



Background: Kenya’s new Constitution, adopted in August 2012, outlines an ambitious agenda of devolving powers to 47 new county governments. This politically sensitive, though popular, reform could have far-reaching impact across every sector of Kenya’s economy and governance. It is widely regarded as the most important public policy challenge that Kenya is tackling.

Kenya’s devolution arrangements are complex and involve many uncertainties about the Constitution’s provisions. Processes of fiscal decentralisation are particularly important to ensuring equitable and efficient public financial management across the country. Getting these provisions correct has the potential to increase resources and accountability for government service provision, promote economic growth, begin to address long-standing service inequities and, ultimately, reducing conflict and tension within Kenya.

Objective: Objectives of this activity were:

- supporting the Commission on Revenue Allocation (CRA) to analyse information on the cost of devolved function and to identify the implications for vertical and horizontal sharing of revenue;
- supporting the CRA to work with the Fiscal Decentralisation Knowledge Program on developing and disseminating fiscal, economic and social information on counties; and
- supporting the CRA to undertake analytical work and staff training to support their constitutional mandate.

Activity description: This activity involved the provision of a technical adviser to the Kenyan Government’s Commission on Revenue Allocation.

Activity Number:	144/01
Date approved:	26/04/2012
Date commenced:	27/04/2012
Date completed:	31/10/2012
Implementation partner/s:	N/A
Total cost:	AUD221 128
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Results

Activity outcomes: The outcomes of the activity included:

- analysis of information on the cost of devolved functions and identification of the implications for vertical and horizontal sharing of revenues;
- legal and statutory advice to support CRA’s constitutional mandate;
- development and dissemination of fiscal, economic and social information on counties; and
- training and development of Commission staff on fiscal decentralisation and devolution.

