

FACTORS INFLUENCING LOCAL AUTHORITY TRANSFER FUND PROJECT
IMPLEMENTATION: A CASE OF MUNICIPALITY OF MERU, MERU COUNTY,
KENYA.

BY

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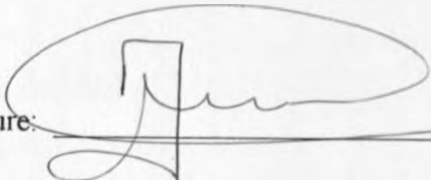
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A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF
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DECLARATION

This report is my original work and has not been presented in any institution of higher learning for a degree or any other award.

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DEDICATION

This research project report is dedicated to my dear wife Agnes Kawira Mwiti for all the sacrifices she has made in her life and without whom the prospects of higher education would only have been a dream for me and my loving sons Collins Mwaki and Griffin Mutugi for bringing me much joy.

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ACRONYMS AND ABBREVIATIONS:

CDF:	Constituency Development Fund
CKRC:	Constitution of Kenya Review Commission
COTU:	Central Organization of trade Unions
FY:	Financial Year
GOK:	Government of Kenya
GPT:	Graduate Personal tax
KIPPRA:	Kenya Institute for Public Policy Research and Analyses
KLGRP:	Kenya Local Government Reform programme
LA:	Local Authority
LASDAP:	Local Authority Service Delivery Action Plan
LATF:	Local Authority Transfer Fund
MOLG:	Ministry of Local Government
NCBDA	Nairobi Central business Development Association
SPSS:	Statistical packages for Social Science
UNDP:	United Nations Development Fund

ABSTRACT

Introduction of Local Authority Transfer Fund (LATF) as an aspect of fiscal decentralization in the year 1999 was a noble idea. However, analysis of data on the LATF program in Kenya indicate that it has not met its objectives of improving local service delivery; improved financial management and accountability and reduction of outstanding debts. By 2002/03, the Local authority outstanding debts were estimated at Ksh.9 billion. The provisions of services at the local levels have not improved as captured by the low levels of expenditure on capital, estimated on average at 18% for the three years. The actual revenues realization and expenditures of Local authorities are not reflective of the budget estimates an indicator of poor financial management and accountability in Local authorities. Overall, the regulations on which LATF is being administered are flawed. From the report and studies reviewed the performance of LATF programme has been constrained by a number of factors. These include amongst others inadequate capacity to allocate and account for funds; poor enforcement of LATF regulations; low revenue realization; lack of coherent monitoring and evaluation system and politicization of the funds. It is on this basis that the study examined factors specifically influencing project implementation financed through LATF. The study was based on four main objectives focusing on the factors that influence implementation of LATF projects. These are the amount of LATF allocated, the management of funds, the stakeholders' participation and the staffing levels of Local authorities. The study focused on the wards within the Municipality. For the purposes of data collection questionnaires were used. The study used descriptive design. The research instruments were pre-tested to ensure validity and reliability. Data was analyzed objectively using both descriptive and inferential statistics. Frequency tables and percentages were used for data presentation. The study that the amount of LATF funds received greatly influenced both the number and size of project implemented. The management of the funds as well as the participation of project committee members played key role in influencing project implementation. The study further established that staffing levels of the local Authority were adequate and possessed appropriate skills necessary for project implementation. However the study recommended the need to equip project members with appropriate skills. The study further recommended a sound criterion be developed to allocate LATF funds based on the need of respective wards. It is hoped that the outputs of this study will benefit the policy makers involved in LATF project implementation to come up with appropriate guidelines that will facilitate implementation of projects.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Local Authorities (LAs) globally are public entities mandated to provide services within their areas of jurisdiction. In Africa most Local government started during the colonial rule early in the 20th century. They started in urban areas at the beginning of 20th century and in the rural districts after the 2nd world war (Smoke, 1994). In Kenya Local government has transitioned the three roughly distinct phases namely pre-colonial era, immediate post independence period when the regional constitution was in place and the post independence period under the republican constitution (Stamp, 1986). In Kenya Local authorities operations are guided by Local government Act, Cap 265. Section 145 to 147 of the Act provides that the primary functions of the Local Authorities are to provide services to residents within their area of jurisdiction. These include; regulation of land use, maintenance of health services, recreation grounds, parks, sanitary services, street lighting, maintenance and control of public markets, regulate sewerage and drainage among others. Section 147 of the Local government Act Cap 265 further empowers Local Authorities to make “By laws” in respect of such matters as are necessary or desirable for maintenance of the health, safety for well being of the inhabitants. This provision if well utilized can create orderly organization and management of local government affairs. However the enforcement element of the existing legislation is wanting, often not so much because of lack of funds, but sheer negligence and on vested interests (Kibua and Mwabu 2008)

The government has in the past sought to generally establish why Local Authorities have not succeeded in providing the desired services to residents within their areas of jurisdiction. It is for this reason that in 1966 the government set up a local commission under W.S Hardcore to look into reforms necessary to make Local government system viable. The commission called for the removal of the two tier system of Local Government with County Council replacing African District Council and municipalities while townships were to remain autonomous (Muia, 2005).

In 1970 Graduated poll tax (GPT) a major source of income for local authorities were also transferred to Central government and subsequently abolished and replaced with centrally sales tax in 1974. General grants to Local authorities were also abolished thus making them fundamentally weakened and henceforth had to request for grants from Central government. The deprivation of resources prompted poor management and service delivery by the Councils (Muia, 2006,Oloo, 2006). Other studies explain that Local government have failed due neglect by central government that are unwilling to share power often citing national security and stability. (Smoke 1994),

Arising from persistent poor performance and rising debt burdens, the government in 1995 established a commission of inquiry into affairs of local authorities (Omamo Commission). Amongst its findings were that Local authorities performed poorly due to inadequate managerial and technical expertise and also lack of supervisory capacity over 175 Local authorities by the Central government and corruption. This view is also supported by Constitution Kenya Review Commission, CKRC (2002) report that noted that there was “too much government” in the lives of people and called for decentralization of power to local government. The ministry of Local government had in 1995 established the need for reforms culminating in introduction of Kenya Government Reform Programme (KLGRP). Local Authority Transfer Fund (LATF) was introduced in 1998 through LATF Act. (Gok, 1998) LATF which is a product of reform initiative is an inter-governmental transfer system introduced to provide resources to Local authorities to supplement their own resources in the financing of services required by citizens. Although LATF funds are supposed to supplement service delivery and implementation of project, little has been achieved through introduction of these funds and stakeholders are getting disillusioned by the way LATF funds are used to implement projects. (Oyugi and Kibua, 2006). Studies done by KIPPRA and ministry of local government has generally focused on reasons for poor service delivery by Local authorities such as financing and managerial capacity of staff. It is on these grounds that the researcher feels the need to study specifically factors influencing LATF project implementation hence the gap that needs to be filled.

1.2 Statement of Problem

Since LATF funds are supposed to be utilized on project identified by the beneficiaries it is important to establish factors influencing LATF project implementation. This is because although utilization of LATF funds is guided by guidelines formulated the ministry of local government, it is noted however that despite the frame work and guidelines for the LATF providing for citizen participation, the subsequent implementation has yielded mixed results. According to a research conducted by Kenya Institute of Public Policy Research and Analysis, KIPPRA, (2005), participants in areas under the jurisdiction of Nairobi, Kangundo, Machakos, Kajiando and Limuru are rated low in the management of decentralized funds such as LATF. Only 32.8% of the respondents were in the level of information sharing or attended barazas and less than 5% felt they were involved in decision making. Over 90% of the respondents indicated they were not involved in setting the development agenda for their areas (KIPPRA, 2005) According to Huther and Shah (1998); governance quality is enhanced by more closely matching services with citizen preferences and by moving government close to the people they are intended to serve. These are the conceptual pillar under which Local Authority service Delivery Action plan (LASDAP) initiative was initiated. Studies by W.S Hardcore, (1966) and Omamo Commission, (1995) initiated by the government were generally meant to establish the reasons for poor service delivery by local authorities. These studies did not focus specifically on project implementation which is a crucial component of service delivery thus creating a research gap

The research specifically studied factors that influence implementation of LATF projects with particular reference to Municipal Council of Meru. The Municipal Council of Meru has since introduction of LATF received Kshs.364, 833,619 (Three sixty four million, eight hundred thirty three thousand six hundred nineteen). In the light of the increased allocation and over 10 years since introduction of the fund the study sought to establish the factors that influenced project implementation. The Council has a backlog of incomplete projects some dating back to three years and was ranked No.46 out of 175 local authorities in the performance contract ranking for the year 2010/2011. The study

focused on establishing factors influencing implementation of LATF projects within the jurisdiction of Municipality of Meru.

1.3 Purpose of the study

The purpose of the study was to establish factors influencing implementation of LAFT projects in order to inform decision making.

1.4 Research objectives.

This study was being guided by the following four objectives:

- i) To establish the influence of the amount of funds available on LATF projects implementation in Meru Municipality.
- ii) To determine the influence of funds management on LATF projects implementation in Meru Municipality.
- iii) To examine the influence of participation by project committee members on LATF project implementation in Meru Municipality.
- iv) To examine the influence of staffing level on LATF project implementation in Meru Municipality

1.5 Research questions

The study focused on the following four questions:

- i) To what extent does the amount of funds available influence LATF project implementation in Meru Municipality?
- ii) How does management of funds influence LATF project implementation in Meru Municipality?
- iii) How does participation by project committee members influence LATF project implementation in Meru Municipality?
- iv) To what extent does the staffing level influence LATF project implementation in Meru Municipality?

1.6 Significance of the study

The study was significant to the Council since there is no other study that has been done specifically to establish factors that influence implementation of LATF project within the Municipality. The findings will enable the management to make informed decisions on how to improve the weak areas. The findings will also help the policy makers especially the Ministry of Local Government to come up with guidelines that will facilitate and not

hinder implementation of capital projects. The findings may also assist academicians and researchers interested in undertaking further investigations on this important area. The envisaged county governments will also get invaluable lessons on how to improve their service delivery to citizens.

1.7 Delimitations of the study.

The study focused on projects undertaken by Municipal Council of Meru confined to the electoral wards of the Municipality. The study focused on independent variables that influence LATF project implementation within Meru Municipality namely; the amount of LATF funds received; the management of funds, the project committee participation and the staffing levels of local authorities. However there are other variables that influence project implementation that were not covered under this study. For the purposes of data collection the researcher used the questionnaires.

1.8 Limitations of the study.

Descriptive survey design is not favored by many academicians as studies are too descriptive and therefore deemed boring. This may pose a challenge of future utility of this research findings by the researchers. Descriptive survey further requires that the researcher has clear understanding of what he wants from the study. This may therefore result in inappropriate data collection in this study if the researcher and the research assistants are not able to understand the study intended. Descriptive survey research further suffer from the fact that respondents may not always give truthful data and instead give answers that they feel that the researcher wants. Additionally time and financial constraints limited the efficiency and effectiveness of the study.

1.9 Assumptions of the study

It was assumed that the respondents involved in the study (93%) gave true information that established the factors that influence LATF project implementation within Municipality of Meru. It was further assumed that the findings of the study are to be used by the relevant authorities such as the Ministry of local government to come up with better policies to govern LATF project implementation.

1.10 Definition of significant terms

Amount of funds available- Actual funds received from central government together with Council's own revenue.

Capital Project- An undertaking involving relatively high financial resources.

Council- A public entity with elected and nominated officials to represent the interest of the citizens.

Councilor-An elected ward representative in a Local authority.

Debt reduction- Level of all outstanding debt of all Local authorities.

Funds management- Governance structure and guidelines regulating use of LATF funds.

LASDAP Committee- Members appointed to oversee LATF projects identification, implementation, monitoring and evaluation.

Local Authority- A public entity established and operating under Local government Act Cap 265 of Laws of Kenya.

Local Authority Transfer fund–Inter governmental transfer system introduced to provide resources to LAs

Policies-Are general guidelines issued by the responsible authority to guide activities and programs.

Project Implementation- Actual undertaking of project activities.

Project Management- General Coordination of project activities.

Service delivery-Services and facilities provided by various Local authorities.

Staffing levels- Number of employees, skills and competences they possess necessary for project implementation

Stakeholders-Direct and indirect project beneficiaries and project committee members

Stakeholders' participation- Involvement of project committee members in all the stages of project development and management

Ward- An electoral unit within a Local authority represented by a councilor

1.11 Organization of the Study

The chapter has given a brief background of the study, statement of the problem on factors that influence LATF project implementation within the jurisdiction of the Municipality of Meru. The study was conducted in Meru municipality, Imenti North

district. The study has given details of what the researcher intended to investigate and the leading questions to the study. It has also given the significance, delimitation, limitations and the assumptions of the study.

CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

The chapter has reviewed relevant literature relating to studies done on local authorities, reports, policy and legal documents guiding the operations of local government with specific focus on implementation of LATF project. The review focused on factors influencing LATF project implementation. These include the amount of funds available, the funds management, stakeholder's participation and the influence of staffing levels. The chapter further explained the concept of fiscal decentralization under which LATF funds was initiated. The chapter has also given the conceptual framework showing how independent variables interact with dependent variable.

2.2. The concept of fiscal decentralization

Transfer of funds under LATF represents the concept of fiscal decentralization. According to Wolman (1990), fiscal decentralization is defined as the devolution of policy responsibilities from Central government to Local government in respect of spending and collection decisions. He further notes that decentralization of spending increases economic efficiency since Local authorities have better information about local preferences, boost accountability and transparency in service delivery and if local accountability exists, tax payers are likely to cooperate better with Local governments. According to Smoke, (2000) fiscal decentralization can take the form of inter-governmental transfer that shift general revenues from taxes collected from Central government to Local governments for general or specific use. Inanga and Osei (2004) noted that stable and meaningful decentralization requires a well defined institutional framework in the assignment of expenditure responsibilities among different levels of government with sufficient budgetary autonomy to carry out the assigned responsibilities at each level of government. In Kenya Local authorities according to Ndegwa report (1971) provide for representative local decision making, mobilize resources for local development, serve as agent for central government and provide citizen participation in the rural areas and Central government. Introduction of LATF was supposed to enhance

fiscal decentralization with expenditure management and strengthen local level accountability mechanisms (Oyugi and Kibua, 2006). The study therefore established whether introduction of LATF has enabled local authorities to strengthen financial management thus impacting on the level of service delivery.

According to Rondinelli and Nellis (1986), there are various forms of fiscal decentralization namely; Self-financing or cost recovery through user charges; co-financing or co-production arrangements through which the users participate in providing services and infrastructure through monetary or labor contributions; expansion of local revenues through property or sales taxes on indirect charges; authorization of municipal borrowing and the mobilization of either national or local government resources through loan guarantees; and inter governmental transfer that shift general revenues from taxes collected by the government to local government for general or specific uses. The study of LATF introduced as a form of decentralization focused on specific variables influencing project implementation as specified here below amongst others.

2.3 Amount of LATF funds allocated

According to Local Authority Transfer Fund (Act no.8 of 1998) LATF funds distribute 5% of the national income tax. Each local authority is allocated a basic amount of k.sh 1.5 million. Further each Local authority receives 60% based on the relative population and the balance is based on a relative urban population of the Local authority. 60% of LATF allocations are released based on Local authority meeting set requirements. The remaining 40% is released based on Local authority performance measured through Local Authority Service Delivery Action plan (LASDAP) and other indicators. Budgeted LATF allocation is gazetted but no disbursement is made unless the Local authority has met the requirement (Oyugi and Kibua 2006). Local authorities are required to supplement LATF with own revenue collected from local taxes. However analysis of Local authorities' annual reports for financial years 2000/01 to 2002/03 on the estimates and actual revenue realizations indicate that on average, Local authorities only managed to realize 67% of their revenue estimates. Out of a total of 175 local authorities, only 63 managed to collect on average more that 75% of their revenues estimate, with 8 LAs collecting more than 100%. On the other extreme, 39 Local authorities realized on

average less than 50% of their revenue target. Low revenue realization could be as a result of inability by Local authorities to forecast their anticipated level of revenue accurately or are unable to collect revenue due to them or both. Kibua and Mwabu, (2008) A study in Tanzania by Fjelstad (2001) showed local authorities realized low revenue due to them as a result of poor administrative capacity to enforce taxes; explicit and intentional tax evasion, tax payers resistance and corruption. This view is also supported by Weisner, (1995) who notes that experience with decentralization of political and fiscal spheres in Columbia led to a situation where local governments were guaranteed revenues almost unconditionally resulting in too little effort being made to tax their constituency. As evidenced above from the analysis of annual reports for the year 2000/2001 to 2002/2003 on estimate of annual revenues, local authorities are unable to collect 100% of their revenue estimates.

According to a joint collaborative research report by Kenya Human Right Commission (KHRC) and Social and Accountability Network (SPAN), (2010) 15% of funds disbursed to Local authorities is spent on capital expenditure, while 85% pays for recurrent expenditure for instance salaries (39%), operations and maintenance (22%), debts resolution (19%). This means the infrastructure development that funds are intended to accomplish is not being met. According to Kenya Bureau of Statistics (2007) Kshs.10 billion was decentralized in the period from July 2008 to June 2009. These amounts of funds are substantial; enough to make visible difference in access to not only social and economic rights such as health care education, infrastructure at community level, but also enough to be a source of conflict if perceived not to be utilized for the equitable benefit of all in the area covered.

Local authorities receive LATF divided into Service delivery Component (60%) and performance component (40%). There are conditions attached to each of the two components. For instance, in 2006/7, the 60% service delivery component required that; Local authority allocate at least 65% of LATF amount for capital expenditure; not to allocate more than 55% of total budget on personnel expenditure; and Local authorities pay all statutory debts within the year they are due. The 40% performance component is released once Local authority meet both financial and LASDAP conditions. Only 0.5%

of the fund is provided to cover administrative costs which include dissemination of relevant information and reporting and monitoring of compliance with fund disbursement condition. In addition, the government is keen to ensure that the broader LATF objectives of improved accountability and participation are realized (LATF Act 1998). According to a report prepared by Syagga and Associates (2007) on the impact of LASDAP for the Kenya Local Government Reform programme (KLGRP) it noted that LATF though presumed to provide supplementary funding to Local authorities has become a significant source of funding for the majority of Local authorities.

However an analysis of the administration and use of LATF revealed that Local Authorities on average spend a meager 18% of the actual expenditure on capital projects; the total level of outstanding debts is three times the Local Authority own revenue; and financial management and accountability have not been improved. Oyugi, (2005). The study therefore examined the influence of the amount of LATF received by Municipal council of Meru on the project implementation.

2.4 Management of LATF funds

The Local Authority Transfer Fund (LATF) was introduced through an Act of parliament in 1998 and brought into effect on 10th June, 1999. Gok, (1998). The main objective of LATF is to provide resources and incentives to enable Local authorities to supplement the financing of the services and facilities they are required to provide under the Local government Act. Gok, (1998). The management of LATF fund as one of the decentralized funds is however very critical in realizing the intended objective. According to Obuya (2008) the effectiveness of fiscal decentralization depends on the efficiency of the coordination mechanism and harmonization of the funds. He further notes that the absence of coordination mechanism has resulted in conflict of decentralized funds. Muia (2005) agrees that there are times when local authorities through LATF partner with Constituency Development Fund (CDF) to jointly fund projects causing conflict of accounting. This also results in there being no clear distinction between CDF and LATF projects. This view is also supported by a research report by Kenya Human Rights Commission (KHRC) and Social and Public Accountability Network (SPAN), (2010) on selected Local authorities. At the national level LATF funds falls under the responsibility

of the Minister for Finance and is administered by the Permanent Secretary, ministry of Local government who makes an annual report to the controller and auditor general. Its operations and monitoring are guided by LATF advisory committee, chaired by a representative of the private sector and draws membership from the public and private sectors. The committee advises the Minister for finance on the criteria, rules and procedures for disbursement and funding needs of the Local authorities. (Gok 1998) To enhance compliance at the local level the Minister for Local government has powers to take disciplinary action against non compliance. For instance among the sampled LAs by KHRC and SPAN (2010) report , in 2006 /7 Luanda and Taveta Town Councils were penalized at Kshs.216, 028 and kshs.201,306 respectively for non compliance.

Other government reports have indicated that the management of decentralized funds LATF has been wanting. The Commission of inquiry into affairs of Local authorities in Kenya chaired by Omamo Commission (1995) for instance identifies lack of adequate supervisory capacity by the Ministry of Local Government and corruption as some of the vices that hinder efficient management of LATF funds. According to Chitere and Ileri, (2008) fiscal decentralization should not be pegged on local communities' capacity to handle the funds but its effectiveness will depend on how well they participate in the process. He identified technical knowhow and skills on projects management as necessary factors in assessing capacity at grass root level. Achoka, (2000) while agreeing with Chitere and Ileri observes that communities have good understanding of their development needs but have insufficient understanding of the policy guidelines and regulations due to their complexity and technical language. Other scholars note that project financed through decentralized funds fail for various reasons. For instance local communities have limited capacity to engage with and demand accountability from their councils. (Action Aid, Community Aid International-CAL and 4Cs, 2003). Further there is lack of knowledge and capacity to engage in project planning at the local level. Chitere and Ileri, (2004). Additionally Oyugi, (2008) also notes that LATF is characterized by poor governance, poor financial management and poor planning.

Local authorities' governance system has also been noted to influence the management of funds for project implementation. Section 13 of the Local Government Act provides that

the mayor or chairman of local authorities shall be elected from among the councilors at the first meeting of the Local authority and are policy makers. Execution on resolutions and actions for service delivery are provided through administrative sectional departments headed by appointed officers and staffed by salaried as well as casual employees. However efficiency in executing council resolutions is hampered by the fact that most of the decisions have to be approved by the minister. Local Government Act Cap 265, (1977). Subjecting council operations to approvals by the Minister largely negates the principle of accepting that Local governments have a role to play in modern governance. According to Kibua and Mwabu (2008), there ought to be a lot more operational independence of Local governments, both at policy and operational level. He further notes that elected and nominated councillors provided for under section 26(b) largely serve partisan interest.

2.5 Project committee members' participation

Identification and subsequent implementation of LATF project is undertaken through Local Authority Service Delivery Action plan (LASDAP) process. LASDAP was introduced in all local authorities in 2002 with the intention of putting in place a participatory planning system, that would directly engage the citizenry in planning, implementing and monitoring service delivery projects in communities,(Gok,2003). LASDAP is based on the tenet that decision making is the responsibility of Local Authority through a consultative process with stakeholders. Participatory planning provides an enabling environment for local communities to participate in decision making activities. This planning is indispensable for removing the poverty of nations, reducing inequality in income and wealth for all rapid development. Hadingham, (2003). According to him decentralization helps to achieve allocative efficiency, access to information, responsive to local needs, maximization of local revenues and enhanced accountability. The study endeavored to establish whether introduction of IATF has enhanced these objectives in Meru Municipality.

The concept of stakeholder participation embraces transparency, openness and making demand in both public and private settings can be widened to include active process where people take initiative and assert their autonomy. UNDP (2004) citing Mikkelson

(1995). Huther and Shah (1998) agrees with the above view and further explain that governance quality is enhanced by more closely matching services with citizen preferences and by moving government close to the people they intend to serve. The process of LASDAP involves citizen participation in policy formulation, planning and budgeting. This process involves interrelated stages that feed into and inform each other (GOK, 2003). However despite the framework and guidelines for the decentralized funds providing for citizen participation, the subsequent implementation has yielded mixed result. According to a research conducted by Kenya Institute for Public policy Research and Analysis (KIPPRA) participants asked to rate their participation in management of decentralized funds established that participation is low in various funds. Only 32.8% of respondents were in the level of information sharing or attended barazas, less than 5% felt they were involved in setting the development agenda for their areas (KIPPRA, 2005). Scholars have tried to explain the lack of participation by stakeholders. According to Crook and Manor, (1998) lack of citizen participation is because local population continues to regard the commune as an agency of the central state and its activities as being the concern of those in power. He further states that to improve accountability at the local level, it is important to institutionalize mechanism for citizen feed back with regard to local performance and service delivery.

Cornwall and Coelho, (2006) note that though encouraging citizen to “participate” through more active relationship with state institutions has theoretically resulted in better services and greater accountability by local governments. However, other studies have shown that LASDAP reforms have not necessarily impacted positively on service provision nor have they reduced the social economic inequality (Gledhill, 2005). Hadiz, (2002) agrees with Gledhill and notes that failure to yield desired citizen participation from LASDAP reforms is attributed to lack of administrative capacity to implement changes and top-down nature, which hinders citizens’ participation at the Local level. As local authorities strive to prepare their development programs and identify projects and provide services at local level, other concerns relate to whether the stakeholders play a significant role in the planning and budgeting process and whether stakeholders foster transparency and accountability and how is the project prioritization done. (Kibua and Mwabu, 2008). Other suggestions put forward advocate for increased stakeholders’

involvement as a means of revolutionizing the management of local government. These are especially by emerging lobby groups and stakeholder groups, such as Nairobi Central Business Development Association (NCBDA), Kenya Association of Manufacturers (KAM) and Central Organization of Trade Union (Cotu) and resident associations among others. In some arrears, such as the city of Nairobi, resident associations from high income areas have been able to hold back their land rate charges in demand for efficient services (Muthee, 2004)

2.6 Staffing Levels

Human resource management is the aspect of management that deals with how to get the most out of the human beings employed in an organization. Human resource management should therefore be guided by a policy that is concerned with attracting, employing, motivating, developing and retaining human resource. Omamo report, (1995).

According to the report of the Commission of inquiry on Local Authorities, (1995) the performance of most local authorities' personnel has been a subject of public criticism and media talk. This is because the Local authorities' performance has not measured up to public expectations. Among the reasons for this criticism highlighted by the report are the poor work attitudes and inadequate skills among the staff. The report further notes that most councils are over staffed at the lower levels on salary scales 10-20 with unqualified and unskilled staff. Kibua and Mwabu (2008) agree with the commission findings and note from the analysis of LATF annual reports that due to bloated workforce the single largest expenditure of local authorities is personnel. They observe for instance that Local Authorities only spent 18.7% of their LATF allocation on development expenditure in the FY 2007/2008. This implies that the resources allocated for service delivery are minimal which negatively impact on development.

According to the Omamo Commission report (1995) local authorities are characterized by a very high vacancy ratio within the professional cadres and an over-employment in the lower semi skilled and unskilled levels. This status according to the report impacts negatively on the efficiency and effectiveness of local authorities' service delivery. The report further indicates that the local authorities' manager of the future will require a near

crash training programme in areas of policy analysis, management financial management, supervision, law enforcement, planning, environmental management, disaster management among others. The report consequently highlights the need for councils to be allowed to determine their staff levels based on individual needs of each local authority. The staffing levels and generally personnel management in local authorities require considered attention. It is noted for instance that the Council staff overseeing project implementation do not have adequate capacity and the required integrity to manage public resources. The lack of capacity has led to many identified projects being under financed thus project completion is affected. The situation is further compounded by the fact that central government has not set aside funds to build capacity in LAs (Kibua and Mwabu, 2008).

A report by World Bank (2002:102) highlights the human resource status of Local Authorities and notes that they are facing serious crisis in attracting, retaining and developing the main assets that would normally make a difference in their performance. Local Authorities have experienced shortage of qualified, experienced and skilled personnel at chief executive, deputy chief executive and head of departments' level that constitute council management. Senior management positions in scale 1-9 are filled through public service commission and the Ministry of Local Government (MOLG). The filling however take long during which the functions of various offices are performed by persons not qualified to be appointed. Most of these positions have a vacancy rate of over 60% most of the times (World Bank 2002: 102). This scenario hampers realization of quality service standards as leadership required by lower cadre staff and supervision to ensure staff productivity is not available.

Local authorities have a total workforce of 84,000 regular employees which is almost 14% of the total public sector work force. Majority of the Local Authority staff (85%) falls in the lowest staff categories while salaries in Local authorities sector is below those in the other sub sectors of the public service. This explains why local authorities are not able to attract skilled and professionals required thus affecting service delivery such as project implementation. (World Bank, 2002).

Information communication technology (ICT) is key in ensuring efficiency and effectiveness in service delivery. However studies in Local Authorities show that staff in Local authorities has high need for information services which include ICT training, internet and e mail access amongst others. It is noted however that Local Authorities have began embracing ICT but it is limited to financial management and secretarial word processing services, Mitullah (2003). From the studies and reports highlighted above it evident that the staffing levels in Local authorities in terms of their numbers and appropriate competences greatly influence service delivery performance.

2.7 Conceptual frame work

Figure 1 below shows independent, moderating and dependent variables and how they relate with each other. The independent variables identified are; amount of funds available, funds management, project committee member's participation and staffing level.

Independent Variables

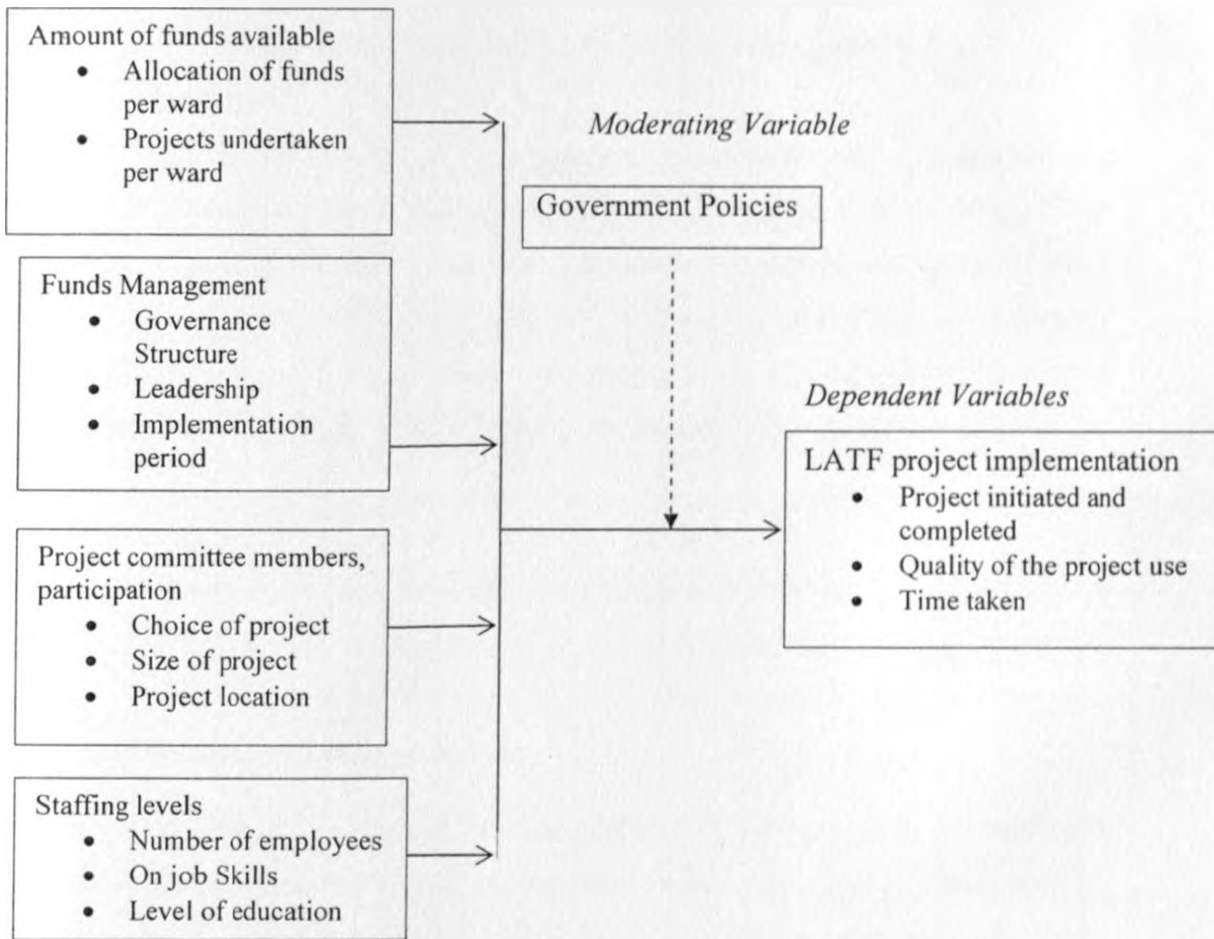


Figure I: Conceptual Framework

2.8 Summary

The amount of funds available determines the allocation of funds per ward and also the project undertaken per ward. The funds management determined the governance structure, leadership and project implementation period. The stakeholder's participation influenced choice of project, size of the project and project location. The staffing levels

are influenced by the number of employees, on the job skills and level of education. The dependent variable is LATF project implementation. Performance was measured by the number of project initiated and completed, the quality of the project use and the time taken. Moderating variable is any other factor which influence performance and not controlled in this study. This include government policy that work together to influence performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter has given an insight into the research project report methodology to enable accurate and fair interpretation of the results. The chapter has explained the research design that was used to generate the data, the procedure of sampling and sample size, data collection instruments, data analysis, sample frame and data presentation.

3.2 Research Design

The study employed descriptive survey design. This was appropriate to describe the state of affairs as it exists in Meru Municipality. The study involved administering of both closed and open questionnaire. Data collected was pre-processed and analyzed using SPSS and was presented using simple statistical tools such as percentages and frequency tables. The design was chosen as it is an efficient method of collecting descriptive data on project implementation and was appropriate in portraying an accurate profile of the situation.

3.3 Target Population

This study focused on 443 persons within the Municipality of Meru directly involved in project identification and implementation as per reports obtained from Municipality offices.

3.4 Sample size and Sampling technique

Since the electorates are represented by elected leaders, the respondent for the study was drawn from Councilors. Additionally, the staff and project committee members who are directly involved in project identification, execution and implementation also formed part of the respondent. There are 9 Councilors representing the electoral wards, 180 members of staff and 254 project Committee members.

Proportionate random sampling was used to obtain respondents for this study. This was achieved using Krecjie and Morgan (1970) formula for determining sample size.

$$S = \frac{X^2 NP \times 1-P}{d^2 \times N-1} + \frac{X^2 P \times 1-P}{d^2 \times N-1}$$

$$d^2 \times N-1$$

S=required sample (%)

X²=table value of chi square for one degree of freedom at the desired confidence level (3.841)

N=population size

P=Population (assumed to 0.5)

d= degree of accuracy expressed as a proportion (0.05)

THUS

$$S = \frac{3.841 \times 443 \times 0.5 \times 1-0.5}{2 \times 0.05^2 \times 443-1} + \frac{3.841 \times 0.5 \times 1-0.5}{2 \times 0.05^2 \times 443-1}$$

$$2 \times 0.05^2 \times 443-1$$

$$=10.56\%$$

Table 3.1 Sample frame

Category	Target population	Sample size (10%)	Sample size out of 44
Councillors	9	1	2
Municipal staff	180	18	42
Project committee members	254	25	57
TOTAL	443	44	100

Source: Municipal Council of Meru

3.5 Data collection instrument and procedures

The data was collected using questionnaires which employed both open and closed ended structure and consisted of relevant questions aimed at answering the research questions. The questionnaires were administered to sampled Councilors, staff and project committee members. The researcher first obtained permission to carry out research from the relevant authority. The researcher also ensured that research ethics are observed such as confidentiality of responses. This was aimed at encouraging the respondents to give honest data. The researcher also endeavored as much as possible to explain the purpose of the study to the respondents as well as the benefits to be derived. The researcher employed three research assistants, for the purposes of administering the questionnaires.

3.6 Instrument reliability

Kombo and Trop (2006) define reliability as a measure of how constant the results from the test are. Mugenda and Mugenda(2003) supports this and states that pre testing helps in enhancing the reliability of the instrument as being a consistent measure of the concept being studied. They further propose that a pre –test sample could be between 1%and 10% of the study sample. The bigger the study sample the smaller the percentage used. To ensure the reliability of the questionnaire the researcher undertook test-retest of the instrument to respondents at one of the wards where the questionnaire was administered twice to the same group of subjects during the pilot study at an interval of two weeks' time lapse. The results obtained were the same hence a proof that the questionnaire was reliable.

3.7 Instruments validity

Validity is largely a matter of accuracy. Validity is largely determined by the presence or absence of system error in the data. According to Mugenda and Mugenda (2003) it is the accuracy and meaningfulness of inferences which are based on research results. The researcher cross checked the data collected from the respondents to ensure accuracy thus improve on validity. A pilot study was carried out at commercial ward and analysis of the findings was done and ambiguous questions amended.

3.8 Data ethical Consideration

Information from the respondents was handled with confidentiality by not disclosing the names of the respondents in the questionnaire. However the researcher explained the benefits expected from the study to facilitate cooperation of the respondents. There was no penalty or loss of benefits or privileges for those who withdraw from the study.

3.9 Data analysis and presentation

After adequate collection of intended data, the researcher conducted a pre-processing of data to correct any errors and also to eliminate data not required for subsequent analysis. The researcher then organized the data thematically as per the research questions and subsequently adopted a coding scheme to facilitate development of an appropriate data structure to enable its entry into the computer. Data entry and analysis was done using statistical packages of social sciences (SPSS). As the data was descriptive in nature, it was analyzed using descriptive statistics and findings are presented using frequencies tables and percentages.

Table 3.2: Operational definition of variables

	<i>Research Objective</i>	<i>Type of Variable</i>	<i>Indicator</i>	<i>Measurement</i>	<i>Data collection</i>	<i>Level of scale</i>	<i>Approach of analysis</i>	<i>Level of analysis</i>
1	To establish the influence of the amount of funds available on LATF project implementation.	<u>Independent</u> Amount of funds available	-Allocation of funds per ward -Projects undertaken per ward	-Amount of money in k.shs. per ward -No of projects undertaken	Questionnaire/ Interview	Ordinal Nominal	Quantitative Quantitative	Descriptive Descriptive
2	To determine the influence of funds management on LATF project implementation.	<u>Independent</u> Funds Management	-Governance structure -Leadership Implementation period	-Openness to the public -Customer satisfaction -Time taken in days	Interview guide/ Questionnaire Questionnaire	Nominal Ordinal Nominal	Qualitative	Descriptive
3	To examine the influence of stakeholders participation on LATF project implementation.	<u>Independent</u> Stakeholder participation	-Choice of the project -Size of project	-Project utility -Amount spent in K.shs -Physical location	Questionnaire Questionnaire Questionnaire	Ordinal Interval Nominal	Quantitative	Descriptive
4	To examine the influence of staffing level on LATF project implementation	<u>Independent</u> Staffing levels	-Employee workforce -On job skills -Level of education	-Total No of employees -Certificate/training need -No of years of schooling	Questionnaire Questionnaire Questionnaire	Ordinal Nominal Interval	Quantitative	Descriptive
		<u>Dependent</u> LATF project implementation	-Project initiated and completed -Quality of the project -Project utility	-No of functional projects -Value of the project -No. of project beneficiaries	Questionnaire	Nominal	Quantitative	Description

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This section entails the analysis, presentation and the interpretation of findings. The chapter is divided into sub- sections where general demographic characteristics of the respondent such as age, gender and level of education are analyzed. The data was analyzed according to the research questions around key variables of the study namely; the amount of funds allocated, the management of funds, project committee members' participation and staffing levels and how they influence LATF project implementation. A questionnaire was used to collect the data and each research question was analyzed according to the responses given in the questionnaire.

4.2 Questionnaire return rate

Out of the 44 questionnaires distributed to the respondent within the municipality of Meru, 41 were responded to correctly and accepted for analysis. This represent a response rate of 93.2%. This statistically is ideal representative of the targeted population and the researcher feels that this is an indicator of successful research. Consequently the findings of the study can be generalized to other institutions of similar mandate.

Table 4.1; Questionnaire return rate

Sample population	Responses	Percentage
44	41	93.2

4.3 Demographic characteristics of the respondents.

This section analysis the gender distribution, age and level of education of the respondents.

4.3.1 Gender distribution.

Table 4.2 shows that 68.3% of the respondents were males while 31.7% were females. This data shows that the Municipality have significant no of males over females involved in the project implementation.

Table 4.2; Gender distribution of respondent

Gender	Frequency	Percentage
Male	28	68.3
Female	13	31.7
Total	41	100

.3.2 Level of education

The study sought to establish the level of education of the respondents

Table 4.3; Education level

Education level	Frequency	Percentage
None	0	0
Primary	8	19.5
Secondary	18	43.9
College / university	15	36.5
Total	41	100

From the above table 100% the respondents involved in project implementation within the Municipality of Meru have acquired formal education (primary, secondary and college level). This places the Municipality in a good position in terms of capacity building (awareness and knowledge acquisition) regarding project implementation. However 19.5% of the respondent who have primary education is significant and may contribute to low project implementation due to lack of required managerial and technical skills. However 80.4% of the respondents have secondary and post-secondary level of education thus are capable of managing project implementation within the Municipality.

4.3.3 Age of the respondent

Table 4.4; Age levels

Age	Frequency	Percentage
20 – 30	-	-
31 – 40	26	63.4
41 – 50	10	24.4
51 – 60	4	9.7
61 – 70	1	2.4
Total	41	100

Table 4.4 shows that 63.4% of the Municipality personnel involved in project implementation is dominated by young people aged 31 – 40 years while 24.4% are aged between 41 – 50 years. This is in line with government policy of giving opportunities to the youth who are energetic enough to realize the desired results. However it is significant too that 12.4% of the respondent comprise of people aged 51 – 70 years. The personnel in this category may not have the zeal, energy and the focus required in speedy conceptualization and actualization of project. This may explain the slow phase in project implementation.

4.4 Influence of amount of LATF allocated

The first objective of the study was to establish the influence of amount of funds available on LATF project implementation. The questionnaire on this objective was purposively administered to His Worship the Mayor of the Municipality as the sampled representative of other Councilors. Besides the Mayor being the political leader of the Council as well as being an elected Councilor had the required insights on how the amount of LATF influences project implementation within the Municipality. His Worship the Mayor reported that Kaaga ward that he represents had received Ksh 2.8 M for the last five years and that he was not satisfied with the amount allocated as they were not enough to complete all the 15 projects prioritized in his ward costing over Ksh 20M. He noted that out of the 15 projects prioritized during this period only 5 were selected for actual implementation out of which 4 are complete and one not

Table 4.5; Projects prioritized and number actually selected for implementation in Kaaga ward for 5 years

Projects prioritized	Number of selected projects for actual implementation	Percentage
15	5	33.3%

Table 4.5 shows there is need to undertake more projects based on need but actual implementation is limited by the amount allocated per ward.

Table 4.6; Projects actually implemented in Kaaga Ward in 5 years

Number of project identified for actual implementation	Actual number of project implemented	Percentage
5	4	80

Table 4.6 shows that other factors may also explain why project identified for actual implementation are not done and not only the amount of funds allocated since funds for projects are always set aside. In general the Mayor was not satisfied with the number of projects implemented in his ward and attributes this to budgetary constraints. He recommends that future allocation of funds for projects implementation should be done per ward based on the needs of the ward and population and not being shared equally per ward. This also explains the need to identify other sources of funds received to supplement LAFT funds.

4.5 Influence of Funds management On LAFF project implementation.

The financial management of any organization is key to determining the success or otherwise of implementation of programs. The study on this aspect intended to establish how LAFF funds are managed in respect of project implementation and several questions were responded to in this respect. 17 respondents out of 18 responded to this questionnaire.

4.5.1. Rating of governance structure of LAFF Funds.

Table 4.7; Rating on LAFF Funds governance structure.

Category	Frequency	Percentage
Open to public	10	58.8
Partially open to public	6	25.3
Not open to public	1	5.8
Total	17	100

Table 4.7 above shows that 58.8 % of the respondents feel that the governance structure of LAFF funds is open to the public. However a significant proportion 41.1% responded that the governance structure of LAFF is partially or not open at all to public. This implies that there is need for the Ministry to come up with more guidelines that will enhance governance.

4.5.2 Satisfaction with Funds management.

The study sought to establish the level of satisfaction of the respondents with the transparency in the management of LAFF funds where 17 respondents participated.

Table 4.8; Transparency satisfaction.

Category	Frequency	Percentage
Satisfied	6	35.3
Partially satisfied	10	58.8
Not satisfied	1	5.9
Total	17	100

From table 4.8 only 35.3 % of the respondents are satisfied with the level of transparency in management of projects funds while 58.8% are partially satisfied. 5.9 % of the respondents are not satisfied at all. This can explain the apathy in involvement of stake holders in the municipally.

4.5.3 Satisfaction with time taken to complete projects.

The respondents were further asked to indicate whether they are satisfied with the time taken to complete project. 17 respondents answered this question.

Table 4.9; Respondents level of satisfaction with time taken to complete projects.

Category	Frequency	Percentage
Yes	8	47.1
No	9	52.9
Total	17	100

The table shows that a higher number of respondents 52.9% are not satisfied with the transparency measures in place compared to 47.1% of those satisfied in project management. The difference however is not much.

4.5. 4.Release of budgetary money for intended project.

The study sought to establish whether money budgeted for projects was actually released. Table 4.10 gives the respondents views on whether money was actually released for intended project. 17 respondents answered this question.

Table 4.10; Release of project Funds

Category	Frequency	Percentage
Yes	14	82.4
No	3	17.6
Total	17	100

Table 4.10 shows nearly all the money budgeted for projects is actually released implying that management of LAFF funds is board. However the amount allocated to the project may be a constraining factor in the size and the number of projects to be implemented.

4.5.5. Payment to contractors

The times taken to pay project contractors determine the project implementation. This is because it will influence their willingness or otherwise to undertake projects works. The study sought to establish whether contractors are paid in good time upon completion of project.

Table 4.11; Payment to contractors in good time.

Category	Frequency	Percentage
Yes	12	70.6
No	5	29.4
Total	17	100

Table 4.11 shows that 70.6% of the respondents indicated that payment to contractors is done in good time after completion of the project while 29.4% hold contrary view. Payment to contractors in good time is acceptable good practice that can facilitate quick achievement of intended objectives of any organization.

4.5.6 Other factors influencing management of LATF funds.

The study sought to establish other factors influencing management of LATF funds

Table. 4.12; Other factors influencing management of funds.

Category	Frequency	Percentage
Corruption	4	23.6
Inadequate supervision by ministry	4	23.6
Lack of managerial and financial Competences of project managers	4	23.6
Political interferences	3	17.7
Late LAFF disbursements	1	5.9
Inadequate funds	1	5.9
Total	17	100

4.5.7 Measures to address factors influencing management of LATF funds.

The management of the municipality should endeavor to address factors identified as influencing managements of LAFT funds. The respondents were asked to suggest possible measures to address some of the identified factors.

Table 4.13; Measures to address factors influencing management of LAFT funds.

Measure	Frequency	Percentage
Training on financial and management skills	4	23.5
Intensify regular supervision by the ministry	5	29.4
Develop organization Ethics and code of conduct	4	23.5
Develop long term plans	1	15.9
Timely disbursement of LAFT	1	5.9
Increase funds for project implementation	1	5.9
Total	17	100

Table 4.13 shows that 29.4% of the respondents felt that the Ministry of local government should intensify regular supervision as a measure to ensure funds are well managed.

4.6 Influence of staffing levels.

The study sought to establish the influence of staffing levels within the municipality. The objective of this was to establish whether the levels reported has any influence on implementation of project. Staffing levels related to the number of staff, the technical and managerial skills possessed.

4.6.1. Officials responsible for project implementation.

The study sought to establish other key person(s) responsible for project implementation.

Table 4.14; Key person(s) responsible for LAFT project implementation.

Category	Frequency	Percentage
Area councilor	0	0
Project committee members	8	47.1
Council staff	9	52.9
Total	17	100

The table 4.14 shows that 52.9% and 47.1% of Council and project committee members are the key persons responsible for projects implementation. This explains that project implementation is a collective exercise within the municipality.

4.6.2. Personnel skills.

Respondents were required to indicate the skills possessed by personnel involved in project implementation. This is key to establish their level of competencies. Table 4.14 shows the personnel skills.

Table 4.15; Personnel skills

Category	Frequency	Percentage
Technical	4	23.5
Managerial	1	5.9
Both	11	64.7
None	1	5.9
Total	17	100

Table 4.15 shows that 64.7% of staff of the Municipality involved in project implementation have the required technical and managerial skills.

4.6.3 Number of staff involved in project implementation.

The number of staff charged with the mandate of project implementation is key in determining their efficiency. Table 4.16 shows the number of municipality staff involved in project implementation.

Table 4.16; Number of Staff involved in project implementation.

Category	Frequency	Percentage
1-5	10	58.8
6-10	6	35.3
More than 10	1	5.9
Total	17	100

4.6.4. Adequacy of staff involved

The study sought from the respondents whether the number of staff involved in project implementation was adequate or not.

Table 4.17; Adequacy of staff involved

Category	Frequency	Percentage
Yes	11	64.7
No	6	35.3
Total	17	100

Table 4.17 shows that 64.7% of the respondent indicated that the Municipality has adequate staff for project implementation. 35.3 % were of opinion that the number is inadequate and recommended employing more.

4.6.5. Level of education of project implementation staff.

The study sought to establish the average level of education of officers involved in project implementation.

Table 4.18; Average level of education

Category	Frequency	Percentage
Primary -	-	-
Secondary	-	-
College	10	58.8
University	7	41.2
Total	17	100

Table 4.18 shows that 100% of the staff involved in project implementation have attained college and university training. This may mean that other factors held constant they are capable of implementing projects. This agrees with the response on technical and managerial capability

4.6.6. Ability to supervise all the projects

The study sought to know whether the staffs concerned with projects implementation were able to supervise all the projects.

Table 4.19; Ability to supervise all projects

Category	Frequency	Percentage
Yes	12	71.6
No	5	29.4
Total	17	100

Most respondents 70.6% in Table 4.19 felt that the staff was adequately supervising the projects. However 29.4% felt they were not adequate and recommended that more is employed.

4.7. Influence of project committee members participation.

Participation by stakeholders in project at various stages was also sought. This was to establish whether the level of involvement influenced in any way project implementation. The question was administered to 25 project committee members from all the wards of the Municipality of which 23 were returned and accepted for analysis. Relevant questions in line with research objectives were asked.

4.7.1 Involvement in choice of project.

The study sought to establish whether project committee members they were involved in project choice

Table 4.20; Involvement in project choice.

Category	Frequency	Percentage
Yes	20	87
No	3	13
Total	23	100

Table 4.20 shows that the Municipality involved 87. % of the committee members in project choice. This is in line with the LATF funds guidelines. Only 13% felt that they were not involved in project identification.

4.7.2 Stage of project committee members involvement.

Respondents were asked to indicate at what stage of project management they were involved.

Table 4.21; Stage of project committee members' involvement.

Category	Frequency	Percentage
Planning	7	30.4
Budgeting	-	-
Implementation	11	47.8
All stages	4	17.5
Some	1	4.3
Total	23	100

Table 4.21 shows that majority (47.8%) of project committee members were involved at the project implementation stage. It is however noted that none was involved at budgeting stage which is a crucial stage for project sustainability. 30.4% were involved in planning stage. However LAFT regulation requires that project committee members should be involved at every stage. This implied the Municipality does not follow the LAFT regulation to the letter on this aspect.

4.7.3 Satisfaction with level of involvement

Project committee members were required to indicate the level of satisfaction with their involvement.

Table 4.22; Level of satisfaction

Category	Frequency	Percentage
Yes	10	43.5
No	13	56.5
Total	23	100

Table 4.22 show majority of project committee members 56.5% are not satisfied with their level of involvement while 43.5% are satisfied.

4.7.4 Frequency of views sought.

The study sought to establish from the respondents the frequency of views sought.

Table 4.23; Frequency of seeking member's views.

Category	Frequency	Percentage
Regularly	9	39.1
Not regularly	8	34.8
Not sought	6	26.1
Total	23	100

Table 7.23 shows that 73.9% had their views sought regularly during project implementation while only 26.1% were not. Consultation enhances project sustainability due to the element of ownership.

4.7.5. Project identification.

The study sought to establish who played a key role in determining the project identification. This was important in order to explain the level of involvement.

Table 4.24; Key role in project identification.

Category	Frequency	Percentage
Councilor	6	26.1
Member of Parliament	-	-
Project beneficiaries	16	69.6
Council staff	1	4.3
Total	23	100

Table 4.24 show majority of project committee members 69.6% played a key role in identifying the project. This is in line with the Ministerial guidelines that require that projects be identified by stake holders.

4.7.6 Involvement of other government officers in project identification.

The study sought from respondent whether other government officers were involved in project identification. This is necessary in order to harmonize development project within the Municipality.

Table 4.25; Involvement of other government officials

category	Frequency	Percentage
Yes	16	69.6
No	7	30.4
Total	21	100

The study showed that 69.6% reported other government officials having participated in the project identification and offered advisory role. This is in line with the government policy of consultation to avoid duplication of projects. Only 30.4% indicated that there were no other government officials involved.

4.7.7 Possession of managerial and technical skills by project committee members.

The study sought to establish the level of competency of project committee members.

Table 4.26; Possession of managerial and technical skills by project committee members.

Category	Frequency	Percentage
Yes	8	34.8
No	15	65.2
Total	23	100

Table 4.26 shows that majority of project committee members 65.2% did not possess managerial and technical skills. Only 34.8% possess the required skills.

This can explain lack of involvement at the budgeting stage. It is recommended from the respondent that project committee members are of specified level of education and possess specific skills.

4.7.8. Effects of level of project committee members involvement in project implementation.

The study sought from respondents the effects of their level of involvement in project implementation.

Table 4.27; Effects of level of involvement of project committee members in project implementation.

Category	Frequency	Percentage
Lack of project ownership	11	47.8
Project apathy	5	21.7
Lack of project sustainability	7	30.5
Total	23	100

Table 4.27 shows that the majority 47.8% hold the view that lack of involvement of committee members in project implementation has the effect of lack of project ownership. This also explains lack of project sustainability at 30.5%. It is noted that project is supposed to give long term benefits to residents of the Municipality.

4.7.9 Level of committee members' satisfaction with project undertaken

The study sought to establish the level of committee members' satisfaction with the project undertaken in their respective wards

Table 4.28; Level of satisfaction.

Category	Frequency	Percentage
Highly satisfied	2	8.7
satisfied	7	30.4
Not satisfied	5	21.7
Partially satisfied	9	39.2
Total	23	100

Table 4.28 shows that 39.2% of project committee members are partially satisfied with projects undertaken while 21% are not satisfied at all. This shows that there is need for more projects but these may be constrained by budgetary issues.

4.8 Summary

This chapter has detailed the data analysis and gives interpretation of the findings. The chapter has also presented the findings in frequency tables and percentages. The purpose of this chapter was to represent the result of the procedures described in the methods and present evidence in form of percentages and tables. The data analysis was done on the basis of study objectives. Analysis was done by handling each question in the data collection tool and descriptive statistics were widely used in the analysis of the data.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMENDATIONS

5.1 Introduction

This chapter presents the main findings, study discussions and conclusions and gives recommendations. The main objective of the study was to establish factors influencing the implementation of LATF projects in Meru municipality. The specific objectives of the study were: To establish the influence of the amount of funds available on LATF projects implementation; To determine the influence of funds management on LATF projects implementation; To examine the influence of project committee members' participation on LATF projects implementation and to examine the influence of staffing levels on LATF projects implementation in Meru municipality.

5.2 Summary of main findings

5.2.1 General characteristics

The study showed that there were more males compared to females involved in project implementation within Meru municipality. In terms of level of education majority of those involved in project implementation in Meru Municipality were of secondary school level of education while others had attained university education. Majority of respondents according to the study were aged between 31-40 years.

5.2.2 Influence of amount of LATF received on project implementation

The study established that Councilors were not satisfied with the amount of LATF funds allocated in their wards as only 33% of all the prioritized projects were selected for actual implementation. The study identified budgetary allocation as the major constraining factor and proposed that future LATF allocation be based on the needs of each ward.

5.2.3 Influence of management of LATF funds on project implementation

Majority of the respondent were of the opinion that the governance structure of LATF funds was open to the public although some felt that the transparency on the management was not

satisfactory Majority of the respondents were satisfied with the time taken to complete projects and that money meant for projects was actually released in good time. The of supervision also influenced management of funds through issuance of guidelines.

5.2.4 Influence of project committee members' participation on project implementation

Most of the project committee members were regularly consulted during project implementation and especially at the project identification stage. However project committee members were not involved at the crucial budgeting stage. Those who felt not involved reported project apathy as the consequence.

5.2.5 Influence of staffing levels on project implementation

The study established that the Municipality had adequate staff involved in project implementation. Additionally the staff involved had adequate managerial and technical skills and had acquired appropriate level of education. The number of staff involved was further established to be adequate for project supervision.

5.3 Discussion of main findings

5.3.1 General characteristics

There were more males 68.3% compared to 31.7% of females involved in project management within the Municipality. This could be explained by the fact that the Municipality being an electoral area has few women desiring to be involved with politicians and public life thus requiring an affirmative action. The majority of the respondents were aged between 31-40 years which constituted 63.4%. This indicates that the Municipality has given opportunity to the youth who have the energy to deliver services required to the tax payers. Majority of the respondents 43.9% were of college and university level. This shows that the Municipality should endeavor to recruit and engage more qualified personnel for efficiency in service delivery especially in project implementation'

5.3.2 Influence of amount of LATF received on project implementation

The study showed that the amount of LATF received had great influence on the projects implemented. The ward sampled (Kaaga) indicated that for five years only ksh 2.8 million was

budgeted compared to ksh 20 million required to implement projects identified by ward residents. Although LATF funds are supposed to be supplemented by local ownrevenues, the Municipality appears not to have succeeded in supplementing LATF. According to Kibua and Oyugi (2008), Local authorities only managed to realize 67% of the revenue estimates. The findings of the study agree that the amount allocated and collected in terms of local own revenues is inadequate and this influence project implementation. This too agrees with the study done jointly by Kenya Human Right Commission (KNHCR) and Social and Accountability Network (SPAN, 2010) that showed only 15%of funds disbursed as LATF to Local authorities was spent on capital expenditure.

5.3.3 Influence of Management of LATF funds project implementation

The study established generally that majority of the respondents 58.8% felt that governance structure of LATF funds was open to public. This explains why 58.8%of the respondents were partially satisfied and only 35.3% were satisfied with the level of transparency. The study does not therefore agree with the observation by Oyugi (2008) that LATF funds are characterized by poor governance, poor planning and poor financial management. The study further established that 69.6% participated in identifying the projects thus does not agree with Kibua and Mwabu (2008) who noted that the elected and nominated councilors served partisan politics. The Municipality to a large extent operated within the guidelines set by the Ministry of Local government on project implementation.

5.3.4 Project committee members' participation

According to United Nations Development Programme (UNDP 2004), stakeholders participation embraces transparency, openness and making demand in both public and private setting can be widened to include active process where people make initiative and assert their autonomy. Huther and Shah (1998), agrees with this view and further explains that governance quality is enhanced by more closely matching services with citizen preferences. The study agrees with this observation and notes that 87% and 47% were involved in project identification and implementation respectively.

According to Hadingham (2008), decentralization helps to achieve efficiency, access to information, responsive to local needs and enhances accountability. The study agrees with this

view as it was established that 58.8% were satisfied with the level of funds transparency within the Municipality due to involvement. Hadiz (2002) agrees with Gledhill (2005) that failure to yield desired citizen participation from LATF reforms is attributed to lack of administrative capacity to implement changes and top down nature, which hinders citizen participation. However, the study in Meru Municipality disagrees with this as 69.6% of the project committee members were involved in project identification. This implies that participation by project committee members enhanced project implementation with Meru municipality.

5.3.5 Staffing levels

Kibua and Mwabu (2008) observe that Local authorities have bloated workforce with the single largest expenditure being personnel thus leaving little for capital project. While this might be true with some Municipalities, the study within Meru Municipality disagrees with this as 82.4% of the respondents indicated that the money earmarked for projects was actually released. This implies that the Municipality staffing levels are within the acceptable limits. The study further established that the Municipality staff concerned with project had the necessary managerial and technical skills as 64.7% of the respondents indicated. However the project committee members did not possess the requisite managerial and technical skills as 65.2% of the respondents indicated. This may require the Municipality to purposively determine the criteria for selecting project committee members. This may also explain why project committee members according to the study were not involved at the critical budgeting stage. The study does not further agree with the World Bank (2002:102) assertion that Local authorities have a high vacancy rate of senior management staff as 58.8% felt that the officers responsible for project implementation were adequate.

5.4 Conclusion.

The study established that the amount of funds allocated for the project implementation greatly influenced the number and the size of the projects implemented. However, the study established that to a large extent, the Municipality managed LATF funds in a transparent manner. The study has further shown that the stakeholders are involved at various stages of project management. However most of the stakeholders do not have the necessary managerial and technical skills

required for them to give valued inputs. The study has further established that the Municipality has adequate staffing levels with relevant skills necessary for project management.

5.5 Recommendations.

From the findings of the study, the following was recommended to the Ministry of Local government;

1. Develop sound criterion to allocate LATF funds amongst the wardsbe developed.
2. Develop criterion to ensure competent persons are engaged as project committee members.
3. Ensure Project committee members are involved at all stages of project management including the budgeting stage.
4. Equip the current project committee members with both managerial and technical skills
5. Enhance supervision of Local Authorities LATF funds expenditure by the Ministry of Local government.

5.6 Areas of further research

Arising from this study, the researcher recommends that more studies be done on the following;

- 1) Other devolved funds to establish factors that influence their effectiveness.
- 2) Ways and means of ensuring that the devolved funds such as LATF realize the desired objectives of enhancing service delivery.
- 3) Ways of enhancing stakeholder involvement in devolved funds management.

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I) Introduction Letter

Mutuiro Jasper Mwit

P.o Box 120

MERU

Dear Sir/madam

RE: REQUEST TO CONDUCT A RESEARCH IN YOUR MUNICIPALITY

I am a student at the University of Nairobi pursuing a Master of Arts Degree course in project Planning and Management. In partial fulfillment for this degree, I am supposed to carry out a research project and submit it to the University. The study is based on factors influencing LATF project implementation within the Municipality of Meru. The findings of this research will be useful to the Council, Ministry of Local Government and other researchers in a number of ways. The information provided will be treated with utmost confidence, especially the identity of the people involved. Please respond objectively to the questionnaire and the soonest possible.

Thank you.

Yours faithfully



Mutuiro Jasper Mwit

(ii) Questionnaire for the Councilor on Amount of LATF funds allocated

Instructions

The information given in this questionnaire will be treated with absolute confidentiality and will be used for the purpose of research only. Please complete the questionnaire appropriately, objectively and honestly. Do not indicate your name. Answer all questions and indicate your choice by ticking the opinion closest to your answer where applicable.

1. Background Information

Age _____

Sex _____

Education Level _____

Ward Name _____

2. How much money was allocated in your ward in the last five years for project implementation?
K.shs. _____

3. Were you satisfied with the amount allocated in your ward?

Yes No

4. Were the funds allocated sufficient to complete the identified projects?

Yes No Don't know

If no explain _____

5. How many projects were prioritized in the last five years in your ward? _____

6. How many projects were initiated and completed in the last five years as prioritized?

One (B) two (C) three (D) others

7. Describe the current status of the prioritized projects in your ward in terms of their level of completion for the last five years.

- a) All complete
- b) Some complete
- c) None completed
- d) Don't know

8. Are you satisfied with the number of projects implemented in your ward in the last five years?

- Yes No

If no what would you recommend? _____

9. In your opinion what influenced the amount of LATF allocated in your ward?

- Amount of funds received Politics Budget Don't know

10. What would you recommend as the basis of LATF funds sharing received by the Council?

- a) Allocate per ward equally based on need
- b) Allocate one ward only but a major project based on need
- c) Allocate to two wards only based on need
- d) Any other (specify) _____

11. Which of the following reasons has contributed to the current state of project implementation in your ward?

- a) Allocation of inadequate funds.
- b) Negative political competition
- c) Lack of involvement of stakeholders
- d) Any other (specify)

(iii) Questionnaire for Council Management and Staff.

Instructions

The information given in this questionnaire will be treated with absolute confidentiality and will be used for the purpose of research only. Please complete the questionnaire appropriately, objectively and honestly. Do not indicate your name. Answer all questions and indicate your choice by ticking the opinion closest to your answer where applicable.

Part A: Funds Management

1. Background Information

Gender _____

Level of education _____

Position in the Organization _____

2. How do you rate the governance structure of LATF funds management?

Open to public partially open to public not open to Public

3. Are you satisfied with the transparency in the management in LATF project funds?

Satisfied Not satisfied partially satisfied

4. What is the average time taken to complete the intended LATF project?

Six months within 1 yr Over 1 yr

5. Are you satisfied with time taken to complete LATF project?

Yes No

If no explain _____

7. Was all the money budgeted for project implementation released for this purpose in last five years? Yes No

If no in 7 above which of the following explains what happened;

- A) Allocated funds used to pay staff salaries
- b) Allocated funds was used to pay statutory creditors
- c) Allocated funds was misused through corrupt ways
- d) Any other (specify)

8. Are the contractors implementing projects paid in good time upon completion of project?

Yes No

If no in 8 above what is the major effect of the delay in payment?

- a) Low interest in future project contractors
- b) Project abandonment
- c) Delay in project completion
- d) Increase in project cost

9. State any other factor that has influenced management of funds for prioritized projects

- a) Corruption
- b) Inadequate supervision by the Ministry
- c) Lack of managerial and financial competences Of project managers
- d) Any other (specify)

10. Suggest the most possible measure to address the factor identified in No 9 above.

- a) Training on financial and management skills.
- b) Intensify regular supervision by the Ministry
- c) Develop organization ethics and code of conduct
- d) Any other (specify)

PART B: STAFFING LEVELS

1. Who is the key person(s) responsible for LATF project implementation?

Area Councilor Project Committee members Council staff

Any other (specify) _____

2. What skills do the personnel involved in project implementation have?

Technical Managerial Both None

3. Are the project implementation staffs trained on job skills? Yes No

4. What is the total number of staff involved in project implementation?

1-5 6-10 More than 10

5. In your view is the number in (5) above adequate? Yes No

If no in 5 above what would you recommend?

6. What is the level of education of the key officer in charge of LATF project implementation?

Primary Secondary College University

7. What is the average level of education of the staff involved in LATF Project implementation?

Primary Secondary College University

8. Are the officers involved in project implementation able to adequately supervise all the projects?

Yes No

If no in No 8 above what would you recommend?

Employ more Reduce projects Provide transport Any other (specify)

(iv) Questionnaire for Project Committee members.

Instructions

The information given in this questionnaire will be treated with absolute confidentiality and will be used for the purpose of research only. Please complete the questionnaire appropriately, objectively and honestly. Do not indicate your name. Answer all questions and indicate your choice by ticking where applicable.

1. Background Information

Gender _____

Level of education _____

Position in the Organization _____

2. Were you involved in the choice of the LATF project? Yes No

3. If yes in 2 above, at what stage were you involved?

Planning Budgeting Implementation All stages some

4. Are you satisfied with the level of your involvement? Yes No

5. How often are your views sought during project implementation?

Regularly Not regularly not sought

6. In your opinion does the size of the project commensurate with funding allocated?

Yes No

If no explain _____

7. Who played a key role in determining the project identification?

Councilors Area MP Project beneficiaries Council staff

Any other (Explain) _____

8. Did other government officer(s) participate in project identification?

Yes No

If yes in 8 above state who and the role he/she played _____

9. Do the project committee members involved in project implementation possess adequate project managerial and technical skills?

Yes No

If no in No 9 above what would you recommend?

10. Explain how the level of involvement of committee members in project has affected project implementation.

- a) Lack of project ownership
- b) Project apathy
- c) Lack of project sustainability
- d) Any other (specify)

11. Are you satisfied with the projects undertaken in the ward for the last 5 years?

- a) Highly Satisfied
- b) Satisfied
- c) Not satisfied
- d) Partially satisfied