

# KENYA DEVOLUTION

## WORKING PAPER 3

FEBRUARY 2015

### Participation in Kenya's Local Development Funds: Reviewing the Past to Inform the Future

**OBJECTIVE:** *This paper reviews Kenya's past experiences on public participation in local service delivery to highlight practical lessons that county governments can draw from as they design participation mechanisms.*

#### 1. Introduction

**K**enya's new Constitution mandates a new era of public participation in government, particularly within the devolved government structure. Kenya has a long history with decentralization and transfers from the central to local government. By the 2009/2010 fiscal year, at least Ksh 73 billion, or Ksh 350 million on average per constituency, went towards decentralized spending. The 47 new county governments are expected to share information on budgets and spending while enabling effective citizen participation in establishing service delivery priorities and monitoring performance and oversight.

The new devolved structures can benefit from reviewing the country's prior experience with participation in decentralized funds. The Kenyan government and citizens gained extensive experience in local participatory development through decentralized programs and funds, in particular the Local Authority Transfer Fund (LATF) and the Constituency Development Fund (CDF). This paper focuses on the two development funds because participatory initiatives both by the government and the civil society were centred around them. The government developed guidelines, legislation, systems and procedures for engaging citizens. Similarly civil society initiatives focused on awareness creation and mobilization of citizens to participate in the implementation and monitoring of the funds.

This note summarizes options for strengthening participation under devolution, based on Kenya's experiences with citizen participation in local development funds. This note summarizes findings from several sources including: (i) *Social Accountability in Kenya's Decentralized Funds—Perceptions from Civil Society* a background report that reviews 19 civil society monitoring reports to understand the perspective of Kenya CSOs, (ii) *Six Case Studies of Local Participation in Kenya*, a published set of World Bank case studies reviewing citizen participation in devolved funds, (iii) *Citizens Voices: Citizen Participation in Devolved Government* a World Bank-commissioned consultations in eight counties on how citizen voices can be enhanced within the devolved structure, and (iv) a literature review of 19 CSO reports as well as government reports.

#### 1.1 Background and structure of LATF and CDF

##### 1.1.1 Local Authority Transfer Fund (LATF)

The LATF was introduced in 1998 with aims to improve and extend service delivery to communities, improve financial management and resolve Local Authority (LA) debts. The LATF was structured in block transfers of 5 percent of the national income tax revenue to LAs. The goal of the LATF was enable Local Authorities to improve and extend service delivery to citizens, improve financial management and resolve Local Authority debts. To qualify for LATF

This working paper is the third in a series of devolution working papers, that are being developed and disseminated in a partnership between the Centre for Devolution studies (CDS) - Kenya School of Government and the World Bank. The series has been produced with the support of the Kenya Accountable Devolution Program (KADP), financed by the GPF, DFID and the Australian Government.

For more information, please contact:  
Dr. Kemoli Sagala  
Coordinator,  
Centre for Devolution Studies (CDS),  
Kenya School of Government  
e: kemoli.sagala@ksg.ac.ke  
t: +254 20 2375340 / 2043339 (Ext. 176)



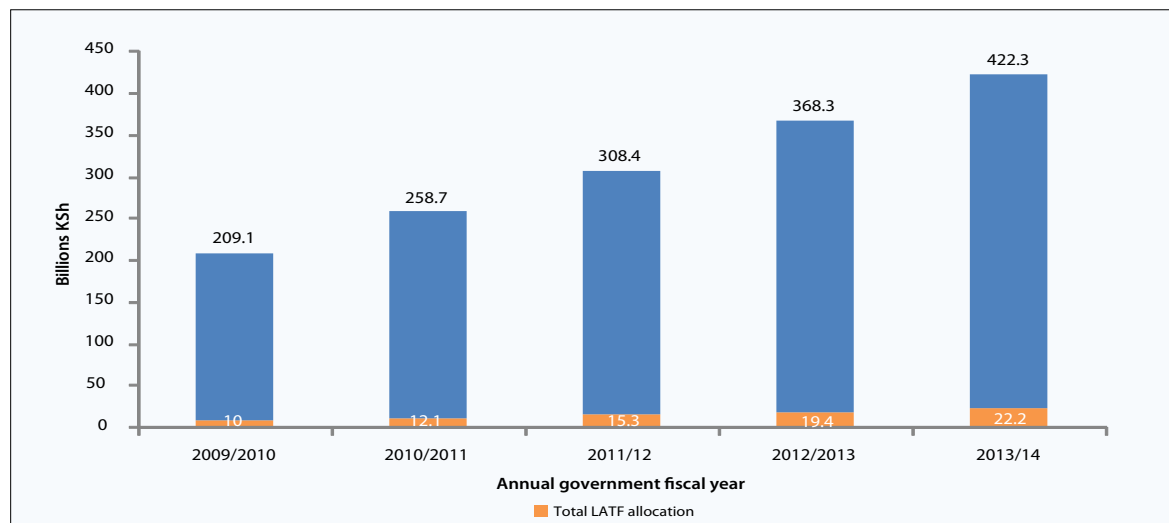
Ministry of Devolution  
and Planning



Kenya School of Government

funding, LAs were required to submit budget estimates outlining how funds would supplement local revenue and what they would be used for. Expectedly, LATF allocations increased as government revenues increased. By fiscal year 2012/13, LATF allocation had reached around Ksh 22 billion, from just Ksh 10 billion in 2009/10 (Figure 1). The LATF has not been in place since the new county governments came into office in 2013.

FIGURE 1: LATF ALLOCATIONS PER GOVERNMENT FISCAL YEAR



Source: World Bank, 2013

## 1.2 The Local Authority Service Delivery Action Plan (LASDAP)

Under LATF, the LASDAP was introduced by a ministerial circular in 2001, as the participatory process for the annual identification and monitoring of capital projects in LAs. Through consultations with all communities, LAs were expected to create and design projects that addressed local needs and priorities. LAs would receive funding after submitting reports outlining the consultative process and the final decisions of the LASDAP. The report included the public notice issued, attendance of stakeholders, minutes of meetings and decisions. Unfortunately, LASDAP did not require local councils to submit monitoring and implementation reports for projects, leaving LAs with little incentive to ensure project completion.

**Ideally, the LASDAP process was a cycle running throughout the year.** Table 1 captures the key phases. The main phases involving citizens were consultation meetings, consensus meetings and implementation and monitoring of projects. Other key events undertaken in preparation of these phases and integral to their proper functioning are also reflected in the cycle. The consultative meetings held annually every October, were the main decision forum to select projects for funding. Prior to the meeting, the LA convened a technical team to coordinate the preparatory activities which included, selecting dates and venues for the meeting, calculating the resource envelope available for funding the projects, and issuing public notices for the consultative meetings. At the consultative meeting, the prioritization of needs was guided by the community members and selected projects determined by a majority vote. Ward representatives were then selected to engage with the Council on the selected projects. Thereafter, in November, the technical team prepared the LASDAP report in readiness for the Consensus meeting in mid-November. The Consensus meeting was attended by the ward representatives, civil society and the LA. The participants reviewed the projects identified at ward level and with guidance from the LA on the feasibility of the projects agreed on the final projects to be implemented. The LASDAP would then be approved as part of the LA budget in June. Project committees would be selected from the representatives to engage in monitoring of the LA projects.

TABLE 1: LASDAP ANNUAL CYCLE

Period (Month)	Local Authority	Community
Ongoing to September	Monitoring and Reporting by Community and Local Authority	
September	Formation of LASDAP Technical team, preparatory activities, Calculation of resource envelope	
October	Consultation Meetings	
November	First Draft LASDAP prepared	
Mid November	Consensus Meeting	
End November	Council Approval of LASDAP projects	LASDAP Monitoring group formed
End November	LATF Conditionality Submission	Feedback meetings
April	Council Budget Approval	
May	Formation of project technical teams	
June	Minister's Budget Approval	LA Budget Day
July		Formation of Project committees
July to June	Implementation of the projects	
Ongoing	Evaluation of LASDAP process and projects	

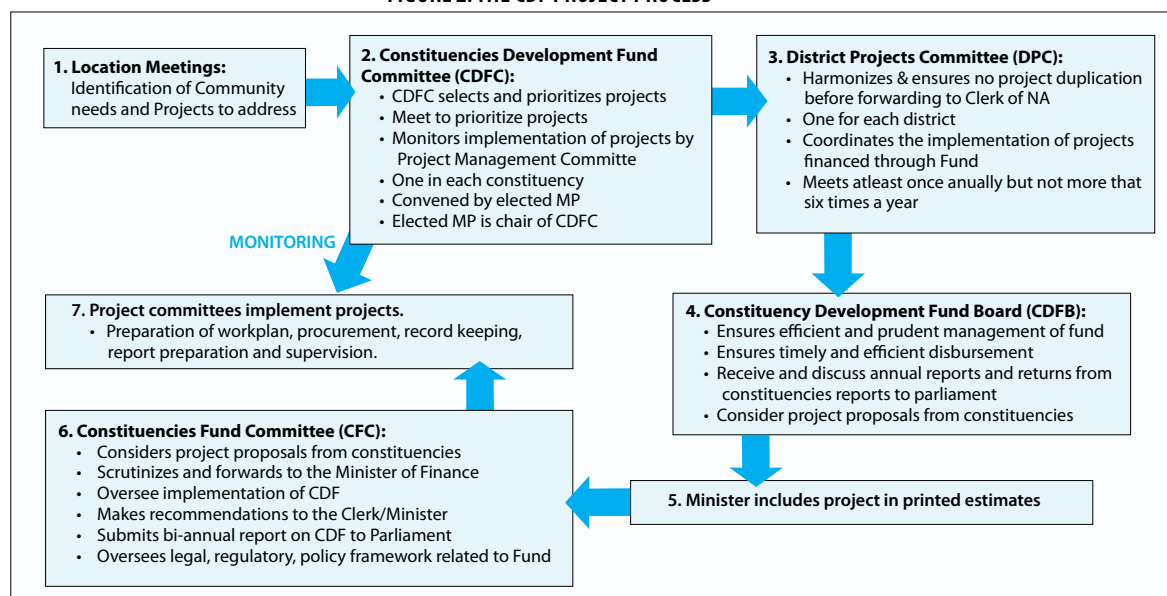
Source: World Bank, 2013

### 1.3 Constituency Development Fund

The Constituency Development Fund (CDF) was established in 2003, amended in 2007 and renewed in 2013. This paper mainly focuses on the CDF framework as established in 2003 and amended in 2007 to capture the historical experiences. Of all local development funding instruments, the CDF has been Kenya's most popular, both with the public and government.<sup>1</sup> Much like the LATF, the primary objective of the CDF is to implement development projects that address poverty at the constituency level. The fund receives an annual allocation of 2.5 percent of government revenues. The amounts received at the constituency levels are distributed by a formula guided by national and constituency poverty levels. The formula prioritizes infrastructure projects.

CDF projects are administered through a hierarchy of committees comprising members of the public at the local level and political and executive officials at the central administrative level. The Constituency Development Fund Committee (CDFC) and the Project Management Committee (PMC) are the structures operating at the constituency level. Appendix 1 shows the composition of the entire CDF structure, under the 2007 framework and Figure 2 details the CDF process.

FIGURE 2: THE CDF PROJECT PROCESS



Source: CDF Act (2007)

CDF projects have contributed to infrastructure development particularly in increased number of education facilities; however, recent available data shows that a large number of CDF projects failed to be completed thus minimizing the intended overall impact of the fund. Table 2 shows a breakdown of the status of projects, with a majority of ongoing and stalled projects concentrated in education. This has partly been attributed to the five year cycle, where new MPs are elected, and new management team is put in place, which has different priorities and constituent supporters to target with new projects, leaving old projects undone. Other reasons are overall weak management by project committees, due to inadequate capacity. This has often led to contractors not completing their projects as is discussed in detail in the paper. Some ongoing projects are implemented in phases cutting across several years.

Sector	Completed Projects	Ongoing & Stalled projects	Total projects financed
Education	12,023	13,644	25,667
Health	2,238	2,376	4,616
Water	3,484	2,886	6,373
Agriculture	1,475	1,072	2,547
Roads & Bridges	1,950	1,220	3,170
Others	3,052	2,830	5,882
Total	24,222	24,031	48,253

Source: CDF Board, 2012

Citizen awareness of the funds, their own potential role in fund governance varies greatly between funds, rural and urban areas, and between educated and less educated citizens. Findings from different surveys indicate that there has been some dissatisfaction with the impact and process of decentralized funds. Quite positively, the reports also reveal greater satisfaction with the impact of CDF compared to other local development funds particularly with beneficiaries targeted in CDF projects, the types of projects funded, the location and identification of projects (Table 3). There was however, less satisfaction in the transparency in fund management (53.4 percent), available dispute and conflict resolution mechanisms (46.7 percent) and the costs of projects (49.8 percent).

Issue	Satisfied (%)	Dissatisfied (%)
Identification of projects	74.3	24.5
Types of projects funded	83.2	15.9
Location of projects	77.8	19.2
Quantity/no. of projects funded	66	31.3
Targeting of beneficiaries	84.9	14.1
Transparency in fund management	46.6	53.4
Available dispute and conflict resolution mechanisms	46.6	53.4
Cost of projects	50.2	49.8

Source: Institute of Economic Affairs, 2006

## 2. Strengths and weaknesses of citizen participation in CDF and LATF

CDF and LATF have been relatively participatory compared with other government programs, and a majority of citizen engagement efforts have focused on them. Although CDF and LATF historically made up a relatively small proportion of government expenditures, they have provided a wide base of experience with citizen participation in government programs and lessons on how participation works best in various Kenyan contexts. The following section outlines key strengths and weaknesses of the funds.

## 2.1 Strengths

**CSO reports and the case studies provide examples where citizen participation has contributed to local service delivery.** They illustrate that collaborative initiatives between the government and CSO's contributed to greater success of participatory initiatives. For instance joint mobilization efforts between government and civil society can bring higher levels of citizen engagement and improve development results. They also highlight how CSOs play a key role to facilitate citizen participation, through initiatives such as designing training handbooks to assist communities in understanding how CDF works, how to participate in various stages of the CDF project cycle and how to effectively monitor expenditure through social audits. Also, CSO monitoring initiatives like the Citizen's CDF Report Card had considerable positive improvement on the management of the CDF. Where citizen participation has functioned well, CSOs and others identify several factors that contribute to success:

- **Strong emphasis on mobilization.** Enlisting local leaders and government together with extensive outreach to citizens on what they should expect a project to accomplish and how they can participate is important. Some local CDF and LATF projects successfully enlisted local leaders such as chiefs and village elders to mobilize citizens, used multiple channels to alert citizens in advance about opportunities to participate in project identification, used accessible venues at convenient times of the day, and made special efforts to reach out to the poor and vulnerable groups. Setting and publicizing clear processes and guidelines for participation is also important.
- **Providing up-front training on how participatory processes will work, involving both local government and civil society representatives.** Clearly explaining what citizens are asked to participate in, why, and how it relates to bigger development programs is crucial. But a review of Kenya's experience highlights that these participatory processes often work better when local government has been enlisted in the process, and civil servants trained on how to set up effective participatory processes. Case studies also provide examples of how CSOs working with local government and local communities to organize effective outreach and use of social accountability tools, yielded better results and opportunities for sustainability.
- **Communicating critical information in formats and using channels that are accessible and user friendly.** Depending on the topic of citizen participation—e.g. plans, budgets, implementation, new draft policies, laws, regulations, etc.—providing carefully tailored information on the content (what citizens are asked to participate in) and process (how they can participate) in formats and through channels that are accessible to citizens is crucial for effective participation.
- **Building incentives for officials to conduct effective public participation.** LATF required local authorities to submit reports on public participation as part of overall reporting required before another fund transfer could be authorized.
- **Linking citizen oversight with technical expertise.** A key feature of the more successful projects was the technical training and advice received primarily from government engineers. Involvement of the technical experts in preparing bills of quantity, and inspection of projects, proved helpful for citizens in project management committees (PMCs) of the CDF. For instance PMCs that paid contractors in installments after inspection by the experts had more completed projects than those who paid contractors up front, as once full payment was received, contractors had little incentive to complete projects.
- **Establishing independent oversight bodies and other checks and balances.**

**In 2007, the Ministry of Local Government commissioned a study to assess the impact of the LASDAP.** The study established that though there were significant challenges with the implementation of LASDAP, it played a key role towards institutionalizing participation in the local government decision making process. While the government was concerned about the quality of participation, it acknowledged that the introduction of LASDAP, not only enhanced citizen participation, but provided the tools for more equitable and participatory allocation of resources from LATF and enabled councils to provide marginally better services. The study established that legal and institutional frameworks are extremely important in ensuring the success of LASDAP processes as well as integrating local development processes. It further recommended that the LASDAP needed to be fully institutionalized so that participation in the process would move beyond mere consultation.

## 2.2 Weaknesses

**The decentralized fund processes have also been characterized by significant challenges.** These include poor access to information, low levels of citizen participation, weak monitoring, reporting and recourse systems, and low compliance with guidelines, which contributed to incomplete or stalled projects and poor service delivery. These are discussed in greater detail below with the aim of helping participatory processes under devolution avoid similar pitfalls.

**Fragmentation of local government funds and guidelines made it more difficult for citizens to participate or demand accountability.** CDF and LATF, as well as other decentralized funds, each had different implementing agencies, procedures, governance mechanisms, and opportunities for citizen engagement. CSOs report that this fragmentation creates a difficult environment for even informed citizens (or public officials) to understand overall service delivery expenditures and investments at a given level of government. Although detailed guidelines were available for funds like CDF and LATF, they were complex and inaccessible to the majority of citizens.

**This fragmentation also limits development effectiveness.** Even though there were committees for planning and harmonization of projects, such as the District Development and Project Committees, projects were often initiated independently, contributing to project duplication, double funding and stalled projects. Because CDF and LATF were managed through independent structures with little or no consultation taking place between them and because capital expenditure under these funds was managed separately from national infrastructure and service delivery, there were often problems with ensuring that new LATF and CDF investments were supported with recurrent expenditures. Consequently, for example, some health centers were constructed but remained unopened for a period of two years as there was no provision for staff or services.

**Limitations in local government capacity, systems, and resources also often hindered participation.** LATF and CDF had elaborate, documented processes for participatory planning, implementation, and monitoring, but in practice these were not fully implemented and results were not made public. LASDAP guidelines, for example, specified that quarterly reports be generated for monitoring purposes that consultative meetings be recorded, and for reports on citizen participation in all stages of the project cycle, but these were usually not implemented. Reports highlight that local government often had limited capacity to involve citizens in the planning, monitoring, and evaluation processes in line with project guidelines. Decentralized funds did not reliably account for expenditures and outputs. Government audits and CSO reports provide evidence of poor record keeping. Partly due to the lack of a unified chart of accounts and rollout of an integrated government financial system, the government has not regularly tracked the flow of funds down to local service delivery units, which undermines the ability of government to provide basic information on the location, funding and status of local investment and service projects.

**While citizens report relatively high levels of awareness of the existence of the funds, citizens typically know little about the actual amount of funding and specificities of each fund.** Civil society actors report that they often encountered difficulties in obtaining basic information about local service delivery, rules, projects, budgets, procurements, expenditures and performance across all the decentralized funds. Fund managers infrequently released lists of approved projects and status of projects as required by law. CSOs report that where information was made available, it was however often not in formats or channels convenient or useful to citizens. Further, in cases where local government would have liked to release information to their constituencies, they had limited capacity and resources to create and disseminate citizen-focused information.

**In particular, weak transparency around local fund decision making limited participation and compromised the effective management of the funds.** Various reports identify a lack of transparency and accessibility of decentralized funds procedures and criteria for beneficiary and project selection, and committee member selection. Even under the accountability framework established as part of the



CDF legislation, the decisions regarding which projects to finance were often made in a non-transparent manner, with few criteria. By contrast, the LATF/LASDAP process, which included procedures for open decision meetings combined with a consensus meeting, helped ensure that citizens would be involved in the prioritization of projects and funding decisions. However, aside from the budget allocated to LASDAP, the overall Local Authority budget formulation processes were typically not inclusive of citizen input.

**The lack of public, comparative data on the performance of local funds also limits the ability of citizens to assess performance and hold service deliverers to account.** Although LATF collected data comparing performance of different local authorities, this was not shared with the public, which meant that citizens had little basis for assessing how their local authority was performing. Without public systems to distinguish better versus poorly performing service delivery units, there are limited incentives to reward good performers and sanction poor ones.

**Where it did occur, citizen involvement was concentrated in the planning, and identification stages but was limited in project implementation, procurement and monitoring stages.** The LASDAP system required local authorities to submit evidence of participation in project identification, linked to performance reports and future funding tranches, and this contributed to local authorities more regularly involving citizens in project decision meetings. Although decentralized funds legislation and guidelines also provided for participatory monitoring and reporting systems, these provisions were rarely implemented or enforced. A key reason is that fund transfers from LATF to each local authority were tied only to participation in the decision-making phase of the project and not to the monitoring phase. Under LASDAP, the reports of the citizen monitoring committees were submitted to the local council, but not to the Ministry of Local Government, with the result that Local Authority performance on participatory monitoring and complaint redressal were not systematically tracked or linked to future LATF fund transfers. Without such an incentive, most local authorities simply ignored these requirements, and citizens and CSOs were not well equipped to demand LA compliance with these guidelines. Further, project oversight in the LASDAP implementation was hampered by lack of training of project committees by council technical teams making it difficult for these teams to provide feedback on project implementation even if they would have liked to.

**The structure, composition and governance of local fund committees also hindered independent oversight.** CDF and LATF were both criticized as being used to further political or patronage agendas with politicians and officials manipulating committee membership, controlling decisions and priority setting and mobilizing their own supporters rather than all citizens. CSOs widely report challenges with CDF. They note that CDF procedures, with MPs and their appointees serving simultaneously as decision makers, implementers and watchdogs of the CDF activities impose a major constraint on effectiveness and transparency of the fund (Romero, 2009). CDFs do not require consensus meetings with citizen representatives for project selection; as a result, it was unclear how well CDF projects represented community interests. Project oversight in the LASDAP was hampered by lack of training of project committees by council technical teams making it difficult for these teams to provide feedback on project implementation even if they would have liked to (World Bank 2013). Social audit groups were also found to be susceptible to elite capture with certain groups being captured by community elites, some of whom were decentralized fund managers. Citizens and CSO representatives report that they have faced intimidation, threats and hostility when attempting to hold decentralized fund management to account. Gender, ethnicity, disability, education and poverty levels affect citizens' awareness and ability to participate in how decentralized funds are used. Multiple CSO reports suggest a gender gap between men and women's participation and that high levels of illiteracy hinder awareness and capacity to participate. Government reports provide evidence of ethnicity affecting citizens' ability to participate.

**CSO reports consistently suggest that most recourse and complaint mechanisms are ineffective, that citizens are not aware of these mechanisms, and do not feel their grievances are resolved.** Such mechanisms are critical for involving citizens in project oversight especially in the activities of project contractors at the local level.

**CSO-led monitoring efforts face challenges of scale and sustainability.** Although CSOs over the past decade have piloted multiple methodologies for social accountability and citizen participation, there is often limited sustainability when funding expires, and limited ability of citizens to continue such efforts without dedicated funding. In addition, CSO monitoring typically were concentrated on a very small part of the budget, apply different methodologies and metrics, with results typically disseminated through small print runs and posted as PDFs on different CSO websites. As a result, it was difficult for citizens to find information on how a specific local government or fund is performing, or to see aggregated results of citizen participation that compare performance across different CDFs or Local Authorities. Funding modalities can exacerbate such challenges, because funding tends to be directed to single organizations to enhance citizen participation or monitoring on a small set of CDFs or Local Authorities, rather than to coalitions applying common methodologies and comparable results across a larger group of local funds. Funding is also not regularly tied to how well a CSO itself is linked with citizens, nor to how well it is building mechanisms by which citizen engagement can be continued after initial funding is discontinued.

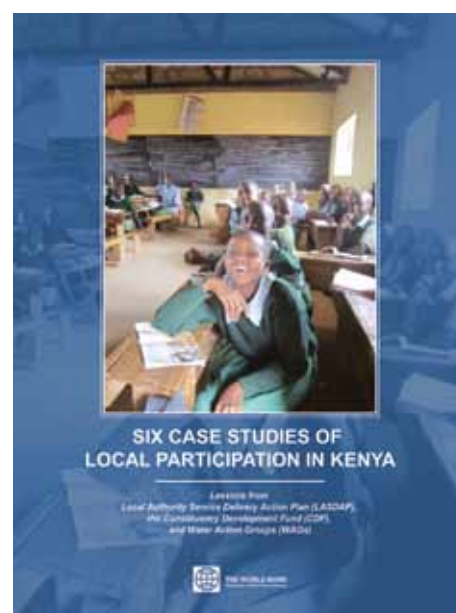
### 3. Lessons learned

**Kenya's previous experience with citizen engagement in decentralized funds can inform efforts to scale up citizen participation under devolution.** Many of these initiatives have been directed toward decentralized government programs, especially CDF and LATF, that provide for structured citizen participation in their guidelines. Citizen engagement has contributed to numerous documented examples of service delivery and governance improvements. However, it is important to keep in mind that these funds historically comprised a relatively small part of the overall government budget (less than 7 percent) and structured citizen participation was applied to only parts of these funds.

**Although government, CSOs and citizens have applied many methodologies to engage citizens in local service delivery, these have faced challenges of scale and sustainability.** Differing government guidelines and procedures, citizen participation methodologies, limited dissemination of the results of citizen efforts have limited their impact. Social accountability initiatives tend to be dispersed, small-scale, and focused on project identification rather than the whole project cycle. They have also been constrained by wide variations in how local government/fund managers apply guidelines for participation, and limited capacity of citizens to demand recourse in the event that rules are not followed.

**Local fund decision making structures and engagement platforms have been subject to political manipulation and elite capture.** This includes having clear, widely publicized mechanisms for appointing representatives to decision making bodies, setting term limits, removing and rotating them, separating decision-making and implementation roles, and setting clear and enforceable reporting requirements back to communities on how funds were used and results achieved.

**The government can play a key role in enabling and scaling up effective public participation.** These experiences highlight that the quality and impact of citizen participation depend in part on the degree to which government provides clear guidelines and outreach on what citizens are being asked to provide, user-friendly, timely information on the subject at hand, effective mobilization of citizens including vulnerable groups, neutral facilitation, and appropriate channels for citizens to provide feedback. In addition, it is important to have feedback mechanisms to let citizens know how their views have been taken into account. Building mechanisms for participation in county institutions and service delivery systems can address





challenges of sustainability and scale that afflict many CSO initiatives, which tend to be small and external to government. County governments have strong incentives to improve service delivery and engage their citizens, they manage larger resources than past decentralized funds, and they oversee integrated development planning and monitoring processes that provide an opportunity to scale up lessons from past citizen engagement efforts.

**But enhancing participation will require sustained efforts by government and civil society to establish structured processes that are efficient and inclusive.** On the government side, this will include setting guidelines and mechanisms for sharing information and soliciting feedback around county government processes like planning, budgeting, and monitoring. It will also depend on government providing guidelines and training of civil servants so that they are able to effectively facilitate participation and transparency in these processes. Civil society actors can help to define priorities of what they would like county governments to operationalize first, and they can also help government put in place and initially roll out such systems (as is happening in a number of counties).

**It will also require government to designate and train responsible staff, and allocate adequate budget for building and rolling out new mechanisms.** There are necessary costs associated with mobilization, sharing information, and obtaining ongoing feedback. Other costs include those of CSOs providing support to citizens and the time spent by public officials in organizing and participating in civic engagement. Provisioning appropriate amounts of funds for participation is therefore necessary. In some LASDAP projects, a small fee of Ksh 1,000 was paid to the monitoring and evaluation committee members for transport, allowing them to carry on their duty without incurring personal expense. Other costs that should be taken into account include time spent by public officials in organizing and participating in civic engagement and costs involved for CSOs to provide support to citizens.

**Research suggests that incentives already exist for politicians to improve local service delivery and related participatory processes.** A review of local CDF performance versus re-election chances of MPs in 2007 found that Kenyans based their decision on whether to re-elect their MP on a number of factors, including how the contending MPs managed the CDF. The review found that in order for decentralized efforts to have a positive impact on poverty and to be accountable, voters needed information about the quality of locally provided public goods.

**Timely communication of critical information is a pre-requisite for effective participation.** Local governments had to communicate information necessary for participation, such as meeting times, venue, agenda, but also information on ongoing projects and service delivery such as project budgets, contractor procurement, and availability of public services. Providing forums where all this information was discussed offered opportunities for communication between citizens and local government and reinforced social-auditing mechanisms while rebuilding trust between both parties.

**Citizen participation works better when local government participatory mechanisms are monitored and tied to funding and other incentives.** Reviews of LASDAP and LATF illustrate how requirements for local authorities to submit evidence of citizen participation in project identification can enhance participatory planning. Such incentives can be extended to other aspects of citizen participation, including transparency of planning and finances, and involving citizens in monitoring. Citizen engagement in local fund project implementation and monitoring phases was hampered because (i) citizens lacked general skills to monitor construction work, (ii) officials who were supposed to provide assistance were not available and, (iii) few sanctions were available to citizens if any irregularities were found. Addressing these limitations through clear guidelines, training or hiring technical experts and monitoring and ensuring government responses to citizen grievances would improve citizen participation in local government.

**Comparative performance monitoring and reporting provides powerful incentives for government officials to improve service delivery.** Decentralized funds had their own participatory monitoring and reporting systems as provided for in the legislation however, the guidelines and systems were weak and not properly enforced. Citizens were not privy to comparative data on the performance of their local authorities.

**Past experiences illustrate how partnerships between government and civil society organizations can enhance citizen participation and take advantage of comparative strengths of government** (e.g., in developing guidelines, systems, and incentives) and CSOs (in mobilizing citizens, building awareness of citizens on how to engage in various process through citizen-friendly guides and training). Civil society organizations have developed multiple guides, training programs, and models on how citizens can engage in county legislative, planning, budgeting and monitoring processes. But most of these initiatives are relatively small in scale and dissemination, and are not easy for citizens or county officials to find and use. CSOs regularly report that their effectiveness in engaging in government development programs is limited by civil society funding modalities—which tend to support single organizations to monitor specific local fund programs in a limited administrative or geographic area, and rarely fund coalitions to work jointly on identifying key priorities for citizen participation in the legislative and institutional structure for devolution. CSOs and observers also note that civil society funding modalities rarely assess CSO grantees on their internal governance and linkages to citizens, nor provide incentives for CSOs to work in coalitions, use common standards, or shared platforms for disseminating the results of their monitoring efforts.

#### 4. Recommendations

**T**here is a limited window of opportunity to help counties design and rollout effective participatory processes as part of county systems for government and service delivery. The case studies and CSO reports highlight ways that Kenya's previous experience with participation in local funds and service delivery can inform new county systems. Emerging from this experience, is that effective participatory processes would best be achieved through an integrated set of interventions. These cut across developing the right systems and policies including laws, procedures, institutions, manuals, guidelines and templates; intensive and quality support through capacity building and training of the implementing agencies; and monitoring of the performance of key actors in the participatory process and an efficient sanctions and rewards system. Key actions that government and civil society organizations can therefore take to strengthen citizen participation include:

**Develop clear guidelines for citizen participation at national and county levels, based on wide consultations with counties and civil society.** Consistent with the multiple provisions in the Constitution and legal framework, these guidelines can usefully address: (i) what information on county plans, budgets, laws needs to be made public and how it can be made user-friendly; (ii) how participation in county law making, planning, budgeting will be structured; (iii) what kinds of citizen recourse mechanisms need to be established and who should maintain them. Guidelines for national and county governments will be more effective if developed in a participatory manner. One approach could be conducting a national consultation process that would include all relevant stakeholders and diverse groups of civil society. A county specific process could follow this. Counties would focus on parts of the process that are relevant to their development needs. The goal of all consultations would be to integrate an agreed framework into planning, budgeting and execution for county governments. At the policy level, a legal-regulatory framework and detailed guidelines on public access to information are needed. The Ministry of Devolution and Planning has commenced the processing of developing the guidelines consultatively with other key government bodies, the counties and CSOs. The Kenya Law Reform Commission has also developed a model county public participation law that is available to counties on demand. Counties can customize the law to suit their context. Civil society organizations have also joined forces to draft model county participation laws that can guide counties on how to conduct participatory processes.

**Conduct civic education so that citizens understand the basic roles, functions, responsibilities of county assemblies and executives.** A citizen handbook on participation at the county level that explains entry points for citizens in county budget making, planning, budgeting, performance monitoring in simple, user-friendly formats would greatly help. This handbook can pull together information on key legal requirements and build on and scale up the material from multiple citizen guides developed by CSOs to help citizens participate in devolved government processes. A list of some of the materials is annexed at the end the brief. Building media capacity on devolution, and recognizing good journalism on devolution, can also help.



Work site of new administration police post funded by CDF

**Develop government systems to facilitate participatory processes drawing on experience from Kenya and globally.** Facilitating public participation will depend partly on counties building internal government capacity and systems for planning and monitoring key development results and targets, managing public finances and procurement, aligning civil servant roles, qualifications, and performance to larger county and national development goals. It will also require focused efforts to integrate participatory processes into these systems, such as to: (i) create and disseminate user-friendly information (e.g., on budgets, plans, legislation) and link with communications, (ii) mobilize citizens and conduct participatory planning and budgeting processes (e.g. to design and rollout participatory and inclusive County Budget and Economic Forums), (iii) put in place effective recourse mechanisms.

- *Ensure that county planning and budgeting processes integrate other funding sources, so as not to overwhelm citizens with too many requests for feedback.* For example, integrating CDF and donor-funded program investments with the County Integrated Development Planning process can help to reduce fragmentation. County Budget and Economic Forums can be a key locus of such citizen engagement, and counties and other stakeholders are requesting further elaboration on how to operationalize these forums. Experience suggests that citizens tend to engage most actively around local investment and service delivery decisions that directly affect their livelihoods and opportunities, so it will be important to figure out how CIDP and County Budget and Economic Forum processes can reach down to understand and aggregate citizen priorities at the local ward level and upwards.
- *Structure county planning and budgeting processes so that there is a clear calendar of opportunities for citizens to engage, and clarity on objectives and how citizen feedback will be used.* County Budget and Economic Forums provide a legally mandated structure to involve citizens in the budget and public expenditure management process. However these forums require careful planning and organization in order to be effective: (i) citizens need to clearly understand the objectives of their participation; (ii) citizens need to have adequate and user-friendly information on county budgets (basic information), how their county is performing relative to others in the area of the budget that they are being asked to comment on; (iii) citizens need to be informed about budget ceilings, and asked to prioritize within the ceiling; (iv) citizens need to be informed about how their views were considered in finalizing the budget.
- *Develop systems and incentives for counties to disclose financial and performance information on local service delivery.* Simplified reports are needed for effective citizen involvement in setting planning and budget priorities. National and county government can regularly update and disseminate lists of projects, budgets, names of responsible managers under county jurisdictions. These lists can be maintained using web-based technologies and portals, ideally linked to systems like the Government's eProMIS and IFMIS, but dissemination will be more effective if it utilizes traditional means such as bulletin boards, community radio, reviewing project status and spending in public *baraza*.

**Build civil servant capacity to manage these systems and facilitate effective and inclusive participation.**

Key entry points include:

- *Train civil servants on new responsibilities.* Incorporate material in civil servant training programs on PFM (budgeting, accounting, reporting, procurement, auditing, etc), planning, monitoring and evaluation that helps civil servants apply new Constitutional and legal provisions for transparency, participation, and accountability. The National Treasury and Kenya School of Government have begun to integrate training on making budgets public and managing participation in budget processes within a set of modules to support county financial staff.
- *Ensure that participation processes are adequately resourced and staffed in county and national budgets and human resources.* Recent World Bank technical assistance found that counties had not designated staff or allocated adequate budget for structured participation in budget processes. In some cases, counties were relying almost entirely on CSOs or donors to finance and manage these processes. It will be important for counties to designate staff with responsibility for supporting participatory processes, provide them with adequate time and training, and monitor and reward good performance.
- *Place special emphasis on putting in place basic measures of transparency, mobilization and consultation around county plans, projects and budgets.* Participation processes need to be carefully planned out, staffed and resourced to surmount multiple barriers to citizen participation in local government—especially for the poor, who receive no direct financial compensation for attending meetings, yet lose time at work. Cooperation and partnerships will be key to their success. Already, village elders, chiefs and CSOs are being used to assist in mobilization. Counties can engage other relevant partners while reinforcing existing community structures. Developing information that is user friendly and widely disseminated, conducting public consultations at venues that are easily accessible and at a convenient time, with adequate lead time to community members.

**Establish strong incentives for county and other sub-national service providers to implement transparency and inclusive citizen participation.** Building on the experience of participation in previously decentralized funds, there are multiple ways to strengthen these incentives, including:

- *Systematically measure and compare local government performance and citizen satisfaction on metrics that citizens care about.* Annually updating and making this information public can increase incentives to improve service delivery performance based on systematic assessments of progress. Monitoring approaches would best be realized through a comprehensive strategy that includes both bottom-up social accountability approaches that are citizen led; internal (counties monitoring themselves) and top-down (conformance and compliance to legislation and regulations as set at the National level).
- *Develop and publish an index measuring participation across counties—possibly as a subset of other county performance indicators.* This would provide a mechanism for identifying good practices, and identifying where additional support is needed. This will require government and/or civil society to develop systems to regularly review and compare the quality of citizen participation processes across counties. For example, the Institute of Economic Affairs is testing a set of sub-national open budget indicators that could be incorporated as one element of an overall index of county participation. Building an integrated participation index is likely to have greater impact than having multiple, scattered measures, and could draw on multiple sources of data, including existing ongoing surveys.
- *Link county performance on participation to financing and other incentives (awards, recognition of good practice, etc).* As LATF showed, requiring local authorities to report on participation as part of overall reporting, linked to future fund transfers, increased participation. However because LAs only reported on participation in project identification, there was less incentive for LAs to report on participation in project implementation and monitoring.
- *Develop and monitor robust complaint handling and recourse systems that track citizen comments and county government responses,* aggregate this information, and regularly report to counties on major types of complaints and whether or not they were resolved.

**Expand civil society partnerships to help counties build effective systems and processes for participation, transparency, and mobilization, in addition to carrying out their own participation and monitoring activities.** Civil society organizations bring rich experience on how counties can operationalize transparency, participation, and recourse mechanisms that are useful for citizens and that improve service delivery. Individual counties are enlisting civil society organizations to help them structure and carry out effective participation processes. This collaboration can be reinforced and expanded by government and civil society organizations. In addition, CSOs can strengthen coalitions and partnerships to define common priorities for county participation, support county system building, and monitor implementation. However, CSOs report that there are limited incentives for collaboration and system building work, versus strong incentives to conduct discrete projects and monitoring tasks. There is a need to strengthen and incentivize emerging and existing partnerships—such as the Devolution Forum, the Kenya Alliance of Resident Associations (KARA), the Decentralization and Governance Non State Actors Network (DEGONSA), the Parliamentary Working Group and Parliamentary Initiative Network (PIN), as well as county level CSO networks such as the Homa Bay Civil Society Network—and to link interested counties with capable CSOs, as well as to create clearinghouses and forums where county participation initiatives are shared, good practices identified and highlighted.

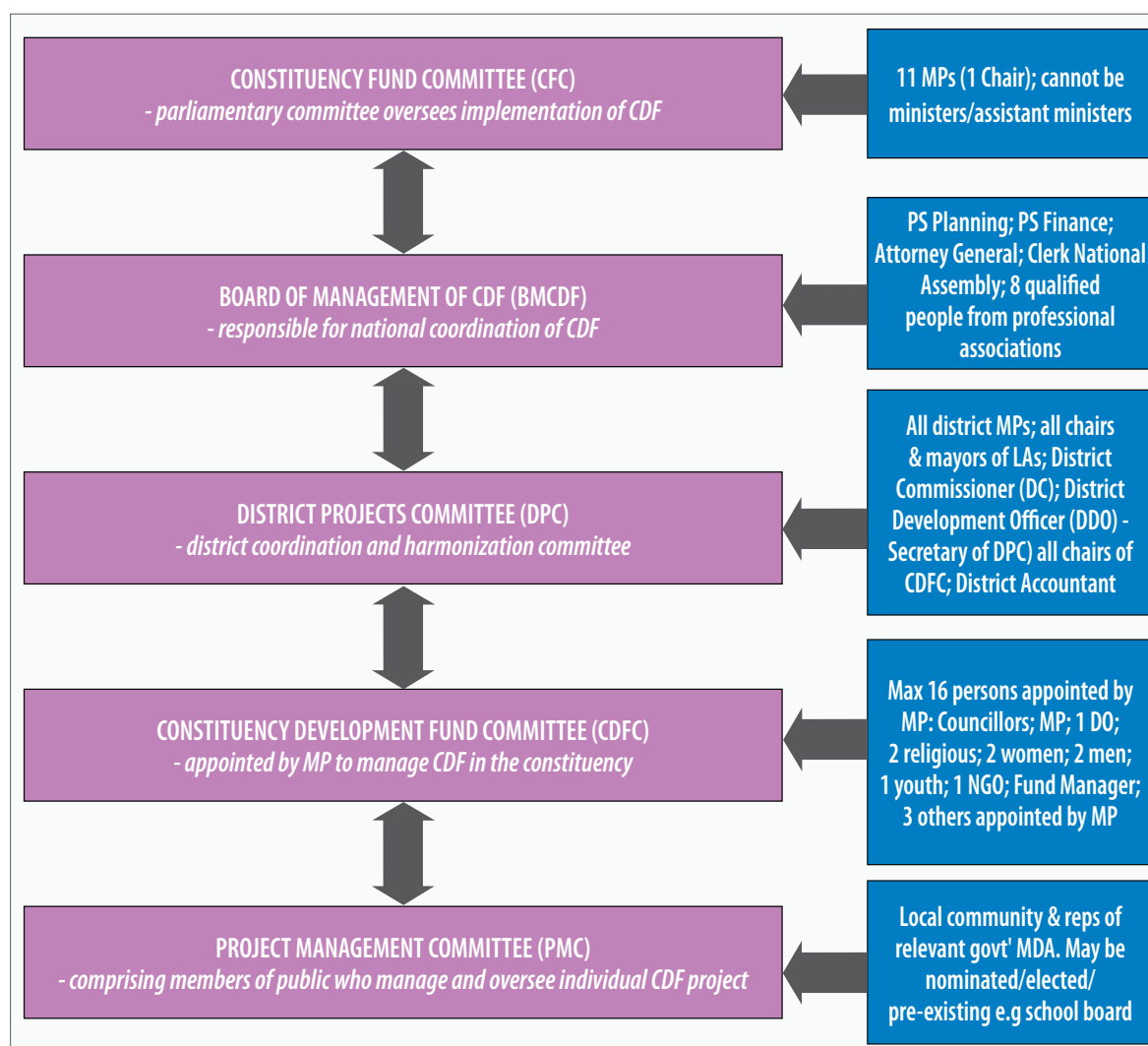
- *Expand partnerships between experienced civil society actors and county governments to design, test, and roll out participatory planning, budgeting and monitoring systems.* There are already initiatives in Taita Taveta County led by the International Budget Partnership and Busia County with National Tax Payers Association (NTA).
- *Build capacity of CSOs working at county level to deepen their focus on citizen engagement in county processes and service delivery, and to help citizens make use of new opportunities provided by counties.*
- *Develop CSO coalitions to define common priorities for county participation, exchange experiences on participation in devolved systems, as well as to track county progress.*
- *Create clearing houses and forums to share participation experiences across counties, identify and share good practices.* The Devolution Forum and the DEGONSA are examples of such efforts.

**Donors can support Kenyan civil society organizations to help build responsive and accountable county institutions, in addition to traditional monitoring activities.** Key opportunities for donors include:

- *Support partnerships between experienced civil society actors and county governments to design, test, and roll out participatory planning, budgeting and monitoring systems, and participatory approaches to enhance county service delivery.*
- *Increase longer-term support for coalitions and networks that bring together CSOs working on devolution to exchange knowledge on their interventions on core county systems and service delivery.* This can build on the comparative strengths of different CSOs—on budget transparency, civic education, service delivery monitoring—and can also be a locus for exchange with other countries that have focused on participation in devolution.
- *Encourage/require grantees to use some common criteria for monitoring counties, put devolution civic education materials and data on shared platforms, build shared clearing houses.*
- *Place greater emphasis in grant-making on longer term grants including criteria to measure how well a CSO is linked with, represents, and is accountable to its stakeholders, and that encourages CSOs to raise some funds locally by ensuring that citizens interests are well represented.*



# APPENDIX 1: THE CDF STRUCTURE



Source: World Bank, 2013

## APPENDIX 2: IMPLEMENTATION OF PARTICIPATORY PROCESSES UNDER THE LATF AND CDF

Implementation of LASDAP Guidelines: Theory vs. Practice		
Phase	Guidelines	Practice
Preparation	Information gathering - including socio-economic data, stakeholder analysis, lessons learnt and status reports from previous years LASDAP meetings - and conduct a LASDAP awareness program	<ul style="list-style-type: none"> <li>Status reports were shared during LASDAP meetings.</li> <li>Data gathering and stakeholder analysis were often not undertaken.</li> <li>LASDAP meetings were quite successful where awareness programs took place. However, most overviews of the LASDAP process took place at the consultation meeting, rather than earlier.</li> </ul>
	Public notices distributed in churches/mosques, market places, bus stops, chief's office, educational institutions, newspapers, at least two weeks in advance of the meeting.	<ul style="list-style-type: none"> <li>Widely practiced in most LAs. However, in many cases community participation was not broad-based. Some community segments were often under-represented due to inconvenient timings and logistical challenges – such as travel to the venue.</li> </ul>
	Formation of LASDAP technical team to provide guidance on projects, from planning to M&E phases.	<ul style="list-style-type: none"> <li>Technical teams were constituted in all LAs.</li> </ul>
Consultation	A non-partisan facilitator should be engaged for LASDAP meetings.	<ul style="list-style-type: none"> <li>Mostly conducted by officials not perceived to be neutral. Consultations fared better where the facilitator was voted in by the participants present or an NGO representative.</li> </ul>

	Consultations around a structured agenda: introduction, background information, review of minutes of previous LASDAP, review of status report of projects, presentation of resource envelope, identification of needs, prioritization, and selection of representatives.	<ul style="list-style-type: none"> <li>• Consultation meetings in most LAs largely followed this structure.</li> <li>• Meetings did not start on time, often resulting in early exits.</li> <li>• Two representatives, male and female, selected from each ward.</li> </ul>
	Records of participants included in the LASDAP process report to the relevant Ministry.	<ul style="list-style-type: none"> <li>• All LAs adhered to this mandatory requirement, which provided proof that a participatory process was conducted – a prerequisite to accessing LATF funding.</li> <li>• LASDAP reports submitted on time but lacked information on the quality of participation.</li> </ul>
Design and Consensus	<ul style="list-style-type: none"> <li>• Technical meetings to assess feasibility of projects based on budgets and other mitigating factors.</li> <li>• Consensus meeting held, and citizens represented by two persons chosen at the consensus meeting.</li> </ul>	<ul style="list-style-type: none"> <li>• The technical team meeting was held in most LAs, as it also included district officials. Projects were selected based on viability and alignment with other planning processes at district and national level.</li> </ul>
Finalization and Submission	<ul style="list-style-type: none"> <li>• The LA mandated to approve council projects and submit a budget report to the relevant Ministry.</li> </ul>	<ul style="list-style-type: none"> <li>• Final decisions on projects could be influenced by local councilors, sometimes replacing those from citizens.</li> </ul>
Monitoring & Implementation	Continuous M&E at every stage of project implementation cycle, including a range of checklists for monitoring purposes and quarterly reports.	<p>Institutionalizing the M&amp;E process was weak due to:</p> <ul style="list-style-type: none"> <li>• Poor financial and human resource capacity resourcing</li> <li>• Lack of sufficient technical capacities: citizen monitoring teams not trained on their roles</li> <li>• Weak connections between citizens, LAs and MOLG.</li> <li>• Poor reporting and documentation mechanisms</li> </ul>
<b>CDF</b>	<b>Provisions in CDF Legislation 2007</b>	<b>Practice</b>
Composition of committees	The Constituency Development Fund Committee (CDFC) which oversees CDF projects at constituency level, is constituted and convened by the MP.	<ul style="list-style-type: none"> <li>• Whilst key stakeholder groups are represented in the committee, the selection process has often been characterized by cronyism and nepotism.</li> </ul>
Project Identification	MP to convene locational meetings, and each location to submit a list of priority projects to CDFC.	<ul style="list-style-type: none"> <li>• Project selection not clear and systematic; proposals submitted by specific interest groups such as school management committees. Rarely did proposals emerge from structured community meetings.</li> <li>• CDFC held private deliberations about project selection, unlike open decision meetings as in LASDAP.</li> </ul>
Project Implementation	<ul style="list-style-type: none"> <li>• All works and services relating to projects sourced using existing government regulations.</li> <li>• CDFC responsible for overall implementation of the projects in constituency. Project Management Committee (PMC) directly responsible for implementation of specific projects.</li> <li>• Each project to be implemented in partnership with relevant government department.</li> </ul>	<ul style="list-style-type: none"> <li>• Few constituencies followed a systemized process of contractor selection, project execution and payment. Mostly, selection of contractors managed by PMCs was not transparent. Most contracts did not comply with official procurement regulations.</li> <li>• Only in a few instances were projects inspected at each stage before approval of payments. Contractors were often paid before commencement of work, leading to incomplete or poorly done projects.</li> </ul>
Monitoring and Evaluation	CDFC is responsible for overall monitoring of constituency projects and may designate a sub-committee to monitor implementation. About two percent of CDF allocation was factored for M&E.	<ul style="list-style-type: none"> <li>• Internal monitoring and evaluation of CDF projects weak and lacked a formal institutionalized system.</li> <li>• CDF was monitored externally under the District Monitoring and Evaluation Committee.</li> </ul>

## Abbreviations and Acronyms

<b>CDF</b>	Constituency Development Fund	<b>LA</b>	Local Authority
<b>CDFC</b>	Constituency Development Fund Committee	<b>LATF</b>	Local Authority Transfer Fund
<b>CSO</b>	Civil Society Organization	<b>LASDAP</b>	Local Authority Service Delivery Action Plan
<b>DEGONSA</b>	Decentralization and Governance Non State Actors Network	<b>NGO</b>	Non-governmental Organization
<b>IEA</b>	Institute of Economic Affairs	<b>NTA</b>	National Tax Payers Association
		<b>PMC</b>	Project Management Committee

## References

### Civil society and Donor Reports

- ActionAid International Kenya (2010b). "Pushing towards Greater Accountability at the Sub-national level: Successes, Challenges and Way Forward for the Social Accountability Approach."
- Gutiérrez-Romero, R.G. (2009). "Decentralization, Accountability and the MPs Elections: The Case of the Constituency Development Fund in Kenya, iiG Briefing Paper," University of Oxford.
- Institute of Policy Analysis and Research (2010). "Reforming Local Authorities for Better Service Delivery in Developing Countries: Lessons from RPRLGSP in Kenya."
- The Institute for Economic Affairs (2012). "The Futures Bulletin: Development Planning, Implementation and Public Participation: Lessons from Constituency Development Fund and Issues for Policy Consideration Issue No. 14."
- Institute of Economic Affairs (IEA) and Kenya National Commission on Human Rights (KNCHR) (2006). "Kenya's Verdict: A Citizen's Report Card on the Constituencies Development Fund (CDF), IEA Research Paper Series No. 7."
- Jesuit Hakimani Centre (2012). "The 2013 General Elections: Disinheriting Conflict for a Peaceful Kenya; Findings of a Nationwide Research on the Effects of Tribalism on the Devolved Governance System."
- Kenya Human Rights Commission and Social and Public Accountability Network (2010). "Harmonization of Decentralized Development in Kenya: Towards, Alignment, Citizen Engagement and Enhanced Accountability, A Joint Collaborative Research Report."
- Mboga, Hamisi (2009). "Understanding the Local Government System in Kenya: A Citizen's Handbook Institute for Economic Affairs."
- The Institute for Social Accountability-Shelter Forum-Ufadhili (2010). "A Social Audit Report of the Constituency Development Fund (CDF), The Local Authority Transfer Fund (LATF) and The Economic Stimulus Program (ESP) in four Nairobi Constituencies: Langata, Kasarani, Westlands and Embakasi."
- Parliamentary Centre (2011). "Fostering Democratic Accountability in Services Provision to Communities in Kenya: a report on six parliamentary constituencies in Kenya."
- The Institute for Social Accountability (2009). "The CDF Status Report: Alarm over illegalities in CDF operations."
- The Institute for Social Accountability (2011). "What Next for CDF?: The Story of Five Counties, The Open Society Initiative for East Africa."
- The Institute for Social Accountability (2012). "Countdown to Counties: Are we ready for County Governments? Status Report No.2"
- Transparency International Kenya (2011). "Devolution in Kenya: Linking Discretion with Accountability and Integrity – Analysis of the Situation for the Existing Local Authorities and Recommendations for the Future County Governments."
- World Vision Kenya (2011). "The Impact of Public Sector Reforms on Service Delivery."
- World Bank (2013). "Six Case Studies of Local Participation in Kenya: Lessons from Local Authority Service Delivery Action Plan (LASDAP), the Constituency Development Fund (CDF) and Water Action Groups."

### Government Reports

- Auditor General (2011). "Report of the Auditor-General on the Appropriation Accounts, other Public Accounts and the Accounts of the Funds of the Republic of Kenya for the Year 2010/2011."
- Ministry of Planning (2010). "Guidelines for the Establishment and Operation of the Social Budgeting Framework (Ministry of Planning, 2010)."
- Ministry of Local Government (2009). "Guidelines for the Preparation, Implementation and Monitoring of the LASDAP."
- Ministry of Local Government (2009). "MOLG Issues & Options Study for Governance and Service Delivery in Kenya Final Report."
- Syagga and Associates Ltd. (2007). "An Independent Study on the Impact of the Local Authorities Transfer Fund (LATF) In Kenya: Report Prepared for Kenya Local Government Reform Programme (KLGRP)."

### Annex 1: List of Existing Handbooks prepared by Government and Civil Society Groups

- Commission for the Implementation of the Constitution (CIC) and International Budget Partnership (2013). "50 things Every County Government Official needs to know about Public Finance Under the new Constitution."
- CIC and IBP (2012). "50 things every Kenyan needs to know about Public Finance and the Constitution."
- CIC and IBP. "20 Key Questions about your County Budget: A Citizen's Tool for Reading and Understanding County Budgets."
- Gikonyo, W. (2008). "The CDF Social Audit Guide: A Handbook for Communities. Nairobi, Open Society Initiative for East Africa."
- Uraia Trust and International Republican Institute (2012). "The Citizen handbook: Empowering citizens through civic education. Nairobi."
- Kenya Alliance of Residents Association (KARA) and (DEGONSA) (2012). "A citizen's handbook on key principles of devolution. Nairobi."
- Ministry of Local Government (2013). "The Constitution of Kenya. Civic Education on Devolution."
- NTA (2013). "Budget Transparency and Citizen Participation in Counties in Kenya: A guide by National Tax Payers Association."
- The Institute for Social Accountability (2013). "A Popular Guide to County Planning and Budgeting: Case of Nairobi City County."
- The Institute for Social Accountability (2013). "Citizen's Guide to Good Leadership Under Devolved Government."
- The Institute for Social Accountability (2012). "A Residents Guide to Urban Areas and Cities in Kenya."
- The Kenyan Section of the International Commission of Jurists (2013). "Handbook on Devolution."
- Transition Authority (2013). "Understanding the Transition to Devolved System of Government in Kenya: Answers to Frequently Asked Questions."
- Transparency International (2014). "Devolution Handbook."

Christopher Finch (World Bank) was the lead author for this paper with key contributions from Annette Omolo (World Bank). The paper draws heavily on previous research by Jonathan Rose and Deborah Livingstone. Special thanks to Toni Sittoni for editorial work and Lucy Musira (World Bank) for administrative support provided.

This working paper is supported by

