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REPUBLIC OF KENYA

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ACTS, 2020

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THE DIVISION OF REVENUE ACT, 2020

No. 3 of 2020

Date of Assent: 25th April, 2020

Date of Commencement: 11th May, 2020

ARRANGEMENT OF SECTIONS

Section

1—Short title.

2—Interpretation.

3—Object and purpose of the Act.

4—Allocations to national and county governments.

5—Variation in revenue.

**SCHEDULE— ALLOCATION OF REVENUE RAISED
NATIONALLY AMONG THE NATIONAL AND COUNTY
GOVERNMENTS FOR THE FINANCIAL YEAR 2020/21**

THE DIVISION OF REVENUE ACT, 2020

AN ACT of Parliament to provide for the equitable division of revenue raised nationally between the national and county governments in 2020/21 financial year, and for connected purposes

ENACTED by Parliament of Kenya, as follows—

- | | |
|---|--|
| <p>1. This Act may be cited as the Division of Revenue Act, 2020.</p> | <p>Short title.</p> |
| <p>2. In this Act, unless the context otherwise requires, “revenue” has the meaning assigned to it under section 2 of the Commission on Revenue Allocation Act, 2011.</p> | <p>Interpretation.
No. 16 of 2011.</p> |
| <p>3. The object and purpose of this Act is to provide for the equitable division of revenue raised nationally between the national and county levels of government for the financial year 2020/21 in accordance with Article 203(2) of the Constitution.</p> | <p>Object and purpose of the Act.</p> |
| <p>4. The revenue raised by the national government in respect of the financial year 2020/21 shall be divided among the national and county governments as set out in the Schedule to this Act.</p> | <p>Allocations to national and county governments.</p> |
| <p>5. (1) If the actual revenue raised nationally in the financial year falls short of the expected revenue set out in the Schedule, the shortfall shall be borne by the national government.</p> <p>(2) If the actual revenue raised nationally in the financial year exceeds the projected revenues set out in the Schedule, the excess revenue shall accrue to the national government, and may be used to reduce borrowing or pay debts.</p> | <p>Variation in revenue.</p> |

SCHEDULE

(s.4)

**ALLOCATION OF REVENUE RAISED NATIONALLY AMONG
THE NATIONAL AND COUNTY GOVERNMENTS FOR THE
FINANCIAL YEAR 2020/21**

Type/level of allocation	Amount in Ksh.	Percentage (%) of 2016/17 audited and approved revenue i.e. KSh.1,357,698 Million
A. Total Sharable Revenue	1,856,700,000,000	
B. National Government*	1,533,411,510,000	
Of which:		
1. <i>Leasing of Medical Equipment</i>	6,205,000,000	
2. <i>Compensation for user fees forgone</i>	900,000,000	
3. <i>Level 5 hospitals</i>	4,326,000,000	
4. <i>Supplement for construction of county headquarters</i>	300,000,000	
5. <i>Rehabilitation of Youth Polytechnics</i>	2,000,000,000	
C. Equalization Fund	6,788,490,000	0.50%
D. County equitable share	316,500,000,000	23.31%
Memo items		
1. County equitable share	316,500,000,000	
2. Additional conditional allocations(National Government share of Revenue) of which;	13,731,000,000	
2.1. <i>Leasing of Medical Equipment</i>	6,205,000,000	

Type/level of allocation	Amount in Ksh.	Percentage (%) of 2016/17 audited and approved revenue i.e. KSh.1,357,698 Million
2.2 Compensation for user fees forgone	900,000,000	
2.3 Level 5 hospitals	4,326,000,000	
2.4 Supplement for construction of county headquarters	300,000,000	
2.5 Rehabilitation of Youth Polytechnics	2,000,000,000	
3. Allocation from Fuel Levy Fund (15%)	9,433,265,625	
4. Conditional allocations (Loans & grants) of which:	30,204,347,510	
4.1 IDA-Kenya Devolution Support Program (KDSP) (Level 1)	2,115,000,000	
4.2 IDA-Transforming Health Systems for Universal Care Project	4,345,375,741	
4.3 DANIDA-Universal Healthcare For Devolved System Program	900,000,000	
4.4 IDA-National Agriculture & Rural Inclusive Growth Project (NARIGP)	4,261,646,438	
4.5 EU-Instruments for Devolution Advice and Support (IDEAS)	216,014,391	
4.6 IDA (World Bank) - Kenya Climate Smart Agriculture Project (KCSAP)	7,119,726,782	
4.7 World Bank- Kenya Urban Support Program(KUSP)- UDG	6,366,000,000	
4.8 IDA- Water and Sanitation Development Project (WSDP)	3,400,000,000	

Type/level of allocation	Amount in Ksh.	Percentage (%) of 2016/17 audited and approved revenue i.e. KSh.1,357,698 Million
<i>4.9 Sweden Agriculture Sector Development Programme II (ASDP II)</i>	652,584,158	
<i>4.10 EU- Water Tower Protection and Climate Change Mitigation and Adaptation Programme (Water)</i>	528,000,000	
<i>4.11 Drought Resilience Programme in Northern Kenya</i>	300,000,000	
Total County Allocations= (1+2+3+4)	369,868,613,135	27.24%

**The National Government share includes KSh. 4,300 million which is a special grant to the National Health Insurance Fund (NHIF) for free Maternal health care, to be disbursed as a reimbursement to county governments.*