

How Fair are Revenue Sharing Mechanisms in Fighting Intra-County Inequalities in Kenya?

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INTRODUCTION

Kenya's latest attempt at devolution, as enshrined in the 2010 constitution, builds on earlier attempts to decentralize services and finances. For example, the creation and funding of local authorities starting in 1999 was a similar, albeit less ambitious decentralization reform. The 2010 constitution aspires to a more rigorous, transparent and equitable approach to sharing resources across counties than what was undertaken with local authorities.

Discussions of equity and marginalization in Kenya have tended to focus at the level of broad regions, now organized as counties. There has been considerable attention to the national revenue sharing formula among counties in the last few years. However, inequalities are just as severe below the county level. Data from the Kenya National Bureau of Statistics and the Society for International Development shows that the inequalities that exist within counties are wider than those between counties. We should be as concerned in addressing these inequalities as counties undertake planning and budgeting.¹

In this study, we look at several approaches counties have taken to distribute resources through their budgets. Some of the examples are based on laws passed through the county assemblies, and one is based on a distribution of development projects found in a county budget. The scenarios we assess in this paper are mainly related to distribution of capital funds, but that should not be interpreted to mean that inequalities exist only in cases of infrastructure deficits. Some wards' most pressing needs could be recurrent in nature, which a focus on capital funding fails to address. For example, some wards may need more health staff over new health facilities, while others may require early childhood development (ECD) teachers instead of new ECD centers. Whatever remedy is applied to ensure a ward gets a doctor or more ECD teachers, this will happen through the recurrent part of the county budget, and not capital spending.

¹ <http://inequalities.sidint.net/kenya/county/>

Therefore, when looking at inequalities, we should not limit our assessment to development budgets or funds. Most government objectives require both recurrent and capital funding to be realized, and county government budget documents should provide information corresponding to both types of spending. However, many county budget documents do not have information about distribution for the full budget. If they have any distributional information at all, it is presented only for development spending. For this reason, we focus on capital spending in this paper.

From the five counties reviewed, we've made the following observations:

- Most of the counties' established instruments for distribution are linked to needs within the county and are based on legislation passed by the county governments.
- Counties describe the objectives of their funds as enhancing equity among wards, but we find that the distribution criteria used is not equitable.
- The funds assessed lack clear criteria for identifying beneficiaries, which would also ensure equity. For example, bursary beneficiaries are supposed to be from poor backgrounds, but the laws do not provide any criteria to identify what qualifies as a poor household.
- Budgets that contain information on the distribution of development projects in county budgets do not include non-financial information to explain the spread among wards.

NYANDARUA COUNTY BURSARY FUND

In 2014, Nyandarua County passed a law that created a fund to help bright students from poor households pay for their education.² The fund would be allocated at least 1.5 percent of the annual county budget, which is then to be shared equally among the county's 25 wards. Students who are eligible are those attending special schools, day and boarding secondary schools, public boarding schools, youth polytechnics, and other tertiary institutions. The law gives special consideration to children from poor households who are disabled, orphans, or partial orphans. However, it does not give any details on how the bursary committee will determine which applicants are from poor households or not.

The act also gives some guidance on allocation per student. It sets a minimum amount that can be allocated to a student based on the schools they attend. The table below shows that every qualified student in a boarding

² <http://www.nyandarua.go.ke/wp-content/uploads/2015/01/BURSARY-FUND-ACT-2014.pdf>

secondary school will receive at least Ksh. 6,000, and every student in a special school or day secondary school will receive at least Ksh. 5,000. However, these amounts are quite low compared to what the Ministry of Education (MoE) has set as minimum ceilings for school fees. According to the MoE, school fees in special schools should be Ksh. 37,210 per student after deduction of school capitation funds from government. A student in such a school would have to get about seven times the minimum amount to pay the annual fee. The same is applicable to day secondary schools where the fee is Ksh. 9,374 excluding capitation from the national government.

TABLE 1. COMPARISON OF FUNDING CEILINGS BY THE MINISTRY OF EDUCATION AND COUNTY GOVERNMENT OF NYANDARUA

| Category | Minimum Fees Set by the Ministry of Education (Ksh.) | Minimum Fees Set by Nyandarua County (Ksh.) |
|---------------------------|--|---|
| Special Schools | 37,210 | 5,000 |
| Day Secondary Schools | 9,374 | 5,000 |
| Boarding Secondary School | 53,553 | 6,000 |

Source: Nyandarua County Bursary Fund Act 2014, Fees Guidelines for Secondary Schools by Ministry of Education

BOX 1. EVALUATING THE DISTRIBUTION OF FUNDS

To evaluate the distribution of these funds, we use the secondary school category. The data available in this case is of enrollment in secondary schools in Nyandarua. Due to the quota system used in Kenya to admit students, some students enrolled in schools in Nyandarua could be from outside the county. However, many primary schools in Kenya are day schools, and there is a higher probability that the students in primary school are residents of the county. According to data from the Ministry of Education, only two primary schools out of 342 schools in Nyandarua county are full boarding schools. Nyandarua had 18,307 students who sat for Kenya Certificate of Primary Education in 2016 and when a transition rate of 81.3 percent is applied, then we get the number of students from Nyandarua who are in Form One. Therefore, the total number of students expected in all four years of high school would be approximately 59,534.

The number of students per ward was calculated based on a ward share of the total county population. There is a significant correlation (0.9532) between the ward share of the child population (0-14 years) in the county and the ward share of total population. Therefore, we estimate the numbers of poor students per ward based on the overall poverty rate per ward based on data from the Kenya National Bureau of Statistics.

In 2016/17, Nyandarua's approved budget was Ksh. 7.3 billion, so the bursary fund received Ksh. 110 million (1.5 percent of 7.3 billion). In Table 2, Wanjohi ward has the highest number of students in secondary schools with 1,473, while Kiriita has the lowest with 502 students. The share of poor students between the two wards ranges from 6.4 percent to 2.2 percent. However, each ward received an equal share of four percent across the 25 wards. Per capita allocations for each ward gives a better picture of the inequality of this approach of this approach. On average, a poor secondary school student in Kiriita ward is allocated Ksh. 8,782, while a poor student in Wanjohi ward would only receive about a third of that (Ksh. 2,992).

TABLE 2. NYANDARUA COUNTY WARD BURSARY ALLOCATIONS

| Ward | Total Population | Poverty Rate | Ward Share of the Total County Population | Secondary School Students 2016 = 59,534 | Poor Students in Secondary School | Ward Share of Poor Students in Secondary School | Allocation Per Ward | Share of Allocation per Ward | Per capita Allocation |
|----------------|------------------|--------------|---|---|-----------------------------------|---|---------------------|------------------------------|-----------------------|
| Wanjohi | 32,032 | 45.0 | 5% | 3,274 | 1,473 | 6.4% | 4,406,778 | 4.0% | 2,992 |
| Murungaru | 26,573 | 47.1 | 5% | 2,716 | 1,280 | 5.5% | 4,406,778 | 4.0% | 3,443 |
| Mirangine | 26,604 | 46.9 | 5% | 2,719 | 1,275 | 5.5% | 4,406,778 | 4.0% | 3,456 |
| Geta | 20,083 | 55.4 | 3% | 2,053 | 1,138 | 4.9% | 4,406,778 | 4.0% | 3,873 |
| Kanjuiri Ridge | 25,374 | 43.1 | 4% | 2,594 | 1,118 | 4.8% | 4,406,778 | 4.0% | 3,940 |
| Engineer | 26,815 | 39.4 | 5% | 2,741 | 1,079 | 4.7% | 4,406,778 | 4.0% | 4,083 |
| Gathara | 25,839 | 38.9 | 4% | 2,641 | 1,028 | 4.4% | 4,406,778 | 4.0% | 4,286 |
| Central | 29,592 | 33.7 | 5% | 3,025 | 1,018 | 4.4% | 4,406,778 | 4.0% | 4,329 |
| Nyakio | 24,892 | 40.0 | 4% | 2,544 | 1,018 | 4.4% | 4,406,778 | 4.0% | 4,330 |
| Shamata | 23,320 | 42.3 | 4% | 2,384 | 1,008 | 4.4% | 4,406,778 | 4.0% | 4,372 |
| Kipipiri | 22,540 | 43.2 | 4% | 2,304 | 995 | 4.3% | 4,406,778 | 4.0% | 4,431 |
| North Kinangop | 20,658 | 45.5 | 4% | 2,112 | 961 | 4.2% | 4,406,778 | 4.0% | 4,584 |
| Gathanji | 21,114 | 43.6 | 4% | 2,158 | 941 | 4.1% | 4,406,778 | 4.0% | 4,685 |
| Weru | 25,886 | 35.3 | 4% | 2,646 | 933 | 4.0% | 4,406,778 | 4.0% | 4,721 |
| Charagita | 21,783 | 40.1 | 4% | 2,227 | 894 | 3.9% | 4,406,778 | 4.0% | 4,932 |
| Rurii | 23,650 | 36.8 | 4% | 2,417 | 891 | 3.9% | 4,406,778 | 4.0% | 4,949 |
| Githioro | 20,010 | 41.8 | 3% | 2,045 | 854 | 3.7% | 4,406,778 | 4.0% | 5,159 |
| Mugumu | 25,412 | 32.6 | 4% | 2,598 | 846 | 3.7% | 4,406,778 | 4.0% | 5,210 |
| Karau | 18,726 | 42.1 | 3% | 1,914 | 805 | 3.5% | 4,406,778 | 4.0% | 5,475 |
| Githabai | 19,277 | 34.8 | 3% | 1,970 | 686 | 3.0% | 4,406,778 | 4.0% | 6,427 |
| Njabini/Kiburu | 20,248 | 32.5 | 3% | 2,070 | 673 | 2.9% | 4,406,778 | 4.0% | 6,545 |
| Leshau/Pondo | 19,025 | 29.8 | 3% | 1,945 | 580 | 2.5% | 4,406,778 | 4.0% | 7,602 |
| Gatimu | 25,632 | 21.9 | 4% | 2,620 | 573 | 2.5% | 4,406,778 | 4.0% | 7,695 |
| Kiambaga | 17,860 | 30.3 | 3% | 1,826 | 553 | 2.4% | 4,406,778 | 4.0% | 7,968 |
| Kiriita | 19,491 | 25.2 | 3% | 1,992 | 502 | 2.2% | 4,406,778 | 4.0% | 8,782 |
| Total | 582,436 | | 100% | 59,534 | 23,120 | 100% | 110,169,450 | 100% | 4,765 |

Sources: Nyandarua County Bursary Fund Act 2014, Exploring Kenya's Inequality, SID and KNBS

MURANGA COUNTY SCHOLARSHIP FUND

According to the law, at least 4 percent of county's equitable share must be allocated to a fund that supports the education of needy and bright children in the county. The assembly approved an amendment to have the allocation to the fund changed from a percentage of the equitable share to a percentage of annual allocations of the development budget allocation. In aggregate terms, this reduced the money to the fund by more than half. It is not possible to know if this amendment is in effect as the county website indicates that it is awaiting assent.³ The beneficiaries are students in post primary education including those attending special education institutions. The County Executive Committee member in-charge of education will set aside five percent of the fund as a special kitty, but the legislation does not give any information on how this five percent will be used. The remaining 95 percent of the fund is to be shared equally among the county's 35 wards. Table 3 shows the distribution using the equitable share and the development budget based on the act and the amendment.

Based on the estimates on students completing primary schools, there are 123,973 students in secondary schools from Muranga in 2016. Applying the poverty rate in the county, 41,203 students would fall under the poverty line. Gatari ward has the highest share of poor started at 4.2 percent while Kamacharia has the lowest share at 1.5 percent. The allocation to each ward is Ksh. 3.1 million based on a figure of Ksh. 109 million when the development allocation is used as the base revenue. In per capita terms, the allocation in Gatari comes to Ksh 1,781 while the per capita allocation in Kamacharia is three times that of Gatari at Ksh. 5,143.

The distribution of bursaries equally among Muranga's wards means that students in some wards are at a disadvantage because the number of needy students is not the same in each ward across the county.

³ <http://www.assembly.muranga.go.ke/bills.php?com=3&com2=24&item=161#.WbEt4KiCyUk>

TABLE 3. MURANGA COUNTY WARD BURSARY ALLOCATIONS

| | | | | | | | Based on Equitable Share | | | Based on Development Budget | | |
|------------------|-------------------------|---------------------|--|---|--|--|----------------------------|-------------------------------------|------------------------------|-----------------------------|-------------------------------------|------------------------------|
| | | | | | | | Equitable Share 2016/17 | Allocation for Bursary Fund | | Development Budget 2016/17 | Allocation for Bursary Fund | |
| | | | | | | | 6,191,000,000 | 247,640,000 | | 2,719,226,574 | 108,769,063 | |
| <i>Ward</i> | <i>Total Population</i> | <i>Poverty Rate</i> | <i>Ward Share of the Total County Population</i> | <i>Secondary School Students 2016 = 123,973</i> | <i>Poor Students in Secondary School</i> | <i>Ward Share of Poor Students in Secondary School</i> | <i>Allocation Per Ward</i> | <i>Share of Allocation per Ward</i> | <i>Per capita Allocation</i> | <i>Allocation Per Ward</i> | <i>Share of Allocation per Ward</i> | <i>Per capita Allocation</i> |
| Gaturi | 33,355 | 39.5 | 3.6% | 4,421 | 1,745 | 4.2% | 7,075,429 | 2.9% | 4,055 | 3,107,688 | 2.9% | 1,781 |
| Mbiri | 32,783 | 38.6 | 3.5% | 4,345 | 1,676 | 4.1% | 7,075,429 | 2.9% | 4,221 | 3,107,688 | 2.9% | 1,854 |
| Kakuzi/Mitumbiri | 30,866 | 39.6 | 3.3% | 4,091 | 1,619 | 3.9% | 7,075,429 | 2.9% | 4,371 | 3,107,688 | 2.9% | 1,920 |
| Ithiru | 26,897 | 42.6 | 2.9% | 3,565 | 1,517 | 3.7% | 7,075,429 | 2.9% | 4,664 | 3,107,688 | 2.9% | 2,049 |
| Makuyu | 26,716 | 42.5 | 2.9% | 3,541 | 1,504 | 3.7% | 7,075,429 | 2.9% | 4,704 | 3,107,688 | 2.9% | 2,066 |
| | | | | | | | | | | | | |
| Mugumo-Ini | 23,801 | 27.7 | 2.5% | 3,155 | 875 | 2.1% | 7,075,429 | 2.9% | 8,090 | 3,107,688 | 2.9% | 3,553 |
| Ngararia | 17,996 | 33.7 | 1.9% | 2,385 | 804 | 2.0% | 7,075,429 | 2.9% | 8,801 | 3,107,688 | 2.9% | 3,866 |
| Kanyenya-Ini | 22,922 | 24.6 | 2.5% | 3,038 | 749 | 1.8% | 7,075,429 | 2.9% | 9,451 | 3,107,688 | 2.9% | 4,151 |
| Rwathia | 19,179 | 24.4 | 2.1% | 2,542 | 621 | 1.5% | 7,075,429 | 2.9% | 11,394 | 3,107,688 | 2.9% | 5,004 |
| Kamacharia | 20,860 | 21.9 | 2.2% | 2,765 | 604 | 1.5% | 7,075,429 | 2.9% | 11,708 | 3,107,688 | 2.9% | 5,143 |
| Total | 935,286 | | | 123,973 | 41,203 | 100% | 247,640,000 | 100% | 6,010 | 108,769,063 | 100% | 2,640 |

Sources: Muranga County Scholarship Fund 2014, Exploring Kenya's Inequality, SID and KNBS

NAKURU COUNTY WARD DEVELOPMENT FUND

Nakuru county established this fund with an objective of developing its 55 wards and fighting poverty. The legislation requires not less than five percent of the county ordinary revenue (equitable share and local revenue) be allocated to the fund. In 2016/17, ordinary revenue was Ksh. 11.4 billion, which means that the ward development fund was allocated Ksh. 576.9 million.

The distribution criteria set in the law says that 85 percent of the Ward Development Fund (WDF) is distributed equally among wards and the remaining 15 percent is shared based on each ward's share of the county population. Using data on water access (see Table 4), it shows that the inequalities that exist in that sector alone are quite large. More than five percent of all the people without access to clean water live in Kiptororo while less than 0.5 percent live in wards like Kivumbini, Kapkures, and Barut. Kivumbini ward which has the smallest number of people without good access to water at 460 has an allocation of Ksh. 9.9 million. This comes to a per capita allocation of Ksh. 21,497 which is very high compared to a per capita allocation of only Ksh. 337 in Kiptororo which has the highest number of people without improved water sources. When the revenue sharing criteria is applied, each ward's share of the total allocation is generally around two percent. Looking at the two measures it is easy to see how unequal the distribution of the fund is given that inequalities in access to services among wards are much wider.

TABLE 4. DEVELOPMENT WARD DISTRIBUTION AGAINST WATER ACCESS PER WARD

| Ward | Unimproved Sources | Ward Population | Population without Improved Sources of Water | Ward Share of the Total County Population | Ward Share of Individuals without Improved Sources of water | Allocation of 85% of WDF | Allocation of 15% of WDF | Total Ward Allocation | Share of Total Allocations | Per capita Allocation |
|--------------|--------------------|------------------|--|---|---|--------------------------|--------------------------|-----------------------|----------------------------|-----------------------|
| Kivumbini | 2.3 | 20,436 | 460 | 1.3% | 0.1% | 8,776,346 | 1,112,412 | 9,888,759 | 1.7% | 21,497 |
| Barut | 8.9 | 6,875 | 610 | 0.4% | 0.1% | 8,776,346 | 374,233 | 9,150,580 | 1.6% | 15,001 |
| Kapkures | 7.1 | 8,896 | 633 | 0.6% | 0.1% | 8,776,346 | 484,245 | 9,260,591 | 1.6% | 14,630 |
| Flamingo | 4.2 | 31,197 | 1,300 | 2.0% | 0.2% | 8,776,346 | 1,698,176 | 10,474,523 | 1.8% | 8,057 |
| Shaabab | 8.9 | 17,461 | 1,547 | 1.1% | 0.2% | 8,776,346 | 950,471 | 9,726,818 | 1.7% | 6,288 |
| Malewa West | 8.7 | 18,679 | 1,627 | 1.2% | 0.3% | 8,776,346 | 1,016,772 | 9,793,118 | 1.7% | 6,019 |
| Rhoda | 8.3 | 24,545 | 2,036 | 1.6% | 0.3% | 8,776,346 | 1,336,082 | 10,112,428 | 1.8% | 4,967 |
| Biashara | 6.5 | 34,421 | 2,225 | 2.2% | 0.4% | 8,776,346 | 1,873,671 | 10,650,018 | 1.9% | 4,787 |
| Menengai | 9.8 | 30,598 | 3,003 | 2.0% | 0.5% | 8,776,346 | 1,665,570 | 10,441,917 | 1.8% | 3,477 |
| London | 20.6 | 19,880 | 4,092 | 1.3% | 0.6% | 8,776,346 | 1,082,147 | 9,858,494 | 1.7% | 2,409 |
| Soin | 73.4 | 24,839 | 18,244 | 1.6% | 2.9% | 8,776,346 | 1,352,085 | 10,128,432 | 1.8% | 555 |
| Subukia | 60.1 | 32,062 | 19,273 | 2.0% | 3.1% | 8,776,346 | 1,745,262 | 10,521,608 | 1.9% | 546 |
| Hells Gate | 52.0 | 38,888 | 20,238 | 2.5% | 3.2% | 8,776,346 | 2,116,828 | 10,893,174 | 1.9% | 538 |
| Njoro | 39.8 | 55,403 | 22,042 | 3.5% | 3.5% | 8,776,346 | 3,015,805 | 11,792,151 | 2.1% | 535 |
| Kamara | 66.1 | 29,887 | 19,763 | 1.9% | 3.1% | 8,776,346 | 1,626,868 | 10,403,214 | 1.8% | 526 |
| Visoi | 64.8 | 31,253 | 20,239 | 2.0% | 3.2% | 8,776,346 | 1,701,225 | 10,477,571 | 1.8% | 518 |
| Viwanda | 59.1 | 44,561 | 26,336 | 2.8% | 4.2% | 8,776,346 | 2,425,632 | 11,201,978 | 2.0% | 425 |
| Tinet | 74.7 | 34,538 | 25,796 | 2.2% | 4.1% | 8,776,346 | 1,880,040 | 10,656,387 | 1.9% | 413 |
| Mauche | 86.9 | 34,010 | 29,543 | 2.2% | 4.7% | 8,776,346 | 1,851,299 | 10,627,645 | 1.9% | 360 |
| Kiptororo | 85.6 | 37,480 | 32,093 | 2.4% | 5.1% | 8,776,346 | 2,040,185 | 10,816,531 | 1.9% | 337 |
| Total | 40.3 | 1,564,872 | 630,379 | 100.0% | 100.0% | 482,699,047 | 85,182,185 | 567,881,232 | 100.0% | 901 |

Sources: Nakuru County Ward Development Fund, Exploring Kenya's Inequality, SID and KNBS 2013

WEST POKOT WARD DEVELOPMENT FUND

The county passed a law that created a fund that allocates not less than 31.1 percent of its approved annual development budget. The act aims to ensure equity in developing the county and the decisions made involve the public.

FIGURE 1. OBJECTIVES OF THE WEST POKOT COUNTY WARD FUND

Object and purpose of the Act

3. The purpose of this Act is to provide a comprehensive, harmonized, efficient and effective legal and regulatory framework for the management and operation of the Ward Development Fund for West Pokot County to achieve the following objectives:-

- (a) channel the use of public funds at the lowest level of governance where the most vulnerable exist;
- (b) ensure equity in the distribution of funds in the County;
- (c) ensure local-level participation in the identification, prioritization, implementation and evaluation of development activities at the Ward level; and
- (d) exhibit accountability and transparency in the disbursement and use of Public resources.

While the objectives point to a goal of having a fair approach to distribution, the criteria set out in the same law distributes the fund equally among the county's 20 wards. How diverse are the development needs in the county and will the criteria eventually ensure equitable development among the wards? Data from the Kenya National Bureau of Statistics shows that over 320,000 people live below the poverty line in West Pokot county. Alale ward has the highest share of poor people with nine percent followed by Chepareria and Kiwawa at eight percent each. Siyoi ward has the smallest share of the poor in West Pokot with just one percent. Poverty is taken as an indicator of a people's reliance on government services and the poverty numbers across the wards shows that there is a significant difference among them. With such differences in poverty among the wards no reason is given in the legislation as to why the ward fund is distributed equally among the 20 wards. This seems to also go against one of the objectives of the act, which is to ensure there is equity in the distribution of the fund in the county.

The approved development budget for 2016/17 in West Pokot was Ksh. 1.75 billion. This means the allocation to the fund was Ksh. 545 million. However, as shown in Table 5, in per capita terms a poor person in the poorest ward, Alale, gets Ksh 940 while a poor person in the richest ward, Siyoi, gets six times that amount at Ksh. 5,965. While more direct measures of development gaps should be used to determine the inequality that exists in West Pokot, it seems that even proxy measures such as poverty indicate the current criteria is not equitable.

TABLE 5. WARD DISTRIBUTION OF THE WARD DEVELOPMENT FUND IN WEST POKOT COUNTY

| | | | Approved Annual Development Budget | | Allocation for Ward Development Fund | | | |
|--------------|---------------------|-------------------------|---|--|---|---|-----------------------------------|---|
| | | | 1,752,700,000 | | 545,089,700 | | | |
| <i>Ward</i> | <i>Poverty Rate</i> | <i>Total Population</i> | <i>Absolute Number of Poor People</i> | <i>Ward Share of the Total Poor People in the County</i> | <i>Ward Allocation</i> | <i>Ward Share of the Total Allocation</i> | <i>Ward Allocation per Capita</i> | <i>Allocation Based on Share of Poor People</i> |
| Alale | 78.6 | 36,880 | 29,002 | 9% | 27,254,485 | 5% | 940 | 49,133,157 |
| Chepareria | 62.4 | 41,299 | 25,785 | 8% | 27,254,485 | 5% | 1,057 | 43,683,141 |
| Kiwawa | 87.9 | 27,829 | 24,465 | 8% | 27,254,485 | 5% | 1,114 | 41,446,889 |
| Batei | 73.4 | 30,503 | 22,404 | 7% | 27,254,485 | 5% | 1,217 | 37,955,287 |
| Riwo | 75.7 | 27,486 | 20,818 | 6% | 27,254,485 | 5% | 1,309 | 35,268,397 |
| Wei Wei | 61.1 | 28,419 | 17,354 | 5% | 27,254,485 | 5% | 1,571 | 29,399,931 |
| Tapach | 65.9 | 26,209 | 17,262 | 5% | 27,254,485 | 5% | 1,579 | 29,244,071 |
| Lelan | 51.2 | 33,443 | 17,127 | 5% | 27,254,485 | 5% | 1,591 | 29,015,364 |
| Mnangei | 49.2 | 34,242 | 16,830 | 5% | 27,254,485 | 5% | 1,619 | 28,512,207 |
| Lomut | 63.2 | 24,607 | 15,542 | 5% | 27,254,485 | 5% | 1,754 | 26,330,168 |
| Kapenguria | 52.9 | 29,039 | 15,360 | 5% | 27,254,485 | 5% | 1,774 | 26,021,836 |
| Endugh | 83.1 | 17,166 | 14,273 | 4% | 27,254,485 | 5% | 1,910 | 24,180,317 |
| Kodich | 67.9 | 20,767 | 14,107 | 4% | 27,254,485 | 5% | 1,932 | 23,899,091 |
| Suam | 70.8 | 19,430 | 13,750 | 4% | 27,254,485 | 5% | 1,982 | 23,294,287 |
| Masool | 88.9 | 14,732 | 13,103 | 4% | 27,254,485 | 5% | 2,080 | 22,198,185 |
| Sekerr | 67.2 | 16,735 | 11,252 | 3% | 27,254,485 | 5% | 2,422 | 19,062,350 |
| Kapchok | 87.2 | 12,226 | 10,658 | 3% | 27,254,485 | 5% | 2,557 | 18,056,037 |
| Kasei | 69.2 | 14,727 | 10,184 | 3% | 27,254,485 | 5% | 2,676 | 17,253,019 |
| Sook | 63.7 | 12,414 | 7,907 | 2% | 27,254,485 | 5% | 3,447 | 13,395,486 |
| Siyoi | 26.4 | 17,311 | 4,569 | 1% | 27,254,485 | 5% | 5,965 | 7,740,480 |
| Total | | 485,464 | 321,752 | 100% | 545,089,700 | 100% | 1,694 | 545,089,700 |

Sources: West Pokot Ward Development Fund, Exploring Kenya's Inequality, SID and KNBS 2013

KISUMU COUNTY WATER DEVELOPMENT BUDGET

In 2016/17 Kisumu county submitted a budget that had details on individual projects and details of the wards and sub-counties where they would be implemented. While the departments were not consistent in providing details of the locations, the water sector had that information. This section looks at the distribution of these water projects across the county against information on water access.

The county allocated Ksh. 250 million for water projects across its 35 wards in 2016/17. Data from Kenya National Bureau of Statistics shows the number of people in each ward across Kisumu without access to improved sources of water. This gives a picture of the need of water investment in each ward. Based on these two sets of data, the table below shows that the ward with the highest per capita allocation was Kolwa East which received Ksh. 1,178 per person without access to improved sources of water. Meanwhile, four wards did not have any projects in water for the year: Kondele, Shauri Moyo/Kaloleni, Nyalenda B, and Market Milimani. Kajulu ward, which has the highest share of people without access, also has the lowest per capita allocation among wards that have water projects. Four out of the top five wards with the largest number of people without good access received per capita allocations that were lower than the average allocation of Ksh. 430 across the county. These trends show that the allocations among the wards in Kisumu do not seem to be fair considering the need in each of the wards.

TABLE 6. DISTRIBUTION OF WATER PROJECTS AMONG WARDS IN KISUMU COUNTY

| Ward | Share of Ward Population with Unimproved Sources of Water | Ward Population | Ward Population with Unimproved Sources of Water | Water Allocations | Ward Share of County Population with Unimproved Sources of Water | Ward Share of County Allocation | Per Capita Ward Allocation |
|--------------------------------|---|-----------------|--|--------------------|--|---------------------------------|----------------------------|
| Kajulu | 62% | 40,471 | 25,174 | 3,415,000 | 5.7% | 1.8% | 136 |
| Muhoroni Koru | 64% | 34,167 | 21,707 | 4,545,000 | 4.9% | 2.4% | 209 |
| West Seme | 71% | 28,384 | 20,240 | 15,235,000 | 4.6% | 8.0% | 753 |
| Chemilil | 60% | 32,803 | 19,842 | 5,615,000 | 4.5% | 3.0% | 283 |
| North Seme | 75% | 25,261 | 18,836 | 5,005,000 | 4.3% | 2.6% | 266 |
| Awasi/Onjiko | 71% | 25,864 | 18,344 | 9,315,000 | 4.1% | 4.9% | 508 |
| Masogo/Nyangoma | 53% | 32,477 | 17,321 | 14,834,000 | 3.9% | 7.8% | 856 |
| West Nyakach | 64% | 26,309 | 16,769 | 7,230,000 | 3.8% | 3.8% | 431 |
| North Nyakach | 51% | 31,660 | 16,266 | 4,615,000 | 3.7% | 2.4% | 284 |
| Central Kisumu | 46% | 35,154 | 16,028 | 3,415,000 | 3.6% | 1.8% | 213 |
| Kolwa Central | 50% | 31,654 | 15,809 | 3,415,000 | 3.6% | 1.8% | 216 |
| East Seme | 73% | 21,658 | 15,747 | 3,295,000 | 3.6% | 1.7% | 209 |
| Central Nyakach | 58% | 26,859 | 15,475 | 5,415,000 | 3.5% | 2.9% | 350 |
| Kondele | 32% | 47,392 | 14,959 | - | 3.4% | 0.0% | - |
| Kabonyo/Kanyagwal | 59% | 25,020 | 14,828 | 3,965,000 | 3.4% | 2.1% | 267 |
| South West Kisumu | 67% | 22,113 | 14,732 | 11,937,200 | 3.3% | 6.3% | 810 |
| South East Nyakach | 48% | 30,117 | 14,600 | 3,345,000 | 3.3% | 1.8% | 229 |
| South West Nyakach | 77% | 17,236 | 13,284 | 10,195,000 | 3.0% | 5.4% | 767 |
| Ombeyi | 47% | 26,253 | 12,408 | 5,495,000 | 2.8% | 2.9% | 443 |
| East Kano/Wawidhi | 70% | 17,317 | 12,177 | 8,300,800 | 2.8% | 4.4% | 682 |
| West Kisumu | 50% | 22,101 | 11,087 | 10,030,000 | 2.5% | 5.3% | 905 |
| North West Kisumu | 49% | 21,975 | 10,832 | 10,865,000 | 2.4% | 5.7% | 1,003 |
| Central Seme | 47% | 22,936 | 10,721 | 5,415,000 | 2.4% | 2.9% | 505 |
| Migosi | 52% | 19,564 | 10,081 | 2,095,000 | 2.3% | 1.1% | 208 |
| Kisumu North | 38% | 24,614 | 9,246 | 9,093,000 | 2.1% | 4.8% | 983 |
| Railways | 26% | 34,341 | 8,941 | 1,695,000 | 2.0% | 0.9% | 190 |
| Manyatta B | 32% | 27,894 | 8,940 | 1,815,000 | 2.0% | 1.0% | 203 |
| Miwani | 37% | 18,099 | 6,670 | 5,415,000 | 1.5% | 2.9% | 812 |
| Kolwa East | 30% | 21,203 | 6,295 | 7,415,000 | 1.4% | 3.9% | 1,178 |
| Ahero | 15% | 35,256 | 5,275 | 3,815,000 | 1.2% | 2.0% | 723 |
| Shauri Moyo/Kaloleni | 37% | 14,276 | 5,239 | - | 1.2% | 0.0% | - |
| Nyalenda B | 14% | 32,219 | 4,455 | | 1.0% | 0.0% | - |
| Kobura | 12% | 35,960 | 4,263 | 1,665,000 | 1.0% | 0.9% | 391 |
| Nyalenda A | 12% | 28,169 | 3,338 | 2,095,000 | 0.8% | 1.1% | 628 |
| Market Milimani | 15% | 15,869 | 2,444 | - | 0.6% | 0.0% | - |
| Total for Ward Projects | | 952,645 | 442,373 | 190,000,000 | 100.0% | 100.0% | 430 |
| County wide projects | | | | 60,000,000 | | | |
| Sector Total | | | | 250,000,000 | | | |

Sources: Kisumu Line Item Budget 2016/17 and Exploring Kenya's Inequality, SID and KNBS 2013

CONCLUSION

The first term of counties has come to an end. As the next phase of five years begins, it is important to evaluate how equity has been addressed. Counties have addressed equity matters mostly through funds such as ward development funds and bursary funds. However, while the ostensible aim of many of these funds is greater equity, in practice, counties have chosen inequitable approaches to implement them. As shown in this paper, most of the distribution mechanisms allocate resources equally among

wards and if not, very close to equal shares. In addition, attempts to equalize funding for capital projects ignore the importance of recurrent costs in ensuring equitable access to services. More broadly, it is not clear that marginal funds such as WDF or bursaries will address the most fundamental inequalities within counties.

Inequalities among wards are just as stark as those among counties if not worse. The notion of equality is important, but it should be the objective of policy, not the mechanism for achieving it. Where there are large inequalities in population and access, equal shares do not address them. Going forward, as counties budget over the next five years, there is need to ensure the county budgets are equitable. Counties alone may not fully address equity matters. The Commission on Revenue Allocation also should play a role in guiding counties how to think about distributional questions at the sub-county level, when sharing county revenues. And the public must also demand equity, rather than equality, in the policy process, as politicians are also responding to widespread notions among the public that equal shares are fair.