

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. Gaturi 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 Gaturi comes to Ksh 1,781 while the per capita allocation in Kamacharia is three times that of Gaturi 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.