

# KENYA DEVOLUTION

## WORKING PAPER 3

DECEMBER 2014

### Participation in Kenya's local decentralized funds: Reviewing the past to inform the future

*What practical lessons can be drawn from Kenya's past experiences with citizen engagement in devolved service delivery?*

#### 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.** 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 note summarizes options for strengthening participation under devolution, based on Kenya's experiences with citizen participation in previously devolved 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 and focus group discussions.

#### 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 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.

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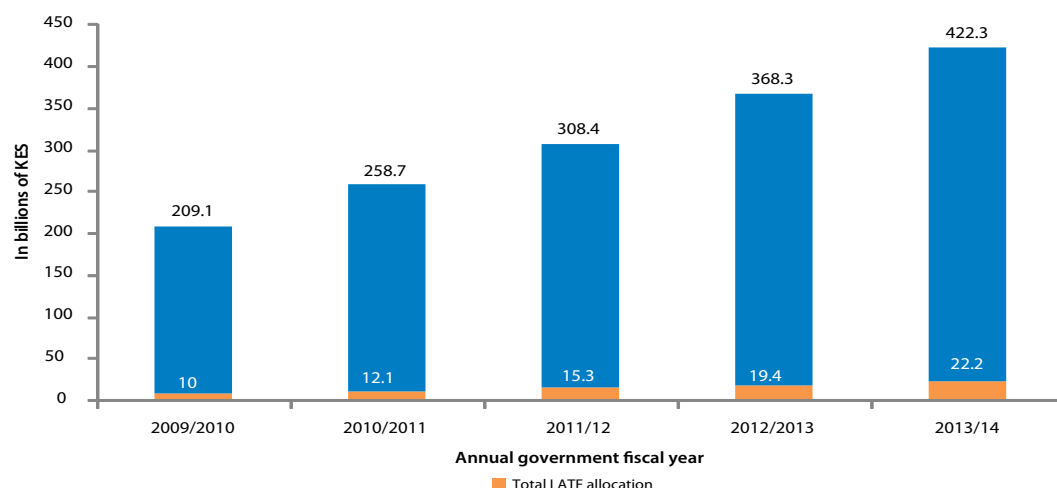


Ministry of Devolution  
and Planning



Kenya School of Government

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.

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

Ideally, the LASDAP process was a cycle running throughout the year. Table one captures the key phases. The main phases involving the citizens were the consultation meetings, the consensus meetings and implementation and monitoring of the 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 in October, annually, formed the main decision meetings 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.

### 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 devolved 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, which translated to about Ksh 22 billion in the 2013/2014 fiscal year.<sup>2</sup> The amounts received at the constituency levels are distributed by a formula guided by national and constituency poverty levels. The formula prioritizes infrastructure projects, while limiting the amount of money available for administration. To date, almost Ksh 22 billion has been distributed through the CDF, creating projects in 290 constituencies across the country. A most recent distribution of funds under CDF shows almost 70 percent of funds financed development projects while only 2 percent financed environmental activities (Table 2).

**CDF projects are administered through a hierarchy of committees comprising members of the public at**

Distribution of constituency allocation (percent)	Functional assignments
67	Development projects
15	Education bursary scheme
5	Emergency reserve
3	Recurrent expenses
3	Running & maintenance of vehicles
2	Monitoring and evaluation
2	Sporting activities
2	Environmental activities

Source: CDF Board, 2012

**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. The CDFC is responsible for the management of the CDF and its functions include the approval and allocation of funds to specific projects. The CDF Act 2007 empowered the MP to appoint the 16 member committee comprising, the MP, councilors, one district officer, two religious representatives, two male and female representatives, a youth and an NGO representative, three other people appointed by the MP and a fund manager.<sup>3</sup> The PMC comprises members of the public

<sup>1</sup> There were other loosely decentralized funds, some of which cannot qualify as devolved funds per se, but were administered at the local level. They included the Constituency Bursary Funds, HIV/AIDS Fund, Road Maintenance Levy Funds, the Youth Enterprise development Fund and Women Enterprise Development Fund. Some of these funds were grants or loans administered to groups at the local level.

<sup>2</sup> [www.cdf.go.ke](http://www.cdf.go.ke)

<sup>3</sup> Under the CDF 2013, the CDFC comprises a national government official at the constituency as designated by the Cabinet Secretary, 3 male and 3 female nominees of the ward development committees, two of which must be youth, one person with disability, an NGO representative and an officer of the CDF Board, as ex-officio member.

nominated by the community and is responsible for the implementation of the approved CDF project with assistance of relevant government department. Its key functions include the preparation of workplan, carrying out procurement for the project, record keeping, preparation of a financial expenditure report and monitoring the implementation of the project. Appendix 1 shows the composition of the entire CDF structure, under the 2007 framework.

**The completed CDF projects have made an important development contribution especially in education and health, 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 3 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 citizen 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.

TABLE 3: SECTORAL SUMMARY OF CDF PROJECT IMPLEMENTATION STATUS BETWEEN 2003/04 AND 2009/10			
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
<b>Total</b>	<b>24,222</b>	<b>24,031</b>	<b>48,253</b>

Source: CDF Board, 2012

**Citizen awareness of the devolved 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 devolved funds particularly with beneficiaries targeted in CDF projects, the types of projects funded, the location and identification of projects (Table 4). 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).

TABLE 4: CITIZEN ASSESSMENT OF CDF		
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: IEA, 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 that emerge from the review of 19 CSO monitoring initiatives, WB case studies, a literature review, stakeholder discussions in plus focus group discussions.

### 2.1 Strengths

**CSO reports and the case studies provide examples where citizen participation has contributed to local service delivery.** In particular, case studies illustrate how 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. The CDF Social Audit Guide by the Institute of Social Accountability and the IEAs Constituency Strategic Planning Manual are examples of training handbooks that were developed to build capacity of Communities. Also, CSO 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.* The government recognized that since its inception, the LASDAP has undergone a series of improvements especially in ensuring increased citizen participation in decision making. While the government was also concerned about the quality of participation, it acknowledged that the introduction of LASDAP enhanced citizen participation, provided the tools for more equitable and participatory allocation of resources from the LATF and enabled councils to provide services and meet their mandate, contributing to increased revenue. The LASDAP was particularly relevant to the staff of LAs as it led to the rejuvenation of several LAs. The Ministry of Local Government commissioned a study to assess the impact of the LASDAP and in addition to the above findings 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. The report recommended that the LASDAP needed to be institutionalized and deepened 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 devolved 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 devolved 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 imposes 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 Kshs 1,000 was paid to the monitoring and evaluation committee members for transport, allowing them to carry on their duty without out of pocket costs. 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.<sup>4</sup>

**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

<sup>4</sup> Gutiérrez-Romero, R.G. (2009) *Decentralization, Accountability and the MPs Elections: The Case of the Constituency Development Fund in Kenya*, Briefing Paper, University of Oxford.

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

**There 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, actions that government and civil society organizations can 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.

**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*.
- *Ensure that counties and the local decision making bodies have written by-laws that are public and that specify how members will be selected, replaced, and evaluated.* Do these include fixed terms and procedures for rotation? Are there mechanisms for vetting the qualifications and integrity of committee members? For ensuring the representation of vulnerable and marginalized groups. 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, M&E 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.
- *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 International Economic Association 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.

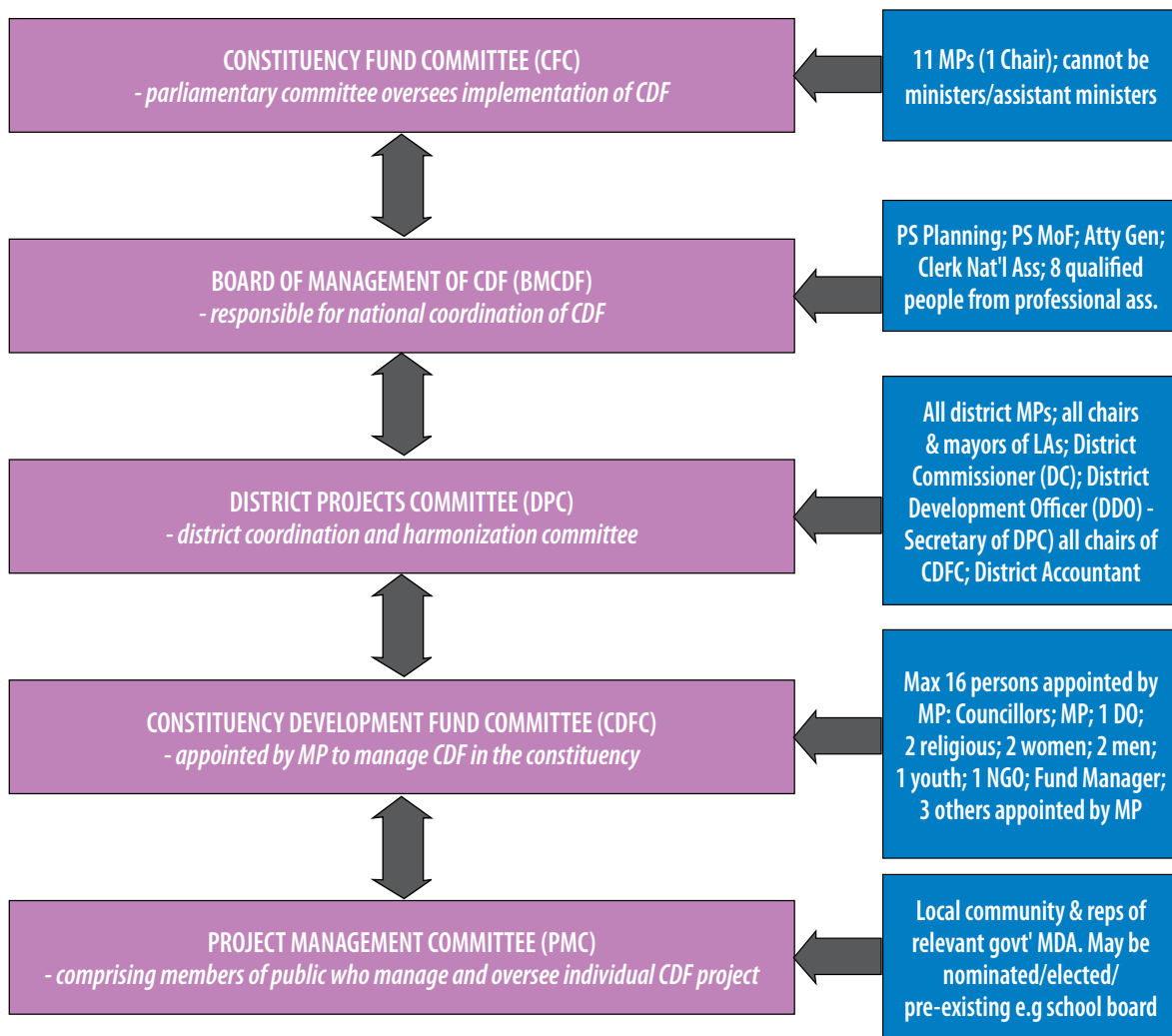
**Expand civil society partnerships to help counties build effective systems and processes for participation, transparency, and mobilization, in addition to carrying out their own participation and monitoring activities.** Civil society organizations bring rich experience on how counties can operationalize 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:



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