

# COMMISSION ON REVENUE ALLOCATION



*Promoting an Equitable Society*

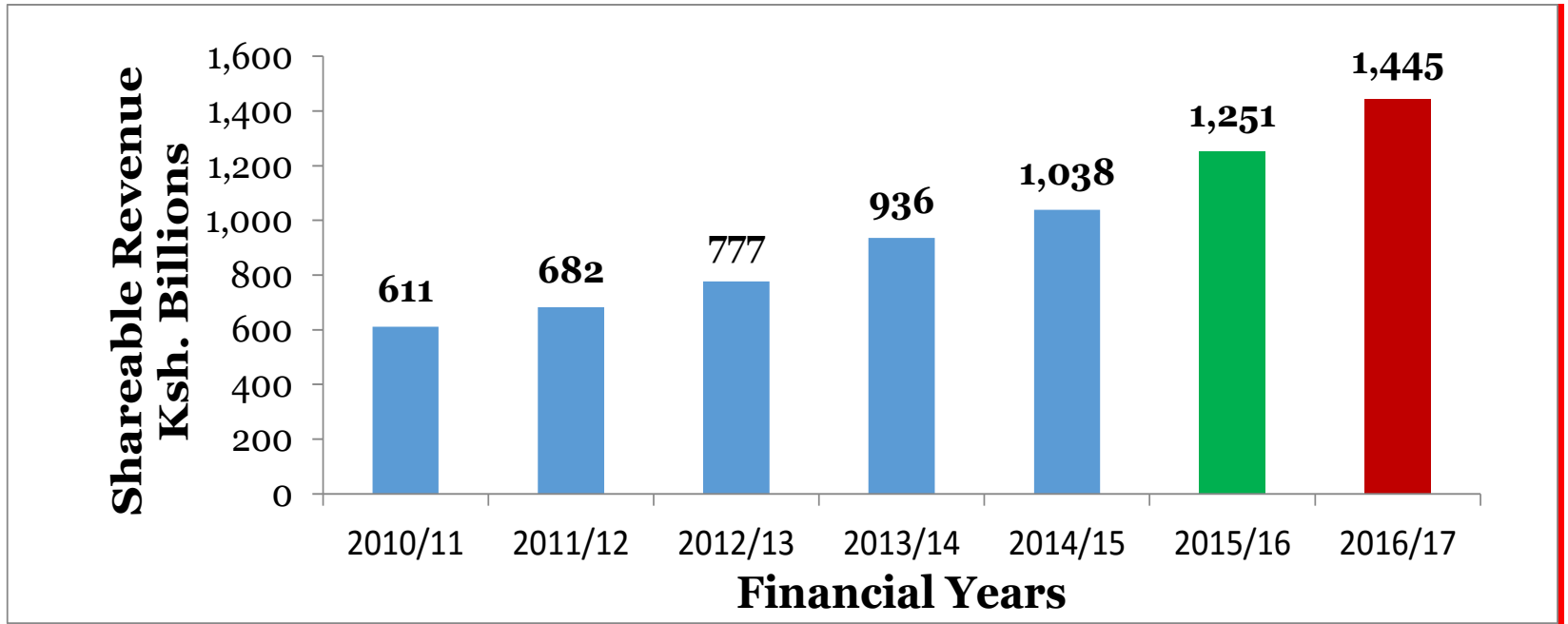
## THE SHARING OF REVENUE BETWEEN THE NATIONAL AND COUNTY GOVERNMENTS FOR FINANCIAL YEAR 2016/17

**Presentation By Commissioner Rose Osoro**

***22<sup>nd</sup> March 2016, Nairobi***

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**Figure 1: Trend of Shareable Revenue, Ksh. Billions**



Source CRA 2016

■ Actual Shareable Revenue    ■ Estimate    ■ Projection

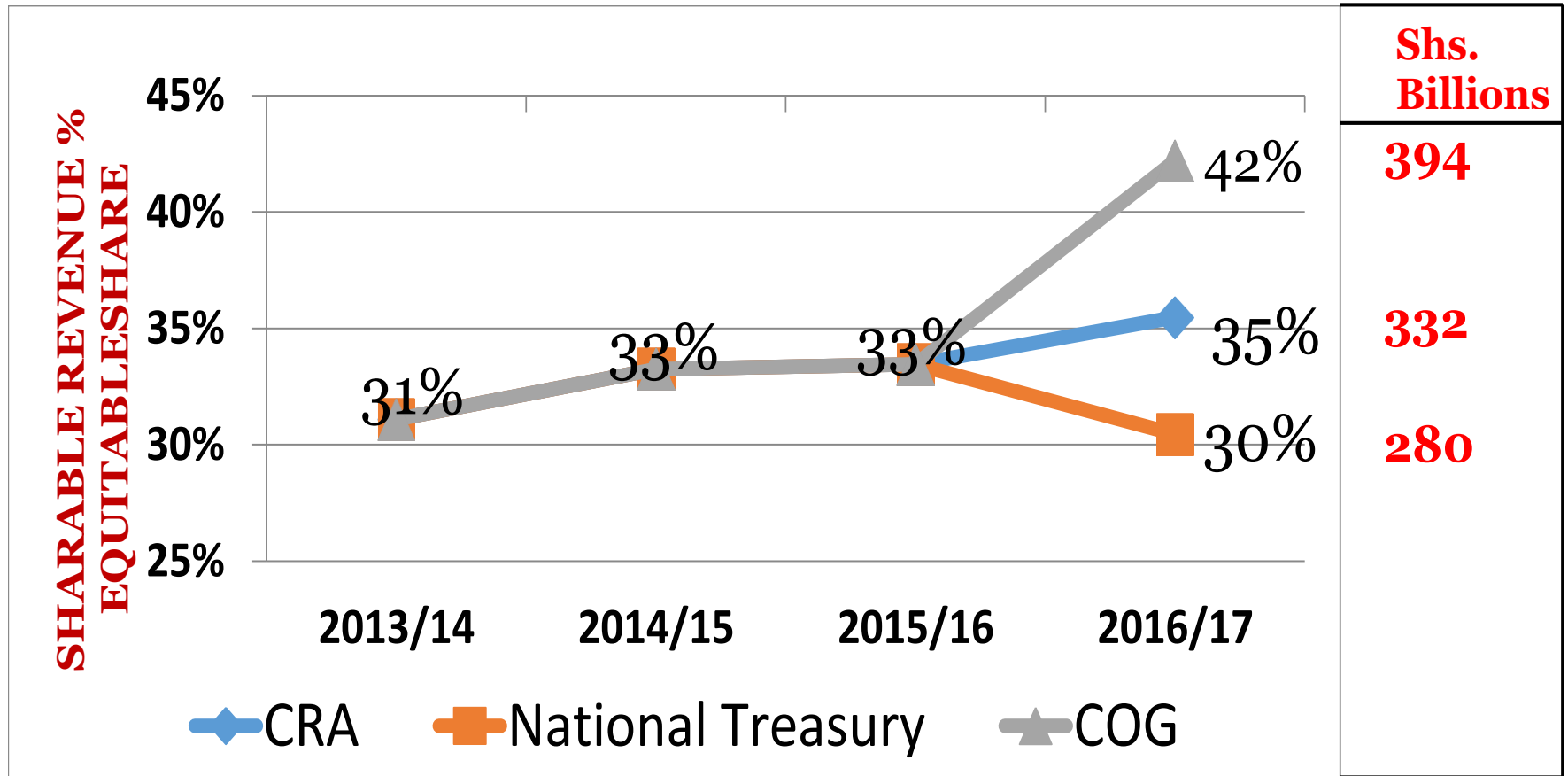
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## Notes:

- The CRA recommendation on the equitable share to county governments for financial year 2016/17 of Ksh. 332 billion is equivalent to **35 %** of the latest audited accounts for financial year **2013/14, equivalent to 936 billion.**
- This allocation is equivalent to **23% of** the projected shareable revenue for financial year **2016/17** estimated at Ksh. **1,445 billion.**

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**Figure 2: Comparison of Equitable Share Recommendations on the Division of Revenue for FY 2016/17**



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**Table 1: Comparison between CRA, COG and National Treasury Recommendations on Sharing of Revenue for 2016/17**

A	ITEM	2015/16 Ksh.Mn Actual Allocation	2016/17 Ksh. Million		
			CRA	COG	National Treasury
1	<b>Latest Audited Accounts</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>
2	Shareable Revenue: Audited Accounts	776,858	935,653	935,653	935,653
3	<b>Equitable Share (Baseline)</b>	<b>259,775</b>	<b>259,775</b>	<b>259,775</b>	<b>259,775</b>
4	<b>Adjust by the three year average revenue growth of 15.09 percent (CoG= 20.44%; National Treasury =7.9%)</b>		<b>39,200</b>	<b>53,098</b>	<b>20,522</b>
5	Add Allocation for County Roads <b>CoGs proposal is based on Total Km Allocated to Counties 120,113Kms, National 41,339Kms</b>	-	27,790	44,344	0
6	Add Allocation for Public Participation; <b>(CoG = Unfunded function 14)</b>	-	5,000	20,000	0
7	Regional Development Authorities			1,489	
8	Water Services Board			3,013	
9	Rural Electrification			11,769	
10	Libraries			1,110	
11	Museums				
12	Sports/Stadiums				
13	<b>Total Equitable Share to Counties</b>	<b>259,775</b>	<b>331,765</b>	<b>394,598</b>	<b>280,297</b>
14	<b>Percentage Share to Counties</b>	<b>33.44%</b>	<b>35.46%</b>	<b>42.17%</b>	<b>29.96%</b>

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		2015/16 Ksh. Million	2016/17 Ksh. Million		
		Actual Allocation	CRA	COG	
<b>B</b>	<b>CURRENT CONDITIONAL ALLOCATIONS</b>				
15	Level 5 Hospitals	3,600	4,143	4,336	4,000
16	Free Maternal Health Care	4,298	4,947	5,177	4,300
17	Compensation for user fees forgone	900	1,036	1,084	900
18	Leasing of Medical Equipment	4,500	5,179	0	4,500
19	Road Fuel Levy Fund (15% of Actual 2014/15 <i>CoGs proposal is based on Total Km Allocated to Counties 120,113Kms, National 41,339Kms</i> )	3,300	4,756	26,634	4,307
20	<b>Sub Total</b>	<b>16,598</b>	<b>20,061</b>	<b>37,230</b>	<b>18,007</b>

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<b>C</b>	<b>NEW CONDITIONAL ALLOCATIONS</b>	<b>Actual</b>	<b>CRA</b>	<b>COG</b>	<b>National Treasury</b>
21	Additional allocation for ECDE			5,000	
22	Personnel Emoluments for devolved staff	-	5,196	5,196	0
23	Construction of headquarters in five Counties	-	4,000	4,000	0
24	Rehabilitation of schools	-	5,000	17,000	0
25	Establishment of County Emergency Funds (2% of Equitable Share: Ksh. 259,775 Million)	-	5,196	5,196	0
26	Rehabilitation of village polytechnics	-	6,300	18,000	0
27	<b>Sub Total New Conditional Allocations</b>	<b>-</b>	<b>25,691</b>	<b>54,392</b>	<b>0</b>
28	<b>Total Conditional Allocations</b>	<b>16,598</b>	<b>45,752</b>	<b>91,622</b>	<b>18,007</b>
<b>D</b>	<b>Total Transfer to Counties for 2016/17</b>	<b>276,373</b>	<b>377,517</b>	<b>486,220</b>	<b>298,304</b>

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**Table 2: Three Years Average Growth in Shareable Revenue**

NO.	YEAR	SHAREABLE REVENUE KSH. BILLIONS	GROWTH COMPUTATION	GROWTH %
	2011/12	682		
1.	2012/13	777	$(777 \div 682) \times 100\% = 113.885$	13.89
2.	2013/14	936	$(936 \div 777) \times 100\% = 120.441$	20.44
3.	2014/15	1,038	$(1,038 \div 936) \times 100 = 110.942$	10.94
			<b>Total</b>	<b>45.27</b>
			<b>Average for three years (45.27 ÷ 3)</b>	<b>15.09</b>



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***THANK YOU***