

URBAN AREAS PERFORMANCE INDEX 2017: MOMBASA



Institute of
Economic Affairs

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Mombasa Profile



Location

- Coast region

Population 2015

- Mombasa: 1,158,880

Select Economy and Public Service Provision Indicators

Total County local revenue collection {2015/16}	Ksh 2.94 bn
Urban area's local revenue collection {2015/16} per capita	Ksh 2,537
Urban area's local revenue collection as a percentage of the projected {2015/16}	72.6%
Households in the urban area with water supply (%)	54
Share of deliveries in a health facility in 2014 (%)	81.8
Share of children fully immunized in the urban area 2015 (%)	86.6

Urban Areas Performance Index (UAPI)

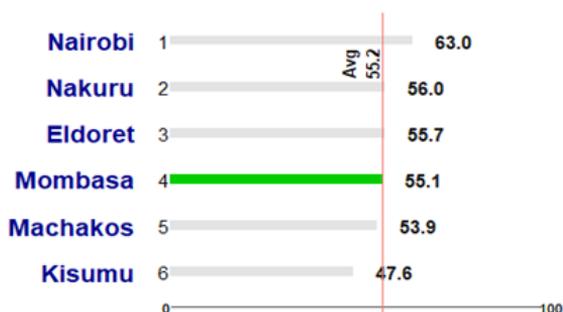
The Urban Areas Performance Index (UAPI) used 67 questions (indicators) to assess performance of urban areas in Kenya. The assessment is based on three clusters, namely:

- Conditions for Residents (this is more about service delivery, that is, how good the urban area is for residents);
- Conditions for Investment (does the urban area provide a favourable environment for businesses and investors) and
- Principles of Good Governance (this is about effective and transparent asset and resource management)

This Index was used to calculate scores on a scale of 0-100 points for each of the six urban areas that were surveyed (see methodology). On this basis these scores were then used to comparatively rank these urban areas. Those urban areas that ensure individual's free choice, create favourable business conditions, use public resources efficiently and ensure transparency of their activities are ranked higher.

The following section breaks down results by cluster and sub-cluster to show reasons behind Mombasa's overall performance.

Chart 1: Overall Urban Areas Performance Index

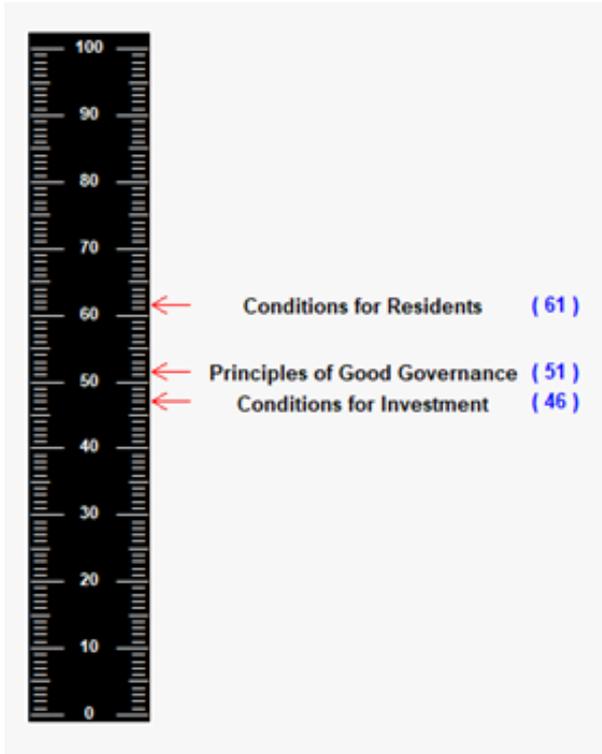


Mombasa is ranked fourth out of the six urban areas.

Its score of 55.1 is only 0.1 points below overall UAPI average score as shown in Chart 1.

Mombasa's performance in service delivery, provision of an enabling environment for investment and in effective and transparent asset and resource management is average

Chart 2: Mombasa Performance by Clusters



Breakdown of performance by the three clusters as shown in chart 2 reveals that Mombasa’s overall performance is driven by average performance in Conditions for Residents and Principle of Good Governance clusters.

Although performance in Conditions for Investment is average, the gap in scores between it and the other two clusters is substantially wide.

Despite best performance in the Conditions for Residents with a score of 61, Mombasa is ranked 4th out of the six urban areas in this cluster (see chart 3).

Mombasa ties with Eldoret as the top ranked urban areas in conditions for investment, six points above mean cluster score.

With a score of 51 points on the Principles of Good governance cluster, Mombasa comes in position three.

Chart 3: Performance by Clusters across the Six Urban Areas

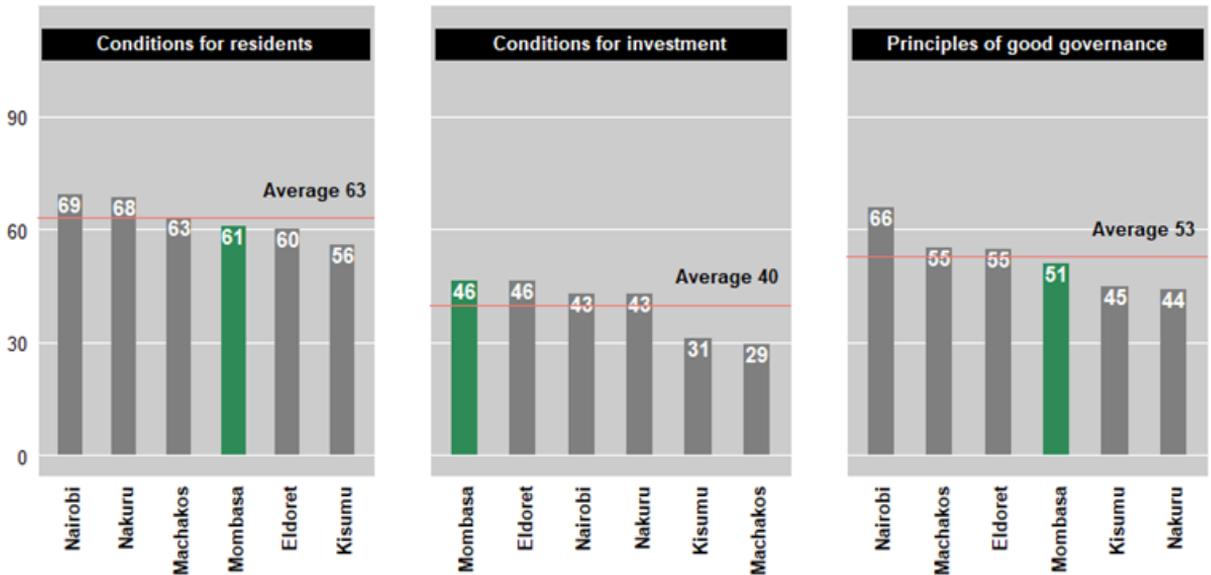


Chart 4: Mombasa Performance Disaggregated by Sub Clusters



six urban areas perhaps on the back of increased health spending. Furthermore, the percentage of deliveries in a health facility was 81.8% in 2014 while the percentage of children fully immunized in 2015 was 86.6% which is above the national average of 73.4%. The area of concern remains on dealing with high cases of malaria.

Performance on safety and disaster management is attributed to Mombasa having the second least cases of crime at 2.76 per 1,000 in 2015, albeit above the mean of 2.24 per 1,000. However, it experienced an increase in the number of road accidents by 0.3% on per capita basis.

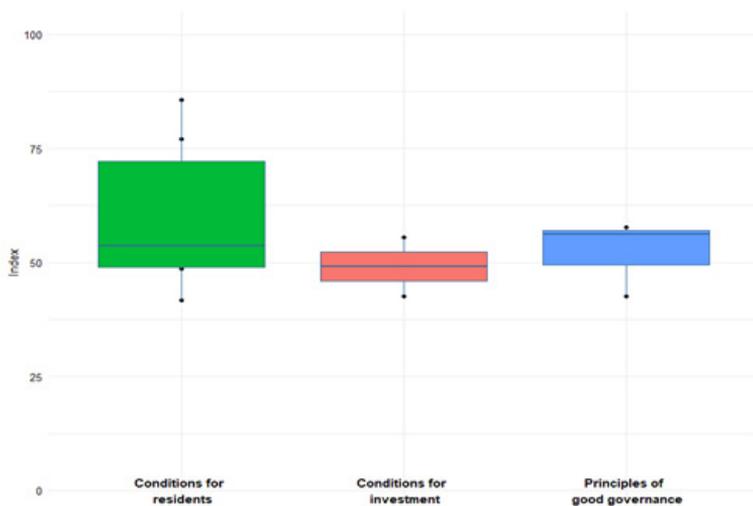
Overall average performance in public utilities sub-cluster is due to dismal results in water service provision. Mombasa has the lowest 54% percentage of households with water supply of the six urban areas, indeed below the mean of 70%. This is worsened by poor reliability and high physical and commercial losses at 54%.

On education, Mombasa with a mean score of 50 is ranked last, 30 points below the mean sub cluster score. What explains this situation is that it is the second urban area that has a plan for ECDE but not Village Polytechnics. Besides, overall sub-cluster performance was weighed down by the large number of pupils, 107 per ECDE, indeed the largest of all the six urban areas.

Mombasa's performance in social care and public transport is less than acceptable. With a score of 49 it is ranked fourth in social care due to having the highest unemployment rate of 15%, indeed above the mean of 12.3% for the six urban areas.

Despite average performance in transport sub-cluster, Mombasa with a score of 42 is ranked second. For traffic management, it has policies on public transport and for non-motorized transport but lacks one on *boda boda*.

Chart 5: Box Plot Showing Spread of Scores by Clusters



Conditions for Residents

Overall performance in this cluster is explained by aggregation of individual performance in each of the six sub-clusters.

Chart 4 shows that there are wider variations in health, safety and disaster management and public utilities sub clusters' scores relative to other three sub-clusters

Mombasa's performance in Condition for Residents is explained by above average scores in health (86) and in safety and disaster management (77) as shown in chart 4. It is ranked first in health on account of having 96 medical personnel per 100,000 population in 2014, the highest of the

Conditions for Investment	Principles of Good Governance
<p>The weakest performance by Mombasa is in this cluster on Condition for Investment. Individual sub cluster performance in taxes had a score of 56 and in investment and trade a score of 43 is average.</p>	<p>Performance on asset management, administration and human resources management and in the budget sub clusters is average. The weakest comparative performance by Mombasa is on the budget sub-cluster with a score of 43.</p>
<p>Comparatively, Mombasa is bottom ranked on the tax sub-cluster. Although it provides some information on local taxes and other levies, this is not comprehensive as other important details such as penalties are not provided. Equally Mombasa's single business permit levies for a general merchants shop at Ksh 7,000 are the most expensive against a mean of Ksh 5,367 despite levying comparable parking fees for private cars, at Ksh 100.</p>	<p>In regard to the budget sub-cluster, Mombasa comes close to Nairobi in local revenue collected per capita (Ksh 2,537) which is indeed above the average (Ksh 1,526) for this indicator. On expenditure management, Mombasa surpasses the 30% fiscal rule threshold for development budget as a share of total budget by 2.5 percentage points. However, nearly half of total development expenditure remained unspent by the end of 2015/16.</p>
<p>By contrast, Mombasa is ranked first on investment and trade sub cluster. For this performance, Mombasa provides basic information in both Swahili and English, it takes the shortest comparative time to register property, 41 days and the number of business permits issued per capita increased by 10% over 2014 and 2015 period.</p>	<p>With a score of 57 on administration and human resource management sub-cluster, Mombasa is ranked second last. Like other urban areas it keeps a staff register that is made available to the public upon request it had about 4 staff in every 1000 population by 2015. This study could however not establish the number of ghost workers of the total staff. Further to this, about Ksh 68 for every Ksh 100 spent is used to pay staff salaries, the highest of the six urban areas.</p>
<p>It is noteworthy that part of the reason for average performance in this cluster not only Mombasa but for the other urban areas is missing information on a number of indicators, in particular information on the number of public private partnership contracts created and on the number of foreign direct investments. This is perhaps not helped by the fact that County Statistics Office is not operational. For any indicator in which there is non-disclosure of information or data is missing for whatever reasons is awarded a score of zero as per the UAPI methodology.</p>	<p>On asset management, Mombasa is ranked second last with a score of 56 relative to the mean sub-cluster score of 67.3. It keeps an asset register which is accessible upon request. It was reported that they own four funeral homes which serves to increase administrative and financial burden. However no information was provided on the number of cars it owns for administrative purposes. This lack of disclosure or missing information contributed to lowering overall performance.</p>

Recommendations

Mombasa should in the short term establish urban area/city structures. In addition, they should operationalize the County Statistics Office as a data repository and information centre to facilitate planning and also as a way of promoting transparency.

Improving Service Delivery.

Mombasa should prioritize and focus reforms in the following areas:

- Scale up investment in provision of water supply through its public utility and focus on enhancing reliability
- Develop boda boda policy as a foundation for enhancing traffic management whether as a stand along policy or integrated transport policy
- Prioritize budgetary allocation and efficient spending towards intervention to control spread of malaria
- Better prioritization of education budget towards increased investment in ECDE centres

Improving Conditions for Investment

Mombasa should focus on the following to provide for a favorable environment for businesses and investment:

- County National Treasury should review competitiveness of single business permit levies to general merchant shop through the County Finance Bill
- There is need to collect information that is important for understanding investment climate including on foreign direct investment, information or indicators of promoting private enterprise such as public private partnership contracts and so on

Improving Principle of Good Governance

Mombasa should focus reforms in the following areas in order to improve on the principle of good governance cluster:

- Focus on the budget should be on expenditure management and in particular the need to increase uptake of development budget by addressing cash management and procurement processes.
- Undertake reforms towards staff rationalization to curb high levels of wage bill.
- Update the Asset register in order to consolidate information on assets and liabilities for Mombasa and make it available to the public for transparency.

Methodology

The Urban Areas Performance Index (UAPI) was adopted and modified from Municipal Performance Index that has successfully been used by Lithuania Free Market Institute (LFMI) for eight years since 2011. This Index was compiled from a questionnaire with 67 questions (indicators) completed using information gathered from County officers and supplemented by secondary data based on the year 2015. Data was collected from the six largest urban areas in Kenya which were covered in this research, namely: *Eldoret, Kisumu, Machakos, Mombasa, Nairobi and Nakuru* from November 2016 to May 2017.

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