agriculture
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the Country
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Project AWP&B and share with the National Government Coordination Unit; • Ensure that the Project AWP&B, upon approval by County Project Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture and Livestock Development who will trigger the disbursements • Ensure disbursement of Counterpart funding in the FY 2026/27 to the Project Account; and • Submit quarterly and annual financial and performance reports to the National Treasury
Conditions	<ul style="list-style-type: none"> - To ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country - Both levels of government will ensure that respective spending units have made provisions for co-financing in the AWP&Bs; - The National Government will ensure that the funds disbursed by World Bank are subsequently disbursed to spending units (both National and Counties) in reasonable time not to delay implementation of Project activities - Ensure project budgets are included in the annual budget estimates of the ministry - Submit quarterly and annual financial and performance reports to the National Treasury and World Bank. - Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of

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	Agriculture and Livestock Development and Governors of the participating Counties on prudent management of the Project funds - Monitor and evaluate performance of the allocation and report to the National Treasury - Ensure that annual audits are undertaken as per the Financing agreement		
Allocation 2026/27	Kes 3,560,000,000 - IDA		
Purpose of the grant	To increase market participation and value addition for targeted farmers in select value chains in project areas		
Allocation criteria	Based on Financing Agreement between the IDA and the Government of Kenya and Annual Work plans and Budgets.		
Allocation by County			
County	IDA Contribution	County Government counterpart contributions	Total
	(a)	(b)	c = a+b
Kwale	105,000,000	5,000,000	110,000,000
Kilifi	105,000,000	5,000,000	110,000,000
Taita/Taveta	105,000,000	5,000,000	110,000,000
Meru	105,000,000	5,000,000	110,000,000
Embu	105,000,000	5,000,000	110,000,000
Kitui	105,000,000	5,000,000	110,000,000
Machakos	105,000,000	5,000,000	110,000,000
Makueni	105,000,000	5,000,000	110,000,000
Nyandarua	105,000,000	5,000,000	110,000,000
Nyeri	105,000,000	5,000,000	110,000,000
Kirinyaga	105,000,000	5,000,000	110,000,000
Murang'a	105,000,000	5,000,000	110,000,000
Kiambu	105,000,000	5,000,000	110,000,000
Trans Nzoia	105,000,000	5,000,000	110,000,000
Uasin Gishu	105,000,000	5,000,000	110,000,000
Nandi	105,000,000	5,000,000	110,000,000
Nakuru	105,000,000	5,000,000	110,000,000
Narok	105,000,000	5,000,000	110,000,000
Kericho	105,000,000	5,000,000	110,000,000

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Bomet	105,000,000	5,000,000	110,000,000
Kakamega	105,000,000	5,000,000	110,000,000
Busia	105,000,000	5,000,000	110,000,000
Homa Bay	105,000,000	5,000,000	110,000,000
Migori	105,000,000	5,000,000	110,000,000
Kisii	105,000,000	5,000,000	110,000,000
Bungoma	105,000,000	5,000,000	110,000,000
Vihiga	105,000,000	5,000,000	110,000,000
Nyamira	105,000,000	5,000,000	110,000,000
Siaya	105,000,000	5,000,000	110,000,000
Tharaka Nithi	105,000,000	5,000,000	110,000,000
Kisumu	105,000,000	5,000,000	110,000,000
Kajiado	105,000,000	5,000,000	110,000,000
Mombasa	100,000,000	5,000,000	105,000,000
Nairobi	100,000,000	5,000,000	105,000,000
Total	3,560,000,000	170,000,000	3,730,000,000

7. Framework for the Administration of Water and Sanitation Development Project (WSDP)

Name of Additional Allocation	IDA (World Bank) Credit 6029 & 6030 KE
Ministry/ State Department Responsible	Ministry of Water, Sanitation and Irrigation - State Department for Water and Sanitation
Accounting Officer of National Government Responsible	PS, State Department for Water and Sanitation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the Ministry for FY 2026/2027 and reflected in County Government Additional Allocations Act (CGAAA). • Initiate request for disbursement of funds supported by approved procurement and work plans. • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each county Governments. • Monitor and evaluate performance of the allocation and report to the National Treasury.
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the County Government. • Prepare an Annual Work Plan and Budget which must be approved by the National Project Steering Committee. • The funds shall be used only for approved Water and Sanitation activities under the Programme. • Upon receipt of a disbursement, the Principal Secretary National Treasury shall be informed of the disbursement details through

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	<ul style="list-style-type: none"> Principal Secretary State Department for Water and Sanitation. County Government MUST provide a report/proof of utilization of funds released before requesting for additional transfers.
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> Accounting officer responsible for Water and Sanitation in the County Government
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2026/27. Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Principal Secretary, State Department for Water and Sanitation - Ministry of Water, Sanitation and Irrigation Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2026/27	Kshs 850,000,000
Purpose of the Grant/Loan	For implementation of Water and Sanitation activities to increase water and sanitation coverage in select coastal and Northeastern Counties.
Allocation Criteria	Based on the Subsidiary/County Participation Agreement and approved procurement and work plans.
Allocation by County	
1. Wajir	Kshs.200,000,000
2. Garissa	Kshs. 100,000,000
3. Mombasa	Kshs. 100,000,000
4. Taita Taveta	Kshs. 100,000,000
5. Kwale	Kshs. 150,000,000
6. Kilifi	Kshs. 200,000,000
TOTAL	Kshs. 850,000,000

8. Framework for the Administration of IDA (World Bank) credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	
Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing & Urban Development.
Accounting officer Responsible	Principal Secretary- State Department of Housing and Urban Development.
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> Ensure funds are included in the budget estimates of the ministry for the FY 2026/27 Submit quarterly and annual financial and performance reports to the National Treasury and World Bank Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> County government has committed itself to participation in KUSP County government has drawn up its County Urban Institutional Development Strategy (CUIDS) Use of previous year's UIG has been as <p>per approved CUIDS and is consistent with eligibility and guidelines in the POM</p> <ul style="list-style-type: none"> County government has utilized at least <p>50 percent of the UIG towards activities benefiting eligible urban boards participating in KUSP2</p>

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	<ul style="list-style-type: none"> County government has utilized at least 30 percent of funds for climate change related activities within the eligible expenditure menu in categories (1) Policy/regulatory, (2) Urban Planning, (4) Urban Resilience, (5) Asset Management, (8) Capacity Building
Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Accounting officer of the County Government responsibility	<ul style="list-style-type: none"> Ensure funds are included in the budget estimates of the relevant department for the FY 2026/2027 Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the State Department of Housing and Urban Development Monitor and evaluate performance of the allocation and report to the County Treasury.
Allocation: 2026/27	<p>KES: 954,734,992</p> <p>This is also based on the findings of the Annual performance Assessment for 2026/2027 (APA3) & maximum allocation of APA3</p>
Purpose of the grant	Provide support to participating County Governments for the formulation of urban development plans including the establishment and operation of urban institutional arrangements such as charters, boards administrations and operation of Urban Institutional arrangements and for the initial preparation of urban infrastructure investments.
Allocation criteria	<p>Each of the eligible 45 counties will access the UIG, set at a flat rate and made available for the first three years of the Program as follows: US\$250,000 (approx. Ksh. 35,500,000) in year 1 US\$200,000 (approx. Ksh. 26,000,000) in year 2 and US\$100,000 (approx. Ksh. 14,200,000) in year 3</p> <p>For WHR, The grant will be allocated at a flat rate of US\$ 500,000 equivalent kes 65Mllion annually for 5 years. For the counties to access the grant, county governments will need to comply with WHR UIG MCs.Failure to satisfy any MC will disqualify the county from accessing the WHR UIG grant.</p>

	County	UIG ALLOCATION 2026/27KES
1	Baringo	
2	Bomet	
3	Bungoma	
4	Busia	
5	Elgeyo Marakwet	
6	Embu	
7	Garissa	
8	Homa bay	
9	Isiolo	
10	Kajiado	
11	Kakamega	
12	Kericho	

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13	Kiambu	
14	Kilifi	
15	Kirinyaga	
16	Kisii	
17	Kisumu	
18	Kitui	
19	Kwale	
20	Laikipia	
21	Lamu	
22	Machakos	
23	Makueni	
24	Mandera	
25	Marsabit	
26	Meru	
27	Migori	
28	Muranga	
29	Nakuru	
30	Nandi	
31	Narok	
32	Nyamira	
33	Nyandarua	
34	Nyeri	
35	Samburu	
36	Siaya	
37	Taita Taveta	
38	Tana River	
39	Tharaka Nithi	
40	Trans Nzoia	
41	Turkana	
42	Uasin Gishu	
43	Vihiga	
44	Wajir	
45	West Pokot	
	TOTAL	954,734,992

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9. Framework for the Administration of IDA (World Bank) credit: Second Kenya Urban Support Project (KUSP2)- Urban Development Grant (UDG)	
Ministry/State Department Responsible	Ministry of Lands, Public Works, Housing & Urban Development.
Accounting officer	Principal Secretary- State Department of Housing and Urban Development.
Responsibilities of the National Government accounting officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the ministry for the FY 2026/2027 • Submit quarterly and annual financial and performance reports to the National Treasury and World Bank • Monitor and evaluate performance of the allocation and report to the National Treasury
Conditions	<ul style="list-style-type: none"> • County government has committed itself to participate in KUSP2; • Municipal status is established; • Municipal Board is established; • Municipal Administration is in place; • Municipal Budget Vote is included in the County budget; • The participating urban area has a budget vote which is reported on accordingly • The Annual Urban area investment plan is available; • Use of previous UDG is in accordance with eligible investment menu; • Municipal procurement & contract management are within prescribed budget thresholds and contracting procedures; • Annual County Annual Development Plan shows at least 50 percent of funds is allocated towards activities benefiting eligible urban boards participating in KUSP2. Expenditure statement validates the actual use of the funds accordingly
Performance Standards	<ul style="list-style-type: none"> • Municipal manager's Job Description publicly available. • Quarterly board meetings held. • Citizen fora (public consultations between urban board and residents, including plan and budget consultations) have been held at least once a year. • Urban board has made key documents publicly available • Urban board publishes its annual calendar of citizens' fora • Urban board has adopted urban area budget based on the budget ceiling. • Urban IDeP submitted by the municipal administrator, and reviewed and approved by the municipal board • Urban spatial plan completed and approved • Board adopts a SWM policy and operations • Previous year's UDG projects completed.
Accounting officer of the County Government responsible	Accounting officer responsible for Housing and Urban Development in the County government
Accounting officer of the County Government responsibility	<ul style="list-style-type: none"> • Supporting and guiding Municipal Boards/Administrations in preparing budgets and forwarding them for approval by the County Assembly • Establishing urban institutions for effective urban management; • Monitor and evaluate performance of the allocation and report to the County Treasury. • capacity building and technical backstopping of Municipal Boards/Administrations; • Managing the flow of Program funds at this level, and consolidating the fiscal reporting from Municipal Boards for onward submission to the National Treasury; and State Department of Housing and Urban Development • Generally exercising oversight on the performance of the Municipal

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	Boards.
Allocation: 2026/ 2027	<p>Kes.16,703,171,420</p> <p>This is the allocation during the recently concluded Sector Budget Working Group for UDG.</p> <p>The 3rd Annual Performance Assessment for the Urban Development Grant (UDG) will be conducted in 45 Counties and the 79 Urban Areas, with the results expected to be ready by mid-February 2026 This is a performance Grant and the eventual disbursed amounts per county/ municipality will be based on the APA results.</p> <p>We are therefore submitting the KUSP II framework FY 2026/2027 as block figure as we await the finalization of the Annual performance Assessment in February 2026</p>
Purpose of the grant	Provide support to urban boards and administrators within the respective participating County Govts for financing infrastructure investments in urban areas.
Allocation criteria	<p>Based on financing agreement between the IDA and the Government of Kenya.</p> <p>-UDG Performance Allocation of Kes 2,340 per head using the urban area population data of 2019 census</p> <p>-UDG Minimum floor of Kes. 52 million</p> <p>However, due to limited fiscal space the allocation formula has been harmonized at 65% to fit within the allocated budgeted.</p> <p>-WHR UDG Kes 2,600 per head using the urban area population data of 2019 censuses</p> <p>1st year 40% of maximum allocation.</p> <p>2nd Year 90% ofz maximum allocation</p> <p>3rd Year 100% maximum allocation</p>

S/n	County	Municipality	UDG 2026/27KES
1	Baringo	Kabarnet	
2	Bomet	Bomet	
3	Bungoma	Bungoma	
	Bungoma	Kimilili	
4	Busia	Busia	
	Busia	Malaba	
5	Elgeyo Marakwet	Iten	
6	Embu	Embu	
7	Garissa	Garissa	
8	Homa bay	Homa Bay	
	Homa bay	Oyugis	
9	Isiolo	Isiolo	
	Kajiado	Kitengela	
10	Kajiado	Ngong	
	Kajiado	Kajiado	
11	Kakamega	Kakamega	
	Kakamega	Mumias	
12	Kericho	Kericho	
13	Kiambu	Ruiru	
	Kiambu	Kikuyu	
	Kiambu	karuri	
	Kiambu	Juja	
	Kiambu	Kiambu	
	Kiambu	Limuru	
14	Kiambu	Thika	

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	Kilifi	Malindi	
	Kilifi	Kilifi	
15	Kirinyaga	Kerugoya	
16	Kisii	Kisii	
17	Kisumu	Kisumu	
	Kisumu	Ahero	
18	Kitui	Kitui	
	Kitui	Mwingi	
19	Kwale	Ukunda	
	Kwale	Kwale	
20	Laikipia	Rumuruti	
	Laikipia	Nanyuki	
21	Lamu	Lamu	
22	Machakos	Machakos	
	Machakos	Mavoko	
	Machakos	Kangundo Tala	
23	Makueni	Wote	
	Makueni	Emali/Sultan	
24	Mandera	Mandera	
	Mandera	El Wak	
25	Marsabit	Marsabit	
26	Meru	Meru	
	Meru	Maua	
27	Migori	Migori	
	Migori	Rongo	
	Migori	Awendo	
	Migori	Kehancha	
28	Muranga	Muranga	
	Muranga	Kenol	
29	Nakuru	Nakuru	
	Nakuru	Naivasha	
	Nakuru	Gilgil	
30	Nandi	Kapsabet	
31	Narok	Narok	
	Narok	Kilgoris	
32	Nyamira	Nyamira	
33	Nyandarua	Ol Kalao	
	Nyandarua	Engineer	
34	Nyeri	Nyeri	
35	Samburu	Maralal	
36	Siaya	Siaya	
	Siaya	Bondo	
37	Taita Taveta	Mwatate	
38	Tana River	Hola	
39	Tharaka Nithi	Kathwana	
	Tharaka Nithi	Chuka	
40	Trans Nzoia	Kitale	
41	Turkana	Lodwar	
42	Uasin Gishu	Eldoret	
43	Vihiga	Mbale	
44	Wajir	Wajir	
45	West Pokot	Kapenguria	
46	Garissa	Daadab	
47	Turkana	Kakuma	

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TOTAL		16,703,171,420.00
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10. Framework for the Administration of Kenya Livestock Commercialization Project (KelCoP)	
Ministry/ State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting officer of National Government Responsible	Principal Secretary, State Department for Livestock Development
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none">• Ensure project allocations are as per Annual Work Plan and Budget (AWPB) are included in the budget estimates of the Ministry for the FY 2026-27• Receive quarterly and annual financial and non-financial reports from the counties and consolidate.• Submit quarterly and annual financial and performance reports to the National Treasury and Economic Planning• Monitor and evaluate performance of the allocation and report to the National Treasury
Accounting Officer of County Government Responsible	Chief Officer Responsible for Livestock
Responsibilities of the County Government Accounting Officers	<ul style="list-style-type: none">• Prepare the County Annual Work Plan and Budget (AWPB), based on the previous year's activity and budget performance and share with Project Management and Coordination Unit (PMCU) Nakuru• Ensure the county budgets are approved by County Assembly.• Ensure that the AWPB upon approval by County Project Coordination Committee (CPCC) is submitted to the PMCU for consolidation and submission to Project Steering Committee/IFAD approval.• The county accounting officer upon approval of the budget by respective CPCC shall submit disbursement requests to Project Management and Coordination Unit Nakuru, through Statement of Expenditures for reimbursements.• Ensure disbursement of Kshs 378,730,000 on quarterly basis following submission of acceptable statement of expenditures (SoEs). The Project funds shall be credited to the Project account through respective bank account• Submit quarterly and annual financial & non-financial performance reports to the Project Management and Coordination Unit in Nakuru and separate copies to each county government.
Conditions	<ul style="list-style-type: none">• The preparation of AWPB ensuring a bottom up approach and timely submissions for inclusions in GoK overall approved budget estimates including inclusion in the schedule for conditional allocations to County Governments from loans from development partners (CARA).• The Annual Work Plan and Budget (AWPB) shall have been approved by PSC and received IFAD's NO Objection;• County Governments will ensure that the funds disbursed by IFAD through the National Government are subsequently disbursed to respective spending units (From County Revenue Fund to County Project Operational

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	<p>Accounts) within the shortest time possible preferable 5 working days.</p> <ul style="list-style-type: none"> Operational accounts in commercial banks for counties shall have received authority from national treasury. Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Principal Secretary, State Department for Livestock and Governors of each of the ten project counties on prudent management of the project funds Submission of financial and non-financial reports with respect to prior funding is a prerequisite for the next funding to all spending units. Accounting officer, State Department for Livestock Development will additionally submit consolidated report for all 10 spending units
Allocation: 2026/27	KES 378,730,000
Purpose of the grant	<p>Project Goal: Contribute to the Government's agriculture transformation Agenda of increasing rural small-scale farmers' incomes, food and nutrition security.</p> <p>Development Objective: Increase incomes of 110,000 poor livestock and pastoralist households, especially youth and women, in an environmentally friendly manner, in selected project areas of the 10 participating counties.</p>
Allocation criteria	<ul style="list-style-type: none"> The criteria for allocation of county funds is based on financing agreement between IFAD and Government of Kenya and Project Design Report where it considered aridity of project counties i.e. semi-arid, arid and highland areas and coverage of the selected project wards in each county. It will also be based on the approved AWPB for FY 2026/2027

Allocation by County

	[A]	[B]	Total Allocations [C]=[A]+[B]
Counties	IFAD Contribution	National Government (MoALD-SDDL) Contribution	Total
Baringo County	40,150,000	0	40,150,000
Bungoma County	33,500,000	0	33,500,000
Busia County	33,500,000	0	33,500,000
Elgeyo Marakwet	40,150,000	0	40,150,000
Kakamega County	33,500,000	0	33,500,000
Marsabit County	50,150,000	0	50,150,000
Nakuru County	34,150,000	0	34,150,000
Samburu County	46,630,000	0	46,630,000
Siaya County	33,500,000	0	33,500,000
Trans Nzoia County	33,500,000	0	33,500,000
TOTAL	378,730,000	0	378,730,000

11. Framework for the administration of German Development Bank (KfW)- Drought Resilience Programme in Northern Kenya (DRPNK)

Ministry/State Department Responsible	Ministry of Water, Sanitation and Irrigation/State Department for Irrigation
Accounting Officer of National Government Responsible	Principal Secretary, State Department for Irrigation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> Overall fiduciary responsibility for the project funds; Ensure programme allocations are as per Annual Investment Plans & are included in the budget estimates of the State Department for

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	<p>Irrigation for the FY 2026/27;</p> <ul style="list-style-type: none"> • Endorses and transmits Withdrawal Applications and payment requests to the National Treasury- triggers disbursement requests; • Review of quarterly progress reports and transmission to KfW; • Review of Annual Investment Plans (AIPs) against Programme eligibility criteria and approval through JPSC; • Procurement of Implementation Support Consultant (ISC); • Capacity building of county staff; • Oversights and provides policy guidance for programme implementation; • Monitoring and evaluation of performance of funds allocated and reporting to the National Treasury and KfW.
<p>Conditions</p>	<ul style="list-style-type: none"> • The County Governments to ensure Disposition Funds/Additional Allocations are immediately transferred to the Special Purpose Account for the project upon receipt into the County Revenue Fund (CRF) from the National Treasury. • The entire process of transfer of funds from the time KfW releases them to the time they are received at the CRF/SPA should be within 21 days; • Ensure that sufficient partner contributions have been budgeted for and is provided in time to meet operation costs for programme implementation; • Counties must adhere to the requirements and implementation modalities in the Separate Agreement on prudent use and management of the programme funds on eligible expenditures; • Community commitment to provide its partner contribution in kind; • Evidence of the use of funds is to be presented to KfW at the latest four months after the preceding replenishment or at the last period evidenced if no replenishment has been effected; • Project funds are replenished upon accounting by the counties for the previous disbursement; • Annual audit report by external auditor be submitted 3 months after the end of the FY; • Implementation must be within the predetermined clusters.
<p>Accounting Officer of County Government Responsible</p>	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture or Water ❖ Turkana County: Chief Officer for Agriculture and Land Reclamation ❖ Marsabit County: Chief Officer for Food Security and Crops Development
<p>Responsibilities of the County Government Accounting Officer</p>	<ul style="list-style-type: none"> • Overall coordination and quality assurance, primary responsibility for effective and efficient implementation; • Bears fiduciary responsibility for the funds transferred to the county as additional allocation through the Disposition Funds; • Preparation of Annual Investment Plans (AIPs), which upon approval by Joint Programme Steering Committee (JPSC) is submitted to the County Treasury and captured in county budget; • Initiate request for funds disbursement from the NG; • Signs withdrawal applications and payment requests and transmits them to the County Treasury; • Financial and technical reporting and transmission of quarterly progress

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	reports to National Programme Coordinating Unit (NPCU); <ul style="list-style-type: none"> • Responsible for day-to-day programme implementation including procurement; • Defines ad hoc committees for tender evaluation;
Total Allocation in the 2026/27 Financial Year	KES 853,600,000.00
Purpose of the grant	To ensure that drought resilience and climate change adaptive capacities of the pastoral and agro-pastoral production systems and livelihoods in selected areas of Turkana and Marsabit County are strengthened on a sustainable basis by constructing and rehabilitating relevant infrastructure.
Allocation Criteria	<ul style="list-style-type: none"> • Based on financing agreement between the Government of Kenya and the Government of the Federal Republic of Germany, through KfW and; • Approved Annual Investment Plans (AIPs) prepared by the county governments.
Allocation per County	
County	Conditional Allocation (Ksh.)
1 Marsabit (Loan)	308,000,000.00
2 Turkana (Grant)	545,600,000.00
TOTAL	853,600,000.00

12. Framework for the administration of IFAD Credit (Integrated Natural Resources Management Programme- INReMP) IFAD Credit Number:200000523100 – FRAMEWORKS FOR 2026/2027	
Ministry/State Department Responsible	Ministry of Agriculture and Livestock Development
Accounting Officer Responsible for the National Government	Principal Secretary, State Department for Agriculture
Responsibilities of the National Government Accounting officer	To ensure that the project is implemented within the agreed time lines as per the financing agreement and that funds are spent as per the approved budgets and work plans to achieve the intended project outcomes for the benefit of the intended beneficiaries and the Country as a whole.
Accounting Officer of County Government Responsible	<ul style="list-style-type: none"> • Chief Officer responsible for Agriculture
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> • Prepare Programme AWP&B for the respective County and share with the Programme Coordination and Management Unit; • Ensure that the Project AWP&B, upon approval by County Programme Steering Committee is submitted to the County Treasury and captured accordingly; • The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the National Treasury through the Ministry of Agriculture and Livestock Development who will trigger the disbursements • Submit quarterly and annual financial and performance reports to the National Treasury through County Treasury
Conditions	<ul style="list-style-type: none"> • Ensure that the project is implemented within the agreed timelines as per the financing agreement and that funds are spent as per the approved budgets, work plans to achieve the intended project outcomes for the benefit of the Country • Both levels of government will ensure that respective spending units have made

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	<p>provisions for co-financing in the AWP&Bs;</p> <ul style="list-style-type: none"> • The National Government will ensure that the funds disbursed by IFAD are subsequently disbursed to spending units (both national and counties) in reasonable time not to delay implementation of Project activities • Ensure project budgets are included in the annual budget estimates of the ministry • Submit quarterly and annual financial and performance reports to the National Treasury and IFAD through the County Treasury • Both levels will adhere to the requirements of Memorandums of Understanding (MoUs) signed between the Cabinet Secretary, Ministry of Agriculture, Livestock, Fisheries and Irrigation and Governors of the participating Counties on prudent management of the Project funds • Monitor and evaluate performance of the allocation and report to the National Treasury • Ensure that annual audits are undertaken as per the Financing agreement 		
Allocation 2026/27	INReMP Counties.....KSh 812,442,000		
Allocation criteria	Based on Financing Agreement between the IFAD and the Government of Kenya and annual work plans and budgets.		
Allocation per County			
County	IFAD (a)	County Contribution (b)	Total (a+b)
West Pokot	81,244,200		81,244,200
Elgeyo Marakwet	81,244,200		81,244,200
Trans Nzoia	81,244,200		81,244,200
Uasin Gishu	81,244,200		81,244,200
Kericho	81,244,200		81,244,200
Kisumu	81,244,200		81,244,200
Homa Bay	81,244,200		81,244,200
Migori	81,244,200		81,244,200
Nandi	81,244,200		81,244,200
Kakamega	81,244,200		81,244,200
Total	812,442,000		812,442,000

13. Framework for the management of the IDA (World Bank) CREDIT - Second Kenya Devolution Support Program - Institutional Grant (Level 1 Grant) in the FY 2026/27	
Ministry/State Department Responsible	State Department For Devolution
Accounting Officer Responsible for the National Government	Principal Secretary, State Department For Devolution
Responsibilities of the National Government Accounting officer	To ensure that Counties deliver on their mandate under the Second Kenya Devolution Support Program through resource mobilization, determined procedures and requirements for accessing resources, eligibility, disbursement and fiduciary standards. This will be achieved through approved budgets and work plans that are intended to benefit of the County and participatory approaches.
Accounting officer of County Government	County Chief Officer in Charge of Devolution

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Responsible	
Responsibilities of the County Government accounting officer	<ul style="list-style-type: none"> ix. Prepare Program AWP&B and share with the State Department for Devolution –National Program Coordination Unit; x. Ensure that the Program AWP&B, upon approval by County Program Steering Committee is submitted to the County Treasury and captured accordingly; xi. The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the State Department for Devolution through the National Program Coordination Unit who will trigger the disbursements xii. Submit quarterly and annual financial, monitoring and performance reports to the National Program Coordination Unit through County Program Implementation unit(CPIU) xiii. Prepare and submit Summary of complaints handling relating to Grant
Conditions	<ul style="list-style-type: none"> i. Sign a Participation Agreement providing for, among others, publishing of budget and expenditure data ii. Establish and maintain program institutional arrangements iii. Prepare approved work plans, cash plans, and budgets consistent with the agreed methodology and standards iv. Have a Qualified or Unqualified audit opinion v. Report on implementation progress and use of Program funds vi. Timely release of KDSP II funds from the County Revenue Fund (CRF) to the Special Purpose Account (SPA).
Total Allocation for FY 2026/2027	Kshs. 1,762,500,000
Purpose of the grant	The main purpose of the Level 1 Grants is to incentivize Counties to set up core governance and institutional arrangements for the management of public resources, which will enhance capacity, facilitate achievement of Program results, and support Program coordination
Allocation criteria	Subject to the achievement of all applicable results, each of the eligible counties will access (receive) a flat amount of Kshs. 37,500,000 for FY 2026/2027

Allocation per County (Kshs.)	
County	INSTITUTIONAL GRANT (LEVEL 1 GRANT)
1. Mombasa	1,762,500,000
2. Kwale	
3. Kilifi	
4. Tana River	
5. Lamu	
6. Taita Taveta	
7. Garissa	
8. Wajir	
9. Mandera	
10. Marsabit	
11. Isiolo	
12. Meru	
13. Tharaka Nithi	
14. Embu	
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16. Machakos	
17. Makueni	
18. Nyandarua	
19. Nyeri	
20. Kirinyaga	
21. Murang'a	
22. Kiambu	
23. Turkana	
24. West Pokot	
25. Samburu	
26. Trans Nzoia	
27. Uasin Gishu	
28. Elgeyo Marakwet	
29. Nandi	
30. Baringo	
31. Laikipia	
32. Nakuru	
33. Narok	
34. Kajiado	
35. Kericho	
36. Bomet	
37. Kakamega	
38. Vihiga	
39. Bungoma	
40. Busia	
41. Siaya	
42. Kisumu	
43. Homa Bay	
44. Migori	
45. Kisii	
46. Nyamira	
47. Nairobi	
TOTAL	1,762,500,000

14. Framework for the management of the IDA (World Bank) CREDIT - SECOND KENYA Devolution Support Program - Service Delivery and Investment Grant (Level 2 Grant) in the FY 2026/27

Name of the Project/Programme: Second Kenya Devolution Support Program - Service Delivery and Investment Grant (Level 2)

Ministry/State Department Responsible: State Department For Devolution

Accounting Officer for the Responsible National Government Entity: Principal Secretary, State Department For Devolution

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Responsibilities of the National Government Accounting officer	To ensure that Counties deliver on their mandate under the Second Kenya Devolution Support Program through resource mobilization, determined procedures and requirements for accessing resources, eligibility, disbursement and fiduciary standards. This will be achieved through approved budgets and work plans that are intended to benefit of the County and participatory approaches.
Accounting officer of County Government Responsible	County Chief Officer in Charge of Devolution
Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> xiv. Prepare Program AWP&B and share with the State Department for Devolution – National Program Coordination Unit; xv. Ensure that the Program AWP&B, upon approval by County Program Steering Committee is submitted to the County Treasury and captured accordingly; xvi. The County Accounting Officer, upon approval of the budget by respective county department shall submit disbursement requests to the State Department for Devolution through the National Program Coordination Unit who will trigger the disbursements xvii. Submit quarterly and annual financial, monitoring and performance reports to the National Program Coordination Unit through County Program Implementation unit (CPIU) xviii. Prepare and submit Project completion reports (M&E reports) for all completed projects xix. Prepare and submit Summary of complaints handling relating to Grant
Conditions	<ul style="list-style-type: none"> i. Has prepared a work plan and budget for use of the investment grant in the next fiscal year ii. Has disclosed stock of pending bills iii. Has disclosed OSR collection iv. Has established a county SPMU v. Has (i) developed implementation plans for HR and skills audit; (ii) developed implementation plans for special payroll audits; and (iii) published staffing levels aligned with approved structures and staff establishment vi. Has screened proposed infrastructure investments (which will also include feasibility studies and E&S screening for proposed investments) vii. Has trained gender officers aligned with approved training programs viii. Has established CPIUs.
Total Allocation for FY 2026/2027	Kshs. 7,755,000,000
Purpose of the grant	The objectives of the Service Delivery and Investment Grant (Level 2) – Grant is to provide financing for investments in county infrastructure and service delivery with the aim of incentivizing enhanced performance of counties. The chosen investments must be aligned with the CIDP and CADP
Allocation criteria	<p>Basic Level -Allocation criterion shall be follows:</p> <ul style="list-style-type: none"> i. The Accounting Officer responsible for the grant, shall for each eligible transfer county government, carry out, in accordance with the participatory agreement between the National Government and each eligible county government, through the APA Firm, an assessment to determine the eligible county government's performance score for purposes of determining the Performance grant allocation. ii. For each Disbursement Link Indicator (DLI), that is, DLIs 3–7, a qualifying county government will get 50 percent of the Level 2 Grant allocation if it meets that respective DLI result. The other 50 percent is allocated based on the scores against the performance measures pertaining to each respective DLI result area. iii. The investment grant for a qualifying county government is the sum of what it is allocated under DLIs 3–7 as follows: <ul style="list-style-type: none"> • DLI 3: Kshs.75,000,000 for each county that has increased its OSR by at least 5 percent annually, over and above the rate of inflation • DLI 4: Kshs.75,000,000 for each county that has prepared and is implementing an action plan to reduce the stock of pending bills and maintain it at minimal levels

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	<ul style="list-style-type: none"> • DLI 5: Kshs.97,500,000 for each county that has integrated its HR records, authorized staff establishment and payroll, and uploaded cleaned payrolls in the HRMIS • DLI 6: Kshs.45,000,000 for each county that is enhancing accountability for results through an integrated performance management framework • DLI 7: Kshs.60, 000,000 for each county with a PIM dashboard with citizen feedback mechanisms. <p>iv. The Cabinet Secretary shall publish in the Kenya Gazette the allocations for all the qualifying county governments determined in terms of roman (ii & iii) above.</p>

County	Allocation per County (Kshs.)
1. Mombasa	Kshs 7,755,000,000
2. Kwale	
3. Kilifi	
4. Tana River	
5. Lamu	
6. Taita Taveta	
7. Garissa	
8. Wajir	
9. Mandera	
10. Marsabit	
11. Isiolo	
12. Meru	
13. Tharaka Nithi	
14. Embu	
15. Kitui	
16. Machakos	
17. Makueni	
18. Nyandarua	
19. Nyeri	
20. Kirinyaga	
21. Murang'a	
22. Kiambu	
23. Turkana	
24. West Pokot	
25. Samburu	
26. Trans Nzoia	
27. Uasin Gishu	
28. Elgeyo	

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Marakwet	
29. Nandi	
30. Baringo	
31. Laikipia	
32. Nakuru	
33. Narok	
34. Kajiado	
35. Kericho	
36. Bomet	
37. Kakamega	
38. Vihiga	
39. Bungoma	
40. Busia	
41. Siaya	
42. Kisumu	
43. Homa Bay	
44. Migori	
45. Kisii	
46. Nyamira	
47. Nairobi	
TOTAL	Kshs 7,755,000,000

15. Framework for the management of the Kenya Water, Sanitation and Hygiene (K-WASH) Program	
Ministry/ State Department Responsible	Ministry of Water, Sanitation and Irrigation State Department for Water and Sanitation
Accounting Officer of National Government Responsible	Principal Secretary, State Department for Water and Sanitation
Responsibilities of the National Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the State Department for FY 2026/2027 and reflected in 2026/27 County Government Additional Allocations Bill (CGAAB). • Initiate request for disbursement of funds to Counties supported by approved Results Verification Report Concurred by Bank. • Submit quarterly and annual financial and performance reports to the National Treasury and Separate copies to each participating County Government. • Monitor and evaluate performance of the allocation and report to the National Treasury.
County Department Responsible	Department for water and Department for Public Health and Sanitation
Accounting officer of County Government Responsible	<ul style="list-style-type: none"> • Accounting Officer responsible for Water and Sanitation in the participating County Government.

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Responsibilities of the County Government Accounting Officer	<ul style="list-style-type: none"> • Ensure funds are included in the budget estimates of the department responsible for Water and Sanitation for the FY 2026/27. • Submit quarterly and annual financial and non-financial performance reports to the County Treasury with copies to the Principal Secretary, State Department for Water and Sanitation - Ministry of Water, Sanitation and Irrigation • Monitor and evaluate performance of the allocation and report to the County Treasury.
Conditions	<ul style="list-style-type: none"> • This funding must be included in the budget estimates of the participating County Government. • Prepare an Annual Work Plan and Budget which must be approved by the National Program Steering Committee. • The funds shall be used only for approved Water and Sanitation activities under the Program. • Upon receipt of a disbursement, the Principal Secretary National Treasury shall be informed of the disbursement details through Principal Secretary State Department for Water and Sanitation. • Participating County Governments SHALL provide a report/proof of utilization of funds released before requesting for additional transfers.
Cost of Project	<ul style="list-style-type: none"> • KES 32,500,000,000
Purpose and Objective of the Conditional Additional Allocation	<ul style="list-style-type: none"> • To increase access to improved water and sanitation services, eliminate open defecation and improve the operational and financial performance of Water Service Providers in the participating Counties; including refugee Host Counties.

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Allocation Criteria

Funds will be allocated to counties based on Disbursement Linked Indicators (DLIs)/Disbursement Linked Results (DLRs) and verified results in the Approved Results Verification Report (RVR) by an Independent Verification Agent (IVA) hired by the Program, according to the following formulas.

Definitions:

- Let C be the county allocation. (The sum of all 19 county allocations should be equal to or less than **KES 4,282,086,900.00** If this amount is exceeded, rationalization will be applied to indicators under DLI/DLR 2, 3, 4, 10.1, 10.2, 11, 12.1, and 12.3.)
- Let S be a binary variable for DLI 1, $S=1$ if the strategy is verified by IVA as developed in the Approved Results Verification Report (RVR), otherwise $S=0$
- Let H_w be the Number of households provided with access to improved water services as verified by IVA in Approved RVR (DLI 2 and DLR 10.1)
- Let Q be the number of sustainably functioning water schemes water schemes meeting standards as verified by IVA in Approved RVR (DLI 3 and DLI 11)
- Let H_s be the number of Households provided with access to an improved sanitation facility as verified by IVA in Approved RVR (DLI 4 and DLR 10.2)
- Let V_{ODF} be the number of villages that achieve ODF status as verified by IVA in Approved RVR (DLR 5.1 and DLR 12.1)
- Let V_{CWS} be the number of villages certified as achieving CWS status as verified by IVA in Approved RVR (DLR 5.2 and DLR 12.2)
- Let V_{SWS} be the number of villages that sustain CWS status as verified by IVA in Approved RVR (DLR 5.3 and DLR 12.3)
- Let R_I be the exchange rate of Foreign Currency to Kenya Shillings.

The formula for allocating funds to the counties of Baringo, Bomet, Kericho, Kirinyaga, Kitui, Kwale, Makueni, Mandera, Migori, Murang'a, Nandi, Narok, Samburu, Tana River, Tharaka Nithi, Vihiga, and West Pokot is as follows:

$$C = R_I (1,000,000S + 40H_w + 5,000Q + 30H_s + 2,000V_{ODF} + 24,600V_{CWS} + 3,000V_{SWS})$$

The formula for allocating Turkana and Garissa Counties is as follows:

$$C = R_I (1,000,000S + 61.11H_w + 10,000Q + 50H_s + 2,000V_{ODF} + 20,000V_{CWS} + 1,250V_{SWS})$$

County	Allocation
1. Baringo	-
2. Bomet	-
3. Garissa	-
4. Kericho	-
5. Kirinyaga	-
6. Kitui	-
7. Kwale	-
8. Makueni	-
9. Mandera	-
10. Migori	-
11. Murang'a	-
12. Nandi	-
13. Narok	-
14. Samburu	-
15. Tana River	-

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	16. Tharaka Nithi	-
	17. Turkana	-
	18. Vihiga	-
	19. West Pokot	-
	Total	KES 4,282,086,900.00
Project Duration	2024 to 2030 (6 years)	
Priority of Government that this additional allocation primarily contributes	Contributing to Bottom-Up Economic Transformation Agenda (BETA) priorities on Production and Value addition through construction of household water and sanitation facilities improving water and sanitation access.	
Reasons not incorporated in the Equitable Share	The purpose of these funds is to accelerate the achievement of Vision 2030 and SDGs 6.1 and 6.2 by providing incentives to counties through performance-based mechanisms that ensure prudent utilization of county resources for sustainability.	

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