

Revenue agency sets next counties' share of funds at Sh321.7bn

John Mutua

jmutua@ke.nationmedia.com

The Commission on Revenue Allocation (CRA) has proposed a Sh5.2 billion increase in the allocation to counties for the financial year starting July 1, setting the stage for fresh haggling between senators and National Assembly members.

The CRA wants the 47 units to spend the additional cash on development projects for 2020/21 while retaining recurrent expenditures at the current financial year's level.

Apart from the equitable share, counties also receive conditional grants from the national government and donors

“CRA recommends an additional allocation of Sh5.2 billion specifically for development expenditure while retaining recurrent

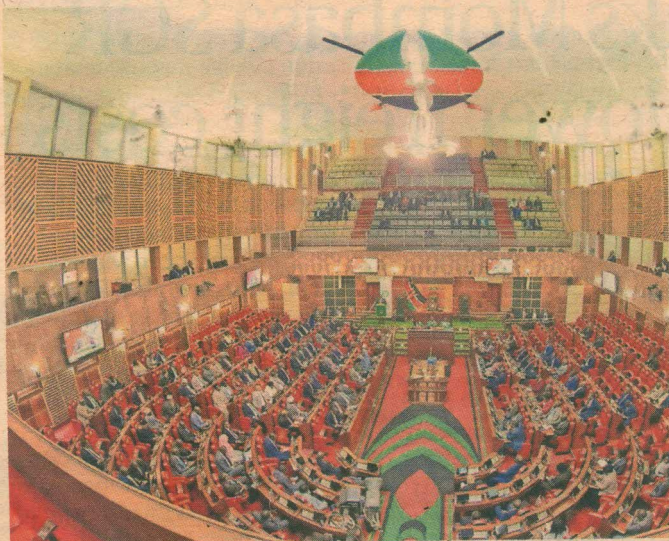
expenditure at the 2019/20 levels,” the commission said in the recommendations to Senators.

“The commission recommends that the county governments' recurrent expenditure budget ceilings be retained at 2019/20 level,” the Jane Kiringai-chaired commission added.

The adjustment, if approved by Parliament, will increase overall equitable share disbursement to Sh321.7 billion in the next financial year, up from Sh316.5 billion the current year.

Apart from the equitable share, counties also receive conditional grants from both the national government development partners.

Under the County Allocation of Revenue Act of 2019, the devolved units were allocated Sh378.48 billion comprising Sh316.5 billion in equitable



MPs during a past session at Parliament Buildings in Nairobi. --FILE



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share, Sh2.89 billion national government grant and Sh39.08 billion in donors' grant

This was after hard bargaining between Senators, which wanted the allocations raised and MPs.

Senators had proposed Sh335.7 billion for the counties as equitable shareable rev-

enue while MPs held out for Sh316 billion in the current year leading to an impasse that saw governors move to the Supreme Court to challenge the division of shareable revenue.

Under the proposal aimed at freeing up more funds for the provision of basic services like roads and health, CRA said that every county should retain the ceilings for recurrent expenditure as applied in the 2019/20 period.

The commission has in the 2019/20 year capped budget allocations for salaries and personnel benefits at the counties at Sh59.95 billion.

The commission added that the move to only increase spending for projects is in line with the fiscal consolidation by the national government to curb wastage of taxpayer funds through cutting on non-essentials like entertainment, travel and advertising.