

COMMISSION ON REVENUE ALLOCATION



Promoting an Equitable Society

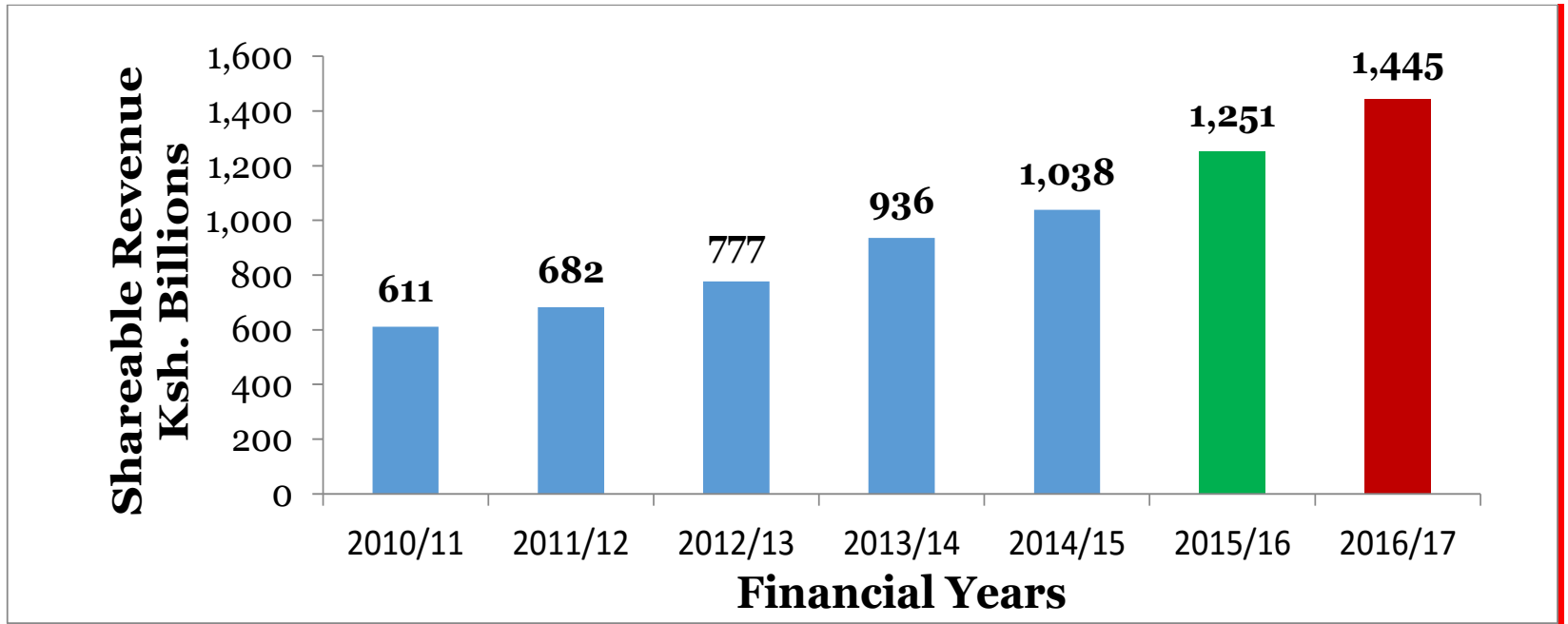
THE SHARING OF REVENUE BETWEEN THE NATIONAL AND COUNTY GOVERNMENTS FOR FINANCIAL YEAR 2016/17

Presentation By Commissioner Rose Osoro

22nd March 2016, Nairobi

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Figure 1: Trend of Shareable Revenue, Ksh. Billions



Source CRA 2016

■ Actual Shareable Revenue ■ Estimate ■ Projection

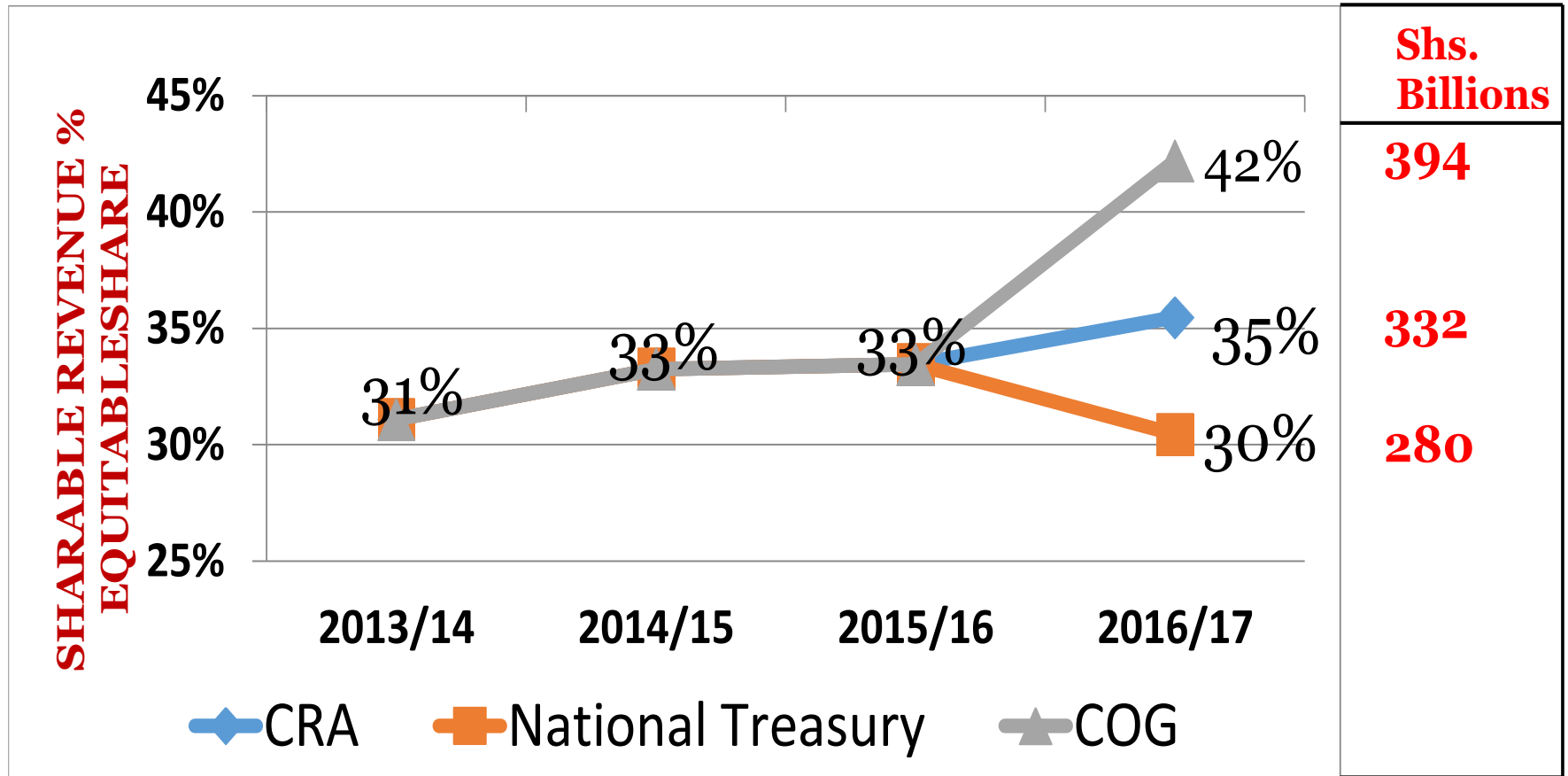
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Notes:

- 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	Latest Audited Accounts	2012/13	2013/14	2013/14	2013/14
2	Shareable Revenue: Audited Accounts	776,858	935,653	935,653	935,653
3	Equitable Share (Baseline)	259,775	259,775	259,775	259,775
4	Adjust by the three year average revenue growth of 15.09 percent (CoG= 20.44%; National Treasury =7.9%)		39,200	53,098	20,522
5	Add Allocation for County Roads CoGs proposal is based on Total Km Allocated to Counties 120,113Kms, National 41,339Kms	-	27,790	44,344	0
6	Add Allocation for Public Participation; (CoG = Unfunded function 14)	-	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	Total Equitable Share to Counties	259,775	331,765	394,598	280,297
14	Percentage Share to Counties	33.44%	35.46%	42.17%	29.96%

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		2015/16 Ksh. Million	2016/17 Ksh. Million		
		Actual Allocation	CRA	COG	
B	CURRENT CONDITIONAL ALLOCATIONS				
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 CoGs proposal is based on Total Km Allocated to Counties 120,113Kms, National 41,339Kms)	3,300	4,756	26,634	4,307
20	Sub Total	16,598	20,061	37,230	18,007

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C	NEW CONDITIONAL ALLOCATIONS	Actual	CRA	COG	National Treasury
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	Sub Total New Conditional Allocations	-	25,691	54,392	0
28	Total Conditional Allocations	16,598	45,752	91,622	18,007
D	Total Transfer to Counties for 2016/17	276,373	377,517	486,220	298,304

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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
			Total	45.27
			Average for three years (45.27 ÷ 3)	15.09

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THANK YOU