



Practical
ACTION

BETTER FINANCING FOR SANITATION

in Kisumu County

SUMMARY

Access to sanitation in Kisumu County remains poor. In low-income settlements, more than 90 per cent of residents use pit latrines, shared with an average of seven households. Four in ten are reported to be in a poor condition. The situation could be improved with increased budget allocations from the County. However, sanitation is significantly underfunded. Barriers to better financing include the low prioritization of sanitation interventions, the lack of a separate budget line for sanitation, limited planning capacity, and insufficient data informing decision-making. These limitations in turn impact the ability to spend the allocated budget. This brief is based on Practical Action's field experience and research in Kisumu. We make the following recommendations to improve the situation.

RECOMMENDATIONS

- **Create a separate budget line** for sanitation in the County budget and increase the County budget allocation to sanitation in general, and for low-income areas specifically.
- **Target capacity building** to strengthen implementation capacity and efficiency within the Department of Planning and Economic Development; improve project implementation by County and WASH actors; and enhance the ability of sanitation service providers to track their financial flows. This would enable faster disbursement of funds once allocated.
- **Improve strategic and financial planning** by finalizing the County water and sanitation sector policies, strategies and setting clear targets. Targets should be aligned to costed activities and budget allocation in the 5-year County Water Services Investment Plan and County Integrated Development Plan.
- **Improve monitoring** by ensuring the monitoring and evaluation framework includes a harmonized dataset of common WASH indicators used by all actors in Kisumu. Improve the accountability of the distribution of public funds by community engagement in social audit practices.

UNDERFUNDING OF SANITATION IN KISUMU

Urban sanitation in Kisumu, and other urbanized counties in Kenya, is significantly underfunded. The national WASH sector budget allocation was, on average, 2.2 per cent of the total national budget over the 2014–2018 period. When compared with other sectors, such as health, education, infrastructure, and security, sanitation and drinking water are a relatively low priority (KIPPRA and UNICEF, 2018). Public funds for sanitation represent only 0.2 per cent of Kenya's annual GDP (Ministry of Health, 2016 as quoted in Mansour et al., 2017). In Kisumu, while budget allocation for water supply accounts for 2.86 per cent of Kisumu County's budget, allocations directed to sanitation are negligible (Otieno and Chege, 2019).

For highly urbanized counties like Kisumu¹, the national underfunding of

sanitation is compounded by the way national funds are allocated to counties, which does not correlate well with the share of population or acute need of lower-income urban areas (KIPPRA and UNICEF, 2018). Since the onset of devolution in 2013–14, Kisumu County Government has progressively increased its allocation to the sector to fill the gap in national financing, allocating Ksh. 493 m (US\$4.6 m) to water and sanitation in 2017–18 compared with Ksh. 168 m in 2013–14 (\$1.57 m) (Otieno and Chege, 2019, see figure 1). To compound the problem, although these budgets are allocated, the actual disbursement of funds is far below the budgeted amount (see figure 2). As a result, Kisumu County is facing a crisis in financing urban infrastructure and basic services, including significant underfunding for sanitation.

The result is that in low-income communities access to sanitation remains poor. Practical Action's baseline study in three low-income settlements in 2018 found that 92 per cent of households are using pit latrines, and 69 per cent share with more than four households. A similar study in 2016 found that 43 per cent of toilets were in a poor condition: dirty or filled up, and toilets were on average shared between seven households.

There is no budget line for sanitation in Kisumu County's budget which makes allocating and tracking budgets to sanitation difficult. A Public Expenditure Review and Budget Tracking exercise for WASH identified that for both the Departments of Health and Water, the vast majority of their budgets goes towards new infrastructure construction such as hospitals and water infrastructure rather than preventive health and sanitation (Otieno and Chege, 2019). The County also focuses its water investments in the more rural wards, in part to counter the significant financing support from external donors in KIWASCO's service areas in Kisumu city and its peri-urban areas. It is estimated that Kisumu County public funds for sanitation represent 0.5 per cent of the County's budget every year, with most of that actually directed to solid waste management (Otieno and Chege, 2019).

Poor disbursements of allocated funds. Only 55 per cent of the approved budget for WASH was executed in Kisumu County over the period 2013–2018. Low

absorption of budget is often due to delays in procurement, delays in the receipt of finances from the national treasury, inadequate planning, and the slow pace of implementation of large-scale infrastructure projects (Otieno and Chege, 2019).

The lack of baseline data and strategic coherence impedes long-term planning at County level. The Kisumu County Water Policy and Strategy and Kisumu County Environmental Sanitation and Hygiene Policy remain under development, which hampers

strategic and financial planning, and budget allocation. Strategic priorities and budget allocations in the Kisumu County Integrated Development Plan and Sector Investment and Financing Plan are not based on comprehensive baseline evidence. As such, the County currently operates on short-term horizons and only aims for a 2 per cent annual increase in the coverage target (Otieno and Chege, 2019). There is little national long-term steer, as the National Sanitation and Hygiene Investment Plan has not yet been finalized.

Figure 1: Budget allocations to WASH in Kisumu County

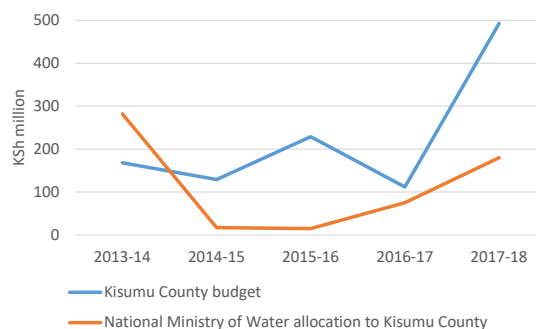
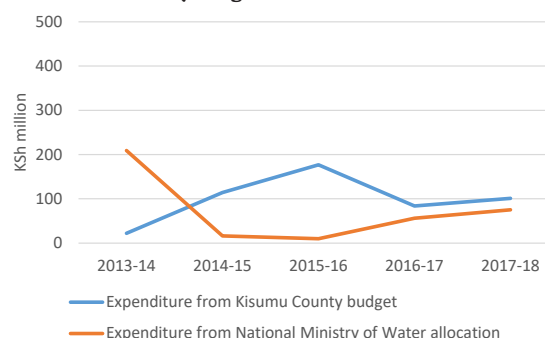


Figure 2: Expenditure on WASH in Kisumu County from National and County budgets





55 %

Of approved WASH budget spent
2013-2018

THE WAY FORWARD

Improving the sanitation conditions in particular for low-income residents requires more and better-targeted public funding. But to make this effective also requires the 'building blocks' of better strategic and financial planning and monitoring (Huston and Moriarty, 2018). We have four recommendations to improve public sanitation financing in the interests of low-income communities.

Revise budget allocation for sanitation

Tag the County sanitation budget separately. Sanitation funding is difficult to track because it is bundled within the preventive health budget. The County should introduce a dedicated budget line for sanitation so spending can be focused and progress tracked.

Increase County government budget allocation to sanitation. The County government should progressively increase the share of the budget to sanitation. It is a key investment for health but also broader objectives for the County. In a COVID and post-COVID context, more funding should be allocated for sustaining and improving the quality of service provision.



0.5 per cent of Kisumu County budget goes to Sanitation and Waste Management combined

Fund cost-effective sanitation actions in low-income areas. Priority actions include demand creation, support to low-cost toilet construction and safe emptying services, and decentralized sludge treatment (Mansour et al., 2017). These are faster to implement and benefit more people than large-scale infrastructure projects. An additional source of funds could be the Water Sector Trust Fund (WSTF), a ring-fenced basket fund for pro-poor water and sanitation projects.

Improve strategic and financial planning

Finalize the County water sector and sanitation sector policies. Both are at an advanced stage and must be finalized. This is a necessary and significant step in strengthening the enabling environment for increased financing.

Improve strategic and investment planning with clear targets aligned to costed activities and budget allocation within the framework of the 5-year County Water Services Investment Plan and County Integrated Development Plan (CIDP, 2018–2022). Presenting the budget by functions of spending (such as sanitation and hygiene) as well as by major programmes would improve transparency and accountability.

Strengthen implementation capacity through targeted capacity building

If budget execution rates were improved there could be a significant increase in the funds available (KIPPRA and UNICEF, 2018). Without it, arguing for more funds is difficult. Targeted capacity building to strengthen implementation capacity and efficiency within the Department of

Planning and Economic Development; improving project implementation by County and WASH actors; and enhancing the ability of sanitation service providers to track their financial flows could contribute to more rapid disbursement of funds once allocated.

Improve monitoring and accountability

A comprehensive baseline study is needed to inform priorities for sanitation investments in the 5-year investment plan. Much data already exists and the County health and water departments could draw upon the expertise of the Kisumu WASH Network as the Department of Education has done to produce 'The Status of Basic Education in Kisumu County' report.

Better evidence. Estimating funding gaps requires information and coordination among the many different levels of government, service providers, NGOs, and development partners. The County M&E framework, currently under development, should include a complete and harmonized WASH dataset of common indicators used by all actors in Kisumu. A better understanding is needed of the types of evidence that are most influential for County government, citizens, and other stakeholders.

Improve accountability through social audit practice. The Constitution of Kenya requires public participation at all levels of government.² Kisumu County has a clear structure for public participation in monitoring budget utilization including through the County Budget Economy Forum and project management committees. However, citizens' experience with the budget cycle is far from ideal. A

community-based social audit system would help improve accountability (see Box 1). Other mechanisms to improve engagement include: improved access to public information at the village level; information being made available prior to public participation forums; supporting

structured community feedback channels; and increased County government responsiveness to citizens' voices.

COVID-19 has shown even more clearly how people's vulnerability was increased by their heavy reliance on poor

quality shared facilities. Increasing and improving the effectiveness of public finances can catalyse change in people's access to sanitation. Changes in how budgets are planned, allocated, and accounted for will be at least as important as increasing the total amounts available.

Box 1 Social audits for improved accountability and good governance

A social audit is a community-driven process which scrutinizes how well public resources are being utilized. It gives residents an opportunity to document the performance of planned spending in their neighbourhood and a channel to raise their voices to demand better accountability and value for money. Practical Action supported stakeholders in Kisumu and Kitale to look at how public funds were being spent and the extent to which the community's needs were being met.

Benefits of social audits:

- They put local residents at the heart of decision-making processes about what needs to change and how.
- They help development players and duty bearers make effective use of public funds.
- They are a useful tool in rebuilding trust and confidence in the government. They can identify best practices of implementation.

Source: Practical Action, *People's Plans into Practice, Social Audit Policy Note 2012*.

Notes and References

1. In Kisumu County the proportion of the population living in informal settlements is the highest in Kenya (47 per cent).

2. As indicated in the Public Finance Management Act, the County Governments Act, and other laws on public participation in Kenya.

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About Practical Action

We are an international development organization putting ingenious ideas to work so people in poverty can change their world. Our vision is for a world that works better for everyone.




We help people find solutions to some of the world's toughest problems, including challenges made worse by catastrophic climate change and persistent gender inequality.

We believe in the power of small to change the big picture. And that together we can take practical action to build futures free from poverty.

Big change starts small.

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