



COUNCIL OF GOVERNORS

4th November, 2021

PRESS STATEMENT ON THE CRA'S RECOMMENDATION FOR SHARING OF REVENUE BETWEEN NATIONAL AND COUNTY GOVERNMENTS

Fellow Kenyans,

Members of the Press,

The Council takes cognizance of the recommendations by the Commission of Revenue Allocation (CRA) on the sharing of revenue between the two levels of Government.

We note that the recommendation on National Shareable revenue is based on a projected revenue increase of Kshs.366.4 Billion above the FY2021/22, which was Kshs.1.776 Trillion. We note that this increase has been allocated to the National Government only. Notwithstanding the projection of growth in revenue for the FY 2022/23 which is estimated at **Kshs.2.142 trillion**, it is prudent to note that County Governments do not have any increase in their equitable share.

In this regard, we reiterate our position that was articulated in our statements on 13th and 18th October 2021 respectively. In the wake of the COVID-19 Pandemic which slowed down the economic growth in the Country, County Governments have remained to be the key drivers of economic recovery.

In light of the aforementioned, the need for proper funding of County Governments cannot be over emphasized.

In line with the stipulated reasons given by the Commission for the recommendation, Counties are amenable to restructure their expenditures in order to stimulate economic growth. However, the debt

sustainability and the upcoming general election should not be cited by CRA as a basis for revenue sharing to hamper adequate funding and service delivery to 'Mwananchi' at the lowest level of governance.

Further, this position is buttressed in the Constitution of Kenya Amendment Bill, 2020 which recommends that counties be allocated not less than 35 per cent of all the revenue collected by the National Government. As such, the Council of Governors emphasizes an upward increase of the County Equitable Share to **Kshs.751.45 Billion**.

It should not be lost that the same was supported in all political spheres led by the H.E the President, the Former Prime Minister and was passed in both houses of Parliament and in **45 out of the 47 County Assemblies**.

Finally, we call upon the Ministry of Petroleum and Mining and Parliament to expedite the enactment of a framework to guide the sharing of revenue from natural resources. This will enable the National Treasury to disburse the same to the beneficiary counties for the benefit of the local communities.

Signed:



H. E Hon. Ndiritu Muriithi
Chair - Finance, Planning, and Economic Affairs Committee
Council of Governors