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ASSESSMENT OF LOCAL AUTHORITY TRANSFER FUND IN
POVERTY ALLEVIATION IN MAVOKO MUNICIPALITY

BY

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DECLARATION

I, Kinyanjui Michael Kamau declare that this thesis is my original work and has not been presented in this or any other university for the award of degree

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Dedication

This work is dedicated to my parents Joseph and Mary Kinyanjui, who selflessly saw me through my education despite all challenges and to my wife Jacqueline and daughter Angel who have been a source of encouragement and support all the way through.

May God bless you abundantly!

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ABSTRACT

In recent years, there have been widespread attempts both to redefine the role of the public sector in developing countries and to improve its performance. An increasingly important component of these reforms has been the introduction of policies to decentralize the functions of government. As a policy, decentralization seeks to improve service delivery through paving a 'short road to accountability' (Smoke, 2001) in that citizens under a centralized regime normally have to voice their demand for better services to central authorities who in turn direct local level bureaucrats to respond. However, if well conceived and implemented, decentralization makes it easier for citizens to voice their demands on government, as well as better monitor the performance in services delivery.

In Kenya the enactment of Local Authorities Transfer Fund Act (LATF) of 1998 and the subsequent Local Authorities Transfer Act regulations of 1999, saw introduction of a fiscal decentralization process. The process was aimed at improving services delivery to the public through local community participation and improvement financial management, revenue mobilization and accountability in local authorities. Designed to actively engage local citizens on their priority needs, LATF holds strong opportunities in poverty reduction and national development if well managed.

Taking Mavoko municipality as a case example, this research project first examines the conceptual foundations upon which LATF is founded and implemented. It then tries to assess how LATF as fiscal decentralization process has contributed to urban poverty reduction through involving local communities in its planning, management and implementation. Key focus is also given to its contribution in funding infrastructure services at the local level and in improving accountability through the existing monitoring and evaluation systems and frameworks. The research project concludes with key observations and recommendations on how LATF can be improved both at national and local authority levels.

With most local authorities faced with challenges in pro poor services delivery, this thesis provides some key insights and policy recommendations in using LATF to unlock the urban management challenges such as access to infrastructure services and poverty reduction.

A case study approach through an in-depth analysis of LATF implementation in Mavoko was adopted. This was found to be important in aiding the researcher connect the micro level to the macro levels, social and administrative structures and processes in administration and implementation of funds and how policies at the national level have impacts on local level implementation. Secondary data collection was done through extensive literature review while primary data was obtained through interviews.

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List of Acronyms

AWSB	Athi Water and Services Board
CBO	Community Based Organization
DFSRD	District Focus Strategy for Rural Development
EPZ	Export Processing Zone
FY	Financial Year
GOK	Government of Kenya
IPAR	Institute of Policy Analysis and Research
KLGRP	Kenya Local Government Reform Programme
LA	Local Authority
LATF	Local Authority Transfer Funds
LASDAP	Local Authority Service Delivery Action Plans
LGRP	Local Government Reform Programme
LAIFOMS	Local Authorities Integrated Financial Operations and Management Systems
MOLG	Ministry of Local Government
MCM	Mavoko Municipal Council
NGO	Non Governmental Organization
OECD	Organization for Economic Cooperation and Development
PRSP	Poverty Reduction Strategic Paper
RML	Road Maintenance Levy
RGUU	Regulatory Guidelines for Urban Upgrading
SPSS	Statistical Package for Social Scientists
UNDP	United Nations Development Programme

CHAPTER ONE

INTRODUCTION

1.0. Overview

The world's population is quickly becoming urbanized as people migrate to the cities. This is corroborated by the fact that by 1950, less than 30 per cent of the world's population lived in cities. The number grew to 45 percent by the year 1995 and is predicted to increase to 4.9 billion by the year 2030 (UN-Habitat, 2001). Studies show that developed nations have a higher percentage of urban residents than less developed countries, however, most of the population increase expected during 2000-2030 will be absorbed by the urban areas of the less developed regions whose population will likely rise from 1.9 billion in 2000 to 3.9 billion in 2030 (UN, 1999).

Despite the challenges of urbanization properly planned and managed cities hold the promise for human development and the protection of the world natural resources through their ability to support large numbers of people while limiting impacts on the natural environment (UN-Habitat 1997, 2000). Initial policy responses to this staggering urban population growth in the developing countries have generally been negative ones (Wegelin, 2002). Gradually however, the perception of policy makers on urban development is changing in that cities and towns, and the industrial and commercial activities located in them are viewed as positive forces for national economic growth (Van Dijk, 2002).

Despite the positive economic development forces, cities and towns are faced with key development and urban management challenges among which includes: -

- Formulation and implementation of management strategies capable of not only resolving extant problems but also coping with very significant urban growth.
- Enhancing capacity of cities to enhance increased productivity, economic growth and employment so as to transform cities into engines of economic growth.
- Catering for the needs of the majority of urban residents who cannot afford the services offered by re-orienting the objectives, goals, policies and strategies of municipal management in order to meet the needs and improve the living conditions of the majority.

Solving these challenges however, demand development and maintenance of sustainable urban management practices, policies and instruments. Since the early 1980s, there has been a trend in most countries of the world towards decentralization from national governments to local authorities in an effort of improving their responsibility for delivering services (Gilbert, *et al*; 1996). Simply defined, decentralization is the devolution of power- responsibilities, resources and legitimacy- to sub-national levels, ranging from regional bodies to intra municipal structures (Sanssen, 1998).

Major reasons behind decentralization have been due to rapid economic, political and technological changes, poor performance of central government, meaning that the state is no longer able to diagnose and solve problems so that these problems are better dealt with

at the local level. Smoke (2000) concurs that failures in planning have forced leaders to think beyond conventional top-down approaches to development and to rely more heavily on lower levels of government. The justification for decentralization reforms is derived from expected linkages between its dimensions and the reform outcomes, such as political representation in society, greater accountability, more transparency, improved administrative capacity, and with this better resource mobilization and more responsive business environment (Kammeier, 2002). The process has made local governments and their constituents more important actors in the urban development processes. Ultimately, such improved system according to Kammeier (2002) would be able to help reduce poverty, achieve greater equity, better quality of life and overall sustainability which should offer urban managers more opportunities to create conditions for growth.

In Kenya, urbanization has been an evolving phenomenon. Over the past four decades the process has proceeded at a tremendous pace especially after independence in 1963. By 1990, the proportion of the urban population had increased to 34.5 per cent and is expected to increase to 50 per cent by the year 2015 (GOK, 2005). The country has experienced a sharp rise in the rate of urban population as a percent of the national population in the last three decades, which stood at 9.9 per cent in 1969, 15.1 per cent in 1979, 17.6 per cent in 1989 and 20.6 per cent in 1993 (Koti, 2000). As a result of the growth, urban management challenges facing the local authorities are becoming more daunting than ever before considering their inadequate institutional flexibilities to address them.

In response to forces of globalization and other internal and external pressures, Kenya has resulted to economic decentralization and liberation, a process that is rapidly transforming secondary towns into critical points of contact of local, regional and global capitalist system of trade, communication and capital investment. Since early 1990s Kenyan government has embarked on reform processes geared towards improving public service delivery and governance within the local authorities (Okoth and Odipo, 2005). The major shift toward devolution has emerged in a bid to enable local authorities provide services and facilities as required of them under the Local Government Act (Cap 265).

As part of the reforms, Kenyan government established the Local Authority Transfer Fund (LATF), which underscores local authorities as effective partners in the governance and development process (GOK LATF Act No. 8 of 1988). In a country that was so centralized, this provides an important step in responsive and sustainable service delivery to the citizens by the local authority embedded in the global spirit of partnership and involvement of stakeholders (GOK, 2005). Since then, Kenya's local authorities have been identifying and prioritizing their local development needs on an annual basis, through a participatory process. However, the quality of consultations, the rules of engagement and the implementation of the identified needs, have fallen short of expectations. Mavoko municipal council, the object of this study exhibits many of the attributes of the Kenya Local Reform Process. Despite being one of the key municipalities where local government reforms program was piloted by the Ministry of Local Government, most of the local residents are not satisfied with service delivery

within the municipality. Majority of the residents also feel left out by the municipality during the key planning processes and hence feel their needs are not well attended. With the municipality rapidly growing from the influx of population seeking jobs and livelihood improvement opportunities, high poverty levels characterized by very low-income levels, high number of mushrooming informal and squatter settlements and lack of basic infrastructure services have become key characteristics of the municipality.

1.2 Background to the Local Authority Transfer Fund

Local Authority Transfer Fund (LATF) is an initiative of the Kenya Local Government Reform Programme (KLGRP), whose inception by the Ministry of Local Government in partnership with Ministry of Finance and Planning was done in 1994. KLGRP was instituted to address the steady decline in performance of local authorities countrywide as occasioned by lack of financial and operational autonomy of local authorities, lack of adequate management capacity, poor leadership and economic governance in local authorities. The problems contributed to chronic failure in delivery of services as envisaged by Local Government Act (Cap 265). KLGRP was mandated to respond to these challenges. In its recommendations, KLGRP proposed changes in policy and legal framework aimed at decentralization and local empowerment for local authorities with LATF as a fiscal decentralization aimed at resource mobilization and improved services delivery.

Local Authority Transfer Fund (LATF) was established by the enactment of Local Authority Transfer Fund Act No. 8 of 1998 as a grant from Kenya's central government

to the local authorities. The primary purpose of the LATF is enabling the local authorities to extend and improve services to their residents. LATF is supposed to be 5 per cent of the annual income tax revenue. According to the Act, LATF was created with three key objectives being; -

- i. To enable local authorities to improve local service delivery to the public
- ii. To improve financial management, revenue mobilization and accountability in local authorities.
- iii. To eliminate all outstanding debts owed by local authorities within five years of the act becoming operational (2000–2005).

According to part 3 of the Act, LATF has two components: -

- i. Service delivery: which constitutes 60 percent of the total LATF allocation. This amount is exclusively meant for pro poor service delivery projects identified within a given local authority
- ii. The performance component, which constitutes 40 percent of the total LATF allocation which is aimed at catering for administrative costs that help the respective local authority enhance its capacity in financial management (such as training of finance officers, purchase of equipment and facilities among others),

revenue collection, and minimizing and eventually eliminating the perennial debts owed by councils.

According to Part 4 and 5 of the LATF Act, the allocation of disbursement of the service delivery allocation to local authorities is based on the relative population of the authority, and any other objective criteria reflecting the service demand and responsibilities of an authority. Accordingly, a portion of the fund are reserved for payments that are conditional on performance criteria being met by each local authority which portion shall be equal to not less than thirty percent of the total fund monies to be distributed in each financial year.

1.3 Statement of the Problem

The declared aim of decentralization in most countries is to improve local governance; management processes and delivery of basic services, hence contribute to national poverty reduction strategies. The introduction of Kenya Local Government Reform Program in particular is a decentralization strategy designed to tackle efficiency and accountability challenges in infrastructure service delivery, financial management (including budgeting), participatory planning and local governance, revenue mobilization, monitoring and evaluation, institutional reform, fiscal and overall decentralization (GOK, 2005).

In the implementation of LATF, Local Authority Service Delivery Action Planning (LASDAP) guidelines with an objective of engaging communities in identifying their

need and priorities at the local level have been formulated. The approach is meant to enhance community participation and interaction between the LA and its citizens leading to improved efficiency, effectiveness, accountability and transparency of service delivery at the local level noting that Kenyan local authorities have not had an established tradition of citizen participation or consultation in service delivery. Despite the preparation of a LASDAP and implementation of infrastructure service activities by most local authorities in accordance with the Ministerial Circular MLG No. 11/2001 of 19th July 2001, most of the processes are never inclusive of the marginalized members of communities: lack a continuous monitoring and evaluation process and least address the poverty reduction¹ needs within the local authorities.

Despite LATF implementation for the past ten years, chronic deficits in infrastructure services delivery are still evident within most local authorities such as Mavoko. Paucity of financial resources within the local authorities (MDP, 2006) has been highlighted as among the key challenges facing the local authorities, with formula for sharing the national “financial cake” being taunted as the key problem. Often cited however, is the democratic deficit where local communities and particularly the poor are not substantially participating in the crucial local governance matters such as planning, prioritization of needs and allocation of resources for economic development of their localities. Inadequate technical capacity on the part of the local authorities to plan and implement infrastructure services funded by LATF and council resources has been highlighted as grossly affecting the outcomes of the fund (Gitau and Amaya, 2006). By and large despite the implementation of the LATF projects in Mavoko, monitoring and evaluation

¹ The LASDAP should have a poverty focus in line with the Poverty Reduction Strategy Paper (PRSP)

procedure at the implementation process seems to be absent. hence no clear evidence of their contribution to pro poor services delivery. Central to this study is the need to unravel the extent to which the aforementioned factors have hindered infrastructure services development and consequently poverty reduction especially within Mavoko. The study takes to analyze participatory processes in LATF with an attempt of enhancing the model towards ensuring effective targeting and local pro poverty implementation.

1.4 Objectives of the Study

This study was aided through a set of objectives, which were imperative in guiding the study. The objectives here begin with the broader outlook of the study problem, which was conceptualized through the general study objective, which finally translated to specific study objectives as below detailed.

1.4.1 General Objective

The general objective of the study was to appraise the extent to which Local Authority Transfer Fund has contributed towards poverty alleviation in Mavoko Municipality within the principles of good governance.

1.4.2 Specific Objectives

Accordingly, to expedite the above stated general objective, the below stated specific objectives were formulated:-

- (i) To understand the community participation frameworks in projects identification and LATF resource allocation.
- (ii) To assess the extent to which the LATF has helped implement pro-poor urban projects.
- (iii) To understand monitoring and evaluation approaches used in the LATF implementation process.
- (iv) To recommend a pro poor LATF implementation model that details the funds acquisition, expenditure, monitoring and evaluation structure.

1.5 Hypothesis

Following the above stated objectives, the hypothesis that LATF implementation in Mavoko is not administered according to the principles of effective governance was formulated.

1.6 Assumptions

The study having its niche in applied social science, many factors which acts in concert and may not be easily controlled came into play. However, the researcher made the below stated assumptions that: -

- i. The national urbanization rate shall continue to rise and Mavok'o shall continue to bear the burden of absorbing this population in higher proportion relative to other towns in the country consequently leading to overstretching of the production based urban infrastructure and the urban poverty.
- ii. The central government will continue supporting pro poor service delivery programmes through the Local Authority Transfer Funds allocations to respective local authorities

1.7 Justification of the Study

As the world is becoming increasingly urban, urbanization of poverty is quite evident. Consequently, there is a growing demand for better understanding of and solutions to the conditions of urban poverty. Good urban governance and appropriate political strategies that draws on the resources, experiences and capacity of various actors and particularly the poor to promote public awareness, strengthen local authority management

instruments and promote transparency and particularly in delivery of pro poor infrastructure services holds solutions to some of these challenges.

Studies have also shown that the concept of participation is the heart of the policy of decentralization and has been the single greatest feature of development of cities in the last 30 years particularly in making decisions concerning their future. It's a process that addresses the need of citizens, their associations and that helps them achieve greater confidence and self determination and influence at the levels of government closer to them (UN-Habitat, 2001). Apparent gap between the promise of enhanced participation through democratic decentralization on the one hand and the everyday realities of participatory politics on the other suggests the need to understand more fully the barriers and dynamics to participation in local governance, as well as the enabling factors and methods that can be used to overcome them (Gaventa and Valderrama, 1999).

In Kenya, there has been a weak tradition of citizen participation in local government processes. The Local Government Act makes no reference to citizen participation, with elected councilors deciding on everything behind closed doors to the neglect of the interests of the poor. Links have also been made between infrastructure services and small enterprise development for urban poverty reduction and as an overall factor of urban production (Tedd, 2005). According to the Interim Poverty Reduction Strategy Paper for Kenya, governance is a fundamental building block of a just and economically prosperous society and therefore is an essential component of action to reduce poverty.

To improve local economic governance transparency and accountability in the country, the strategy paper identifies LATF as one of the governance improvement programs towards poverty alleviation in the country (GOK, 2000). It is thus apparent that understanding the dynamics and barriers of participation and implementation and monitoring of pro-poor infrastructure service development at the local authority level would help assess the contribution of the decentralization process in general and LATF in particular towards the government of Kenya poverty reduction strategies. The study thus shall: -

- Inform the public policy on the urban governance and management challenges that are inherent in our local authorities
- Highlight some reforms that would be necessary at local authority level with key reference to poverty reduction.
- Draw attention to the government on the dynamic momentum that could be harnessed to alleviate urban poverty.

The selection of Mavoko municipality as the town of study was based on several reasons, key among which includes:-

- The selection of Athi River town in 1991 to serve as one of the 8 pilot towns to test the Local Government Reform Program (LGRP) which established the basis for major investments

- Mavoko municipality is a dormitory town for Nairobi and this proximity to Nairobi, a metropolis, is making it a potential recipient of spill-over developments from Nairobi
- Urban poverty is quite prevalent in the town with a large proportion of its residents living in slums. The municipality has 25 slums with residents in the slums surviving on an average monthly income of between KSh 3.000 to 5.000 (USD 40-65), living in self-built shacks with no access to running water or sanitation among other services
- Rapid growth in the last two decades from a mere township to a municipality has meant added responsibilities: the town exhibits most of the characteristics of a typical secondary town under transformation.
- Recent designation as an Export Processing Zone (EPZ), making it an attractive site for both local and global capital investment.

1.8 Scope of the Study

Taking Mavoko municipal council as a case study, the study undertook to assess the contributions of the Local Authority Transfer Funds (LATF) in the improvement of local governance through community participation and implementation of pro-poor infrastructure services delivery. The spatial scope was Mavoko municipality with much emphasis put on low-income neighborhoods within the municipality.

1.9 Limitations of the Study

Two key major factors acted as limitations during the study. These included

- a) The sensitivity of the financial data particularly within the local authority setup. The council officials were not willing to release some of the financial information which they considered sensitive.

- b) Mavoko is an expansive municipality. Some areas such as Kinanie are far into the hinterland and not covered by existing modes of transport..

However, with the above limitations way and means were sought to overcome them including trying as much as possible to triangulate municipal financial data with the annual financial reports they give the ministry of local government. Alternative modes of transport including walking were also sought to reach areas not covered existing means of transport.

1.10 Research Methodology

This section is aimed at examining the procedures that were used in guiding the research. In general terms the research methodology is a logical sequence that connects empirical data to a study's initial research objectives and ultimately to its conclusions. In a sense the research design is a blueprint of research, dealing at least with four key issues of what questions to study, what data are relevant, what data to collect and how to analyze the

results. It helps to avoid the situation where evidence does not address the initial research questions.

First the research objectives were set, hypothesis formulated, data collection tools designed and data collection through a field survey conducted. In answering the study objectives the research drew raw information from three levels being; the national level, local authority's level and at the beneficiaries of the LATF program. However international experiences were reviewed among the secondary data. The study was conducted through a survey research, which involved the collection of information on the research objectives at the three levels highlighted above. Through the surveys information that describes the processes on how communities involved in LATF are selected was sought. It also helped to describe the different stakeholder's perceptions on the implementation of the LATF strategy. Primary data on the amounts of funds used for the different infrastructure services and exploring the extent to which this investment in the services has influenced poverty levels in Mavoko among the communities was found to be easily achievable through the use of a survey method which allowed comparison of two or more variables.

In evolving an alternative comprehensive LATF implementation model that details the funds acquisition, expenditure, monitoring and evaluation structure a case study approach through an in-depth analysis of the Mavoko case study findings were used. This was found to be important to aid the researcher connect the micro level to the macro level social and administrative structures and processes in the administration and

implementation of the funds and how policies formulated at the national levels have impacts at their implementation at the local level.

1.10.1 Population and Sampling Procedures

The target population of the study was the low income community, private sector stakeholders involved in the planning and implementation of LATF programmes and the local authority staff members within Mavoko municipality. As indicated in table 1 below, during the survey a representative sample of 100 (one hundred) low income respondents drawn from all the 8 (eight) wards.

Table 1.1 Summaries of Interviews

Level	No Interviewed
Beneficiaries	100
Municipal council staff	7
Ministry of Local Government	2
Key informants	
i. LASDAP committee representatives	16
ii. Church Representatives	10
iii. Private sector companies	3
iv. Civil society Group reps (CBOs and NGOs)	4
Total	142

Source: (Researcher, 2009)

Additionally other stakeholders involved in the process were interviewed including 16 (sixteen) LASDAP committee representatives, 10 (ten) church representative, 3 (three) private sector representatives and 4 (four) civil society representatives. 7 (Seven) Mavoko municipal council staff 2 (two) Ministry of Local Government staff members were also interviewed.

1.10.2 Procedures and Tools of Data Collection

In carrying out the interview for low income communities involved in LATF planning and implementation, simple random sampling technique was used in each of the eight wards was adopted for was felt to be the best way in achieving an unbiased sample yet representative of the low income community views.

Such sampling also allowed the researcher to avoid selecting a skewed sample in terms of selecting respondents who have a lot of influence in local level service delivery process but not quite representative of the community opinions.

i. Secondary Data Collection

Secondary data was obtained through and extensive literature review. This involved reading books and journals on fiscal decentralization and urban governance process from other countries. A review of LATF Act, MoLG Act cap 265, LASDAP implementation guidelines and the annual LATF reports were undertaken to give a wider understanding on how LATF is suppose to implemented and monitored. Information from District Development Plans, Statistical abstracts. Municipal Council records and relevant maps were also used as secondary sources of information. To a large extent the study appreciated the use of such available data / information as an important starting point and also because such data and information from documents that were originally done for purposes other than the study have a distinct advantage not only in giving the background of the study but also cannot introduce bias in the study.

ii. Primary data collection

Primary data was obtained through conducting interviews and administering questionnaires. Three sets of questionnaires were designed and administered to one hundred beneficiary households, Mavoko municipal council staff and MoLG representatives. To help improve the validity of information collected at the household level, respondents to the questionnaires were limited to person of over 18 years of age and who have lived in the ward for over two years. Apart from guided interviews, focused group discussions and unstructured oral interviews were conducted with LASDAP committee, church and civil society representatives. Field observations and photography were also used as primary data collection methods particularly on the infrastructure projects implemented within the municipality using the LATF funds. Observations were found to be important for giving additional, more accurate information on behavior and expressions of the beneficiaries as they explain their relationship with the municipality. They were also important in triangulating information collected through structured interviews especially on sensitive issues of the study.

1.10.3 Data Analysis

i. Cleaning and Coding

The completed interviews information and questionnaires were edited: development of codebooks for the open-ended questions within the questionnaires was done. The data was key-punched into a computer, cleaned and tabulated to facilitate analysis.

ii. Analysis and Presentation

Both quantitative and descriptive statistical methods were used at various stages of data analysis. Numerical data was analyzed using the Statistical Package for Social Scientist (SPSS) and presented in both quantitative and descriptive form. These include statistical methods such as means, percentages and frequencies.

Table 1.2 Summary of research issues and methods used

Research Issues	Literature Review	Questionnaire administration	Interview Guides	Focused Group Discussions	Observations	Photography
Theories and concepts of decentralized urban governance	X		X			
Community participation approaches / frameworks	X	X	X	X		
Implementation of pro poor urban infrastructure services	X	X	X	X	X	X
LATF Implementation monitoring and evaluation approaches	X	X	X	X		

Source: (Researcher, 2008)

To enhance research findings and discussions, the survey data was presented in diagrammatic forms such as line graphs, bar charts and pie charts.

For the qualitative information involving open ended question and observations analysis was done manually through development of categories, themes and patterns of the responses. After the interviews, transcription and organization of this data was done. This was followed by a systematically analysis of the transcripts, grouping together comments on similar themes or categories, interpreting them and using interpretations as basis for logical structured discussion. The study also made use of numbers and descriptions to rate or rank the subjective and intangible components in the research through the use of likert scales. The method was used to compare issues that had subjective measures on a

range of good-fair-poor as an example. Cartographic methods was also used which include drawing of maps and pictorial presentations.

1.12 Definition of terms used in the study

Urban Management: Urban Management refers to the process of efficiently and effectively utilizing resources to provide satisfactory living and working conditions for the urban population and facilitating economic production and growth in urban areas. This process essentially involves the formulation of appropriate objectives, goals, policies and strategies; and the mobilization and efficient use of resources (including personnel, information, finance and land resources) in order to develop, maintain and provide essential urban infrastructure and services (including water, sanitation, electricity, refuse collection and removal, roads, education and health) for both domestic consumption and economic production purposes. Some of the urban management strategies have also to do with strengthening urban informal sector roles and strengthening urban institutional capacities (Cheema, 1993).

Governance: According to Pieterse (2000), governance is the exercise of economic, political and administrative authority to manage a country's affair at all levels. It comprises mechanisms processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate differences. Good governance is among other things participatory, transparent and accountable. It ensures that political, social and economic priorities are based on a broad

consensus in society and that the voices of the poorest and the most vulnerable are heard in decision making over allocation of resources

Decentralization: Decentralization the transfer of responsibility for planning, raising and allocation of resources from the central government and its agencies to field units of government agencies, subordinate units or levels of governments, semi autonomous public authorities or corporations, regional area wide, or functional authorities, or non-governmental or voluntary organizations, corporations, regional area wide or functional authorities (UN Habitat, 2002).

Accountability: Accountability is the obligation of power-holders to take responsibility for their actions.

Power-holders: Power-holders refers to those who hold political, financial or other forms of power and include officials in government, private corporations, international financial institutions and civil society organizations.

Social accountability: Social accountability is an approach towards building trust that relies on civic engagement and in which ordinary citizens and/or civil society organizations participate directly or indirectly in exacting accountability. Mechanisms of social accountability can be initiated and supported by the state, citizens or both, but very often they are *demand-driven* and operate from the bottom-up.

1.12 Organization of the Study

The study is divided into eight chapters which could further be seen to fall under two broad sections. Section one which consist of chapters one to chapter three gives the background of the study while section two consisting of remaining five chapters analyzes the study findings as per the study objectives analyzing while the final chapter gives conclusion and recommendations. In specific Chapter One sets the stage by giving an overview of urbanization and urban management challenges and also introduces the concept of decentralization towards improvement of local governance and management processes. The chapter also introduces the research problem, objectives, methodologies used in the study and definition of key concepts. Chapter Two deals with literature review giving emphasis on what other authors say about different forms of decentralization and how they have facilitated local governance through community participation and pro poor infrastructure delivery. Using these experience and LATF implementation processes in Kenya, a conceptual framework is formulated. Chapter Three gives the general background of the study area. Chapters Four, Five and Six analyzes how LATF implementation in Mavoko is undertaken by introducing the different sources of revenues and how they are apportioned to the different service needs in the municipality, how community is involved in the LATF/LASDAP processes and the criteria for identification, prioritization and funding of the pro poor infrastructure services. Chapter Seven discuss monitoring and evaluation, existing legal and policy frameworks in LATF implementation while Chapter Eight concludes the study and give recommendations.

CHAPTER TWO

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.0 Introduction

In most developing countries, the results of major theories of economic development that emerged in 1940s saw the emergence of development activities that are centralized within national government ministries and agencies. These theories introduced central planning as a means of providing rational and coherent policies for effective and efficient resources utilization in promoting industrialization. The result of these development activities, were expected to “trickle down” and spread throughout the economy, hence reducing regional disparities (Rondinelli and Shabbir, 1983, Smoke, 2001). However, according to Rondinelli and Shabbir (1983), the central planning models did not achieve their goals and the economic growth in the developing countries remained sluggish with income disparities between and among regions.

Such development planning policies were characterized by failure mainly due to remote bureaucratic decision making, delays and poor execution of programmes, ineffective local institutions and lack of participation by the beneficiary, escalating demand for public service and physical infrastructure due to rapid population growth and rapid urbanization and also due to lack of capacity by the central government to cope with all these raising demands (UN-Habitat, 1989). Wenkere-Kisembo (2002) supports this view, by alluding that, the concept of central planning, which became popular in the 1950s and continued until the 1980s encouraged African leaders to disregard the role of local governments in national development. The assumption was that centrally controlled

through colonization and development assistance, often taking a form that neither met their intended purpose nor did they gain acceptance from the local people. This was done through strengthening sub national units as a means of extending control and “indirect rules” through local traditional leaders (Devas, 2004: 28). This led to post-independence leaders and institutional frameworks that were not consistent with local culture and needs of the people and that were commonly used for administrative and control purposes rather than to promote self determination, democratization and economic development (UN Habitat, 2002; Ndegwa, 2002).

On the other hand, proponents of decentralization argue that effective decentralization of political, administrative and financial authority results to more equitable and efficient service delivery, improved policy making through increased public participation in decision making and more accountable local government (UN Habitat, 2004). However for this to be achieved, good urban governance is a prerequisite.

Critiques of decentralization such as Wescott and Porter (2002) argues that decentralization should not necessarily be viewed always as a spatial concept requiring reassignment of service delivery responsibilities from higher to lower orders of administration, though this is often the case but it should rather include the broadening of institutions producing and providing needed goods and services at efficient cost, where ever they are located and whether they are public, quasi-public or private.

Successful decentralization is as a major tool that improves the efficiency and responsiveness of the public sector in public service delivery while accommodating potentially explosive political forces (Steffensen, 2005; UN Habitat, 2002b and OECD, 2004). When democratic, it creates opportunities for increased citizen participation in processes of priority setting and decision making (Robinson, 2004). Additionally statistics have shown that decentralization and participatory democracies, provides for better economic growth, greater predictability and stability, and deliver superior distributional outcomes (Craig and Porter, 2003: 26; Devas, 2004)

Due to these positive impacts on economic growth and development decentralization has been advocated by donors and development agencies as an important tool for promoting poverty reduction by involving the lowest administrative levels, improving representation through broadening citizen participation and improving local governance, and service delivery (OECD, 2004; World Bank, 2002; Brosio, 2000). This according to OECD is because central state authorities usually lack the “time and place knowledge” to implement policies and programmes that reflect people’s ‘real’ needs and preferences. However the reality is that the governing elite fear the loss of power and wealth inherent in meaningful decentralization with central ministries and/ or political parties that control substantial resources rarely wanting to share them with autonomous local governments (Smoke, 2001; UN Habitat, 2002b).

2.1 Forms of Decentralization

Decentralization is a multifaceted concept with different forms and types (OECD, 2004). Fritzen and Lim (2006). UN Habitat (2002), Steffensen *et al*; (2005), Wescott and Porter (2002) and Kumar (2006) have attempted to distinguish decentralization according to the various functions and resources that are being decentralized. They all agree on a classification based on four broad categories including administrative, fiscal, political, and market decentralization.

a) Administrative decentralization; refers to the transfer of policy-making, planning and management responsibilities from central to local levels and can be distinguished into two sub-types being:-

- Deconcentration – in which branches of the central government are geographically dispersed, but no real authority is transferred to lower levels.
- Delegation – where authority for certain functions are transferred to lower levels that remain substantially accountable to (but not directly controlled by) the central level.

b) Fiscal decentralization: refers broadly to efforts to change the distribution and sources of resources available to local governments. Such efforts can take many forms, including transfers between levels of government, authorization of local borrowing, cost recovery, and changes to revenue sources available to local governments through taxes, user fees

and contributions. Thus it's seen as assignment of functions and transfer of powers within financing. LATF is more clearly seen from a fiscal decentralization process where the central government transfers resources to the local authorities for improvement of service, financial management and accountability at the local level.

c) Political decentralization or devolution: refers to attempts to devolve powers to democratically elected local governments or in much weaker forms, to attempts to make local governments more accountable to communities through the establishment of oversight boards or the introduction of new forms of citizen participation in development projects and policy-making. To a large extent, for the LATF money to meet its objectives, the local authorities are instructed to develop and implement action plans to mobilize citizens and other key stakeholders to assist in the identification, design and implementation of all the projects funded under the kitty. A precondition for an effective participation under the political decentralization is good information dissemination to the stakeholders and the community in general, which in some cases lacks in most of the local authorities.

d) Market decentralization: involves attempts to transfer substantive control over resource allocation to non-state actors through privatization. It constitutes a significant of global trend in decentralization in transferring more responsibilities to local levels and authorities after the realization that needs can only be more easily satisfied when services are delivered by agencies closer to the recipients. This has occurred after noting that these areas possess a lot of local knowledge that makes them more suitable for many poverty

reduction functions. Towards this end, countries such as China have succeeded in achieving economic growth and improving the quality of services to their citizens through use of decentralized governance. However the design of decentralization process determines its efficiency (Kumar, 2006).

2.2 Fiscal Decentralization

Fiscal Decentralization deals with how public expenditure is organized between the different levels of government and how it is financed. It constitutes how and in what way expenditures and revenues are organized between and across different levels of government within a nation state (UNDP, 2005). Put more precisely, it is the process through which central government devolves upon local governments' authority over and responsibility for various aspects of local government finance (OECD, 2004). Fiscal decentralization became among the most widespread trends in 1990s with an increasingly important goal of redefining the role of the public sector in developing countries and to improve its performance (Smoke, 2001; Robinson, 2004). Fiscal decentralization can take many forms including self financing through cost recovery, co-financing where users can participate in infrastructure service provision, expansion of local revenues, municipal borrowing and inter governmental transfers of general revenues from taxes collected by the central governments for general or specific uses (UN, 2002).

The inter-governmental fiscal transfer such as LATF are a core component in the Local Governments revenues sources in the developing countries and accounts for more than 60 per cent of the total Local Government sources of revenue in some countries such as

Uganda allowing them to have adequate revenues to make expenditure decisions (Steffensen and Larsen, 2005; UN-Habitat, 2002). Similar views by UNDP (2005), argues that since the assignment of revenue sources within the local government's boundaries rarely provides them with sufficient revenues to fund their expenditure functions, intergovernmental transfers are often necessary to assure revenue adequacy in public services delivery and poverty reduction. The main reason for allocating national funds to local governments relates to the mismatch between the resources available to decentralized agencies and the responsibilities assigned to them (Devas, 1988). A clear indication of such a mismatch has been evident in Kenyan local authorities with most of them not being able to maintain their staff members leave alone the services. To a large extent this has contributed to poor performance in services delivery when money meant for services delivery is diverted to human resources payment. The transfers thus help to cover fiscal imbalances, supplement inadequate local own-source revenues and help to meet national re-distributional objectives helping and in offsetting fiscal capacity differences among local governments. Additionally they argue that they could be used to encourage local expenditures on particular goods and services that exhibit positive externalities or are considered to be basic needs that should be distributed less unequally than the ability to pay for them (Smoke, 2001; UNDP, 2005; GOK, 1998).

Fiscal decentralization appears to be the "easiest" aspect of decentralization because it is not difficult to assign additional powers and revenues to sub-national governments (Smoke, 2001a). However the reality is far more complex for even if a formal decision is made to decentralize, reluctant central agencies may slow the process while sub national

governments may not be ready. This view has been supported further by Robinson (2004) who notes that in most cases the fiscal domain, which centers on the mobilization, allocation and management of revenues and expenditures, is often less amenable to citizen participation on account of its technical complexity and the tendency of local governments to insulate budgetary decisions from popular influence and oversight. Noting that fiscal decentralization is not a question of only transferring resources to the different levels of local government but also the extent to which local governments are empowered UNDP (2005) also notes that its about how much authority and control they exercise over the use and management of devolved financial resources, measured in terms of their control over (i) the provision of local services for which they are responsible; (ii) the level of local taxes and revenues (base, rates and collection); and (iii) the grant resources with which they finance the delivery of local public services. The study is also taken further to asses the extent to which these public services actually reflect the needs and aspirations of the local population.

The benefits of pursuing fiscal decentralization are mixed and scanty (Smoke, 2001a) with vast majority of countries in the world currently engaged in some form of fiscal decentralization (UN Habitat, 2004). However such proponents also argue that the effective decentralization of political, administrative and financial authority results in more equitable and efficient service delivery, improved policy making through increased public participation in decision-making, and is also a way of enhancing more accountability of the local government to local citizens (Smoke, 2001a, 2001, UN Habitat, 2002, 2004).

Box 2.1: Smokes Elements of a Good Fiscal Decentralization

The constituents of a good fiscal decentralization program includes:-

- a) An adequate enabling environment: It has to be legally embedded in the constitution hence giving it legal mandate and autonomy.
- b) Assignment of an appropriate set of functions to local governments; This should however be done incrementally and coupled with appropriate capacity building for too much functional responsibility too rapidly and without appropriate capacity building and local governance development support has always led to poor performance, Smoke (2001a).
- c) Assignment of an appropriate set of local own-source revenues to local governments; in most governments, the assigned local revenues are almost never adequate, have static basis and ineffective collection mechanisms to meet local expenditure requirements for the local authorities. This makes fiscal transfer programmes inevitable. According to Smoke, local governments should focus on a few local sources of revenue that can provide substantial yields and pay less attention to the many minor taxes that they typically have access to
- d) Establishment of an adequate intergovernmental fiscal transfer system; The system should basically meet its purpose to ensure over time the provision of a basic minimum of services, achieve an optimal distribution of income across decentralized jurisdictions, do not undermine the basic economic objectives of such as efficiency and equity and should avoid as much as possible achieving un intended results or conflicting objectives. The system should also avoid a generalized prescription through out the regions
- e) Establishment of adequate access of local governments to development capital. The real challenge for fiscal decentralization is to develop a *spectrum* of options to finance capital investment from grants and subsidized loans for poorer local governments and non-self-financing projects, to various types of loans and bonds for fiscally sound local governments and self-financing projects

Source: (Smoke 2001)

UNDP (2005) also supports this type of an argument and adds that fiscal decentralization can be conceptualized as the empowerment of communities and citizens by fiscally empowering their local governments through fiscal devolution for it's generally assumed that by bringing decision-making about budgeting and the provision of public goods and services closer to citizens, the poor are able to voice their concerns more clearly, communication between local policy-makers and their constituents is facilitated and accountability improved. At the same time however UN Habitat (2004)' notes that in most countries decentralization is rarely implemented effectively leading to undesirable macroeconomic effects. In such countries according to Smoke (2001), the local governments tend to run deficits and draw on the central government budgets to cover their shortfalls. Such arrangements however only tend to increase local corruption and misallocation of resources to favor local elites and wealthier populations who have greater political influence than do the urban poor, all as a result of bad spending decisions (UN Habitat, 2004). However, in analyzing decentralization, UN Habitat (2002a) reveals that financial dependency upon the center by the periphery can be among the greatest barriers to successful decentralization in some countries for it breeds an unhealthy reliance upon the central government for advice and direction even on smallest matters. On the other hand some observers of process argue that the problem lies not in the process itself, but in the political good will to ensure that the process is successfully implemented (Kanyinda, 2004) and particularly when there is absence of clear standards and benchmarks for accountability in the whole decentralization process.

2.3 Fiscal Decentralization and Poverty Reduction

According to UN Habitat (2002c), there is a general appreciation that poverty fundamentally entails lack of access to income, employment opportunities and normal entitlements by the citizens to freely determined consumption of goods and services, shelter and other basic needs of life. However, in defining local governance for poverty reduction, focus on decentralization, is perceived to as the gradual process expected to enhance opportunities for participation by placing more power and resources at a closer, familiar and more easily influenced level of government. This process is seen as an important first step in creating regular and predictable opportunities for citizen state interaction (UN Habitat, 2002c). This necessitates transparency and citizens' participation as important aspects to success of any decentralization process if it has to tackle poverty at the local levels.

Proponents of greater fiscal autonomy for local governments such as Licha (2002) and Robinson (2004) claims that participatory resource allocation more accurately reflect local preferences, hence resulting to a more efficient distribution of public services. They see citizens' participation as the primary element of innovation in local governance entailing sets of values such as civic commitment, social equality, solidarity, trust, tolerance and respect for diversity and difference. It is generally assumed that by localizing the provision of public goods and services decisions, decentralization allows poor people to voice themselves more clearly to policy makers, towards fostering accountability as argued by UNDP (2005) and Rondinelli (1983). This is further echoed

and amplified by Robinson (2004) who in analyzing the impetus of citizen engagement in budget analysis and public expenditure management as witnessed in the 1990s within some developing countries identifies two main reasons including to improve the effectiveness and poverty focus of expenditures on public services, and to increase the accountability of government officials and politicians in decisions concerning the use and allocation of public resources. This according to Robinson (2004) leads to intrinsic benefits of participation, in terms of democratic citizenship on one hand and the material benefits of participation for low income groups, reflected in a shift in policy and priorities towards expenditures that directly benefit the poor, in the form of increased outlays for social services and anti-poverty programmes on the other. However, for this to effectively happen, OECD (2004) underscores the importance of information flows between different levels of government and the beneficiary citizens. OECD (2004) further notes that providing the poor with information and obtaining information on their situations has been a key challenge in tackling poverty as only when governments are held accountable can there be sustainable and successful decentralization with a positive impact on the situation of the poor. This view is further postulated by Harphern and Allison (2000) who laments that partnerships that do exist between local governments and CBOs are always fragmental, mainly due to deterioration of information exchange, frustrations with existing means of communication and the failure to find a new means of communication

For fiscal decentralization to achieve poverty reduction, it must go hand in hand with a wide range of “external” factors such as political commitment to poverty reduction and administrative decentralization, overall literacy rates, the strength and effectiveness of

central government institutions and functions alongside gender sensitivity in public expenditure management (Crook and Sverrisson, 1999). This is because unless local governments are politically empowered by having democratically elected and representative local councils, local communities and citizens will not be able to hold their local governments accountable and unless local governments have administrative control over the services they are supposed to deliver (for instance, by having effective control over the local government staff that deliver local services), local governments are not truly empowered to serve their communities (UNDP, 2005). However, it would be naive to assume that decentralization automatically ensures that local decisions making reflects local needs and priorities. This is because bringing decision making closer to the citizens does not guarantee more responsive and accountable decisions making process given that mechanisms of citizens' participation are often extremely weak and fail to include the poor in the developing countries (Devas, 2004:30). Referring to Cebu Philippines and Ricife Brazil, where transfer of financial resources and introduction of participatory budgeting has increased the scope of the cities to intervene on behalf of the poor, he argues that decentralization, in and of itself, is not synonymous with poverty reduction but by bringing decision making closer to the people, it opens up greater opportunities for the poor to have an influence and to make at least some incremental gains.

Similar sentiments are also expressed by OECD (2004), that community based participatory approaches are not a panacea particularly when they are not reinforced by local and traditional elites who often have a pivotal role in structuring the politics of the local communities. Towards this end, Nierras *et al;* (2002) highlights the need to

recognize the costs of participation in terms of time efforts and resources particularly to women and the poor due to their vulnerability and poverty. This is true in Kenya where very little earmarked funds for structured consultation exercises with citizens, hence limits the scope for wider participation and on the other hand, as well as local authorities unwillingness to make resources available to promote participatory processes.

Despite the criticisms however, UNDP (2005) asserts that intergovernmental fiscal relations constitute an essential pre-requisite for translating the promise of decentralization into the reality of poverty reduction, which is better opportunities for public participation, improved transparency and greater accountability that would lead to pro-poor services delivery.

In analyzing community participation as enshrined in fiscal decentralization in Kenya whose focus is on the allocation of the Local Authority Transfer Funds at local authority levels, community participation could be linked to not only the efficient management of finances, transparency and accountability, but also to ensure other criteria that assure significant changes in the processes and outcomes of the allocation and handling of fiscal resources, such as the criteria of fairness, sustainability, participation and building of citizenship. This is a key milestone in ensuring achievement of the pro-poor service delivery in accordance to the needs of community at the municipality level. an institution most closely connected to citizens and with fundamental structure for organizing government services.

2.4 Fiscal Decentralization and Infrastructure Service Delivery

Governments in developing countries face two key challenges in urbanization and high concentration of the poor in large cities. In many of their cities, overall quality and coverage of public services and facilities has deteriorated and often overstrained by increasing migration (Rondinelli and Cheema, 1988). Different studies however have underscored the critical role infrastructure services and facilities play in the local economic development (Mumvuma *et al*; 2006). However chronic deficits in the provision of the basic services as evident from run down sewerage services and facilities, poor access to water, uncollected garbage, lack of access roads among others is quite evident in most local authorities within the developing countries. These clearly depict lack of capacity by the local authorities to discharge their poverty reduction initiatives to the citizens.

In analyzing the importance of infrastructure services, Cedric (2000) argues that urban poverty can be understood from the concepts of price-access value to essential infrastructure services and the social costs resulting from their deficiency. On the other hand however, Fritzen and Lim (2006) puts decentralization at the heart of reforms seeking to improve delivery of such infrastructure services through enhancing accountability. Comparing centralized and decentralized regimes, Fritzen and Lim (2006) argue that citizens in centralized regimes have to voice demand for better services to central authorities who in turn direct local level bureaucrats to respond while in decentralized regimes policy makers are closer to the public making it easier for citizens

to voice demands and better monitor the performance of the politicians and bureaucrat. The argument is supported by OECD (2005) by arguing that fiscal decentralization is intended to enable governments to deliver public services to citizens more efficiently and effectively.

Prakesh (1988) identifies a vicious cycle whereby due to extreme scarcity of resources in many local authorities, they lack basic infrastructure services. hence they are not able to support urbanization and consequently restrict their tax and revenue bases, resulting in successive deterioration of municipal services, their replacement, modernization and expansion. Through decentralization, such vicious cycles can be broken (Smoke, 2001, Fritzen and Lim, 2006) leading to improved basic service delivery. Quoting a study conducted in 10 developing countries Smoke (2001) underscore the fact that decentralization does increase total and sub national expenditures on public infrastructure and further indicates in countries where previously few services were being provided at the local level and concludes that decentralization lead to a genuine addition to the types and levels of services being provided by the local government. This, however, could only be the case where such services are informed by the needs and priorities of the people for it's through such consultative processes that the increased public expenditure on infrastructure can have a real impact on the lives of the intended beneficiaries.

Mumvuma (2006) and Rondinelli and Cheema (1988) concurs on the views that the capacity of a local authority to deliver services and reduce poverty at the local level is a reflection of the degree of political, financial and administrative autonomy from the

central government as a primary indicator to the ability to promote development. However, citing experiences from 16 municipalities in Columbia where water, education and road infrastructure improved and the City of Porto Alegre in Brazil, which experienced a doubling of enrollment rates and improved access to basic sanitation as a result of fiscal decentralization and participatory budgeting processes. Fritzen and Lim (2006), cautions that empirical evidence of the positive impact of decentralization on service delivery may be insufficient to conclude the positive improvement for the decentralization can coincides with other reform programs which could lead to positive infrastructure development. As a result deeper analysis of relationship between decentralization and positive infrastructure development may often be required.

Decentralization and infrastructure services delivery experiences by the Kenyan local authorities have been a bit different with the country depicting a scenario where the central government has been playing a dominant controlling role to the local authorities (Mumvuma 2006; Gitau, 2006), despite the positive decentralization motives, hence incapacitating their services delivery efforts. This according to Patrick *et al;* (2005) is quite evident starting with the 1969 Transfer of Functions Act that saw the county councils loose to central government their statutory responsibility to provide most services except maintenance of markets, feeder roads, providing business licenses and veterinary services. In 1983, local authorities further lost their significance in local development through the launch of the District Focus for Rural Development (DFRD) which is centrally administered and with local committees at the district level that by passed local elected councils. Patrick *et al;* (2005) further argue that despite the local

authorities being considered as autonomous and legal entities as provided for in the Local Government Act (Cap 265) defining their establishment, functions and dissolution, the central government exercises power over them in a number of ways as their financial base is determined by the Ministry of Local Government though annual budgets and expenditures approved by the minister while senior staff members have to be appointed through the Public Service Commission with the help of MoLG. The minister can dissolve any local authority for any reason he / she thinks is justified. This has resulted to low levels of accountability and transparency in service delivery and poverty eradication against this background that the Kenyan Government has taken the initiative to reform the local authorities through the Kenya Local Government Reform Programme, with the first initiative of the programme being the establishment of LATF.

2.5 Towards a Conceptual Framework for Pro Poor LATF Utilization

In many African countries, efforts to increase social accountability have coalesced around influencing development with decentralization, structural adjustment policies, anti poverty strategies and a need to fight corruption being key examples (Nc Neil and Mumvuma, 2006).

According to World Bank decentralization survey of 2002 on 30 African countries, result showed that different African countries however differ in the degree of implementation of decentralization with South Africa and Uganda having the highest levels. Eleven

countries among them Kenya², scoring a moderate level, Thirteen³ with lowest levels of decentralization and four countries with no decentralization at all. These include Niger, Sierra Leone, Central Africa Republic and Chad. According to the survey, Uganda and South Africa ranked high on the overall decentralization. This implies achievement of significant devolution and empowerment of local communities backed by both political will and clear legal mandates.

Key feature of the countries that have been at the fore front in the decentralization process in Africa has been the entrenchment of the policy to decentralize in their laws. Taking the example of Ghana, enactment of a new Local Government Law 1998 had the thrust of promoting popular participation and ownership of the government machinery by shifting governance from command to consultation process and transferring power authority and function to the district level while various other provisions on decentralization were enacted and entrenched in the country' constitution by 1992 (Ahwoi, 2002).

Similarly in Nigeria, despite the constitutional subordination of the local governments to states by the federal form of government, Local governments enjoy a reasonable measure of autonomy as occasioned by the 1988's abolition of the ministry of local government at the state level to facilitate local governments to make their own policies and programmes that cater for their own local development. In their place a bureau of local government affairs was established in the deputy governor's office in each state and at the national

¹Others include Ghana, Nigeria, Rwanda, Namibia, Senegal Ethiopia, Zimbabwe, Tanzania, Cote d' Ivoire and Madagascar

level a States and Local Government Affairs Office to coordinate federal – state – local relationships (Kida, 2002). Fiscally, as of 1992, the Federation Government ensures 20 per cent from the federation account and 10 per cent from the state's internally generate revenue are remitted for distribution to the local governments¹. In addition the local government benefits from 35 per cent of the proceeds from the Value Added Tax (VAT)⁵. The institutionalization of decentralization process achieved a lot in enhancing democratic participation at the grass root and financial stability despite their inherent weaknesses in revenue generation policies and programmes formulation. The process has attracted local elites to the councils hence improvement of service delivery to the people (Kida, 2002).

The South African constitution of 1996, legislative and policy framework for local governments and the White Paper Policy of 1998 fundamentally changed local governments in the country through validating their existence from the constitution. In this case the local government is entitled to an equitable share of the national revenue like other spheres of government. This constitutes a range of grants with different sources, purposes, allocation criteria and spending conditions. The share is calculated through a formula based on poverty and population indices (Matjila, 2000). This according to Whelan (2004) constitutes between 15 and 20 per cent of total local government funding. He explains that in the financial year 2003/04 the total of the grants was R14.5bn. broken down as

¹ These include Zambia, Guinea, Mali, Eritrea, Burkina Faso, Malawi, Democratic Republic of Congo, Mozambique, Republic of Congo, Angola, Burundi, Benin and Cameroon

⁴ This was an increase from 10 per cent during the introduction of the funds to 15 per cent in 1989

- 44 per cent is unconditional funding, in the form of the local government equitable share,
- 39 per cent from conditional grants through national line departments and
- 17 per cent comes via provinces.

These grants among others includes the Consolidated Municipal Infrastructure Programme which provides subsidies to municipalities with serious infrastructure and services backlogs which is implemented with support of Municipal Infrastructure Investment Unit established by the government, the Local Economic Development and Social Plan Funds which is meant to assist the municipalities in regenerating local economies and creating jobs. All this is aimed at decentralizing power to the municipal level, ensuring that the poor are benefiting from allocations while at the same time improving the quality and equity of local planning spending and increasing accountability taking cognizance that local governments need to be accorded a status that enables them to run their affairs.

In Uganda the 1995 constitution provides the principle of decentralization in general and fiscal decentralization as part of the process while the Local Government Act of 1997, which followed the constitution gave the details of the horizontal vertical and resources allocation levels for local authorities (Wenkere-Kisembo, 2002). In the horizontal set up, addresses fiscal allocation from national to district to village levels as well as the

To ensure local governments are effective in their constitutional functions, deductions from their statutory allocations including 1percent for capacity building, 15percent of total personnel costs for payment of retirement benefits and 83percent of the cost of

relationship between municipal or town council and the district clearly spelt out with the exception of planning where the two have to work together. To guide design and implementation of the process, Ministry of Local Government has created a separate secretariat called the decentralization secretariat. Ojoo (2002) postulates that the success of the decentralization process was as a result of key enabling factors among which includes;

- a) In depth consultation: - before the launch of the policy in 1992; the process was marked with six years countrywide consultations providing ample opportunity for technical and political inputs. This was the most unique enabling factor of the policy.
- b) Defining the ideal minimum administrative structures for implementation of the decentralization policy
- c) Anchoring the policy on legal, institutional, technical and management arrangements to facilitate its implementation. The process is enshrined in the constitution with the Local Government Act 1997 elaborating on the broad principles in the constitution and details on matters of decentralization and Accounting Regulations of 1998. Existence of an institutional arrangements within the Ministry of Local Government to advocate for the needs and rights of the local government and establishment of associations such as Uganda Urban Authorities Association which provide a forum for dialogue on issues on decentralization have added strength to the process. The technical and management support from the Ministry through the decentralization secretariat also comes in handy.

After political and administrative decentralization, fiscal decentralization was done in phases commencing from the Financial Year (FY) 1993/94, providing room for learning and resolving implementation problems. Since FY 1995/96 after completion of the financial decentralization, 64 per cent increase in unconditional grants from Ushs 40.5 billion to 66.6 billion in FY 1999/2000 and 1369 per cent increase from Ushs 17.9 billion in 1995/96 to Ushs 263 billion in 1999/2000 has been marked. Key lessons emerging from financial decentralization in Uganda are commitment to the process in review and revision of legislations, procedures and reporting mechanisms and capacity building and in cases where difficulties are anticipated, pilots initiatives would be undertaken.

According to a World Bank survey (2002), Nc Neil and Mumvuma. (2006) decentralization in Africa has mostly failed because accountability has always been directed upwards towards the donors and central government and not downwards towards the citizen users of services. The World Bank survey notes that while democratization is evidently the most advanced aspect of decentralization in all the countries claiming to have decentralized local government, fiscal decentralization is particularly dismal considering that in more than half of the African countries analyzed local authorities control less than 5 per cent of the overall public expenditure. Despite the failures however, Brosio (2000) notes that most governments in Africa like other proponents of decentralization in developing countries share the view that local government are major vehicles for poverty alleviation policies or the implementation of growth-inducing policies, through the mobilization of local resources and increased participation.

Kenya has a long history of local government when viewed both from its ethnic group's traditions and the British colonial rule (Smoke, 2001, 2001a). The government has 175 local authorities that are cooperate bodies with their own assets, staff and sources of revenue. The Local Government Act, (Cap 265) gives these local authorities a wide range of powers to provide or cause provision of a variety of services including health and education, roads maintenance, slaughter houses, water and sanitation, recreation, street lighting and markets in all the areas within its jurisdiction. However, their financing approaches do not enable them to satisfactorily deliver most of the important services as expected of them (Gitau and Amaya, 2003).

As a result of the failures, the local government in Kenya has increasingly developed a bad reputation evident from dramatic decline in service delivery systems to un-acceptable levels, fiscal burdens imposed on the central budget by local governments, negative publicity regarding their poor performance and national scandals hence weakening their legitimacy and providing potential opportunities for reforms among them fiscal reforms in the 1990s (Smoke, 2001).

Some of the reforms are enshrined in the currently on going constitutional review process where one of the areas that has raised considerable concern and debate across the nation is that of governance and more particularly devolution.

In the early 1980s, the country attempted to decentralize development process through implementing the District Focus Strategy for Rural Development (DFSRD) whose

hallmark was to enhance popular participation. However according to IPAR (2005a), the strategy was not effective for district treasuries received funds late, there were no effective planning forums and local people had not been trained. The decision making committees were also dominated by civil servants who did not have a good grasp of local issues at the district level (IPAR, 2005a).

Within the 2001- 2004 Poverty Reduction Strategic Paper (PRSP) and the 9th national development plan (2002 – 2006), the Government of Kenya has identified decentralization and stronger local government sector as an important mechanism for improving public sector management, governance and poverty reduction (IPAR 2005a). The two documents identify local governments as important focal points⁴ for urban and rural poverty reduction and propose harnessing of the enormous untapped capacity for delivery of services (Yahya and Taylor, 2003).

In an effort of improving Kenyan local authorities planning, budgeting, financing and overall services delivery, reform efforts focusing reducing unnecessary central government control, technical assistance, performance enhancement and fiscal reforms on have been going on (Yahya and Taylor, 2003). Establishment of the Kenya Local Government Reforms Programme (KI.GRP) which has seen enactment of the Local Authority Transfer Fund (LATF) through the LATF Act No 8 of 1988 has been a major milestone.

⁴ PRSP specifies a number of initiatives to be pursued such as accelerating the implementation of the Kenya Local Government Reform Programme, a strategy to rationalize the local authority legal and management framework including the finalization of review of the Local Government Act (Cap 265), its amendment and harmonization with the acts of parliament and developing a decentralization policy for local authorities. It is worth noting however that the PRSP largely remains unimplemented.

The local government reforms programme started with financial reforms in order to strengthen the financial base of the local authorities with particular focus on the improving financial management through addressing intergovernmental fiscal relations, debt resolutions and streamlining the local authorities' budgetary systems (Gitau and Amaya, 2003). In addressing the intergovernmental fiscal the local authorities has also benefited from the Road Maintenance Levy (RML) Fund enacted through the Finance Act of 1997. However, the fiscal decentralization efforts in Kenya according to IPAR (2005b), as is the case in many other countries have been steered by the failure of economic planning by the central government in promoting adequate development, the changing economic conditions and the structural adjustment programmes designed to improve public sector performance.

LATF is an initiative to rationalize the central local finance relations and to provide an important resource and incentives to local authorities to improve service delivery, finance management and debt reduction (IPAR, 2005b). The Local Authority Transfer Fund was introduced to replace the Local Authority Service Charge (LASC). The fund are discretionary and as such are not earmarked for any specific local authority expenditures but must be used in accordance with local priorities as determined by the local priorities and addressing the core poverty programs in an area.

Through a formula basis and in a transparent and predictable manner anchored on an enabling legislation and not on the discretion of the Ministry of Local Government all the 175 local authorities in Kenya receive these funds through a direct transfer. However,

the transfers which provide the Local Authority with some degree of financial autonomy are based on the basis of the local authority ability to demonstrate that they have a council approved plan for utilizing the funds, prepared in accordance with LASDAP procedures (Yahya and Taylor, 2003, GOK, 1999)

LATF operations at the national level are guided by an advisory committee comprising the private sector, the Ministry of Finance, the Permanent Secretary Ministry of Local Government and the Kenya Local Government Reform Programme's secretariat with its annual reports and other disbursement information disseminated through local newspaper advertisements. Sixty per cent (60 percent) of the allocations are released based on LAs meeting set the requirements criteria, while the remaining 40 per cent is released based on LAs performance measured through LASDAP and other indicators (Kippra 2006).

The Local Authority Service Delivery Action Plan (LASDAP) is one of the performance conditionality of LATF for any financial year. LASDAP constitutes a three-year rolling consultative local-level planning process whereby local authorities mobilize citizens to participate in prioritizing local service delivery activities and projects. The LATF regulations stipulates that attention during the prioritization should given to the needs of the poor in line with the national Poverty Reduction Strategy Paper (PRSP) (Wamwangi and Kudishora, 2003) and other relevant laws, policies and strategies such as the Kenya Economic Recovery Strategy for Wealth and Employment Creation, 2003 – 2007, through the investment programme (IP) which is pro poverty and which according to Kippra (2005) sets to address the plight of the poor through increasing their incomes.

improving their quality of life, improving their security and enhancing equity in participation for women and girl. However, in the real sense, local authorities do not consult the PRSPs spelling out the community poverty needs hence coming up with investment programs that do not address the plight of the poor in the local authorities.

The LASDAP approach aims at enhancing community participation and interaction between the Local Authorities and the citizens hence leading to improved efficiency, effectiveness, accountability and transparency of service delivery at the local level; thus bringing the government closer to the people (GOK, 2005). However, to a great extent, this has not been achieved but the process has created mistrust between the local authorities and citizens with the later claiming their views are never taken into consideration by the local authorities. The process has been against KLGPR deliberate instrument requiring local authorities to constitute participatory planning meetings to enable communities to fully participate in their development process (Mitullah and Oloo, 2004). When well implemented, the process should lead to subsequent ownership of the programmes and projects identified, which is necessary for effective project implementation and sustainability. It also offers potential for further institutionalization in other councils operations (Wamwangi and Kundisora, 2003). Towards this end LASDAP process should be based on resources defined in the resource envelope and included in the Local Authority budget⁷ and the process should be guided by the broad mandates of the Local Authorities.⁸

⁷ The LASDAP resource envelope can be adjusted to include other resources which are formally committed by the communities and partner organizations during the consultation process

⁸ The broad mandates of the local authorities in Kenya includes: Ensuring Local governance, Human resource capacity building (education, health), Management of social development issues (street children, destitute, hawkers), Provision of water and sanitation, Construction and rehabilitation of access roads, Local economic development (markets, slaughter houses, bus parks), Development

2.6 Critical Issues in LATF implementation

Weak urban governance mainly hurts the poor through non-economic channels where by national or regional growth and development does not automatically trickle down to benefit them as is theoretically believed would do due to inhibitive and exclusive structures and processes and / or lack of capacity at local levels to tackle the challenge. In poverty reduction there is a need to target these structures that create poverty both at local and national levels. The above being the case, a decentralized governance, which entails transfer of planning, financing and management tasks to the lower levels of government, alters such systems of governance (structures and processes) that dictates the relationships between the center and the local and more so between the state and the society. At the Local Authority level, it would improve the financial management, technical and administrative capacities of the institution, hence leading to efficiency in service delivery. On the other hand, improvement on the social capacity development is evident from inclusive / participatory budgeting and decision making process which not only strengthen and bring out the community voices but also help in questioning the accountability in service delivery within the local authority hence leading to efficiency.

In Kenya, the introduction of the LATF and the planning process through LASDAP by the Ministry of Local Government was created an entry point for the local authorities to constructively engage with the citizens on matters of development, through identification and prioritization of their local development needs on an annual basis, through a

controls (Building standards), Fire prevention and disaster management, Establish burial sites and cremation, Burial for destitute persons. (Source LASDAP guidelines)

participatory process. Guidelines defining the levels of engagement during the consultation, implementation, monitoring and evaluation of the LATF were also formulated (GOK, 2005).

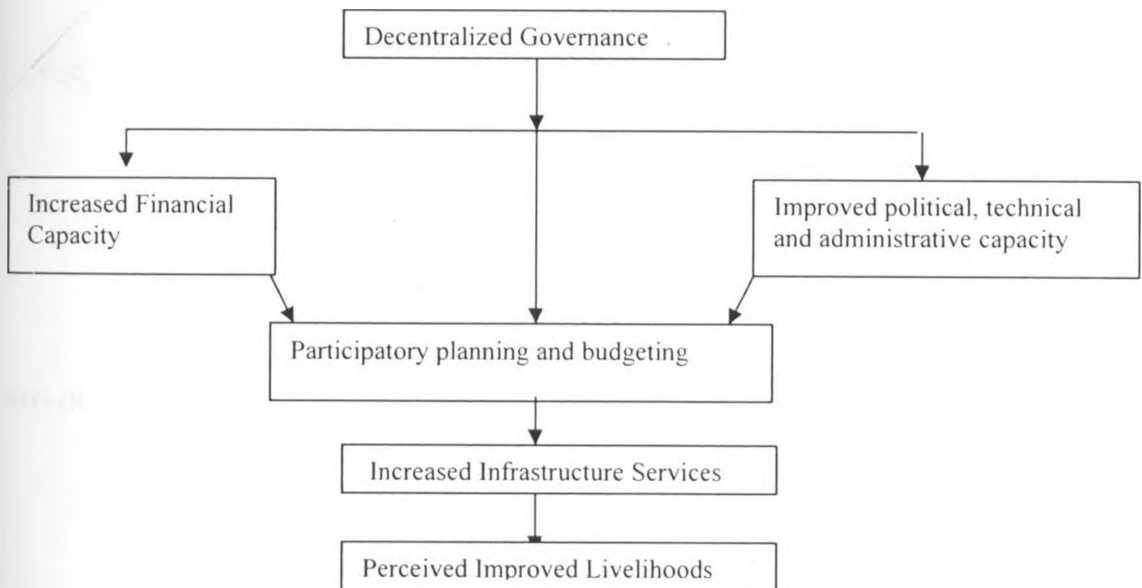
Towards this end then, the success of the LATF /LASDAP components to tackle poverty at the local level highly depends on how this process is implemented. Leading among them and a key indicator of a successful process is the extent to which LATF as a decentralization process is anchored on ideals of a clear decentralization policy which not only defines the process but also generate policies of engagement at each level including that of the community and the local authority. Fiscal devolution for example through LATF to local authorities that may not be fully independent may not ensure efficiency and accountability. On the other hand, community and other stakeholder's participation also need to be fully protected by the same policy in such a way that there is in-depth consultation and implementation community infrastructure priorities as they are identified but not as the local authority deems important. This is the only way that can ensure community voice in planning and decision making processes which has effects not only on the infrastructure projects implemented but also on their poverty impacts is respected.

Clear monitoring and evaluation procedures and oversights at both the local authority and national levels also forms a key indicator of a successful decentralization process such as LATF in ensuring that its not only the financial accountability is achieved but also what

is consultatively planned is effectively implemented and also achieves the intended pro poverty impacts. Sustainability of such initiatives should also not be overlooked.

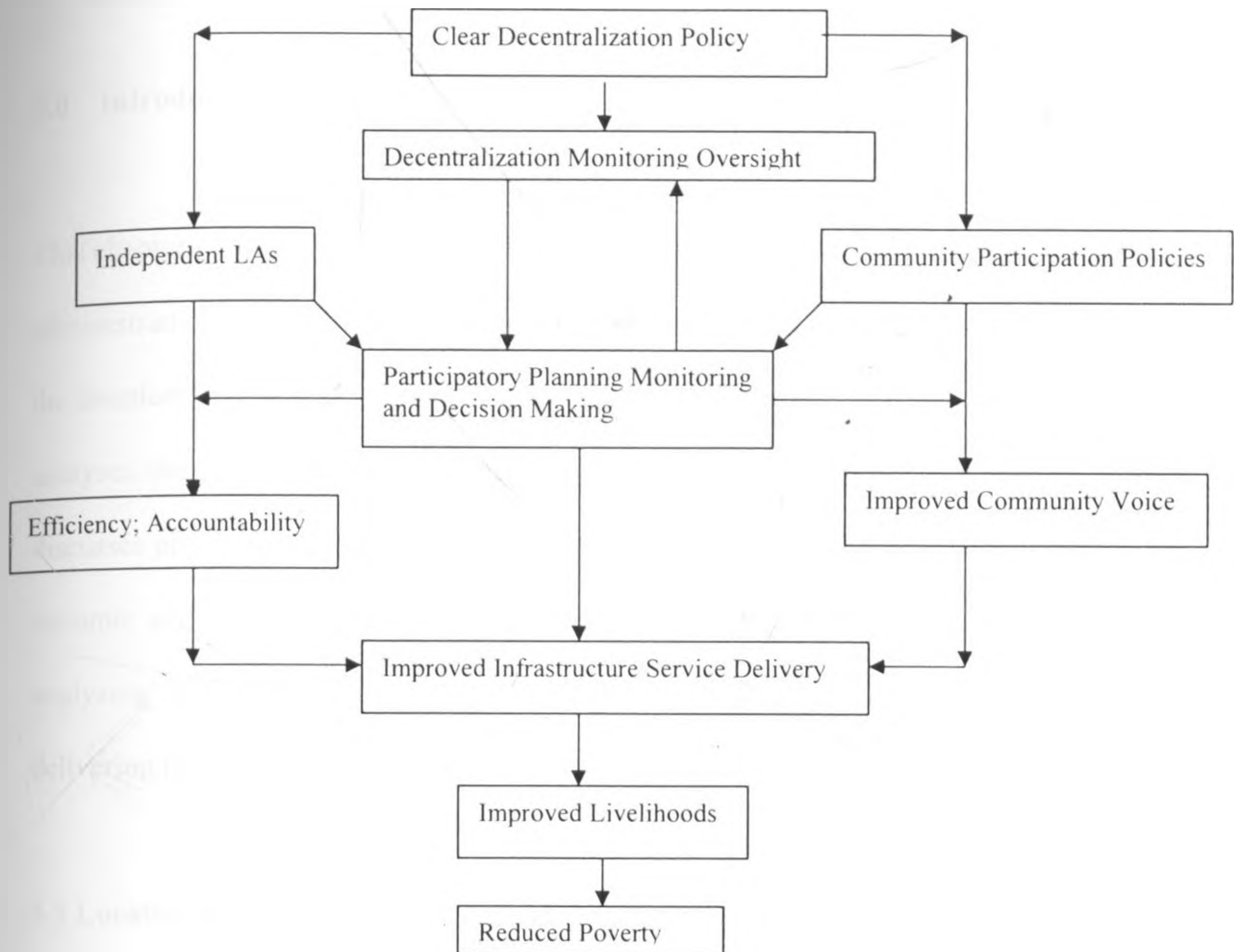
However, the existing LATF implementation framework only devolves funds, outlines the planning process but does not ensure the quality of the participation or even take time to assess the impact of the process to the intended beneficiaries as indicated in figure 2.1 below. These results to infrastructure project that are only perceived to alleviate poverty but in the actual sense do not have positive impacts to poverty alleviation. To achieve the ideal situation and taking into consideration the indicators analyzed above this study proposes interventions indicated in figure 2.2 below.

Figure 2.1 Existing Framework



Source (Researcher, 2008)

Figure 2.2 Envisaged Interventions



Source (Researcher, 2008)

CHAPTER THREE

BACKGROUND INFORMATION ON THE STUDY AREA

3.0 Introduction

This chapter gives the background information of Mavoko municipality from the natural, administrative, political and socio economic contexts. The chapter introduces by giving the location, size and the historical growth of the municipality. It also goes ahead and analyses the physiographic, climatic and land use differentiations. The chapter further discusses physical and social infrastructure networks and services, population growth and dynamic and the resultant economic development. Key emphasis has also been put in analyzing how these parameters influence and or hinder the municipal capacity in delivering pro poor infrastructure services within its boundary.

3.1 Location and Size

Mavoko municipality is located in Machakos District in the Eastern province of Kenya. Located 30 kilometers Southeast of Nairobi at the intersection of the Nairobi-Mombasa railway line. Mavoko acts as one dormitory town for Nairobi with a large number of population working in Nairobi but living in Mavoko. This is increasingly putting strain on existing infrastructure services. The municipality is popularly known as Athi River town a name coined due to the fact that River Athi passes through the Mavoko town. Mavoko municipality covers an area of 957sq kilometers. However large portion of this

land is semi arid hence not supporting productive economic activities, hence very low incomes among the population. Being an industrial town, population influx is evident as people search for jobs and when not successful, they end up settling as squatters in the informal settlements, leading to increased poverty levels.

Mavoko borders Nairobi to the North, other adjacent administrative divisions of Machakos district such as Matungulu, Kathiani, Central and Kalama divisions to the Northeast and Eastern side and Kajiado district and Nairobi National Park to the southwest. The presence of the Nairobi National Park has led to conflicts particularly when it comes to harnessing of water resources for use within the municipality.

Mavoko municipal council was given urban council status in 1973 and elevated to a town council in 1981, owing to the increased range of functions and growth. In 1993, it was accorded municipal status with full range of service responsibility and urban management in accordance with the Local Government Act Cap 265 of the laws of Kenya. However, due to lack of major revenue generating opportunities, the municipality experiences a lot of challenges in offering infrastructure services to the ever increasing population.

Figure 3.1: Location of Machakos District in the Kenyan Context

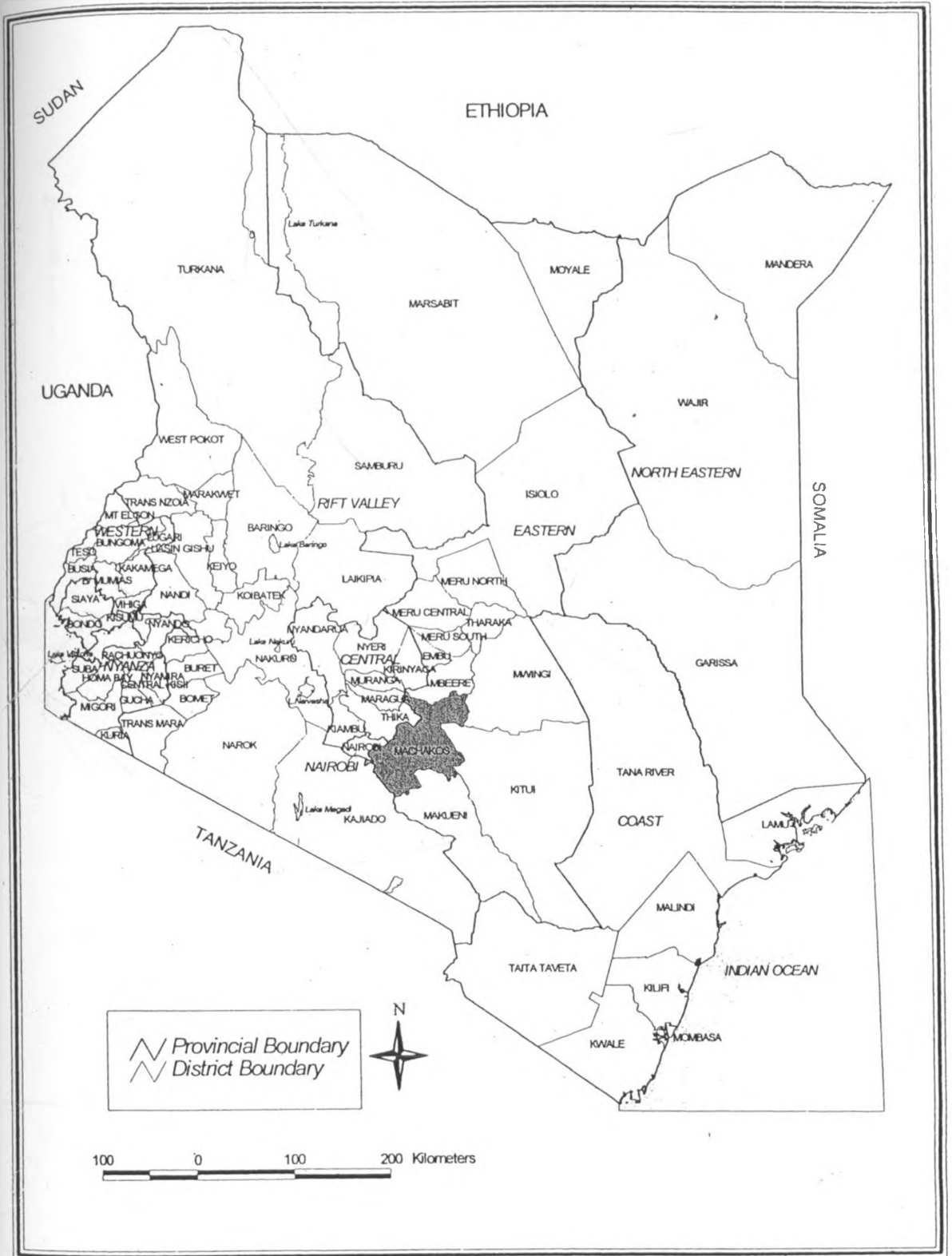
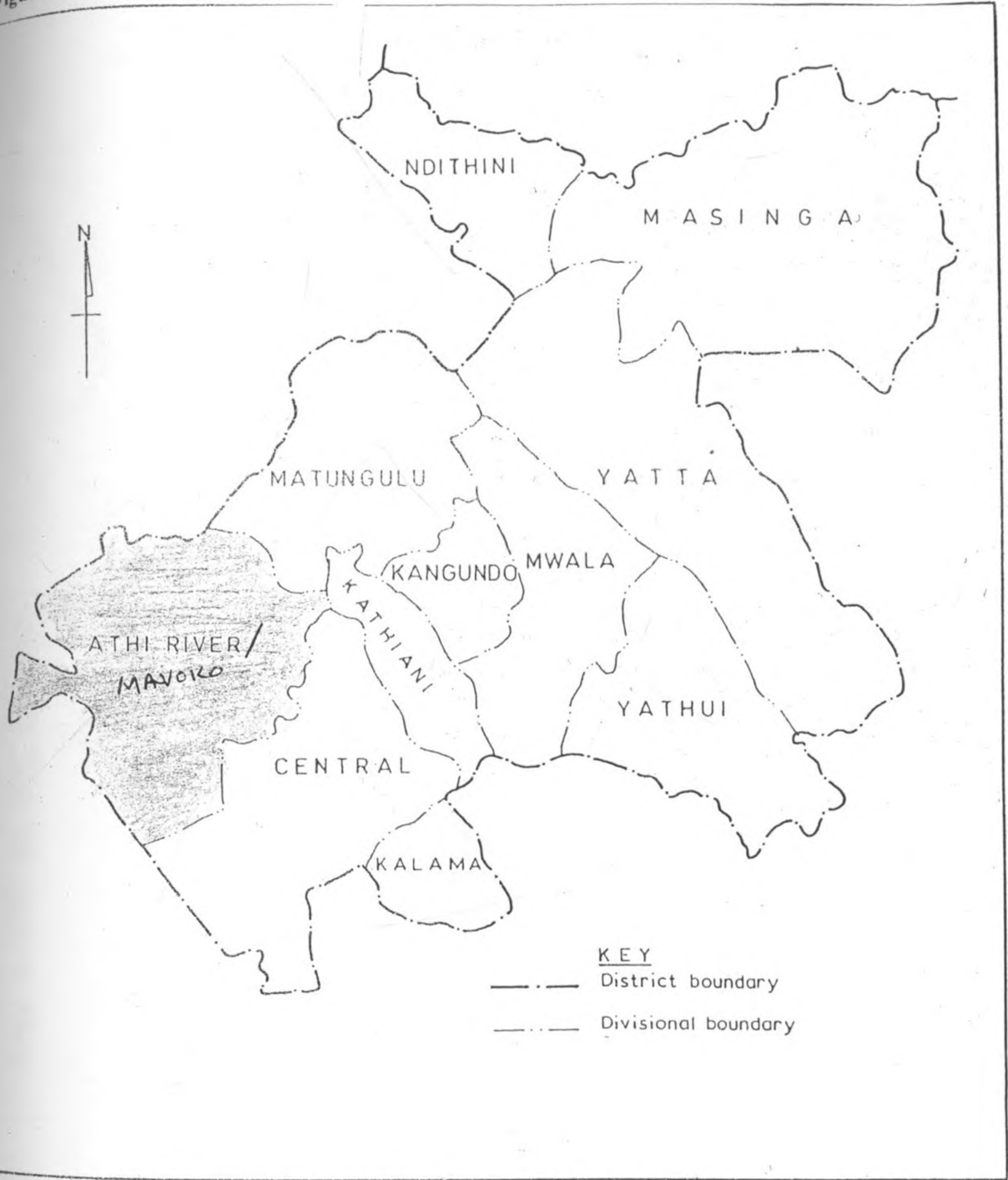


Figure 3.2: Location of Mavoko in Machakos District.

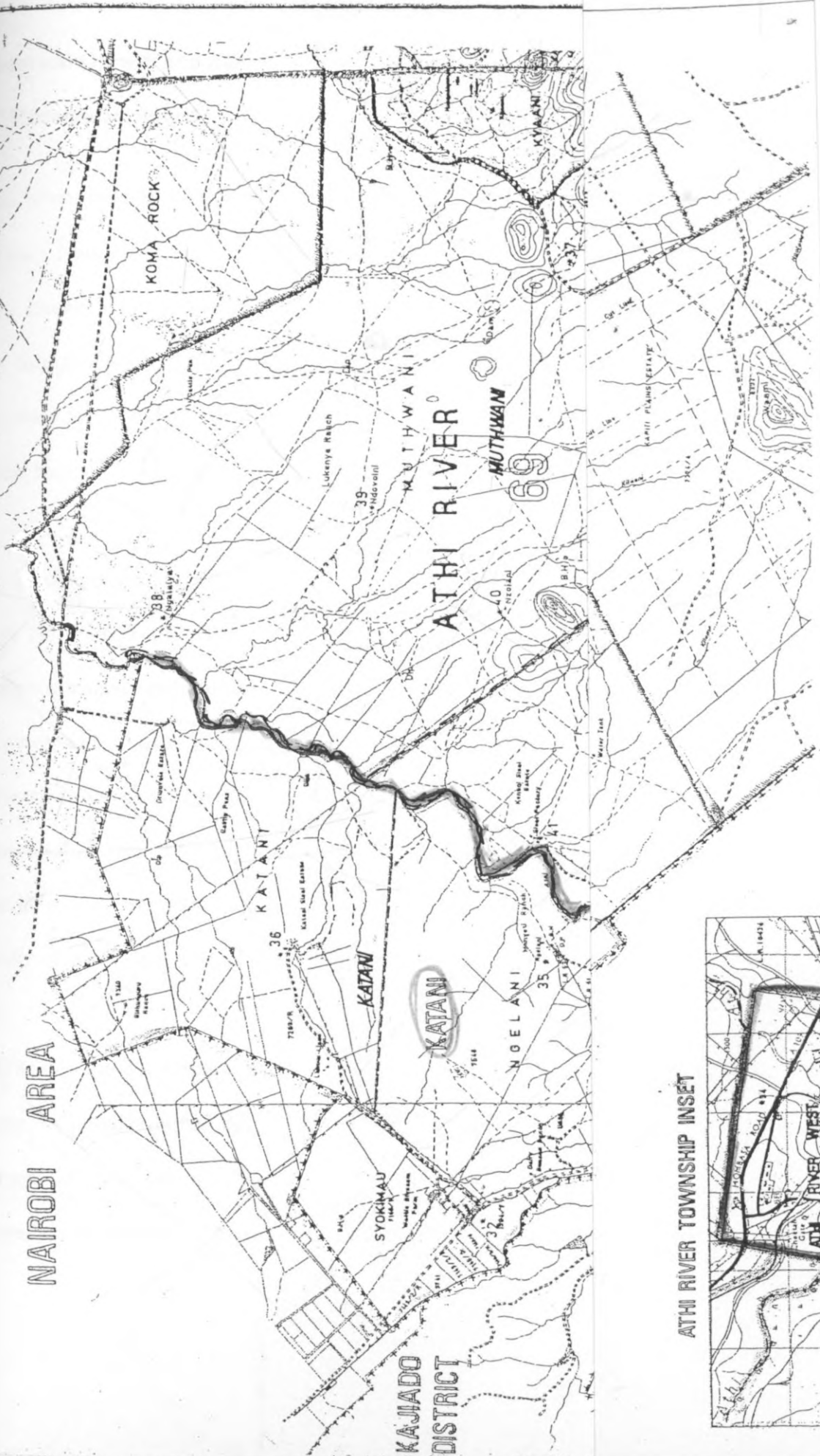


Prepared by D R S R S

Figure 3.3: Map of Mavoko Municipal Council

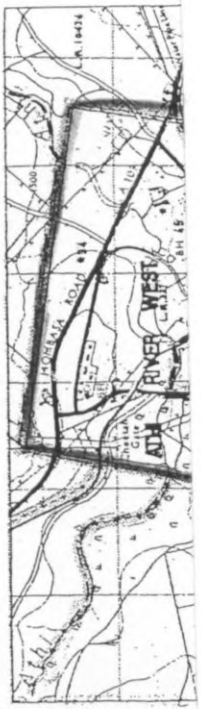
MAVOKO MUNICIPAL COUNCIL
Area = 693 sq. Km. (Approx.)

NAIROBI AREA



KAJIADO DISTRICT

ATHI RIVER TOWNSHIP INSET



3.2 Historical Growth and Administrative Context

3.2.1 Historical Origin

Mavoko town, initially known as Kiliva, was originated during the construction of the Mombasa - Nairobi railway line, when the colonial government at the turn of the 20th Century established a railway base there. Consequently, the Indians constructing the railway formed a settlement and started small businesses. The settlement also acted as the resting place for Akamba traders on their way to Nairobi. In 1935, Athi River, along with Makindu, Sultan Hamud, Ulu and Simba were declared trading centers.

During the colonial times, Athi River grew under the auspices of the then Nairobi County Council. However, when the Nairobi County Council was dissolved in 1963 the town became an urban council with its own councillors. The establishment of the Kenya Meat Commission and Portland Factories in the 1950s saw the attraction of labour force to the town, hence an increased growth. At independence in 1963, the town comprised a meager 8.5 square kilometers in total area. This old town now forms a nucleus of an expansive 957 square kilometers in total area of the municipality. In 1969, about 5000 people lived in Athi River and the town was ranked 19th in Kenya's urban hierarchy.

By 1979, despite its ranking having dropped to drop to position 27 in the urban hierarchy, its population had doubled. The municipality has also due the diverse nature and range of functions accommodated this fast growth in population within the municipality boundaries. These include among others administrative, agricultural,

industrial, commercial, institutional, residential, recreational, and social as well as transport and communication. Currently the growth is even higher within the municipality due to both the industrial expansion in the area and because people working in both Nairobi and Machakos find it more affordable to live in Mavoko and commute to work. These dynamics have seen the town transform from cattle ranching in the 1950s to current commercial and industrial activities today transforming private ranches that are however slowly disappearing to industrial and residential housing quarters. This growth has not strained the municipal council's capacity to offer services but has also contributed to unplanned settlements which require a lot of attention if the municipality is to achieve sustainable urbanization.

3.2.2 Administrative Context

A Municipal council known as Mavoko governs the Athi River town, whose jurisdiction is geographically identical with Athi River division, an administrative unit in Kenya's provincial administration. However, large part of its jurisdiction has been grassland and void of any urban character, until past few years when large private developers started housing development schemes. The large jurisdiction has however been classified as urban for long by the central government as part of a strategy to upgrade small towns in order to counteract urban primacy in Kenya (Koti, 2000). In terms of provincial administration, Athi River is a division, and is headed by a District Officer (DO). The division is divided into three locations: Lukenya, Katani and Settled Area, which are headed by chiefs and 8 sub locations. Politically, the municipality falls under the wider Kathiani constituency, which covers both Kathiani and Athi river divisions.

Plate 3.1 Mavoko municipal council town hall



Source: (Researcher, 2008)

The Municipal Council is chaired by a Mayor who is elected by the people with full range of powers and responsibilities as outlined in the Local Government Act Cap 265 sections 12, 13 and 14. The MCM is small but with a significant mandate to address the activities of diverse and numerous private sector entities and civil society organizations. It has 10 wards each of which is represented by elected councilors and also has three more nominated bringing the total number to thirteen.

The Municipal clerk, who administers the affairs of the municipal council as the Chief Executive, is an appointee of the central government posted by the Public Service Commission through the Ministry of Local Government. The treasurer, who is also seconded by the Public Service Commission deals with the financial management of the

council. Other officers that help in the day to day running of the council include the Public Health Officer, Education Officer, Administrator, Surveyor, Engineer and a Planner. Towards this end, the municipality has seven committees: Finance, Staff and General Purposes, Education and Social Services, Joint Staff; Tender Board, Town Planning: Environment Public Health and Housing. Seven departments: Clerk's, Treasurer's, Engineering (Urban Planning and Engineering, Roads Survey, Mechanical) Markets, Education that comprises of Social Services, Sanitation that runs Water Sewerage and Conservancy oversee its management. Mavoko municipal council has been one of the municipalities in Kenya which has been involved in the local government reform programme, whose support aimed at improving its capacity to deliver services to its resident and opening it up to new ideas.

3.3 Physiographic Background

3.3.1 Topography

Mavoko municipality falls in the Athi Kapiti plains and in the Agro Ecological Zone V of Machakos District. The area has few seasonal rivers of which the major one is Athi River, which is a principle permanent river in Kenya. The topography of the area has had some negative impacts on development with the low-lying Athi Kapiti plains which lie on the lee ward side of the Mua hills receiving very low rainfall suitable only for ranching activities. However the low lying nature has a positive influence on the development of some infrastructure services such as roads and sewer lines when

particularly compared with other areas in the Machakos district which are quite hilly and rugged.

3.3.2 Drainage

Athi River municipality falls in the drainage basin of River Athi. The land is well drained and slopes gently towards Athi River which transverses the municipality but which is heavily polluted hence cannot be relied on for domestic water source. The implication of this is that the municipality has to rely on other sources of water for human consumption and industrial use despite the availability of the natural resource. This leads to escalating of municipal costs on water provision for the municipality has to rely on water from Nairobi within the town and water harvesting at municipal peripheries. Drainage situation is however different in majority of the low income settlements within Mavoko municipality. Some of the settlements like Kasoito are located along river banks thus get flooded and are inaccessible during heavy rain. This more often leads to loss of property and sometimes life. At the municipal peripheries, low lying areas have been important for the municipality for have been used in developing earth dams for rain water harvesting.

3.3.3 Geology

The Precambrian rocks type which covers greater part of Machakos district, tertiary sediments and the volcanic with the Miocene phonolites form the basement rocks in the Athi Kapiti plains where Mavoko municipality lies. Athi River division also has a major deposit of limestone and granite rocks, which are economically very useful for cement

and tiles production respectively. The geological structure has a very high implication on the infrastructure services development due to the resultant availability of construction materials such as sand and quarry stones hence pushing the costs of access to the materials lower when compared to other towns like Nairobi. Taking that into consideration and holding other factors constant, unit costs of any infrastructure service could be cheaper in the municipality.

3.3.4 Hydrogeology

The ground water resources are low and saline as a result of the existing basement rock system and where the rocks have deeply weathered, the ground water tend to be hard. This leaves the municipality with a great challenge of providing water to the residents for have to alternate the hard water from their boreholes with water from Nairobi to cater for local consumption. The construction of earth dams and pans schemes to cater for water supply particularly in the peri urban areas has been tried using LATF resources to cater for the supply

3.3.5 Soils and Vegetation

Athi River division mainly falls in the upper marginal zones of Machakos district which are mainly characterized by acrisols, vertisols, planosols and arenosols soil types with 55 percent of which are classified as low fertility soils with an exception of Lukenya scheme which have high fertility soils. Within the municipality however, deep, poorly-drained,

grayish brown to black vertisols are evident. The soils are of low economic potential and greatly affect infrastructure and shelter development due to their expansive nature particularly when it rains. This tends to increase the construction costs through reinforcement and scooping of the expansive soil layers. Additionally it renders most earth roads impassable leading to high municipal expenditures in roads grading and murruming. Vegetation in Machakos district varies with soils and altitude. Athi River is characterized by presence of expansive open grassland with scattered acacia trees. Consequently, the municipality has invested a lot of money in trees planting exercises to help improve living environment.

3.4 Climatic Conditions

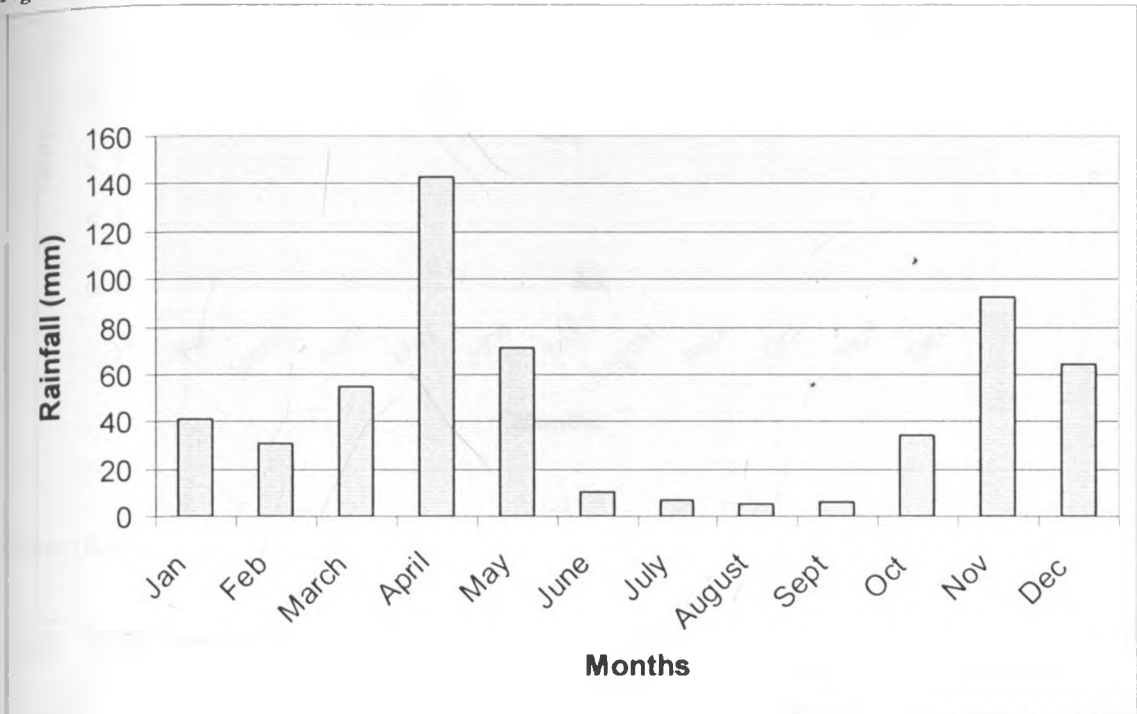
3.4.1 Rainfall

The area is classified as semi arid hence receives little and erratic rainfall annually. The area is characterized by a bi-modal precipitation pattern with the long rains occurring between March-May and the short rains between October-December as indicated in figure 3.3 below.

The annual precipitation is in the range of 500 mm to 1300 mm, hence suited for livestock and drought resistant crops. The rainfall is highly unreliable: hence semi arid and thus no sufficient raw material for agro based processing despite being an industrial town. Lack of enough rainfall has seen Mavoko municipal council invest in a lot in

watering trees within its municipal beautification programme despite the key challenges in supplying water for household consumption.

Figure 3.4: Rainfall Distribution

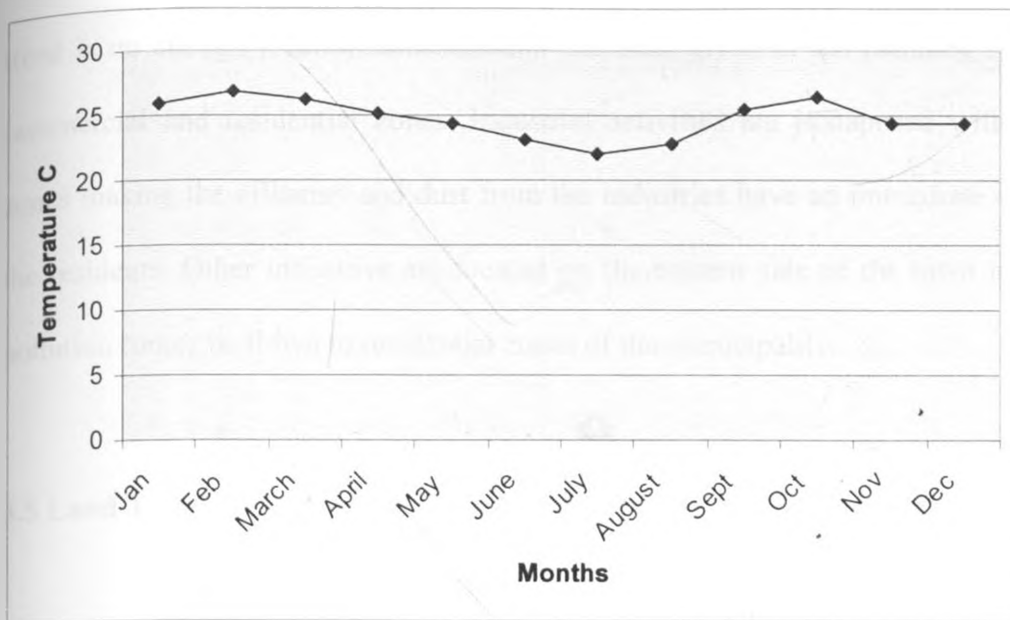


Source (Researcher, 2008)

3.4.2 Temperatures

Mavoko municipality enjoys a pleasant climate similar to that of Nairobi though relatively warmer with temperatures ranging from 13° centigrade at night to a high of 26° centigrade on average day. The area is generally hot and dry with the coldest months being July and August and the hottest months being March and October as indicated in the figure 3.5 below.

Figure 3.5 Monthly temperature variations



Source (Researcher, 2008)

3.4.3 Pollution trends

The presence of industries in Athi River town has led to severe air and water pollution in the municipality. Dust particulates in the air, noise pollution and effluents into the River Athi are some of the examples of evident pollution. Lack of an adequate sewer and waste management systems within the municipality have added into the problem. These emissions particularly from the cement and chloride-oxide factories have led to skin and upper respiratory track infections particularly among the poor residents squatting next to the factories and along the River Athi. Mavoko municipality is also a recipient of effluents emitted by industries in Nairobi via the Athi River affecting fauna and flora in the river. The heavy pollution to a large extent depicts other related challenges facing the municipality such as waste management, provision of sewer and sanitation services consequently leading to poor provision of clean water services for some of the existing

natural sources of clean water cannot be relied on. A key notable feature in the pollution trend is no enough location consideration has been given in the planning of industrial, commercial and residential zones. Industrial activities are juxtaposed with residential zones making the effluents and dust from the industries have an immediate contact with the residents. Other industries are located on the eastern side of the town making their pollution fumes be flown to residential zones of the municipality.

3.5 Land Tenure and Urban Spatial Form

According to Koti, (2000). Land ownership in Athi River can be classified into three categories of land tenure namely government trust land and private land which is the predominant tenure system either by private companies, corporations or individual's.

Trust land comprises the least share of land in Athi River constituting land including the municipality land held in trust by the Commissioner of Land. The municipal council has allocation rights over all trust land as stipulated in the 1970 Trust Lands Act Cap 288. However, the Minister for Local Government must approve this allocation. The Mavoko municipality is characterized with varied types of land uses ranging from residential, commercial industrial and agricultural land uses. According to a study conducted by ITDG in 2003, informal settlements cover 0.2 percent of the total municipal area yet house larger population. Mavoko municipality does not have a strong central business district due to its multimodal form with almost four centers with higher urban densities. The centers act as the main economic nodes in terms of both formal and informal economic activities driving the municipality.

The four nodes include Makadara, former Athiriver rail station (popularly known as "*Athi River ya chini*" or *lower Athi River*), KMC which acts as the main administrative center of the municipality hosting key administrative offices such as the D.O's office, the municipal council offices and the Athi River police station and finally Mlolongo along the Nairobi Mombasa highway. Other than the industrial parks such as the EPZA, these areas act as the growth centers of the municipality hence higher population concentration and consequently higher needs for infrastructure services to facilitate development.

Other than the four nodes, the expansion vector of Mavoko municipality has been towards the northern side after Mombasa Nairobi highway. This is where ranches have been subdivided into residential land including Syokimau, Katani, Kivae and Daystar areas. These are regions, which need attention in terms of infrastructure services development.

The municipality has three key industrial fragments being Portland – Bamburi fragment extending on the left hand side of Namanga Nairobi highway from Portland cement factory to Mombasa road, the eastern side concentration fragment and Mlolongo Nairobi boundary industrial fragment on the furthest western side along Mombasa road.

3.6 Physical Infrastructure

3.6.1 Road networks

Good road networks boosts trade within a town and facilitate overall growth and development. Movoko municipality is well served with two classified trunk roads with heavy international traffic. The two, Mombasa - Nairobi highway (connecting Nairobi with the international port of Mombasa) and Namanga – Nairobi highway, (connecting Tanzanian Namanga border town with Nairobi) passes through the municipality. The town also acts as a railroad junction between Nairobi Mombasa railway and the two classified roads. This facilitates easier transportation of industrial products such as cement from the town.

Most of other roads within the main town connecting industries, commercial and administrative centers are all weather roads with exception of access roads to low income residential neighborhoods and up coming middle income residential areas of Syokimau and Katani areas. However majority of the access roads to other peri urban areas are made of loose surface and are impassable during rainy seasons. The roads however lack lanes for the non-motorized transport facilities a potential transport sector in the municipality given the flat terrain and a huge walking traffic to and from industries.

To help open up the municipality and ease traffic snarl up the Government has commissioned designs for the development of a dual carriageway on Mombasa Road

from Machakos turn-off to Bellevue where it will meet the new bypass running from South C to Waiyaki Way in Nairobi. By the time of the study the construction works had started. However, road networks within the low-income settlements are in deplorable conditions. In some settlements such as Kicheko, Kasoito and Jam City the network is notably absent exposing the residents to insecurity due to inaccessibility of vehicles. This also increases the cost of doing business for the low-income residents who would wish to invest in income generating opportunities.

3.6.2 Water Reticulation

The growing population, combined with the arid and hot climate generates great demand for water within the municipality. Like most other parts of the district, the municipality tend to have a low reliance on the under ground water resources due to the nature of the basement rock system. The municipality heavily relies on the Kilimanjaro water supply system an initiative of the Government of Kenya through Italian Government funding and on the Great Nairobi water supply, which mainly serves the export-processing zone. However, the two major water supply sources have not been sufficient for both the industrial and residential use. As a result of this, over 50 percent of the population does not have access to clean water with the slum population suffering most because of inequitable water provision where they are forced to buy the commodity from water kiosks paying higher prices than the middle and high income areas (UN-Habitat, 2006). Lack of reliable water supply has also affected industrial establishment in the municipality.

On the peri urban areas of the municipality low cost water projects such as plains and sub surface dams are the only accessible sources of water for various uses by the communities and the municipal authority has invested resources towards the initiatives. With the establishment of Athi Water and Services Board (AWSB) which is preparing to undertake Capital Investment Project under the World Bank which will finance the development of water and sewer networks in Nairobi, Mavoko, EPZ and outlying areas through design and construction of a water source and treatment in Mavoko area, covering EPZ, Athi River and parts of Kitengela, the water scarcity within the municipality might be addressed.

3.6.3 Sewer Reticulation

The sewer and sanitation system in Mavoko is not fully developed with most neighborhoods not connected to the sewer system and those connected suffering from regular blockage and out bursts posing a health hazard in the municipality. The EPZA has worked closely with the municipal council and has constructed trunk sewer and storm drainage across the municipality to complement that of the local authority. Despite housing majority of the residents in the town, the low income settlements forms bulk of the neighborhoods that are not connected to the sewer system, resulting to use of pit latrines in other areas posing great danger to the lives of the residents. According to a survey carried out by (UN Habitat, 2004) majority of community members (52 percent) in the low income settlements reported lack of sewerage system within their settlements while 42 percent that said one did exist conceded that it was not connected to sanitation

facilities of majority of the residents in the villages and in most cases is blocked causing extreme deplorable sanitation conditions due to sewer overflows causing a nauseating stench. This is quite rampant in Kosovo, Bondeni/Juakali, Silota and Sophia villages. In the areas without sewer, 70 percent of the households conceded to have access to a pit latrine with 82 percent citing a traditional pit latrine shared among a very large number of residents while only 18 percent concede to have access to VIP latrines (UN Habitat, 2004).

3.6.4 Power supply and Street Lighting

Being an industrial town, Mavoko is well served with power supply but mainly limited to the industrial parks, middle and high-income areas and commercial centers from the national grid provided by the Kenya Power and Lighting Company. In the connected areas power supply is quite reliable. The low income neighborhoods and squatter settlements are however greatly excluded from the national grid hence forced to use charcoal, paraffin, fire wood and candles as their sources of energy and closing their small and micro enterprises after darkness sets in, hence limiting their incomes. Within the municipality, there is no street lighting with exception of private industries like the EPZA and Portland Cement Factory who have installed their streetlights. The town is dark at night posing a serious security threats. However the municipality has initiated street lighting programme part of which is being implemented through the LATF kitty.

3.7 Social Infrastructure Services

3.7.1 Housing

Despite the expansive nature of the municipality 957 square kilometers, a whopping 65 per cent of its population still lives in informal settlements (Kinyanjui *et al*; 2006) characterized with poor housing as indicated in plate 3.2 below and lack of basic services provision. Despite housing the larger population, the informal settlements cover only 0.2 per cent of the total municipal area (RGUU, 2004). Steep increase in the demand for housing by the burgeoning population has led to dramatic increase in rents and land values over the 10 years.

Plate 3.2: Informal housing in Mavoko



Source: (Researcher, 2008)

Today, a 10ft by 10-ft temporary house in these informal settlements is rented for Ksh500 per month. This has aggravated the squatter /informal settlement problem in the town to a point where the municipality had to make concessions too the residents of these

developments, allowing them to settle in any undeveloped land in the town in the expectation that the owners of these plots would be allocated alternative plots later. The settlements present the greatest challenge to Mavoko municipality for mainly constitutes the urban poor with little or no access to infrastructure services and majority of whom rarely participate in the municipal planning processes.

Due to the availability of land and very high demand for housing due to the opening up of the municipality, Mavoko in the past few years has seen emergence of many new housing development companies such as Superior Homes, Valley View Houses, Hillcrest Park, and Ellan Park all catering for the middle income class. In addition, housing site and service schemes by cooperatives through the Kenya Slums Upgrading Programme (KENSUP) to address the plight of the slum and squatter residents was expected to kick off in mid 2007. All this will see Mavoko in the near future emerging to become the major commuter satellite suburb within the Greater Nairobi Area. However, with the strained infrastructure services more funding is required if the upcoming housing schemes are to be adequately served with infrastructure services.

3.7.2 Health Services

Mavoko municipality has one health center and two dispensary offering out patient services only. For complicated medication the community has to rely on Machakos district hospital or Kenyatta national hospital in Nairobi. The municipality however enjoys services from three private hospitals, two dispensaries and thirteen private clinics.

According to (UN Habitat, 2004) 90 percent of the low income community members who form the majority of residents in the municipality seek medical services from the government institutions. This leaves the health center quite overstretched and with majority of the urban poor not fully catered for by the municipal health services and some of those accessing the services have to walk for long distances.

3.7.3 Education Services

In Mavoko municipality, there are eight government run primary schools, six pre primary schools and only one secondary school. In the wake of the free education by the NARC government since the year 2003, the primary schools are overcrowded and need upgrading. In contrast the municipality has over 40 private schools and one higher education institution, which are not accessible by the poor. To cater for the high illiteracy levels within the Athi River Division, Mavoko has thirteen adult education centers spread through out the division with an enrollment of 1,377 adult learners on daily attendance. Among the objectives of the post literacy that are fully in line with the LATF / LASDAP implementation procedures include

- Enhancing of learners understanding of the society and community
- Promotion of the learner's participation in community development
- Provision of opportunities for development and self confidence
- Strengthening learners capacity for questioning and decision making

At the society level, the post literacy curriculum can fully support the LATF implementation for it's meant to encourage problems identification, resource

mobilization and utilization, project design and implementation and to foster self-employment opportunities.

3.7.4 Postal services

Mavoko has one departmental post office under the head post office in Machakos and a sub post office in Mlolongo. The services in these post offices are offered by the Kenya post and telecommunications. By 1996, the offices had a capacity of 1600 lines of which 764 were connected.

3.7.5 Other services

Quite notable within the municipality is the absence of key social services such as municipal halls and stadiums. The municipality has not a single cemetery with the community taking their loved ones to Langata in Nairobi for burial. Notably absent are technical institutes / colleges hence those wishing to obtain technical skills have to go to Machakos and or Nairobi both, which are 30 kilometers away, further locking out the poor households from opportunities of acquiring relevant skills for development and consequently move out of poverty.

3.8 Demographic and Economic Profile

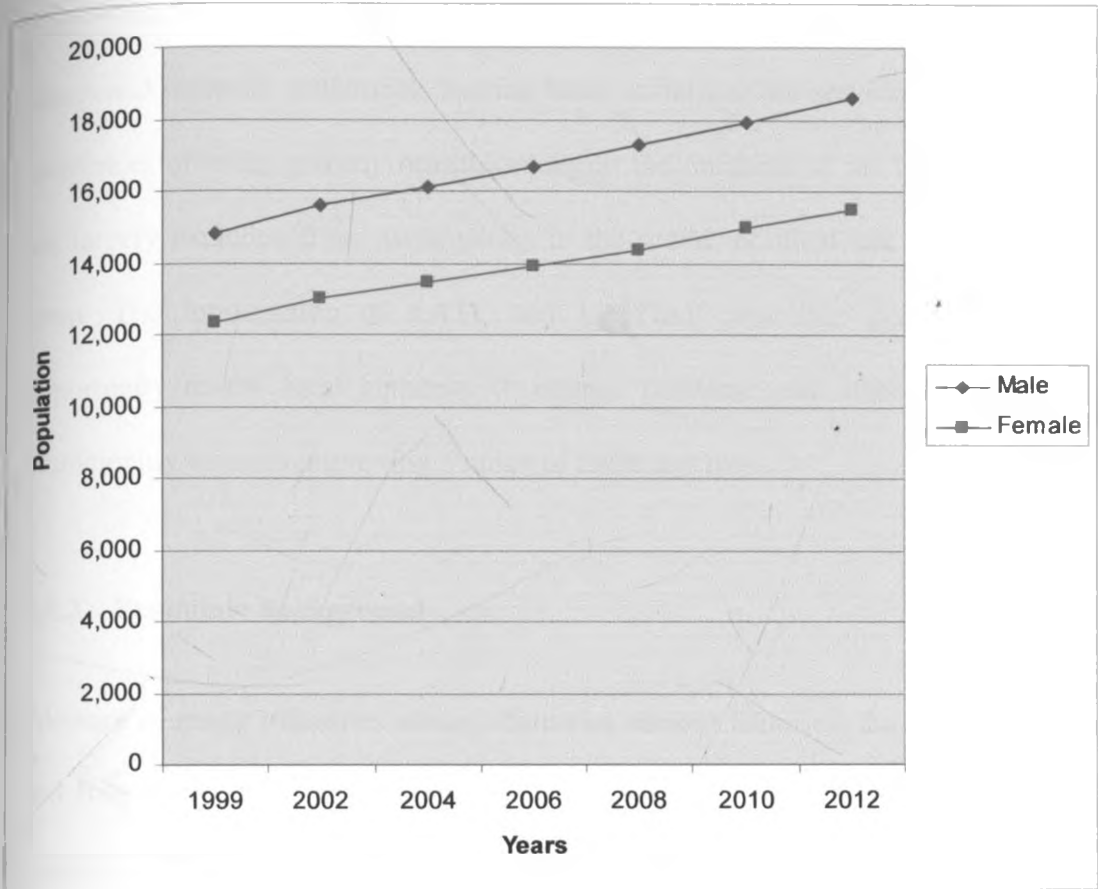
3.8.1 Demographic Profile

The population growth within Mavoko municipality has been very fast. This has seen the populations quadruple from 10,000 according to the 1979 census to 40,000 according to

the 1989 population census. The rapid increment has been as a result of opening up of the industrial and other social activities. Currently, the population of Athi River is estimated to be 65,000 people, 50 percent of whom are estimated to be urban and live within Mavoko Township. The rapid population increase over the last two decades has been attributed to rapid industrialization, the national urban policies which have advocated for a shift in investment from the two dominant cities to the secondary towns and spillover effects of the population explosion of the city of Nairobi (Koti, 2000). Mavoko has a higher male to female ratio. This is largely caused by a higher influx of men who have left their families in the rural areas coming to seek employment from the industries. The trend is expected to continue with the establishment of more industries in the town. This could have an impact on the types of infrastructure services development such as housing developed in the municipality to cater for such population.

According to the Machakos Development Plan for the years 2002-2008 marginal divisions within Machakos district have relatively low population densities. Athi River being one has the lowest density of 56 persons per Kilometer Square. This is largely due to the expansive nature of the division and the concentration of the population within Mavoko town, where they can seek employment from industries within the municipality and in Nairobi's industrial area. Indeed up to 30 per cent of the population commutes from Mavoko to Nairobi to work every day. Demographically Mavoko like other urban areas in Machakos district is also highly influenced by the wider rural set up.

Figure 3.6: Mavoko Population Projection



Source: (Researcher, 2008)

Despite its close proximity to Nairobi, Machakos District communities are quite rural and remote and experience food poverty at a rate of 64 percent. The mean income per month is estimated at Ksh, 9000, with an employment rate of 16 percent while 50 percent of the population has no access to safe drinking water, sanitation and adequate shelter.

Such high poverty indices within the district have highly constrained service delivery within municipalities such as Athi River, due to influx of persons from the underserved areas to towns in search for jobs and services lacking in the other parts of the district.

The combined economic and demographic impacts as witnessed above have seen the town grow more rapidly than the services expansion. This has escalated the growth of slums and informal settlements lacking basic infrastructure services and with very high incidences of urban poverty mushrooming on the outskirts of the town whose residents are largely excluded from participation in the social, political and economic life in the town. The introduction of LATF and LASDAP processes provide the best ever opportunity to the local authority to engage residents and other stakeholders in the municipality towards improving a range of these services.

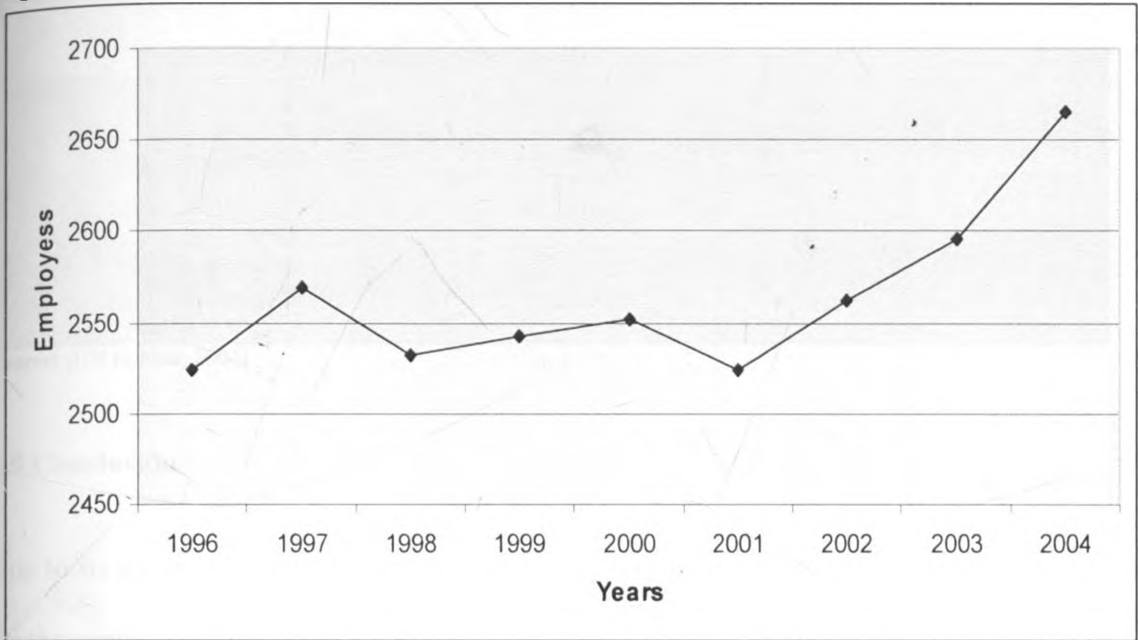
3.8.2 Economic Background

Presence of major industries among them two cement factories; the East Africa Portland and Bamburi cement factories, the Export-Processing Zone, drive the economy of the Mavoko municipality (Kinyanjui *et al*, 2006). The reopening of Kenya Meat Commission in 2006, a factory, which was among the initial force of attraction of people to the town, has also greatly led to attraction of other activities. The municipality also boasts of over 40 other small industrial entities comprising of factories, go-downs and mineral processing plants, steel and galvanized iron sheet rolling mills. Since the early 90's several large flower farms have been established in the outskirts of the town among them Waridi, Stony Athi and Siani roses.

These factories and flower farms are the major source of livelihoods to the population mainly attracting unskilled and semi skilled labor force that forms the largest portion of the population in the municipality. They are also a key source of revenue and

infrastructure development partners to municipal council. Other sectors that offer wage employment in the town include wholesale, retail and restaurants, transport and communication, finance, insurance and real estate and community social and personal services sectors as indicated by figure 3.7 and 3.8 below.

Figure 3.7 Wage Employment Trend (1996-2004)



Source: (Researcher, 2008)

From analysis of the wage employment, it's quite evident that Mavoko has a very high rate of unemployment hence contributing to high poverty levels experienced in the town.

Majority of the population are thus self-employed in the informal sector activities such as jua kali artisans, hawking, vegetable vending, barbers and salon operators surviving on a monthly income between Ksh 3,000 to 5,000.

Plate 3.3 Urban Agriculture along river Athi

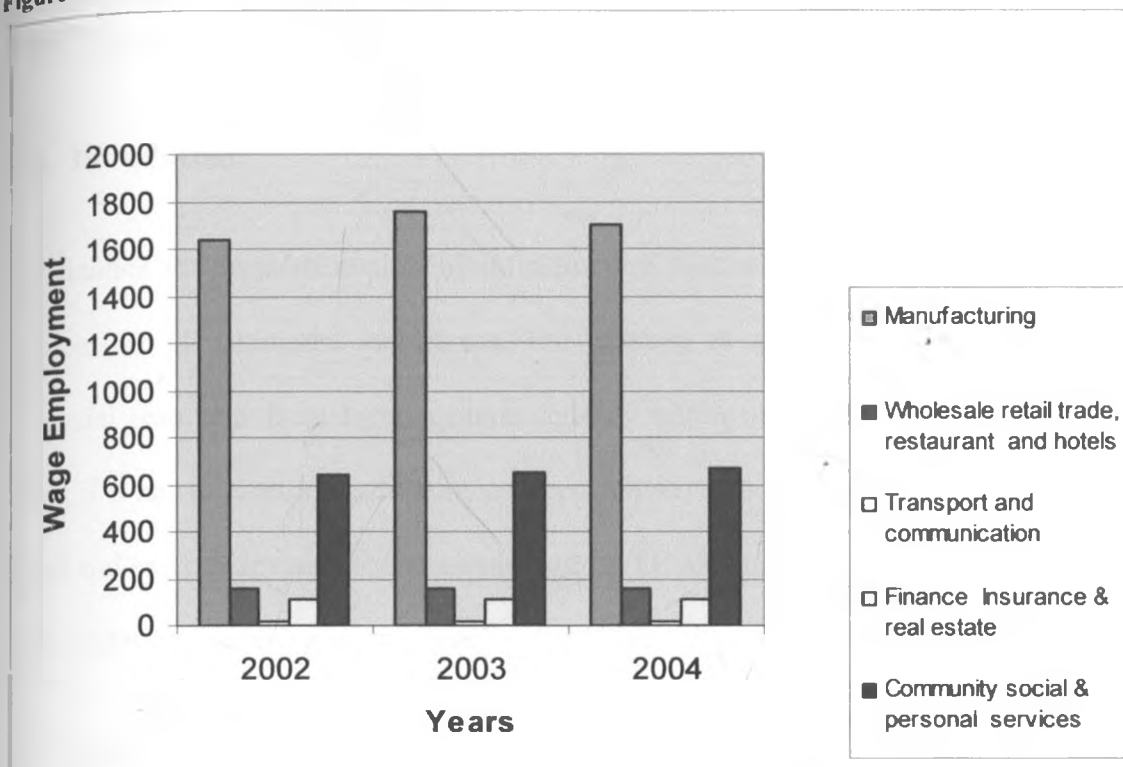


Source: (UN Habitat, 2004)

3.9 Conclusion

Due to its close proximity to Nairobi, Mavoko municipality acts as one dormitory town for the capital city with large number of population working in Nairobi living in Mavoko. Congestion in the city has also seen urban sprawl towards Mavoko. Served with a good rail and road network, the town has seen a very fast industrial growth attracting quite a large population for labour. Given the highest population are wage earners from the factories, urban poverty has been on the rise as evident from the growth of informal settlements and squatter settlements. The human factors combined with unfavorable climatic conditions have greatly strained the municipal authority's capacity to offer infrastructure services. Existence and management of LATF to augment municipal revenue in infrastructure services provision has been faced with mixed reactions with community needs overstressing the municipal capacity, hence leaving a high rate of unmet infrastructure services demand particularly in the low income settlements.

Figure 3.8 Wage employments by Industry



Source: (Researcher, 2008)

Peri urban water fed agricultural activities along river Athi has come in handy to the unemployed population as a source of livelihood to augment incomes from the industrial labour and informal activities as indicated in plate 3.3 below. Income from these informal sectors varies with activities. According to UN Habitat (2006), the informal sector in Mavoko municipality is poorly harnessed and is perceived as a threat rather than an opportunity and resources in fighting the high poverty levels and or establishment of poverty reduction initiatives. This is largely due to lack of services and the over-extended bureaucracy that hampers its development potential.

CHAPTER FOUR

IMPLEMENTATION OF LATF PROJECTS IN MAVOKO MUNICIPALITY

4.0. Introduction

To finance the implementation of infrastructure within the local authorities, revenue sources are of paramount importance. The capacity of any local authority to mobilize financial resources from local revenue sources within its jurisdiction cannot be under rated if it has to meet infrastructure services delivery. This chapter looks at the different local and external revenue sources including LATF within Mavoko municipality and how they impact on the pro poor services delivery within the municipality.

4.1. Local (Internal) Revenue Sources

Local revenues consist of the amount of money each local authority expects to receive or mobilizes from their own sources of revenues. Like other municipalities in the country key sources of revenue in Mavoko includes single business permit, contributions in lieu of rates (CILOR) property rates, market fees and through offering services such as water and license fees.

4.1.1 Single Business Permits

Single Business Permit⁹ was introduced in 1999 as a part of a wider policy of liberalizing the Kenyan economy and encouraging enterprise development. The permit, which has

⁹ According to the Local Government Act Cap 265, a single business permit is "a permit that allows the conduct of a business or trade including a profession or occupation, within an area of a local authority. The fees structures are differentiated by type size.

dramatically simplified local business administration, through simplification of business procedures instead of an array of separate business licenses, continue to be a major source of revenue in majority of local authorities in Kenya. This is according to Kelly (2003) is because businesses have a “culture of paying” hence higher compliance, have ability to pay, are spread almost though out the Local Authorities and their revenue administration is quite simple and can serve as a catalyst for improving all local revenue administration. All local authorities have access to some economic base of businesses.

According to this survey, the average contribution of single business permit to overall in Mavoko during the FY 2001 to 2006 is seemingly very low as a percentage contribution to the municipal budget. Despite the fact that in the FY 2003/2004, for example single business permits collections throughout the country were 109 percent. out performing the projected estimates, its performance in Mavoko was very poor contributing 3.4 per cent of the total revenue as indicated in table 4.1 below. The contribution was noted to be erratic for the six years considered by the study and oscillating between a high of 11 percent during the year 2004/2005 and still going down to 6 percent during the year 2005/2006 the last year considered by the study.

4.1.2 Property Rates

According to this research, property rates (Land and plot rates) were found to be among the highest single source contributing to the revenue of the municipalities. The rates are collected in accordance with the Rating Act and Valuation for Rating Act. For the five years considered by the survey the source of revenue has been increasing incrementally

from KSH. 7.7 millions in the financial year 2001/2002 to KSH 43 million during financial year 2005/2006. Interviews with the municipal finance staff traced the increased contribution since the financial year 1996/1997 giving an example of the financial year 1998/99 where land and plot rates accounted for 21 percent of total revenues collected by the municipality. During the financial year 2003/2004 the rate's contribution to revenue was 24 percent and a whopping 45 per cent in the in the financial year 2004/05. Interviews with the council attributed the sharp increment to two main factors including the revision of the valuation rolls in during the financial year 2001/2002 and at the same time, the rate was reduced from the legal limit of 5 per cent to 2 percent, after the legal limit of 5 percent was seen to be beyond the reach by most property owners hence inhibitive.

Table 4.1 Comparison of property rates to other revenue sources in Mavoko

Financial Year (Total Revenue)	Market Fees (MF)	Single Business Permit (SBP)	Property Rates (PR)
FY 2001-2002 <i>(Ksh.56,389,192)</i>	2,107,261 3.7 percent	5,211,232 9.2 percent	7,792,438 14 percent
FY 2002-2003 <i>(Ksh.67,640,100)</i>	4,213,688 6.2 percent	6,212,950 9.0 percent	13,587,982 20 percent
FY 2003-2004 <i>(Ksh.152,231,435)</i>	4,991,184 3.3 percent	5,242,728 3.4 percent	36,284,774 24 percent
FY 2004-2005 <i>(Ksh.85,021,306)</i>	5,313,879 6.3 percent	9,043,780 11 percent	39,035,426 45 percent
FY 2005-2006 <i>(Ksh.144,638,590)</i>	4,059,924 2.8 percent	8,608,500 6 percent	43,007,855 30 percent

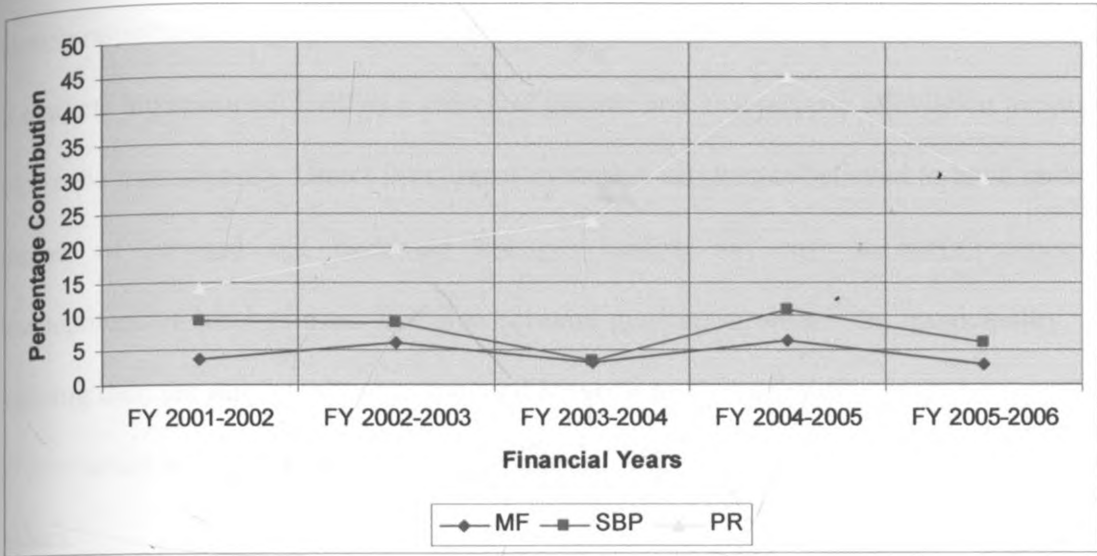
Source: (Researcher, 2008)

The new rate enhancing compliance was achieved after municipal consultations with the Chamber of Commerce; Kenya Association of Manufacturers and individual business people and ratepayers in Mavoko municipality. Enforcement through threats of sanctions and penalties in accordance with the laws and council by laws was also found to contribute to the sharp increment. The study also found out that the vibrant property market within the municipality as the other major contributing factor. According to the survey however, property rates in the municipality has not been fully exploited due to high rates of non compliance particularly by developers. High rates of non compliance /default particularly by the government accounting to an average of 75 per cent of arrears in Mavoko, (over 130 million) and individual ratepayers is notable in the collection of the rates.

Additionally, as is the case in many other local authorities in Kenya, the informal sector housing occupied by the poor are often untaxed, either because such properties are never formalized or added to the tax roll, or because municipal governments simply do not fully recognize such settlements. Mavoko municipality has 25 of such small but informal settlements. According to the survey, revenue generated from these settlements is only from the business activities within the settlements. Whilst the absence of major tax nets may help save the poor from the tax burden, it however not only reduces municipal financial income base from the tax but also reduces their claim on municipal resources. Not surprising, such areas often remain without infrastructure services as was noted during the survey. However, from the LA perspective, plans should be enhanced towards

improving infrastructure services to such areas for this would also be a sure way of increasing tax revenue base within the local authority, while also helping fight poverty.

Figure 4.1 Comparisons of Local Revenue Sources



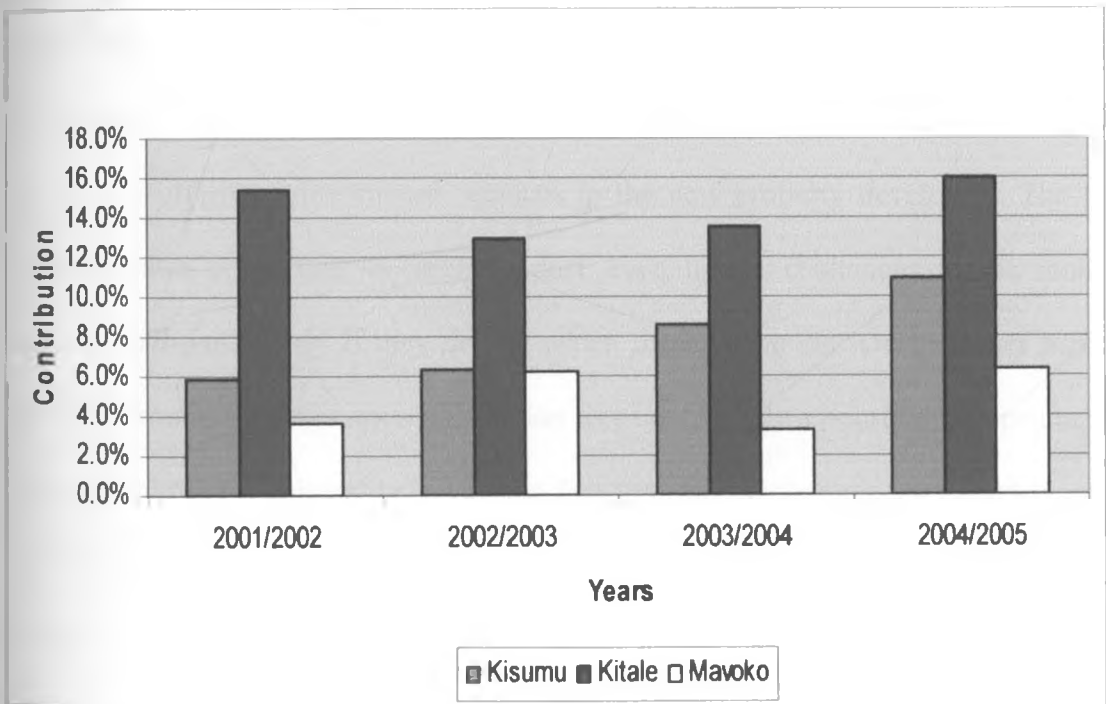
Source: (Researcher, 2008)

4.1.3 Market fees:

These are fees collected from the various markets located with a Local Authority in accordance with the Local Government Act (Cap 265) and other related by laws as approved by the Ministry of Local Government. Market fees as a source of revenue was found to be growing within the municipality though with marginal annual increments. According to this research market fees were found to have increased from KSH 2 million in the year 2001/2002 to KSH 5.3 million in the financial year 2004/2005 before reducing slightly to KSH 4 million in the year 2005/2006. On the other hand, its contribution to the annual municipal revenue was found to be low, erratic and ranging from 3.3 percent to 6.3 percent as indicated in figure 4.1 above. The Mavoko findings becomes even more

evident when one undertakes a comparative analysis of a study undertaken in Kisumu and Kitale where the trend in market fees contribution to the municipal revenues is higher as indicated in figure 4.2 below. If the market revenue is used to estimate the livelihood earning opportunities by the citizen, then it would seem the municipality has not invested in markets improvement both as a source of income and as a poverty alleviation measure within the municipality. Direct investment in market services is believed to have quite a number of forward and backward linkages leading not only to socio economic development of local citizens but also revenue generation within the municipality. In realizing this, the municipality has initiated Mavoko market upgrading project by putting up permanent stalls whose completion is believed will help over five hundred small scale traders.

Figure 4.2: Contribution of Market Fees



Source: (Researcher, 2008)

4.1.4 Other revenue sources

Municipal Authorities in Kenya also have other sources of revenue at their disposal in terms of local fees and charges such as bus park fees, water, cess, game park fees, and garbage collection fees among others. In Mavoko water revenues accounted for 35 per cent of total municipal revenues in 1998/99 and remained the largest source of revenue for the council through to 40 per cent in FY 2001/2002 to FY 2003/2004 until the privatization of the service during FY 2005/2006. Mavoko also enjoys new revenue from building material/ quarry cess.

In Mavoko the local revenue sources were found to be of importance in financing local infrastructure services. It's apparent that the high contribution of some revenue sources such as property rates to the municipal budget is a clear indication of an increased property market and an apparent settling down of a higher population within the municipality. This also implies that the municipality has to be ready to spend even higher budgets in offering infrastructure services to the new property developers. The higher property rates could thus be seen to pose even higher challenges to the municipal management particularly if they do not widen the revenue net. On the other hand low revenues from business permits and market fees could imply a poorly developed business sector within the municipality, given the fact that the municipality has tried to enforce revenue collection by laws. If the low income population in the informal settlements have to play a role in municipal revenue enhancement, investment in infrastructure services supporting the informal sector and market facilities within the municipality is required. Formalization of the informal settlements given the added advantage the municipality has

in the expansive land would not only help in poverty alleviation within the local authority but would help widen the tax net to these settlements.

It's also worth noting that if Mavoko municipality has to enjoy increased revenue from single business permits among other sources, efforts in attracting corporate investments through increasing marketing of the municipality are needed. This may not only bring municipal revenues but also labour opportunities to low income communities living in poverty. However in so doing, prior analysis should be undertaken to avoid investment promotion results that might bring repression of the informal sector (Grant 2004) within the municipality. Infrastructure implications of the investments should also not be ignored.

4.2 External Sources

4.2.1 Contributions in Lieu of Rates (CILOR)

Contributions in Lieu of rates are the tax levied on government property falling within the jurisdiction of the local authority. Though it's meant to be a key source of revenue for local authorities in Kenya, the CILOR continue to be a major obstacle in improving the financial management, budgeting and infrastructure delivery in most local authorities due to non-compliance by the government. According to the survey the central government owe Local Authorities over 400 million annually to meet their legal tax obligation. This forces most local authorities to adjust their budgets/ expenditures leading further to local debts and non-delivery of services. Mavoko is no exceptional.

4.2.2 Local Authority Transfer Funds

Like all the other local authorities Mavoko municipality is a beneficiary of the Local Authority Transfer Fund (LATF) from the central government. The supplementary funds to the local authority budgets are meant to enable the municipality provide services and facilities as required of them under the Local Government Act. The LATF allocation to Mavoko towards to help deliver services within the municipality has been increasing with the central government increase in LATF allocation to local authorities. This is evident from table 4.2 below which indicates that LATF allocation increased from 6.7 million during the financial year 2001-2002 to 12.2 million during the FY 2005-2006. a 50 percent increase in six years. This has seen allocation to services delivery increase from 3.2 million during financial year 2001-2002 to 8 Million during financial year 2005-2006.

Table 4.2: LATF allocation

Financial Year	LATF Allocation	Percentage to Municipal Budget	Service Delivery Allocation
FY 2001-2002	6,729,955	12 per cent	3,261,747
FY 2002-2003	6,700,000	10 per cent	3,261,747
FY 2003-2004	10,175,076	7 per cent	6,105,046
FY 2004-2005	9,091,014	11 per cent	6,493,538
FY 2005-2006	12,205,391	8.5 per cent	8,047,510

Source: (Researcher, 2008)

Notable from the research however is the fact that the LATF contribution to municipal budget has reduced to 8.5 percent in financial year 2005 -2006 from 12 percent during the financial year 2001-2002. This clearly indicates that the municipality is incrementally expanding the revenue resources base and hence the resources allocated to services

delivery by the municipality should equally be higher and with higher impacts at the community level. If the trend is maintained, noticeable changes in the infrastructure delivery would be achieved. At the moment, however service delivery has not yet improved to noticeable levels particularly within the low income neighborhoods

4.3 Municipal Expenditures

Mavoko municipality has several budget lines with the main expenditures revolving around council routine operations, personnel and capital expenditure costs. This survey established that since the financial year 2003/04 and financial year 2004/05, two budget lines including the council routine operations and capital expenditures seems to be significantly increasing. This gives an indication of the municipality recognizing the rising need of infrastructure services as a result of the swelling population which is coming with increased services demands. The finding also concurs with the earlier finding on services delivery allocation from within the LATF kitty which has grown from 3,261,747 in the year 2001/2002 to 8,047,510 in the year 2005/2006 representing a 246 percent increment for the six years. This gives a ray of hope on services delivery to the citizens. The increment in budgets allocation on the routine operations for the municipality was however questionable given the fact that maintenance of the existing infrastructure facilities was found to be among the least prioritized municipal expenditures. This finding indicates the need for having other stakeholders such as the community involved in planning and implementation of the infrastructure service so as to foster ownership and sustainability of such projects particularly when the council lacks enough money to spend on maintenance of infrastructure services.

CHAPTER FIVE

COMMUNITY INVOLVEMENT IN LATF AND LOCAL AUTHORITY SERVICES DELIVERY ACTION PLANS

5.0 Introduction

As noted earlier in this study, the potential pro-poor benefits of decentralization are unlikely to be reaped unless the system of local government finance is systematically tied to a sound system of community participation and citizen involvement in local planning and budgeting. However, the quality of participation varies with the development of local experience with social decision making where by those with considerable experience with local decision making being able to articulate their demands clearly and forcefully to local governments after decentralization. In other cases, local people do not clearly understand the choices they have or the basic rights and responsibilities of citizenship. This chapter analyses community participation in the LATF and LASDAP process within Mavoko municipality.

5.1 Community Perceptions on LATF

A clear understanding of LATF, the process that should be used its apportionment (LASDAP) and its intended development purpose forms the hallmark its successful implementation within all the local authorities. Participation in such consultative processes however largely hinges on the information dissemination and the channels used by the municipalities, to reach the intended stakeholders. On the other hand, such

participatory planning and budgeting processes should be seen as a precursor for an enhanced communication and information sharing between local authorities and local citizens.

In Mavoko, LATF was found to be perceived differently by the community members and stakeholder who are aware of its existence. To a large extent, their perceptions are somewhat in line with the LATF/LASDAP objectives. This survey established that 21 per cent clearly understand the source of the development funds and clearly points out the devolvement aspect from central government to local authorities. Additionally a cumulative majority 71 per cent points out that the funds are meant for development projects within the community.

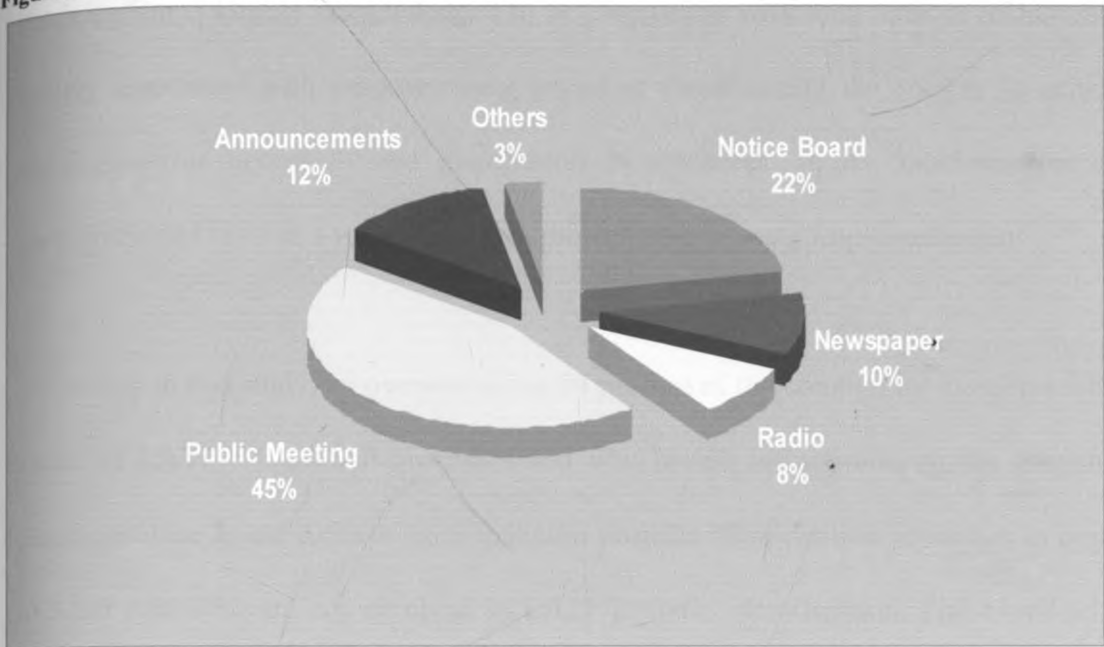
However, lack of a clear understanding among majority community members on their role in planning and management of the funds seem quite evident with paltry 15 per cent proving their LATF knowledge by highlighting on the consultative process which should be used in planning, apportioning and implementing action plans, type of projects that should be considered and the intended relationship development between local authorities and local residents. This clearly implies that despite being aware of the existence of LATF funds, most of the community members are not aware that the funds offers them an opportunity to engage with the municipal council and have their development priorities addressed. The lack of awareness on the LATF could be among the key factors that jeopardizes community participation in the LATF processes.

5.2 Information Dissemination Channels

Within LATF/LASDAP context, various information dissemination channels to stakeholders were evident with 45 per cent of those interviewed accessing the information through public meetings / barazas announcements, 22 per cent through public notice boards while 12 per cent through announcements in churches and schools requesting public participation in the consultative processes. This clearly shows that social events, places and meetings offers the best opportunities for the municipality to pass information on expected development process within the local authority. Mainstream media such as newspaper and radio announcements were lowly rated as sources with paltry 10 per cent and 8 per cent of the population using the channels respectively as depicted in figure 5.1 below. These findings clearly show the need to localize not only information but also development priorities if the local communities are to take advantage and participate in them.

Despite the avenues, a large population as evident from the research still remain excluded from the process as a result of not being aware of the LATF process and what is expected of them. What was clearly evident was that information dissemination for processes such as LATF and LASAP where community action is required, need to be supplemented through civil society and social networks where a large population of the low income communities can discuss, understand and prepare to participate. Such networks have key features of social organisation which are important in improving the efficiency of information access and also in facilitating coordinated actions (Mitlin, 1999) towards successful LATF implementation.

Figure 5.1: Sources of Information about LATF



Source: (Resarcher 2008)

Effective communication is regarded as an important prerequisite for collective action. Fostering the various forms of communication with and between the different stakeholders in the LATF planning process will increase the likelihood of cooperation and reduce conflict, differences and diversity, whether through long term policies in terms of both infrastructure and social policies, or through short term projects and programmes. Creating effective communication with communities and within the planning sessions can create a suitable environment for people to express their demands, needs and interests which constitute the main purpose of many participatory community based actions (Madrid, 2002).

5.3 Participation in Projects Identification and Implementation

Participation is largely acknowledged to be compatible with long term development. It's largely associated with empowerment aimed at transforming the society to achieve a more equitable access to and distribution of resources. In its transformation form, participation is used as a tool in efficient project planning and implementation.

According to this study, an overwhelming 94 percent of the community members who are aware of LATF / LASDAP processes and who access information on the consultative processes were found to have participated in projects identification processes as opposed to 5 per cent who are not involved in LATF projects identification. The overwhelming participation in projects priority setting could largely be attributed to the fact that the group has access to information on the funds from the existing municipal communication channels. Participation in priority setting is thus seen to be largely influenced by access to information of ones requirements for participation. This then would imply that if more effort is spent in streamlining communication channels for LATF, to include more of the localised community channels, a higher rate of community participation LATF priorities setting and consequently implementation would be greatly enhanced.

The survey however established that, access to LATF information, participation in projects identification and prioritisation at the municipal level by the urban poor does not necessarily translate into actual participation in implementation. This is evident from the fact that majority (52 per cent) of those that are aware of LATF and have been involved in the priority setting processes have never been involved when it comes to the actual

implementation of the priorities identified at the planning phase as opposed to only 46 per cent who claimed to have taken part in different implementation components.

Notable also is the fact that the level of participation by the forty six percent (46 per cent) is however quite minimal. According to the survey, it's only a very small number that has ever taken part in actual council decisions defining the implementation process including 2 per cent taking part in the tendering and 3 per cent in procurement processes respectively.

Box 5.1: Factors considered in projects identification and implementation

According to the survey a number of factors are considered by both the community and municipal authority in identification of projects to be implemented using LATF. However, according to the majority, (85percent) of the community members, the identification is guided by a combination of more than one factor with the key among them being the community felt needs, physical environmental pollution and degradation, economic benefits to be accrued by the community from the project and above all the resources available. The factor were further analysed as follows:

1. Community felt needs. The felt needs according to the community includes
 - The actual lack of infrastructure facilities and services e.g. lack of water, health facilities, street lights etc.
 - Poor state of the existing infrastructural facilities as expressed by inadequate toilets, sewerage blockages an impassable roads
 - Distance covered in accessing services e.g. distance to schools, health facilities, water and market.
 - Need for upgrading of the existing infrastructure services e.g. Inaccessibility of certain areas due to bad roads.
2. Perceived poverty levels and population characteristics
Population living in low income settlements were perceived to be infrastructure poverty stricken and were as a result accorded a higher priority in projects implementation than their counterparts in middle and higher income neighbourhoods. Additionally population characteristics including the numbers to benefit from the facility versus the costs involved was perceived to be a key factor by the respondents.
3. Resource availability
The amount and availability of different resources needed to implement different projects are also a key consideration including the estimated project costs and the availability of land for construction related projects such as health centres.
4. The economic benefit
The perceived economic benefits of implementing a project such as facilitating accessibility to neighbourhood markets were considered important factors in identification and implementation.
5. Environmental consideration: The dilapidated physical conditions and infrastructure facilities within the community milieu highly shapes the community perceptions in the kind of projects they identify for implementation. These include eyesore situations such as heaps of uncollected garbage, sewer overflows and air pollution from dust.
6. Willingness among the communities to participate in the implementation / construction processes of the infrastructure facilities.

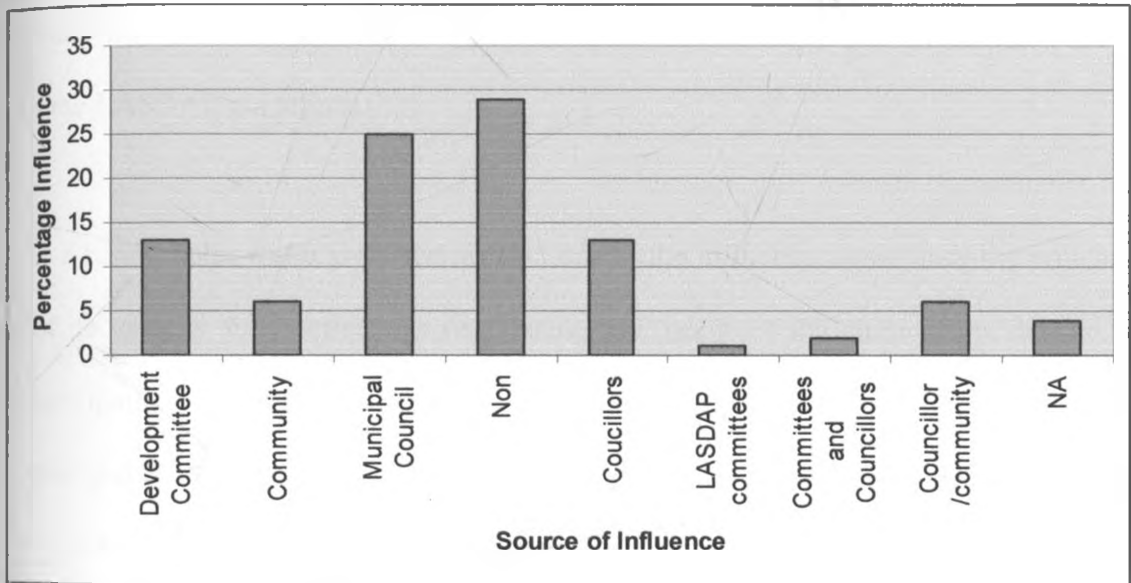
The two processes forms part of transparent decision making process in pro poor municipal infrastructure development. On the other hand however, a large group of the 46 per cent, have participated either in the provision of manual labour (20 per cent) such as masonry, digging of trenches or in identification of strategic places (5 per cent) within their neighbourhoods where key infrastructure services would be implemented. It was also evident that lack of clear outputs and feedbacks from the municipality on the implementation of previous year's projects has greatly affected the community participation in the LASDAP projects identification and implementation processes in the municipality. Community felt needs, perceived poverty levels and economic benefits of projects as outlined in Box 5.1 above are among the key factors considered by both the low income community members and municipal council in identifying and implementing LATF funded projects. Notable however was the fact that the resources allocated for these pro poor projects are hardly enough to implement the prioritised projects.

Key notable feature under participation in project identification is that in most cases the process does not elicit full community participation for most of those attending are elected leaders to represent their communities and or groups. However, question of the extent leaders can truly represent their constituents (Gitau and Amaya, 2006) is quite an intricate balance with some leaders representing their opinions where as most of the members who may not be in any community based groups may be excluded from the process.

5.4 Influence in Projects Identification and Implementation:

LATF projects identification, prioritisation and implementation processes have not been free from influence. This study found out that there is intense lobbying from local politicians, community leaders, bureaucrats from the LA and even from the intended beneficiaries within the community.

Figure 5.2: Source of influence in LATF Implementation



Source: (Researcher, 2008)

From the survey, 25 per cent and 13 per cent of the respondents respectively felt that the municipal council bureaucrats and civic leaders wield the highest influence when it comes to the type of projects to be prioritised and implemented within the municipality. According to the respondents the development committees which is elected to champion community interests wield about 13 per cent of the while the community are least able to influence to processes to their favour at paltry 6 per cent. Additionally, other than their

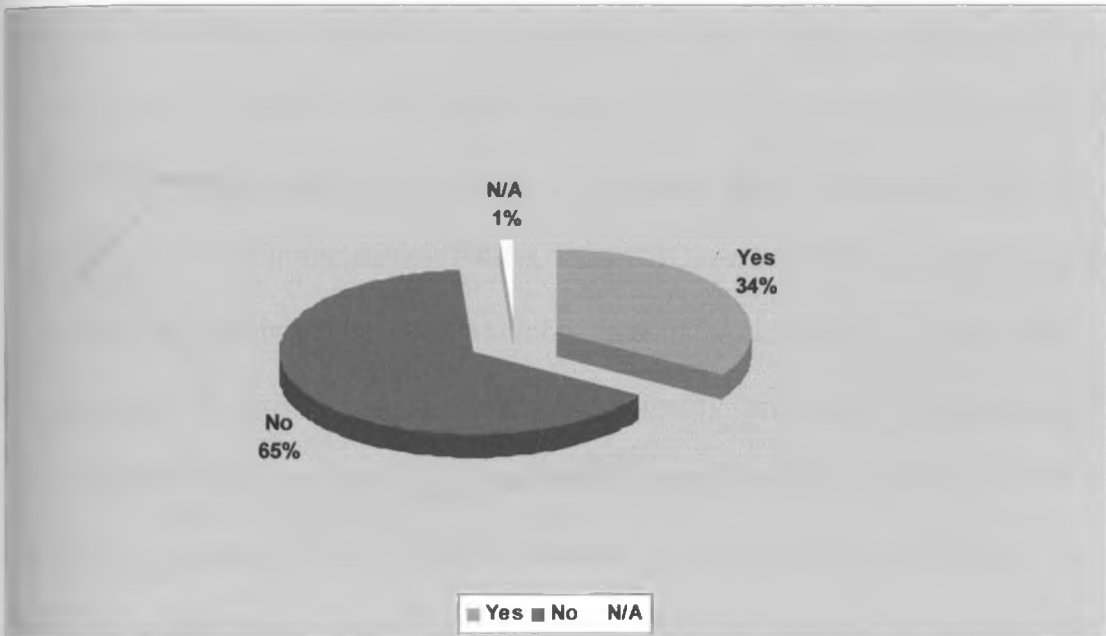
direct influence, 8 per cent also felt that civic leaders also try to influence the process indirectly through community and LASDAP committee members who have been selected into the committees but who owe their loyalty to them. The much influence wielded by the civic leaders was found to be largely related to their efforts to prove accountability to their ward electorate and also to fulfil their individual interests. Case examples were given to tendering processes which are largely won by contractors where some civic leaders have interests. On the other hand however, it's only 29 per cent of the respondents who felt that the projects identification and implementation is not influenced in any way and follows the normal prioritisation and implementation process as stipulated in the LASDAP guidelines.

As a result, there was a great feeling that due to the influence, sometimes the projects do not necessarily fully reflect the real desires and needs of the community, despite their participation. An analysis of this gives a clear evidence that despite the participation of other stakeholders in the prioritisation process, key decisions on how and which projects are to be implemented is still to a large extent with the municipal council and the local civic leaders leaving most of the pro poor projects identified by the local stakeholders as wish lists as the municipal bureaucrats and civic leaders implement infrastructure projects which they feel the municipality needs. This could also be seen as an indicator of the deplorable living conditions by the urban poor due to lack of a strong voice which can influence decisions to their favour at the local authority level.

5.5 Municipal Feedback Mechanisms

Communicating the outcome of LASDAP consultation processes is an important step for an effective participatory planning and budgeting exercise and implementation process. Despite key efforts in informing stakeholders about LATF, involving them in municipal planning and prioritisation processes of key projects, Mavoko municipality was found to be lacking clear feedback mechanisms to the stakeholders.

Figure 5.3: Municipal Feedback on LATF



Source: (Researcher 2008)

Of the 100 percent involved in the identification, 65 per cent claimed to have never received any form of feedback on whether projects identified have been considered for LATF allocations or whether what has been considered has been implemented. Despite being identified as a failure of the ward committees who are charged with the

responsibility of informing other residents, the municipality was found to lack clear feedback mechanisms to the community. This is apparent from the 34 per cent, who have received any feedback, because some also claim to get it from very informal and unreliable sources such as from contractors awarded tenders to implement the infrastructure projects.

5.6 Partnerships in LATF Projects Implementation

Mavoko municipality has tried to engage different partners in LATF implementation process with the civil society, community and local companies leading in pro poor infrastructure projects. However, this happened at a very small scale with only 38 per cent of community members claiming to be aware such local partnerships for local actions. According to the survey, NGOs, local CBOs and the private sector forms part of the partners collaborating with Mavoko council. According to 8 per cent of the respondent, the private sector in the municipality are keen in supporting LATF development initiatives with ideas and through supplementing funding for the capital infrastructure projects. Key examples include Harvest Company, Bamburi Company, Devki and Athi River mining. In FY 2004 – 2005 for example, opening up of access roads leading to some low income areas like Silota, water extension to poor neighborhoods, re- tarmacking of some roads in the municipality was done in partnership with the private sector such as Bamburi Cement and Athi River Mining Company who contributed about 25 per cent of the cost.

To the 38 percent who are aware of partnerships at the local level, the partnerships involves NGOs and CBOs at the neighborhood level for development of infrastructure services such as public toilets rehabilitation, waste management and general environmental sanitation. Community contracting in the implementation of such projects has ensured that communities not only benefit from the services but also in pro poor income distribution from the LATF monies. Examples are water reticulation to Silota and KMC low-income neighborhoods within KMC ward where Silota Development group was contracted to offer the services in the FY2005 - 2006¹⁰. The low-income communities provided labour through contracting processes. Government departments such as the CDF office in the area have supplemented municipal councils LATF efforts. With Mavoko being an industrial town, partnerships with other actors particularly the private sector that have a great potential to supplement service delivery in the municipality need to be explored if most of the poverty challenges are to be solved.

Involvement of other partners from the civil society as evident in countries such as South Africa (Peoples Dialogue), India (SPARC) and Mexico (FOSOVI) has not only improved participatory planning and infrastructure development at the neighborhood level but has also improved urban governance in these countries (Mitlin 1999). Similar approaches need to be developed in LATF implementation for it's also through such relationships in local level projects implementation that "claims making" and advocacy roles can turned into infrastructure development supportive roles. Its only through such partnerships that the LA can harness diverse expertise and experiences which can add not only value and

¹⁰ The community contracting process went through the normal tendering process within the municipality. Its also one of the requirements by the ministry in implementation of the infrastructure services funded through the LATF

synergies (Hamdi and Majale, 2004) in LATF implementation but would also create strong synergies towards achieving the Millennium Development Goals at the local level which offer a comprehensive agenda for reducing the causes and manifestations of poverty by the year 2015.

5.7 Impacts of Citizen Involvement in LATF

A slight majority (57 per cent) of citizens involved in LATF projects feel that the process has not positively influenced the community working relationship with the municipality. Some term the process as cosmetic and only aimed at fulfilling the Ministry of Local Government requirements but not a deliberate move to improve participatory governance of the municipality. owing to the political interference of the process and not withstanding the community priorities are overlooked in the implementation process and where picked on, very little amounts are allocated. 40 per cent however view the process differently and perceive a positive impact just by the fact that accessibility of the municipal council offices for services and attempts to consult them is a departure from exclusive decision making and feel the process is gradually taking roots and is gradually facilitating improvement in services delivery. They feel a positive impact is being realized through:

i. Information flow

Perceive an improved information flow from the council to the stakeholders creating awareness on the funds and their allocation. They also feel empowered for can participate

and air their views on local development issues albeit from their neighbourhoods. This brings a feeling of inclusion.

ii. Recognition

Invitations to participate in LATF and subcontracting of organised groups like Silota development groups, from Silota neighbourhood to deliver services such as water and sanitation through LATF projects has been viewed as a positive measure of recognising and involving them in the municipal development activities. Labour provision and subcontracting exercises by such groups in the project implementation, though seasonal has been viewed paltry by a few as income generation opportunity to the groups

iii. Mutual understanding / accessibility

Though a great majority are yet to appreciate the council, there is an improved mutual understanding between the council and citizens who now claim to understand some of the council development processes, functions and internal bureaucratic arrangements in services delivery. This has helped them to know where to seek redress and or channel services delivery related queries. They can now confidently access the local authority and seek audience with their leaders. Involving the community in the project identification and budgeting process was thus echoed by the group as positive commitment in embracing participatory planning and sustainable services delivery. "We have helped the

council to come up with practical services to the grassroots regardless of how minimal the services could be"; a survey respondent argued.

5.8 Conclusion

Despite having been operational in Mavoko municipality for the past eight years, there still seem to be lack of a clear understanding among the major stakeholders in the process (community) on their key role particularly in planning and management of LATF.

This is further complicated by lack of clear information dissemination channels and mechanisms from the LAs which informs only a section of the municipality. However there is an overwhelming participation in priority setting by those that access the information with community felt needs, perceived poverty levels and economic benefits of projects as among the key factors considered in the prioritisation process.

Despite the participation however, key decisions on which, how and when the projects are to be implemented is still to a large extent influenced by LAs and civic leaders sometimes leaving most of the pro poor projects identified by the local stakeholders as just wish lists. As a result, despite opening up the council and involving the community in planning through LASDAPs, a slight majority feels this has not fully positively transformed the council's image in service delivery: hence need to involve the stakeholders more particularly in implementation.

CHAPTER SIX

LATF AND THE IMPLEMENTATION OF PRO POOR INFRASTRUCTURE SERVICES

6.0 Introduction

Like many other local authorities in Kenya, communities living in Mavoko municipality are faced with lack of enough infrastructure facilities that would guarantee them a sustainable livelihood. Part of the challenge stems from the community not being able to identify their needs effectively while in other cases is due to lack of financial and technical capacity by the local authority to implement their the infrastructure priorities. In other cases however, differing priorities between the communities and the municipality could contribute for the municipality implementing what the community feel is not quite suitable in addressing their challenges hence leading to deprivation. This chapter tries to analyse this relation and how LATF has been used to implement the pro poor infrastructure services in Mavoko.

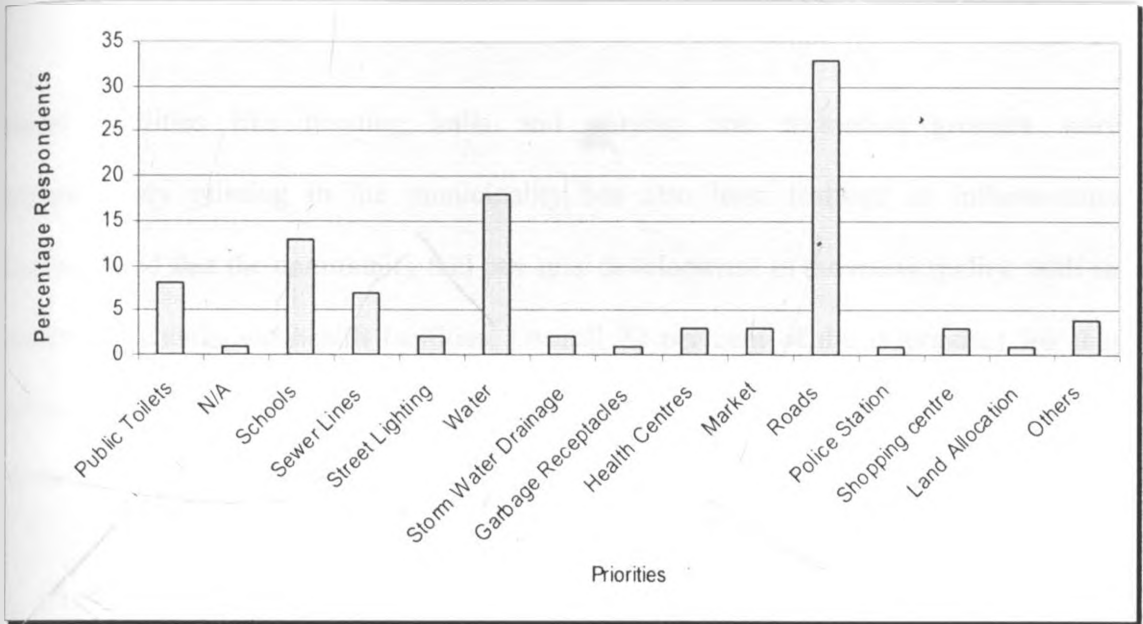
6.1 Community Felt Infrastructure Needs:

To assess the extent to which the community infrastructure needs are addressed by LATF, the survey first set out to identify infrastructure services which different neighbourhoods felt were a priority and hence should be considered for funds allocation.

According to the survey, roads / accessibility, water, schools, and sanitation facilities were ranked among the highest priority infrastructure services in most the

neighbourhoods, with accessibility scoring 33 per cent, water 18 per cent, schools at 13 per cent, public toilets and sewer at 8 per cent and 7 per cent respectively, as indicated in figure 6.1 below. The resident felt, addressing the needs would unlock key opportunities towards solving poverty needs within the municipality.

Figure 6.1: Infrastructure Priorities



Source: (Researcher, 2008)

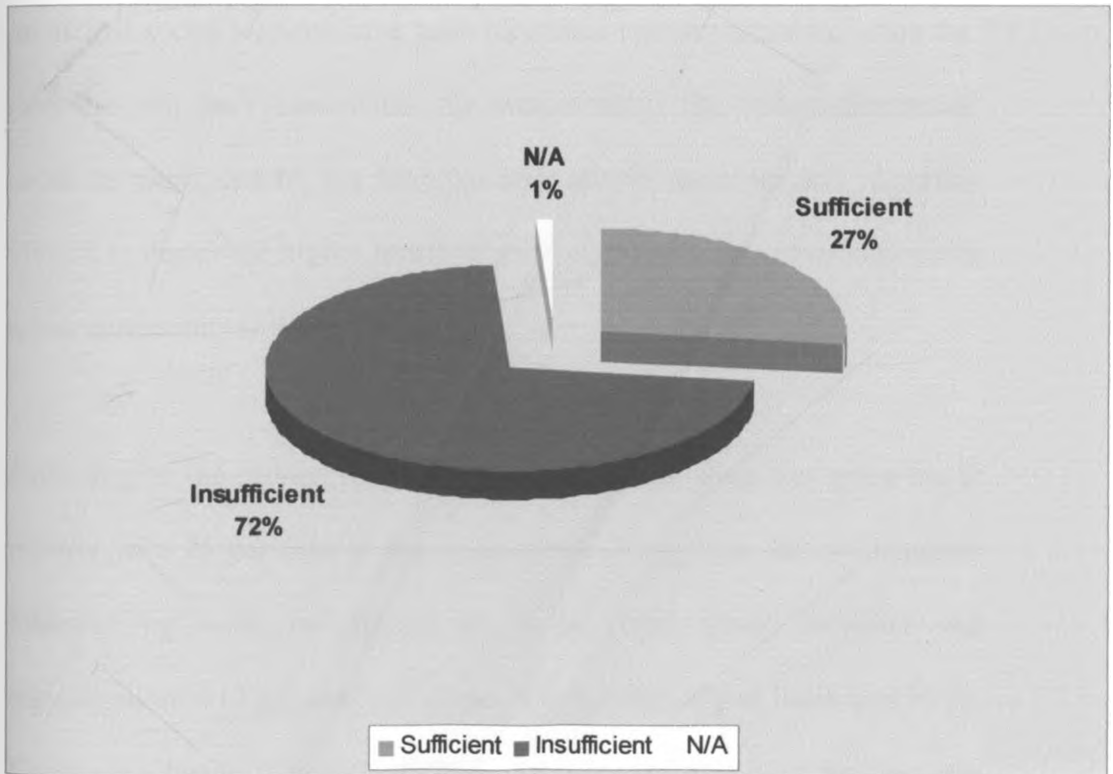
Accessibility of most settlements during rainy seasons and in instances of an emergency was for example highlighted as a key challenge affecting small and micro business activities and easier mobility within the settlements. Access roads were also viewed also as facilitative to other infrastructure services. Access to water, sanitation and waste management systems were also highlighted as key needs in all wards within Mavoko.

High incidences of diarrhoea and water borne diseases and flooding of homes during rainy seasons were reported by respondents to be time and income consumers in the settlements, increasing poverty levels.

Lack of well planned markets (3 per cent), shopping centres (3 per cent) and well lit settlements (2 per cent) were also highlighted as contributing poor performance of local and small income generating opportunities to the community, and hence overall local economic development.

Social facilities like meeting halls and playing and recreation grounds were conspicuously missing in the municipality but also least featured as infrastructure services need that the community feel can spur development in the municipality, with an exception schools and health facilities. Overall 72 per cent of the respondent felt that infrastructure services in their wards are insufficient as indicated in figure 6.2 below.

Figure 6.2: Level of Satisfaction



Source: (Researcher, 2008)

Despite efforts to implement infrastructure services, the high level of insufficiency indicates a legitimate concern among the low income which could be attributed lack of enough funds to fully implement the community priorities. This indicates that although the community participates in the municipal council planning affairs, services delivery has marginally improved with either bulk of the funds being used for other purposes such as council routine and personnel activities as opposed to services delivery.

6.2 LATF Funding of Infrastructure and Poverty Needs

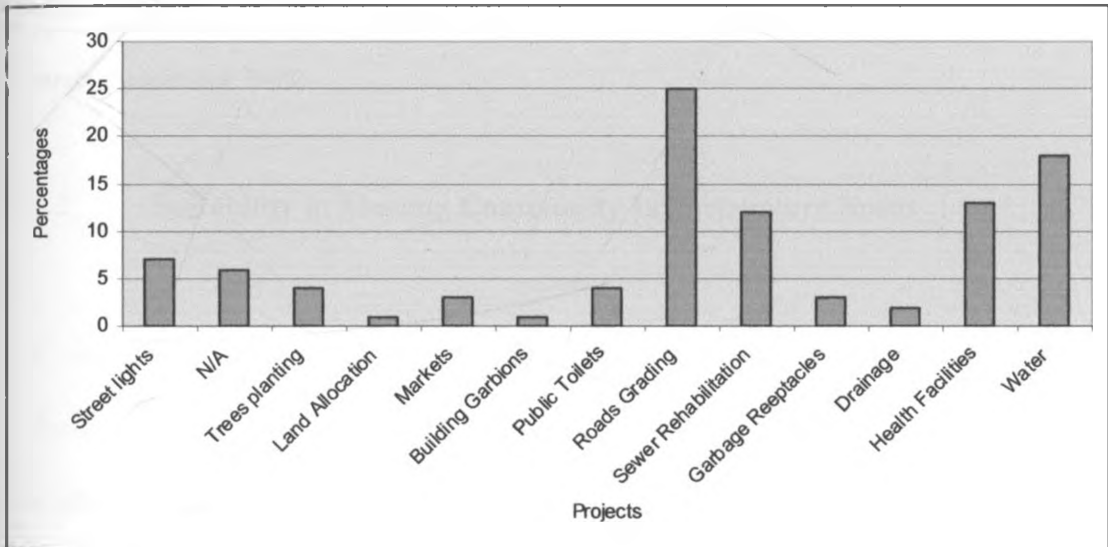
6.2.1 Priority Infrastructure Projects

A wide spectrum of infrastructure projects cutting across major capital intensive infrastructure projects such as roads, drainage systems and sewer lines to improvement of municipal social services have been identified and implemented using the LATF money over the past few years within the municipality. The wide spectrum of infrastructure needs as expressed by the Mavoko residents in their projects identification could be viewed to depict the higher levels of socio, economic and environmental deprivation the urban community is living in.

According to the survey, roads grading and rehabilitation was given the highest funding priority with 25 per cent of the respondents listing it as the most implemented project followed by water reticulation at 18 per cent, health facilities and sewer lines rehabilitation at 13 per cent and 12 per cent respectively as illustrated in figure 6.3 below. During the financial year 2005/2006 for example four road grading projects and four water projects were implemented in the municipality including, Kyumbi lorry park,

Muthwani road grading and murraming, makadara road and KMC/ Sofia roads rehabilitation; dam de-silting to enhance tapping of rain water and rehabilitation of water boreholes was also done as indicated in table 6.1 below. On the other hand street light (7 percent), public toilets (4 percent), market (3 percent) and storm drainage (2 percent) are among the infrastructure facilities that receive the lowest priority. To an extent this shows that despite the influence from both the civic leaders and the bureaucrats' implementation of LATF projects follow almost the community felt infrastructure needs. It's however worth noting that level of implementation is quite low particularly when compared with the needs.

Figure 6.3 Projects Implemented



Source (Researcher, 2008)

Key examples of the projects implemented in the wards that are outside the town such as Katani, Mathatani and Muthwani have to do with improving accessibility and water supply to both residents and livestock, see table below. This has mainly been through

roads grading and improvement of water supply through rehabilitation of bore holes, scooping and de-silting of earth dams for storage of larger volumes of water during the rainy seasons.

Table 6.1: Infrastructure projects implemented FY 2006/2007

Name of Project and Location	Year Submitted	Total Budget Allocated	(per cent) Completion
Kyumbi Lorry Park Murraming and Grading	2005/2006	500,000.00	100
Dam De silting (Kwa Stephano)	2005/2006	1,200,000.00	100
Road Grading and Murraming Muthwani	2005/2006	1,000,000.00	100
Dam De silting (Waikawa)	2005/2006	1,000,000.00	100
Borehole Rehabilitation	2005/2006	1,000,000.00	75
Tapping of Spring Water (Kivae)	2005/2006	350,114.00	35
Road Grading & Murraming (Makadara)	2005/2006	4,000,000.00	100
Rehabilitation of Makadara market	2005/2006	1,500,000.00	35
Rehabilitation of Social Hall (Makadara)	2005/2006	1,500,000.00	35
Storm Water Drainage	2005/2006	2,000,000.00	85
Street Lighting (Old Town)	2005/2006	1,000,000.00	0
Construction of Public Toilet (Old Town)	2005/2006	2,000,000.00	45
Road Grading & Murraming (KMC/Sofia)	2005/2006	2,000,000.00	85
Sewer line KMC/Slota Market	2005/2006	2,000,000.00	85
Public Toilet Construction (KMC/Slota)	2005/2006	700,000.00	0

Source: (Researcher, 2008)

6.2.2 Suitability in Meeting Community Infrastructure Needs

On analysis of the suitability of the implemented projects in meeting community infrastructure needs, respondents gave varied perspectives. 37 per cent felt LATF spending on the projects is justified and represent key needs of the community while 36 per cent felt that the council can do better / should improve in the harmonisation of people's infrastructure needs and the LATF spending. 30 per cent of the respondents admitted most of the projects implemented serve an average of 5000 community members, hence justified municipal spending towards infrastructure access.

Plate 6.1: Roads paving outside within Mavoko municipal offices



Source: (Researcher, 2008)

Plate 6.2: Roads grading within the informal settlements



Source: (Researcher, 2008)

Plate 6.3: Improvement of market stalls



Source: (Researcher, 2008)

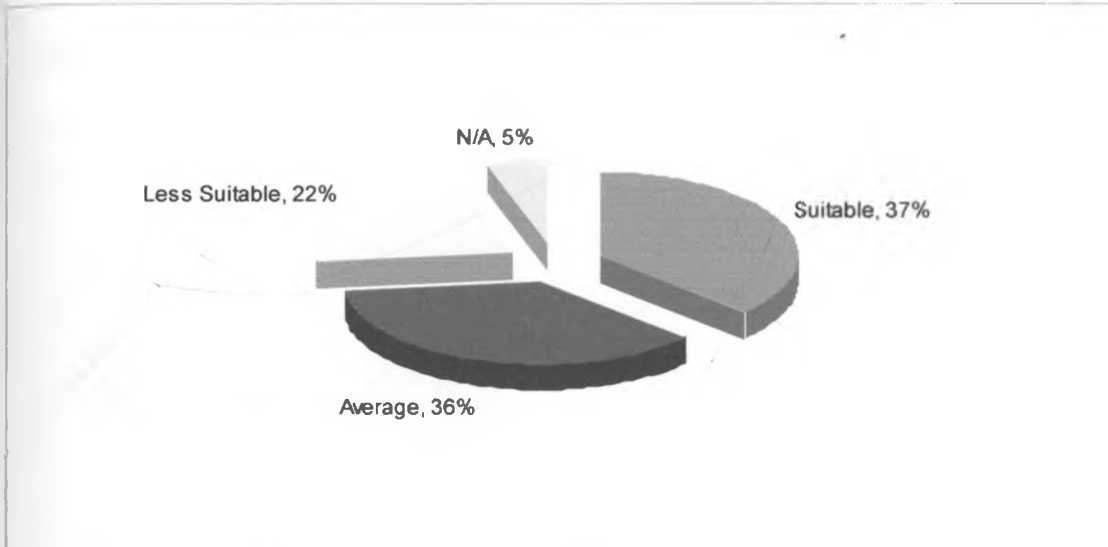
Plate 6.4: Solid Waste collection bins within low income settlements



Source: (Researcher, 2008)

On the other hand however, 22 per cent of the respondent felt that the prioritisation and consequent implementation is not suitably considered in meeting the infrastructure needs of the people but is mostly based on the council officers and civic leaders' interests and development plans which sometimes are not guided by the people's needs. This was based on the fact that sometimes implementation of the projects is highly influenced, as indicated in figure 6.4 below.

Figure 6.4: Suitability in meeting community needs



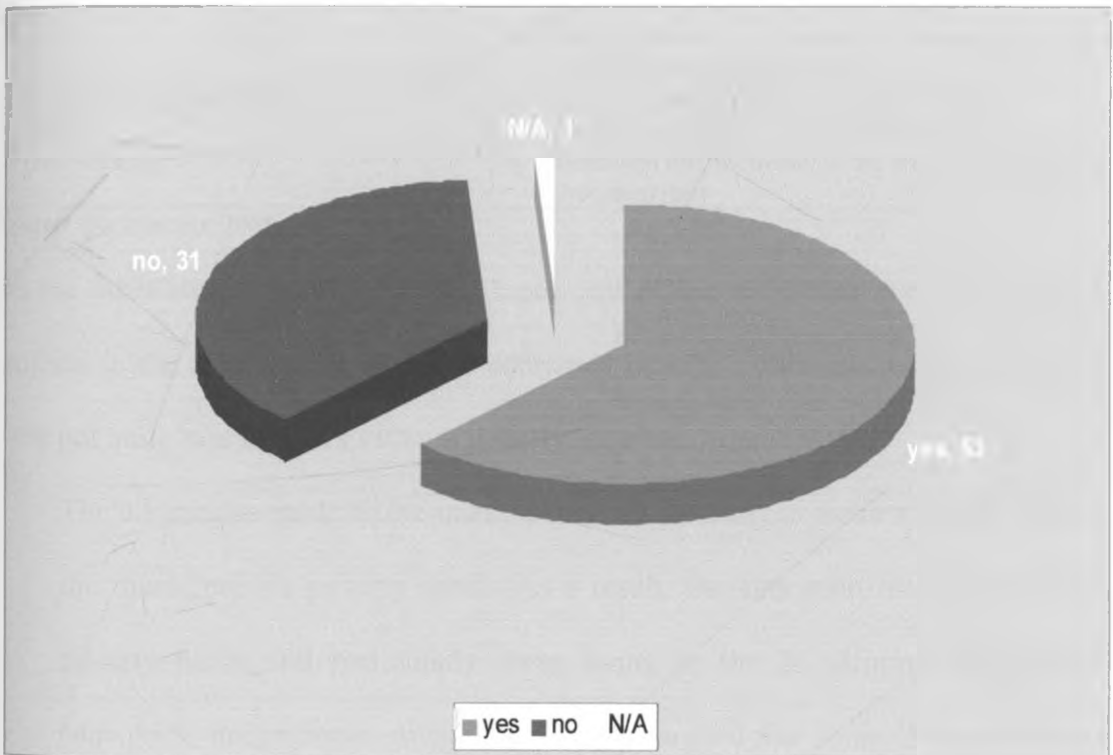
Source: (Researcher, 2008)

6.2.3 Suitability in Addressing Community Poverty:

One of the key emerging issues from the survey was that despite some of the infrastructure projects being suitable to meet community needs, they did not necessarily address poverty needs in the neighbourhoods. Despite a slight majority (53 per cent) of the respondents who are aware LATF and involved in the planning process, expressing the feelings that the projects are addressing the key poverty needs of their community, 31 percent disagreed while 15 percent were not even sure of the projects contribution to

poverty reduction. According to the 53 percent, LATF supported infrastructure projects have addressed key sectoral issues such as reducing distance and time in access to water, has facilitated grading of roads leading to neighbourhoods and local business accessibility by the community and suppliers respectively, sewer lines reticulation and sanitation blocks development have also improved the health and hygiene within the communities. According to this group, the results and impacts of the sectoral projects, though not easy to quantify have had a direct implication on poverty reduction within the neighbourhoods and municipality in general.

Figure 6.5: LATF projects and Poverty Needs



Source: (Researcher 2008)

Table 6.2: Perceived importance of the Projects in poverty alleviation

Infrastructure service project	Perceived Contribution by the Community
Water reticulation, Earth dams de-silting and bore holes rehabilitation	<ul style="list-style-type: none"> ▪ Improved access to safe domestic and drinking water ▪ Reduced costs of access to water ▪ Reduced time spent and distance travelled for water hence increased time for productive activities ▪ Reduced water borne disease incidences
Public toilets and sewer lines	<ul style="list-style-type: none"> ▪ Reduced flying toilets incidences in informal settlements ▪ Improved groups income from management of toilet facilities ▪ Improved disposal of grey water and reduced stench from the settlements.
Roads grading and rehabilitation	<ul style="list-style-type: none"> ▪ Opening up of the informal settlements for motorised means of transport ▪ Reduced expenditure on low income business men in stocks delivery to their business premises ▪ Improved mobility during the rainy seasons
Health Facilities	<ul style="list-style-type: none"> ▪ Reduced distances and time to access health facilities ▪ Increased savings on household income from access to subsidised medical services
Garbage bins/ waste management	<ul style="list-style-type: none"> ▪ Reduced rate of opportunistic infections ▪ General feeling of a clean environment
Trees planting	<ul style="list-style-type: none"> ▪ Improved micro-climate in the area and trapping of industrial dust

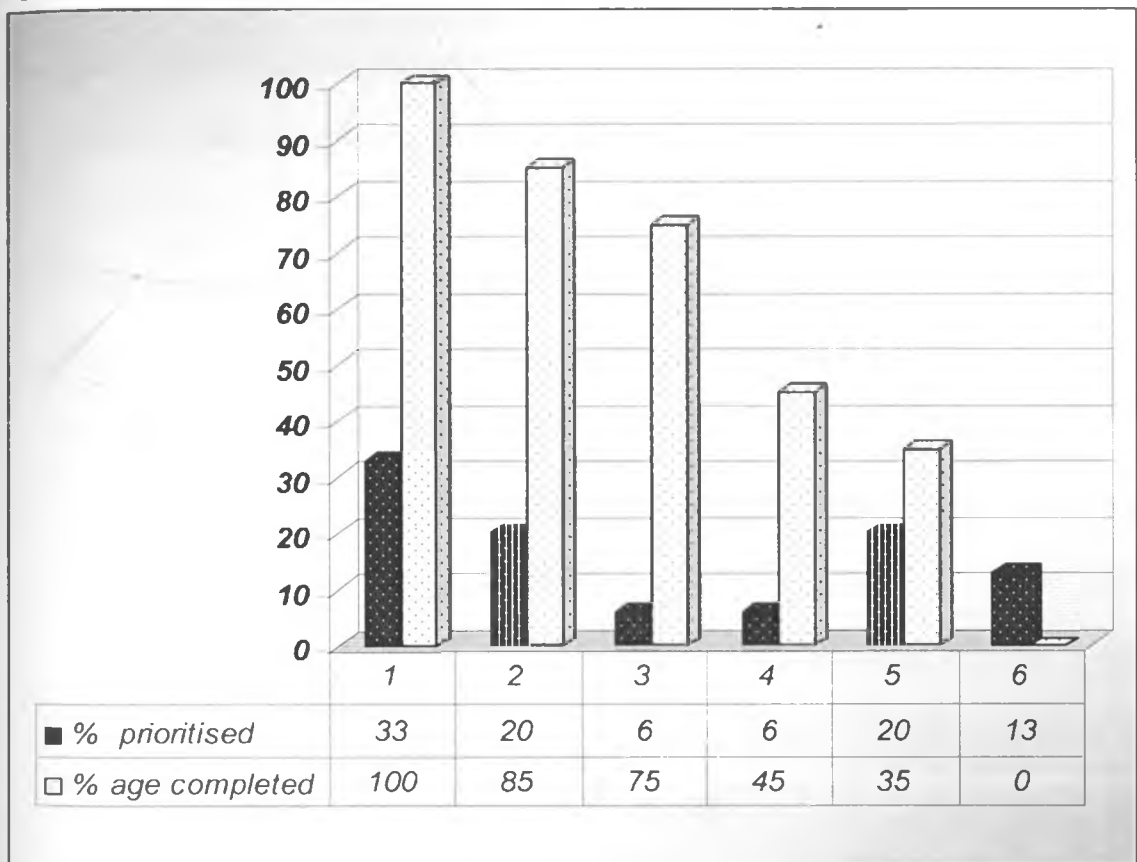
Source: (Researcher, 2008)

On the other hand according to the 31 per cent of the respondent who felt that LATF projects in the municipality have not addressed poverty needs and the 15 per cent who were not quite sure of LATFs role in poverty reduction argued that:

- i. The allocations made to the municipality are so small to make a visible impact on the municipalities poverty needs. As a result, the allocation made to community poverty needs and particularly those living in the 25 informal settlements of Mavoko is insignificant. Accordingly, it was argued that some of the core poverty and infrastructure projects identified by the low income communities living in these areas are hardly funded due to reasons related to security of tenure and or recognition of these informal settlements.

- ii. In the funds allocation process, the municipality has spread the funds so thinly to many small projects through out the municipality such that the impacts of the projects are hardly felt by the intended beneficiary. Partly this is contributed to by politics from civic leaders argue that each of the 10 wards has to benefit from each years allocation despite the amount. This has led to so many small uncompleted projects.

Figure 6.6: LATF projects Completion rate for the FY 2005/2006



Source: (Researcher. 2008)

- iii. Additionally, owing to the weak projects planning and implementation capacity of within the municipality, most of the initiated projects take years to be completed or

are never completed at all thus not benefiting the community. This is clearly evident from the municipal council's reports during the FY 2005/ 2006: where only 33 percent of the projects prioritised were completed and 13 per cent were never initiated at all as indicated in figure 6.6 above. The completion record derived from feedback to the Ministry of Local Government (MOLG) is quite in line with the community assessment agreed the completion rate of LATF financed projects in very poor. According to the survey its only 11 per cent that felt that the projects were complete, while 88 per cent felt the projects were delayed in implementation and completion, with some even never initiated. The poor completion rate has greatly eroded the public confidence with the municipality

iv. Income and food poverty is quite high in Mavoko like in other areas within Machakos district. However, LATF kitty has no funds that can be directly injected to facilitate self employment and or income generating projects among the community, except when community contracting for infrastructure delivery or labour provision in infrastructure development is undertaken. Despite being requirements in the LASDAP guidelines, community contracting and low income labour provision rarely occurs in Mavoko. As a result very little funds are left in the settlements after the implementation of the projects.

v. The two groups further felt that, despite having been implemented for several years, poverty incidences are still evident in the municipality from the large number of squatters, high unemployment levels among others not to mention infrastructure

related problems such as overflowing sewer is settlements such as Silota and KMC. According to this group impacts of LATF on the lives of the poor can only be felt when these groups are not only consulted but are involved in the implementation through subcontracting. The funds should also be increased if they have to make an impact on their lives.

By and large, it was evident that from the research that through the LATF kitty, most of the urban management projects and programmes implemented in Mavoko have to a large extent pursued sectoral work such as water, sanitation, health, roads markets among others. To a large extent, LATF also need to integrate inter-sectoral agendas (Hamdi and Majale, 2004) such as enhanced livelihoods, environmental sustainability. Such programmes would not only cultivates partnerships in solving infrastructure needs of the poor but also addresses the interests of longer term goals in the municipality.

6.2.4 Impacts on the most marginalised

Additionally an overwhelming 77 per cent of the respondent felt that LATF as a kitty has not in any way tackled the interests of the most marginalised members of the community such as the disabled, orphans or the homeless. The overwhelming majority also felt that problems of the disadvantaged (homelessness, disabilities, orphans, HIV/Aids cases) have often been looked at as individual problems as opposed to societal problems. The community however lamented that local authorities are the closest government arm to the community and thus their spending / budgets and leaders should not be ignorant about the groups, who are quite evident in the society.

A notable 8 per cent however felt that LATF has taken care of this group in that the implemented projects are not individualised but are social infrastructure facilities can be enjoyed by everyone in the neighbourhoods including the disadvantaged. However, they felt that such groups need to have a clear representation in the LASDAPs not only to have their issues raised in LATF allocation but also to ensure that planning of such facilities should be done with these groups in mind.

Notable however is the fact that despite the fact that some of infrastructure facilities and services may not seem to directly and immediately addressing the immediate poverty needs, they play an important role in "empowering the poor in the municipality," and enabling them to participate in the growth process. The infrastructure services are critical in enabling the municipality to achieve long-term growth and hence a sustainable poverty reduction

6.2.5 Community Efforts in Satisfying Poverty and Infrastructure Needs

In theory LA are charged with the responsibility of providing universal access to services by the communities living within their jurisdiction. However this has not fully happened in Mavoko. As a result, to satisfy or even complement the unmet poverty and infrastructure needs, communities in Mavoko teamed up with other development actors to improve their living environment. Key among the efforts noted during the survey includes water and sanitation provision within Silota low income settlement done by the Silota community in partnership with an international NGO, Practical Action. Through

the initiative. the community has put up a community hall for meetings, a sanitation block as indicated in plate 6.5 below and have also accessed two water kiosks where community access water at affordable rates. The community has thus been active in lobbying for financial support from partners such as NGOs, other government funds such as CDF, private sector and even within the neighbourhoods to help implement their local priorities.

At the municipal level, lobbying for services provision through the local community leaders, area civic representatives and members of the ward development committees through convincing them the dangers community faces as a result of lack of the essential services hence influencing their decisions to consider implementing community needs while making the best out of existing infrastructure services by innovatively turning the needs to opportunities through activities such as water vending, toilets exhaustion and waste collection. Such initiatives through direct provision of goods and services should not be seen as an end by themselves. The local authority needs to support them and also develop by laws and guidelines regulating such initiatives to ensure they are appropriately undertaken and do not compromise the services to the citizen.

Plate 6.5: Slota community sanitation block and meeting hall



Source: (Researcher, 2008)

6.3 Challenges Facing Implementation LATF Projects in Mavoko

According to the survey a key challenge facing LATF in Mavoko is the inadequacy of LATF funds allocated to the municipality to meet the community needs. According to the council staff allocations made are way below the infrastructure service needs and even the population requirements given the fact that it's based on old population data. This limits the choice of projects to be supported and completed within the year.

Information Dissemination: Lack of free flow of information on consultation processes, feedback on prioritised projects and community expectations in the whole process was

quite evident. Additionally, the manner in which funds are disbursed also seems unsatisfactory in the sense that it is shrouded in secrecy and confusion not letting the wider majority becomes aware of the available resources. This was claimed to sometimes lead to isolation or favoritism of some wards at the expense of others.

Lack of technical capacity with in the municipality has constrained LATF implementation and monitoring. This has resulted to poor completion rates and or poor workmanship in implementation.

Poor leadership at the municipal and community levels; Lack of commitment by both the bureaucrat and the politicians to have the community involved from budgeting to monitoring phases was quite evident. Additionally however, poor leadership at community level was also evident with lack of leaders who can selflessly champion community interests. As Hamdi and Majale (2004) notes, the most important factors that limits progress in improving low income communities infrastructure development is lack of genuine political will to address the issues in a fundamentally structured and sustainable manner. According to them political will constitute key to success particularly when accompanied by local ownership and leadership. Lack of clear leadership in Mavoko was for example noted to compromise of community needs for self benefits and recognition by leaders, poor prioritization of needs and even hijacking of the process by civic leaders with priorities other than those of the grassroots community.

Plate 6.6: Poor maintenance of waste collection facilities



Source: (Researcher, 2008)

Corruption in award of contracts affecting projects completion rates and the quality of work done for the community. The effects of corruption are far reaching and damaging particularly amongst the poor (MDP, 2006) and is particularly aggravated by lack of awareness by the poor on their rights as a community. Additionally, there have been poor efforts towards the maintenance of infrastructure facilities put up using the LATF funds, hence reducing their importance towards assisting the communities tackle local level poverty needs as indicated in plate 6.6 above.

CHAPTER SEVEN

LEGAL AND POLICY FRAMEWORK IN LATF IMPLEMENTATION AND MONITORING

7.0 Introduction

Monitoring and evaluation are core management responsibilities, which involve the collection, analysis, communication and use of information on the physical and financial progress of the project and the achievement of results. Monitoring, evaluation and reporting support, *inter alia*: Identification of successes and problems during project implementation, informed and timely decision making by project managers to support implementation, accountability for the resources used and results achieved, stakeholder awareness and participation; and the evaluation of project achievements and audit of activities and finances. This chapter looks at monitoring and evaluation of the LATF projects and the policy framework within which both the implementation and monitoring processes

7.1. Monitoring and Evaluation of LATF in Mavoko Municipality

Monitoring and evaluation is a learning process through-out a project cycle from identification, implementation and the resultant changes in the people's livelihoods. According to the LASDAP guidelines from the MOLG, the purpose of the process is to identify whether implementation is within the intended plan and design. Consequently, the whole process of LATF acquisition, planning and implementation is as important as

the end results (needs addressed) and thus should be inclusive if the poverty needs at the local level are to be addressed.

According to the guidelines monitoring of LASDAP should be done at three levels i.e. by the citizens (organised in monitoring group), internally by the Council and by the Ministry of Local Government. In order to ensure that local authorities follow procedures and guidelines as stipulated by the LATF Act, MOLG through the Central Planning and Monitoring Unit has set up a multidisciplinary team based at the headquarters to conduct regular monitoring and evaluation, review implementation and reports on monitoring conducted by the LAs and the communities, a feedback of which should feed and guide the policies. According to the survey however, very little is happening at this front hence highly questioning accountability and transparency in the use of the public funds.

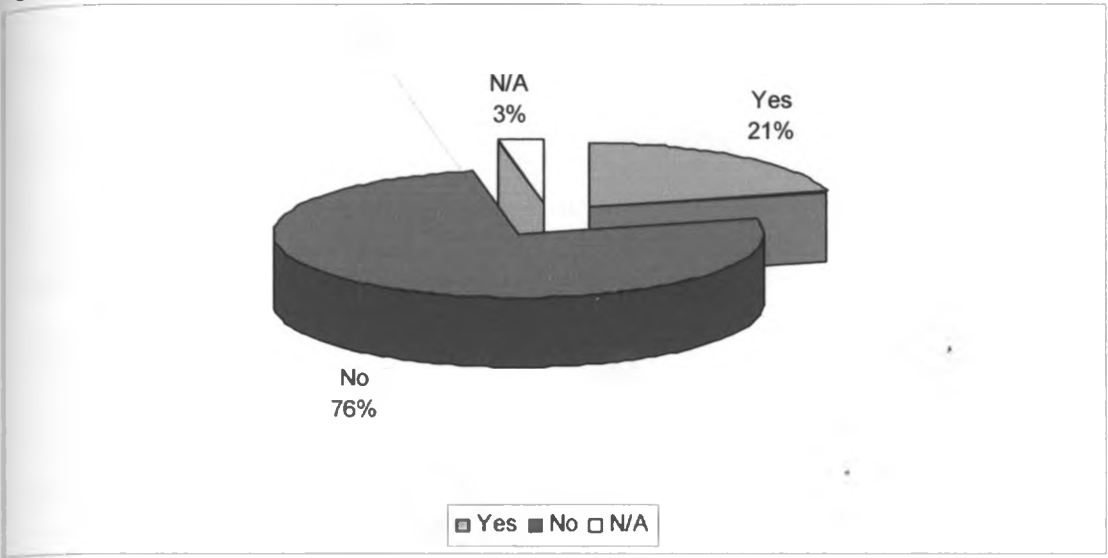
At the time of the survey, no monitoring group was observed to have been constituted in Mavoko with a large majority 76 per cent of the community members' and other stakeholders who are aware of and or involved in implementation of LATF claiming not to be involved in any form of monitoring of the LATF projects.

The vast majority (76 per cent) clearly pointed out lack of information and poor feedback mechanisms on both their role in the monitoring process and progress on the implementation process as a key challenge affecting the monitoring and evaluation process at the local level. A small group of the respondents consisting of 3 per cent were found not to be even sure of LATF monitoring and evaluation processes.

At the municipality level, interview with key officials indicated that the Local Authority lacks a clear monitoring framework upon which other stakeholders could be accommodated. As a result the municipality does not undertake monitoring and evaluation of their LASDAP projects. This happens despite the council claiming to be having a LASDAP technical team to advise the municipality on the implementation of the LASDAP projects.

Despite lack of a clear monitoring and evaluation framework, 21 per cent of the stakeholders' respondents felt they have minimally participated in some activities they would qualify as monitoring activities within the municipality. The respondents claimed to have done it at their own pleasure as neighbourhood and community based group leaders as and of when they are involved in supervision of construction activities and in reports development on the implementation progress for the LATF projects at the ward level. This is however not done as a mandate or request from the municipality but because they have to be accountable to their communities who elected them as leaders. This is despite the requirements of the LASDAP monitoring guidelines which require the local authority to constitute a monitoring group to observe the LASDAP process and outcomes, giving feedback to the stakeholders through regular meetings and timely and balanced reports.

Figure 7.1: Community Involvement in Monitoring



Source: (Researcher, 2008)

Access to information is at the centre of effective monitoring and evaluation. However from the survey it was evident that besides most stakeholders being participants in LASDAP meetings, they are not aware of budgets apportioned to projects identified within their wards except where community contracting has been done, which is also a rare occurrence in the municipality. This makes it even harder for them to be involved in monitoring of how the projects are being implemented.

From the survey, it was also evident that the council has never budgeted for M&E nor implemented the process other than usual implementation supervision and implementation reports development to which is a precondition for further allocation. Key implications of absence of an effective monitoring process have been lack of transparency and particularly in completion of infrastructure projects whether when contracted out or when implemented by the municipality. Strengthening LASDAP

committees to take an active role in consultation with the municipality need to be enforced. However, this can only happen if they are actively involved in formulation and key decision making such as tendering and not just consulted on the projects. Failure of involvement in the implementation and awareness on procedures and on their expectations in the process has resulted in their poor participation. At individual levels however, lack of time due to competing income and poverty related needs curtails their involvement.

With some funds from the LATF kitty apportioned to MOLG for administrative purposes. MOLG uses part of the funds to conduct field monitoring and support activities. These includes among others to evaluate the LATF related reform process, ensuring that LATF funds have been received in accordance to the LATF act and regulations and that they are being used along with other local revenue resources in accordance with the local government Act and related financial regulations. However, the team involved in the monitoring is very thin compared to the number of local authorities in the country. This has made LATF monitoring a desk activity at the MOLG and a once off activity after several years if it happens.

The monitoring as stipulated under the LATF Act requires the Local Government Authorities to provide a steady flow of financial information that can be used for monitoring, investigation and audit of LAs to the MOLG. The information which includes annual statement of revenues, expenditures and cash and bank balance, annual statement of debtors and creditors, debt reduction plans, annual abstract accounts, LASDAP, Revenue enhancement plans and quarterly financial reports; provides a

feedback to the ministry of the LAs status of services delivery. However, the monitoring system does not take into account the monitoring and evaluation process of the projects identified and implemented under the LASDAP process. Thus despite offering a clear flow of information which is required in financial monitoring processes, to a large extent a clear mismatch of LASDAPs the information sent to MOLG and the actual projects implemented on the ground is evident and the level of completion for service delivery project is very low. Since the inception of LATF programmes and as of the time of the study for example, the MOLG had conducted only one monitoring and inspection visit to Mavoko municipality with an aim of advising and supporting the municipality in complying with the LATF conditions.

7.2. Legal and Policy Framework in LATF implementation

7.2.1 The Kenya Local Government Act

In Kenya, the powers and functions of all the 175 Local Authorities are derived from the Local Government Act [LGA], Cap 265 of the Laws of Kenya, the constitution, other acts of parliament and the local by laws. However of the three, the LGA is the most important law in defining the operations of the Local Authorities and their relationships with the Central Government. The LGA provides for powers, functions and responsibilities of LAs, on the basis of delegated authority, providing that LAs may or shall with the approval of the minister or subject to any other written law, undertake a variety of functions and have power to control a variety of activities within their areas of jurisdiction.

The Act confers on the Ministers for Local Government (MoLG) substantial powers in regard to controlling the various functions of LA and their general operations including; Creation of establishment; positive or negative changes in council's status; membership composition and size; staff recruitment; financial management; and many mandatory routine approvals. Having its origin in the colonial Kenya, the act was however different. At independence the 1963 constitution outlined in details a devolved system with strong regions and LA in Kenya where LAs were delivering virtually all the important public services, including education, health, water, housing and graded roads. However, there was a dramatic centralization of responsibilities with the Transfer of Functions Act of 1969 that reduced the powers of the LAs substantially including the abolishment of their main sources of local revenues such as the graduated personal tax among others; (World Bank, 2002).

Towards this end, the operations of LA such as Mavoko are greatly controlled by the Local Government Act which gives too much power to the Minister for Local Government hence denying the LA the necessary degree of autonomy and therefore evolution in responsibility in services delivery. To a large extent also the management and administration of the LATF funds has also been greatly overridden by the Local Government Act.

7.2.2 The Local Authority Transfer Fund Act

The Local Authority Transfer Fund is a creation of the Local Authorities Transfer Fund Act No 8 of 1998 which came into effect on 10th June 1999. The act established the fund as a central - local revenue transfer mechanism of five per cent of all tax collected under the income tax in the country to the LA's so as to "to supplement the financing of services and facilities they are required to provide under the Local Government Act, improve financial management and accountability and eliminate all the outstanding debts"

LATF administration has quite an elaborate institutional framework running from the central government to LA involved in actual implementation of the LASDAP projects. Derived from the LATF Act and regulations, the institutional framework includes the Ministry of Finance (MOF), MoLG, LATF Technical Advisory Committee, the KLGRP secretariat, LATF Technical Secretariat, Controller and Auditor General and the Local Authorities.

7.2.2.1 Ministry of Finance

The fund falls under the responsibility of the Ministry of Finance and administered by the Permanent Secretary, MoLG. The MOF is responsible for recommending the proportion of annual tax collected under the Income Tax Act, deciding on the amount and manner of disbursement of the funds to the Local Authorities based on the advice of the LATF Advisory Committee.

7.2.2.2 Ministry of Local Government

Over and above the mandate provided for in Local Government Act, Cap 265, the LATF Act provides for the role of the MoLG as the administrator and accounting officer. The Permanent Secretary (MoLG) is responsible for supervising the administration of funds and maintaining proper books of account and other records and reporting to the controller and auditor general on the financial aspects on annual basis. He is responsible according to the LATF regulations in ensuring that LA comply with the various submissions requirements that are necessary to enable LATF funds be released to the LA and producing a series of reports to the LATF advisory committee and to the LA regarding the disbursements. Within the Ministry the Urban Development Department works closely with the LA s on the implementation and monitoring of the capital development projects by providing the needed technical expertise. The MoLG is responsible in overseeing building the capacity of the Local Authorities to comply with the LATF regulations and conditionality in order to improve service delivery to the citizens. They also prepare comprehensive circulars on the requirements of LATF every year and send them to the local authorities. They also publish allocations per LA for information to the public.

7.2.2.3 LATF Advisory Committee

The LATF Advisory Committee was set up according to section 8 of the LATF Act. Chaired by the private sector and comprising of representatives from the private sector, MoLG and the Ministry of Finance members, the committee is responsible for advising

the Minister for Finance on the disbursement criteria, management of funds and the funding needs of the LA. The committee should meet quarterly, review the operations and administration of the funds and issue an annual report.

7.2.2.4 KLGRP Secretariat

The Kenya Local Government Reform Programme (KLGRP) was established in the early 1990s with the objective of coordinating implementation of reforms and management of Local Authorities (LAs) with an overall aim of improving the efficiency and accountability of their operation. Being at the helm of the Local Government Reforms in the country, the KLGRP forms part of the institutions responsible for the operationalisation of the LATF Act and regulations. In particular, the reforms have focused on improving several aspects of the local authority management including services delivery, financial management including budgeting, participatory planning and local governance, revenue mobilization, monitoring and evaluation, institutional reforms, fiscal and overall decentralization; (GOK 2007). However a key challenge facing the secretariat was singled out to be lack of adequate technical capacity to discharge the support given the number of LAS to be support.

7.2.2.5 LATF Technical Secretariat

Composed of officers from Ministry of Finance and MoLG and is the one responsible for the actual administration of LATF fund. They report to the Permanent Secretary MoLG and also give technical support to LATF advisory committee.

7.2.2.6 Local Authorities

The LA are given discretion to allocate LATF funds though must be done within the context of ensuring that they meet the performance conditions in the form of guidelines given by the MoLG during the annual LATF disbursements.

7.2.3 LATF Allocation and Disbursements Regulations

According to section 11 (2) of LATF regulations, disbursement are made directly to LA.

The allocations are formula based, providing:

- A basic minimum lump sum for all local authorities
- A fixed percentage (60-70 per cent) allocated on a population basis
- A fixed percentage based on relative urban population.

The block grant to each local authority has a 60 per cent service delivery component and a 40 per cent performance component with funds from the services delivery account supposed to be allocated to authorities within fifteen days of the beginning of each quarter. based on criteria related to population of the LA and subject to rules prescribed by the minister on the advice of the committee.

According to the survey, however, key issues emerged with respect to the administration of the disbursement and the regulations themselves. The disbursements to the LAs are sometimes as late as for two months, despite timely notification from the ministry.

Additionally, despite section 21 of the LATF regulations of 1999, committing to adjustments of the allocation criteria once every three years to cater for population increase, according to the survey, the committee has never done any adjustments and its

allocation formula is still based on old 1989 population census. This has left municipalities such as Mavoko strained to offer services to the residents given the recent influx to the dormitory town. Additionally the cost of compliance such as the consultation is not catered for.

Additionally, according to section 17 (3) of the LATF Regulations LATF allocation may be adjusted according to the poverty incidence in the LA. According to the section, LA would receive an additional allocation in respect to the level of poverty in the area and should clearly indicate to the minister on how the funds will be used to assist the poor. Taking into consideration the level of poverty particularly in urban authorities, the section provides a leverage point towards solving the problem. However, bearing in mind that LA have not previously been involved in poverty eradication initiatives the LATF regulations and the act should go beyond the narrowly definition and even provide a framework for linking into other poverty reduction initiatives.

Beyond the small infrastructure services projects undertaken by the municipality broadly defined poverty reduction policy and regulatory framework intended at increasing the productivity of the poor through formation and maintenance of human capital and improved access to markets and productive resources should be taken into consideration.

7.2.4 The Local Authority Service Delivery Action Plan Regulations

Another key set of policy regulations involved in the implementation of the LATF are the guidelines for preparation implementation and monitoring of the Local Authority

Services Delivery Action Plan (LASDAP). Established in October 2001 in accordance with the Ministerial Circular MLG No 11/2001 of 19th July 2001, the LASDAP guidelines act as an entry point for Local Authorities to constructively engage with their citizens in identifying their needs and priorities at the local level on matters of development and improving local governance. It's fundamentally about improving the relationships between citizens and the local government.

LASDAP was established to achieve the following key objectives;

- Assist the LAs in planning and prioritizing the use of LA resources including LATE. LASDAPs became LATE conditionality in the 2001/2002 financial year
- Encourage LAs meet the need of the poor
- Enable LAs to spend resources on services delivery to the citizens
- Enable stakeholders participation in services delivery
- Build local accountability and transparency in resources use.

Application of the guidelines is supposed to augment the government's Economic Recovery Strategy (ERS), with particular interest in meeting the needs of the poor and strengthening downward accountability. As a result, LASDAPs should be poverty focused and in line with the Poverty Reduction Strategic Paper (PRSP). However, a great concern in the LASDAP guidelines is that it does not clearly spell out the roles of different other government actors in the LATE administration, despite the fact that they are key pillars ERS and PRSP. Such include the roles of the provincial administration and district development officers in the preparation and implementation of LASDAP, (KIPPRA 2006)

As LATF conditionality, LASDAPs are aimed at enhancing the citizens' participation in planning and development activities in the LA. However, by and large the Local Government Act which supersedes these regulations is silent on issues of citizen participation in decision making and development activities in the LA. Despite the fact that the council provides for public access to the councils budget information, it however does not guarantee the same access.

The LASDAPs regulations have greatly contributed to the stake holder's participation in the council budgeting and planning activities. However the process is yet to help achieve poverty reduction given the resource bases of our LA, the amount of LATF available for the LAs versus the priority poverty needs in most target areas. According to the survey, lack of implementation of the some priority projects and or non completion of key poverty projects as identified during LASDAP consultation meetings has led disillusionment among some low income members largely affecting the quality of participatory process.

On monitoring and evaluation of the LATF, despite the LASDAP guidelines highlighting the need to involve the community, the guidelines and to a large extent the LGA do not provide a clear procedure on how LA can involve these communities to monitor the quality of the services given and or the projects undertaken through the LATF money. The guidelines only leave it at community giving their views on both the design and implementation, but should go further to clearly spelling out the frameworks.

From the above analysis, two things are quite clear namely that, the relationship between central government and the local authorities has been one of master and agency though in theory the local authorities are autonomous legal entities created by an act of parliament. It's also quite clear that LATF has quite an elaborate institutional and legal framework as a devolved fund towards local level development. The framework is however curtailed by lack of clear and effective linkages with the overall local government act which to a large extent overrules some of the key LATF guidelines. What thus emerges in the overall decentralization process in Kenya is what Crook and Sverrisson 2001; refers to as a vicious circle of ineffective local governments towards pro poor services delivery; where the central government maintains effective political and fiscal control and a local government with little autonomy. As a result, despite the devolved funds, there is little scope for local government to respond to the needs of the majority of the residents (despite being identified through a participatory process) or to increase their capacity. As a result of this residents to a large extent see no major benefit from the local government service delivery or regulations and consequently no benefit to participate in the local politics and development processes. This has to a large extent left politics and development to local elite and bureaucrats who continue to capture the little resources to their needs and priorities leading into loss of legitimacy on the part of the local government and in turn disenchantment on the part of the citizens. By and large reforms mainly in the local government act that effectively support decentralization would to a large extent bring about a positive, democratic and developmentally effective local government taking care of pro poor infrastructure needs.

CHAPTER EIGHT

SUMMARY OF STUDY FINDINGS, CONCLUSION AND RECOMMENDATIONS

8.0 Introduction

Responsive and accountable local government is today widely regarded as a political entitlement. Making them more responsive and accountable is expected to increase their efficiency and effectiveness. The focus of this study was to try and assess the extent to which Mavoko municipal council has taken the advantage of the decentralized governance through LATF and LASDAP processes to improve on the pro poverty services delivery to the local residents and particularly the low income.

The primary and secondary data was collected on municipal services financing mechanisms, processes involved in the LATF /LASDAP information dissemination so as to prompt participation and the participatory processes involved in pro poor needs identification, prioritization, implementation, monitoring and evaluation of the projects implemented. Key analysis of how the above processes have either positively or negatively impacted on the council citizens relationships was undertaken, taking into consideration the institutional, regulatory and policy frameworks governing the processes and resultant relationships. This chapter provides a highlight of some of the key findings and also gives recommendations on how the process can be improved.

8.1 Summary of findings

From the survey it was clearly evident that whilst community participation has varied through out the LASDAP processes, the process has dramatically increased the levels of public consultations through public meetings as compared to the pre LATF era. To a great extent the projects prioritized during the process appear to reflect needs and interests of the community than formally was the case with LA only identified priorities. However, key challenges on ensuring participation through out the projects process, guarding against influence and ensuring implementation of the pro poor priorities are yet to be resolved if LATF is to achieve poverty reduction within the municipality. Additionally the master servant relationships between central local governments as embodied in the Local Government Act Cap 265, largely affects not only the LATF implementation process but also what is implemented for it supersedes all the other policies including LATF act and LASDAP implementation guidelines.

On participation in projects identification, lack of a clear understanding among majority community members on their role in planning and management of the funds seem quite evident. However, it was clearly evident that majority of those that receive information on LATF participates in project identification. hence implying that if more effort is spent on streamlining the municipal communication processes, participation in identification of priorities informed by the needs of the majority would greatly be enhanced. On partnerships development for LATF projects implementation, the LA has not yet hatched strong partnerships which can help in mobilizing the community for action on services delivery.

On participation in implementation, the survey established that access to LATF information, participation in projects identification and prioritisation at the municipal level does not necessarily translate into actual involvement in implementation with perceived implementation limited mainly to provision of labour. Exclusion of the community in the critical decisions pertaining to contracting remains evident with council bureaucrats and civic leaders taking a lead. Community contracting is absolutely missing, hence very little if any income is ploughed back to the community. Such involvement negates the participation ideals as advocated for by Noponen (2005) who argues that participation should focus more on 'internal' learning as opposed to narrow focus on the functioning and outcomes of programme operations. This according to him is a strong and empowering tool for communities to help track and analyse changes in their lives and to use the understanding to alter their strategies as they participate in the economy and interact with actors and institutions in the wider community.

Despite majority feeling that participation in the LATF projects has not improved participatory governance in the municipality, there is a departure from exclusive decision making by Mavoko municipal council characterised by recognition of the low income groups, improved community voice on municipal development activities and accessibility of the municipal offices by the community. All this is incrementally building community confidence on the municipal services delivery but is yet to change the poverty levels.

On implementation of pro poor infrastructure needs, the survey established a host of pro poverty alleviation infrastructure deprivations particularly in the low income

neighbourhoods ranging from access roads, water, sanitation and market / livelihood improvement infrastructure. In almost an exact order of priority for the most pressing needs, these projects have been identified as priority projects for LATF funding. This not only shows consistency in what the community perceives as critical infrastructure needs but also leverage / entry points towards poverty reduction in the neighbourhoods devoid of any manipulation. It to a large extent confirms the essence participatory governance for poverty reduction.

Despite the survey establishing that the projects are quite suitable in meeting the people's needs and to a large extent the poverty needs, the study also reveals the municipalities capacity in management, planning and implementation process need to be addressed. While there is no clear substitute for public sector action to provide bulk infrastructure within the LA, it was quite notable that communities are willing and able to identify their own priorities and play a role in improving their own environments. However, they cannot do this without access to external resources. Co-opting them in the implementation processes, offering grants and loans to the low income communities, often accompanied by capacity building to ensure the poorest least well organized communities are not discriminated against during infrastructure implementation can greatly support their participation.

Additionally, amounts allocated and the allocation processes need to be reviewed by the MoLG if the LATF is to make any change on the poverty levels within Mavoko.

The need for an effective implementation of a monitoring and evaluation mechanism has been recognised as a key component of the Poverty Reduction Strategic Papers, (World Bank: 2002). Similarly the monitoring and evaluation capacity within the local authorities and particularly at the local levels need to be strengthened if decentralised funds such as LATF have to contribute towards poverty alleviation if they are to be in line with the PRSPs. However, if monitoring and evaluation of LATF has to be effective, strengthening of links between budgeting, planning and implementation processes is inevitable. Development and collection of socio and economic data and or indicators that allows for better monitoring and evaluation of local poverty reduction and economic growth and which form the basis not only for local authority but also for district planning is inevitable. This would also help in apportionment of the available resources forms a key foundation in efficient and accountable use of the devolved funds in services provision and poverty reduction.

In most cases, monitoring and evaluation activities are best performed by institutions outside the key institutions being monitored. To actualize such above process, development of an independent Local Government Financial Oversight body by strengthening the capacity of the already existing LATF advisory committee and making it more independent would greatly strengthen monitoring functions at the MoLG level. However, interventions by the central government may show better and more cost effective impacts in the monitoring process if it were to adopt a more enabling approach, for example through removing legal obstacles in the Local Government Act that provides

for MoLG to assist LA in monitoring activities and the accounting frameworks which does not happen.

Monitoring and evaluation of LATF funded projects was found to be more important at the Local Authority and ward levels where the actual project implementation is taking place. From the survey findings, it's clearly evident that despite its importance, and like many other initiatives involving the society to strengthen government accountability, monitoring and evaluation of the LATF funded initiatives has tended to be an ad-hoc activity without being fully institutionalized in the Local Authority laws even within the LATF Act. Operating in an ad hoc manner means it can neither guide future development nor assess any impact. On the other hand however, experience has shown that impact is greatest and most sustainable when social accountability mechanisms are "institutionalized". Thus there is a need to institutionalization M&E within the local authorities, a process which need to have a clear framework and agreement on shared responsibilities between community, civil society and the local authority who have been key actors in the LASDAP process. The hybrid local institution /office should also be independent but working in liaison with council and the Local Government Financial Oversight at the MoLG. Such "state-society synergy" in monitoring and evaluation would enhance performance. However, for such institutionalization to be effective, the civil society organizations and community groups need to have their capacity built to enhance dialogue with government and hold it to account through report card and social audit methods.

The study established a lack of a clear LATF monitoring framework not only within the municipality but also within the MoLG who are charged with overseeing LATF implementation. When monitoring occurs at the LA level it was found to be reactive as opposed to being interactive and aimed at “catching the thief” rather than proactively carrying out the planned monitoring activity / visit to help the LA learn from their implementation. The KLGRP can also not ascertain the accuracy of the information forwarded by the local authorities on the resource envelopes and the apportioning to the different projects. Limited capacity, poor access to monitoring information, lack of clear and interactive feedback mechanisms and lack of monitoring budget lines at the municipal level were found to be among the key contributing factors. Clear linkages with other poverty reduction initiatives at the district levels were found to be lacking. All this has largely affected pro poor projects implementation and completion rates.

On the legal and policy framework quite notable was the lack of a clear decentralization policy guiding the LATF implementation. The existing Local Government Act was found not to work very positively for the LAs for it empowers the executives at the center to influence the day-to-day decisions of the Local Authorities usually at the expense of local residents who must raise the moneys needed by councils to a key-role for LAs. This in itself undermines the philosophy of participatory governance even as is spelt out in other acts such as the LATF Act. As a result, the participation in LATF/LASDAP planning processes has to an extent improved the community confidence on the LA activities. However, the communities are yet to realize a significant positive change in not only

their infrastructure needs but also in their poverty levels that could be attributed to LATF project.

8.2 Implication to infrastructure development and poverty reduction

Access to basic services such as safe and reliable water supply for and sanitation were found to be among the major pre occupations of the urban poor in Mavoko, while extending such services and at the same time maintaining the existing supply was found to be a critical challenge of the Mavoko municipality. According to this research, LATF implementation on the other hand which is meant to help implement such services and ensure poverty reduction was found not be fully implemented according to the ideals of good governance. Some of the key indicators supporting this include:

i. Level of community participation through out the process:

The level of community participation in LATF process was found to incrementally reduce through out the implementation continuum. This is evident from an analysis of the findings which indicate a significant drop in not only involvement but in being aware of the key stages involved in the process from 99 percent to paltry 21 percent. This clearly indicates lack of control of the process by the beneficiary and consequently reduced ownership and impacts to their livelihoods.

Table 8.1: Participation in LATF Continuum

Levels of LATF implementation	Percentage involved / aware	Rank
Aware of LATF and what its meant for	99	1
Involved in identification of pro poor priorities	94	2
Involved in implementation of identified priorities	46	3
Aware of Monitoring and evaluation*	21	4

* Are only aware the process is supposed to be monitored by have never been involved

Source : (Researcher, 2008)

ii. Adequate enabling environment

To respond to local needs, operate effectively and develop legitimacy, local authorities' needs a sound legislative framework (Rakodi, 2004). However the existing legislative framework was found to be inadequate with lack of clear decentralization policy being quite evident. As a result, community participation is not fully enshrined in the legal framework hence leaving the existing bureaucrats and civic leaders to use their control over LATF resources to respond selectively to the citizen's needs and priorities even after the consultative process. This was quite evident in the infrastructure services identification process which was found to have a lot of political interference, hence not reflecting the infrastructural wishes of the community, making the process to have little if any legitimacy in the eyes of the residents. Poor communication and feedback mechanisms on LATF process by the municipality has also largely contributed to the poor conceptualization of the process by the community.

iii. Harmonization of community infrastructure needs and economic benefits

By and large the poor community living in Mavoko seems not to be fully benefiting from the infrastructure and economic development gained from LATF implementation. Lack of clear harmonization of the poor people's infrastructure needs with LATF spending can be singled out here. According to the research implementation of LATF projects has been tendered out without consideration even of the organized groups and hence has not offered economic opportunities through for example labour provision as most of the

urban poor might expect. For the poor people labour represents their most important asset (Moser, 1998) and its through increasing work opportunities that the poor households benefits an aspect that has an overall impact on urban poverty reduction. Additionally the rate of poverty reduction is on average, proportional to distribution corrected growth of private consumption (World Bank, 2000). Efforts to involve community labour in implementation of the LATF infrastructure programmes need to be keenly addressed to tap on the productive potential of the poor within the municipality.

iv. Insufficiency of infrastructure needs

The overall productivity of an urban economy such as Mavoko can be greatly influenced by appropriate LATF and other budget allocations towards infrastructure delivery. However a high level pro poor infrastructure insufficiency as identified with over 72 percent claiming insufficiency. Ensuring basic infrastructure and services are provided and accessible to all including the low income can have profound effect on businesses, enabling them to function without resulting to costly alternatives. Providing good access roads for example reduces transport inconveniences while lighting increases business operation hours. By providing poor quality services and inadequate services, was found to be increasing vulnerability of the poor for example to diseases through exposure to squalor and also undermining their capacity to take hold of their local livelihood opportunities. Poor completion rate of the initiated projects has further minimized the probability of the initiated projects in poverty reduction.

v. *Sustainability*

According to the survey, there have been very little efforts towards the maintenance of infrastructure facilities put up using the LATF and other funds. Poor involvement of the community has also contributed to their low involvement in the maintenance of the infrastructure services. As a result, their importance towards assisting communities tackle local level poverty needs has greatly reduced.

8.3 Recommendations

8.3.1 Improving community participation in LATF and LA activities

If citizens within the LAs are to become the prime motivating force in making choices about development and management of local government affairs and LATF in particular, LA have to provide the framework and also act as a facilitator not a barrier. For the LAs to rise up to this, the study recommends that:

- i. For local governments to respond to challenges of facilitators and coordinators of citizen driven processes such as LATF, capacity development in different areas including effective community mobilization and engagement process. The process should help LA shift from welfare to a developmental orientation in the approach to services delivery while maintaining a framework where individual community members are made full participants responsible for management of their own affairs and to take collective action with others.

- ii. Local authorities to engage effective communication for development channels that allow feedback in their LATF/LASDAP information dissemination. Such channel includes existing local community networks in the municipality. This would ensure reaching the very poor and in ensuring their concerns are taken care of. LAs should also embark upon a continuous education programme to the citizens ensuring the widest possible dissemination of information. Budget meetings at the ward level should also demystify and analyze local authorities' budgets' with particular emphasis on their implication to the poor, so as to improve their understanding of local authorities financing. This would also serve to educate committee members on simple budgeting.
- iii. Mavoko municipal council and other LAs must strive more to build relationships and partnerships with NGOs, private sector and other sectors with local sectoral interests in the community who in partnership can help build the community towards development. However a clear engagement framework based on complementarities must be developed first. Additionally at the community level, more partnerships with civil society organizations that can campaign on the behalf of the resource poor communities who can not access the local authorities need also to be developed.
- iv. As noted from the survey it was clear that the poor in particular did not have time for the LASDAP processes due to competing poverty needs. This can be resolved by reducing time involved in the processes and through putting in place some

systems of rewards and incentives to encourage citizen's participation. In case of LATF, such reward system could be based on labor provision and or community contracting during implementation.

8.3.2 Improving pro poor infrastructure projects implementation

To a large extent consistency of the poverty projects identified, prioritized and implemented was notable. However, the implementation is poorly done, marred with influence from the LA and suffers from poor completion rates. If this challenge is to be addressed, this study recommends:

- i. Strengthening the LASDAP process by introducing three years rolling wards planning and investment plans framework. The investment plan should include utmost five ward infrastructure priorities, estimated costs, and an analysis of roles of the different actors in implementing it and in augment the LATF resources. The annual planning and prioritization processes should only be used for budgets allocation as per the investment plan and in monitoring the progress of infrastructure services implementation from the previous year. The plans should form not only the basis of LATF allocation but combined from all wards should guide infrastructure delivery throughout the local authority. The consultation and investment plan processes would help LA leverage new sources of finance based on the plan hence able to tackle unmet priorities by LATF. Plan should be kept under regular consultative review. The infrastructure projects implementation from the local authorities should not be viewed just as financial expenditures in the name of services delivery, but should be based on adding real value to the community

through poverty reduction while effectively building bridges and linkages with and within the communities.

- ii. Capacity building in community contracting: As a requirement from government procurement procedures, infrastructure project implementation procurement is done through the law of Compulsory Competitive Tendering (CCT), including services provision through LATF. In this regard there is need to have organized local community trained on community contracting procedures and also be given priority in the tendering processes for the LATF projects within their wards. This would ensure among others their participation in LATF projects implementation, easier sustainability mechanisms, promotion of spirit of self help and income distribution within the neighborhoods.

8.3.3 Improving monitoring and evaluation framework

- i. There is need to institutionalize M&E within the local authorities, a process which need to be supported by clear policy guidelines and agreement on shared responsibilities between community, the local authority and other key stakeholders who have been keen LATF/ LASDAP process. Such an institution /office should be independent but working in liaison with council and the Local Government Financial Oversight at the MoLG.
- ii. Development of dissemination networks: M&E remains just activities unless lessons are disseminated: The failure of a clear monitoring process has to a large

extent led to lack of recognition of the downstream initiatives by the people at the local level which can inform upstream policy development towards poverty reduction. To enhance lessons sharing there is need to develop a LATF learning network where success stories on LATF impacts on poverty across the local authorities. At this level the monitoring and evaluation process also need to be based on the pro poor indicators developed by the stakeholders at the projects identification levels

8.3.4 Legal and Policy framework recommendations

Building capacity of the LAs and that of the community will only prove useful when long term stability and a secure place for local government is fully entrenched in the constitution. The central government must build popular support for local government and promote it sufficiently enough for its inclusion in the Kenya constitution. This might be through enactment of a clear decentralization policy. On the other hand however, the LA must also demonstrate its capabilities as resourceful, competent and efficient in services delivery to its citizens.

To fully open up the LAs to the citizens, a functioning and effective “Freedom of Information Act” that enables citizens and residents to access information from local officialdom, easily and promptly, will be an added bonus to enabling participatory planning, implementation and monitoring of decentralization process. Additionally, guidelines on stakeholders participation within the LAs planning and decision making processes should be clearly enshrined in the local government Act and not to leave

participation at the mercies of the LAs. At the LAs level, there is also a need to develop a clear policy framework for urban poverty alleviation that complements the central government programming strategies in poverty alleviation. Further in the LATF act, there is need for introduction of a Single Regeneration budget in where organized community and voluntary based organizations make bids for funding for projects geared towards promotion of quality pro poor services within their neighborhoods.

Table 8.2. Recommendations Implementation Matrix

Issue	Recommendation	Actors	Timeframe
Improving community participation in LATF and LA activities	✓ Capacity Building of Local Authorities on Participatory Development	<ul style="list-style-type: none"> ▪ Ministry of Local Government ▪ Local Authorities ▪ Civil Society 	<ul style="list-style-type: none"> ▪ Immediately
	✓ Development of communication strategies within Local Authorities	<ul style="list-style-type: none"> ▪ Local Authorities 	<ul style="list-style-type: none"> ▪ Medium term
	✓ Development of and strengthening of Public Private Partnerships within Local Authorities	<ul style="list-style-type: none"> ▪ Local Authorities ▪ Private Sector ▪ Civil Society 	<ul style="list-style-type: none"> ▪ Medium term
	✓ Capacity Building programmes for local communities	<ul style="list-style-type: none"> ▪ Local Authorities ▪ Civil Society 	<ul style="list-style-type: none"> ▪ Medium term
Improving implementation of pro poor infrastructure projects	✓ Development of ward development and investment plans	<ul style="list-style-type: none"> ▪ Local Authorities ▪ Community Based Groups ▪ NGOs ▪ Private Sector 	<ul style="list-style-type: none"> ▪ Medium term
	✓ Capacity development on community contracting and tendering procedures	<ul style="list-style-type: none"> ▪ NGOs ▪ Ministry of Labour ▪ Ministry of public works 	<ul style="list-style-type: none"> ▪ Medium term
Strengthening of Monitoring and Evaluation procedures	✓ Institutionalization of monitoring and evaluation within the local authorities	<ul style="list-style-type: none"> ▪ Kenya Local Government Reform Program ▪ Local Authorities ▪ Ministry of Local Government 	<ul style="list-style-type: none"> ▪ Medium to Long-term
	✓ Development of a national monitoring and evaluation oversight body	<ul style="list-style-type: none"> ▪ Kenya Local Government Reform Program ▪ Ministry of Local Government ▪ Ministry of Finance 	<ul style="list-style-type: none"> ▪ Long term
	✓ Development of an local authority information dissemination and LATF lessons sharing network	<ul style="list-style-type: none"> ▪ Ministry of Local Government ▪ Association of Local Government Authorities of Kenya ▪ Local Authorities ▪ Kenya Local Government Reform Program 	<ul style="list-style-type: none"> ▪ Medium to Long term
Legal and policy framework	✓ Enactment of a decentralization policy in the Kenyan constitution	<ul style="list-style-type: none"> ▪ Ministry of Local Government 	<ul style="list-style-type: none"> ▪ Long term
	✓ Review of the Local Government and LATF Acts to include freedom of information and Single Regeneration Budgets respectively	<ul style="list-style-type: none"> ▪ Ministry of Local Government 	<ul style="list-style-type: none"> ▪ Long term
	✓ Development of urban poverty alleviation policies and strategies	<ul style="list-style-type: none"> ▪ Ministry of Local Government 	<ul style="list-style-type: none"> ▪ Long-term

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Appendix 1

**An Assessment of LATF contributions to Service Provision in Mavoko Municipality:
Beneficiaries Questionnaire**

**Questionnaire No.....Date..... Interviewer Name..... Civic
Ward.....Neighborhood.....**

Knowledge, Identification and Implementation

1. Have you ever heard of LATF / LASDAP?
 - a) Yes
 - b) No
2. If yes, what do you know about LATF?.....
3. If yes how did you get to know about this?
 - i. Notice Board
 - ii. Newspaper
 - iii. Radio
 - iv. Announcements (Specify where).....
 - v. Public meeting
 Others (Specify)
4. Have you ever been involved in the identification of any LASDAP project?
 - 1) Yes
 - 2) No.
5. If yes name the projects
 - i.- _____
 - ii. _____
 - iii. _____
6. a) Were you involved in the implementation of any of these projects? Yes..... No.....
 - b) If yes how were you involved?.....
- c) Do you feel your involvement has changed your relationship with Mavoko municipal council? A) Yes..... b) No.....
 - (c) If yes how
7. Which factors were considered in the identification of the above projects?
 - i. _____
 - ii. _____
 - iii. _____
 - iv. _____

8. From you own assessment how suitable were the above projects in meeting the needs of the people?

Project (2004, 2005 and 2006)	1=Suitable; 2= Average; 3=Less suitable	No. of people Benefiting (Estimate)
1		

2		
3		
4		
5		

9. From your participation, who influences the projects that were eventually implemented by the LA?

a).....b).....

10. Did you get a feedback on the projects that were to be funded using LATF after the LASDAP identification stage? a) Yes..... b) No.....

b) If yes how did you get the feedback?.....

.....
.....

11 (a) Do you feel that these LATF /LASDAP projects has been addressing the key poverty needs within your community?

1=Yes 2=No 3=Don't Know

(b) If yes give specific examples of the projects and the differences you think they have made to the lives of the people in your neighborhood / ward

1. _____

2. _____

3. _____

4. _____

© If no, give reasons?

12. (A) Do you feel that the needs of the disadvantaged groups (e.g. Disabled and the homeless) taken care of by the LATF projects?

1) Yes 2) No 3) Don't Know

b) If yes give examples

c) If no give reasons?

Monitoring and Evaluation

13. (a) Have you ever been involved in monitoring of any of the LATF projects within the municipality? a) Yes
b) No.....

b) If yes, how.....

.....

c) If no, why.....

.....

14. Are you happy with the way LASDAP /LATF projects are managed in Mavoko?

1) Yes

2) No

b) Give reasons for your answer

I. _____

II. _____

III. _____

IV. _____

15. Describe the completion rate of the projects

a) Most are complete.....(b) Most are delayed.....(c) Most incomplete.....

General infrastructure service provision

16. List the available infrastructure services and facilities within your ward / neighborhood and their level of sufficiency.

	Sufficient	Insufficient
i.		
ii.		
iii.		
iv.		
v.		
vi.		
vii.		
viii.		
ix.		
x.		

(b). Which three of the above infrastructure services do you think are of highest priority to your neighborhood?

1. _____
 Reason _____

2. _____
 Reason _____

© Why do you think the above two priorities have not been implemented using the LASDAP process.....

.....

.....

17. What has been your community's effort in addressing the above unmet priorities within your neighborhood.....

.....

.....

.....

..... 18. Who are the other partners who work with Mavoko Municipal Council on infrastructure identification and implementation?

Partner	Infrastructure services	Ward Served

19. What would be your recommendations to the local authorities on the implementation and monitoring of the LASDAP funds?

1. _____
2. _____
3. _____
4. _____

20. Any other comments on the use of LATF /LASDAP?.....

.....

.....

.....

.....

ASANTE SANA!!

Appendix 2

An assessment of LATF contributions in poverty reduction within Mavoko Municipality

Partners Questionnaire

Questionnaire No.....Date.....

Interviewer.....

SECTION A: General Information

Partner	Type	Core Business	Location/Civic Ward

SECTION B: KNOWLEDGE, PARTICIPATION AND BENEFITS BY RESIDENTS

1. How do you get information about LATF/LASDAP from the municipality?

- vi. Notice Board
- vii. Newspaper
- viii. Radio
- ix. Announcements (Specify where).....
- x. Public meeting
- xi. Others (Specify) _____

2. How are different stakeholders who participate in the process selected?

3. Which are some of the projects your organization has been involved in?

- iv. _____
- v. _____
- vi. _____

4. What were your key roles/responsibilities in these projects?

- i) Project identification.....
- ii) Project implementation (specify).....
- iii) Monitoring and evaluation.....
- iv) Others (Specify).....

5. What factors were considered in the identification of the above projects?

- v. _____
- vi. _____
- vii. _____
- viii. _____

6. How is your assessment on the suitability of the above projects in addressing the needs of the people?

Project	1=Suitable; 2= Average; 3=Less suitable	No. of people Benefiting (Estimate)
1		
2		
3		
4		

7 (a) Do you feel LATF has been addressing the key poverty needs within your community?

1=Yes 2=No 3=Don't Know

(b) If yes give specific examples of the differences you think they have made to the lives of the people in your neighborhood / ward

- 5. _____
- 6. _____
- 7. _____
- 8. _____

© If no. give reasons?

8 (a) Have any of the projects helped in employment creation to the local people either in their implementation, running or maintenance within your neighborhood?

1= Yes 2= No

(b) If yes how many? 1= (0-5) 2= (6-10) 3= (11-15) 4= Over 15

9. (A) Do you feel that the needs of the marginalized groups (Disabled and the homeless) taken care of by the LATF projects?

1) Yes 2) No 3) Don't Know

b) If yes give examples

c) If no give reasons?

10 (a) Are you happy with the way LATF projects are managed in Mavoko?

1) Yes

2) No

b) Give reasons for your answer

V. _____

VI. _____

VII. _____

VIII. _____

11. Other than participation in projects identification, what are your other contributions in the pro poor infrastructure development within the municipality?

12. In your view, what has been the contribution of the other decentralized funds in the municipality towards addressing the needs of the poor within the municipality? (CDF, Bursary fund)?

13. What would be your recommendations to the local authorities during the implementation and monitoring of the LASDAP funds?

i. _____

ii. _____

iii. _____

14: (a) Are you involved in monitoring of the LATF/LASDAP projects within the municipality?

i. Yes

ii. No

(b): If no why?

15. (a) How would you rate your performance in the implementation of LATF?

i) Well

ii) Average

iii) Bad

iv) Poor

b) For what reasons are the above performances?

I. _____

II. _____

III. _____

Appendix 3

QUESTIONNAIRE 3

LATF MANAGEMENT AND ADMINISTRATION AT LOCAL AUTHORITY LEVEL

Enumerator's Name _____
 Officer's Designation _____
 Date of Interview _____ Questionnaire No _____

3.8 SECTION A: GENERAL INFORMATION

1. a) What services and Facilities do you offer to the residents of this LA?

Services	Facilities

b) What is the nature of challenges/problems you face in the provision of these services?

- I. _____
 II. _____
 III. _____
 IV. _____

2 (a). How do these problems affect /influence services delivery to the residents?

b) How do you cope with the above stated problems?

SECTION B: LOCAL AUTHORITY REVENUE AND EXPENDITURES

3. Which are the sources of revenue?

Main Sources of Revenue	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2004/ 2005	2005/ 2006
1.							
2.							
3.							
4.							
5.							

4. (*For the sources that are not reliable*) what do you think are the causes for this unreliability?

- I. _____
 II. _____
 III. _____

5. As a Local Authority, have you invested in any revenue generating development projects since the inception of LATF in 1999?

a) Yes

b) No

6. If yes, give five projects which have had a positive impact on the council's revenue?

Name of project	Ward Implemented	Cost	When Implemented

7. To what extent have these revenue enhancement projects helped to improve Mavoko's revenue base

a) Significantly b) Fairly c) Low improvement

Explain.....

8. (*Refer to the table below*) In terms of your expenditure, what was your Planned (or anticipated) expenditure in the last six fiscal years and how much was the actual expenditure?

Fiscal Year	Planned (Kshs)	Actual (Kshs)	Difference	LATF awarded
1999/2000				
2000/2001				
2001/2002				
2002/2003				
2003/2004				
2004/2005				
2005/2006				

9. Who are the key debtors of the LA and amounts owed?

Debtor	Amount Owed

10. State the LA's total expenditure by cost-centres since 1999

Cost Centres	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Clitor Allowances						
Personnel Costs						
Operations						
Maintenance						
Capital Expenditure						
Service delivery						
LA's own facilities (office; vehicles; equipment)						

Debt Resolution						
Loan Repayments						
TOTAL EXPENDITURE						

SECTION C: LATF

11. What is your level of understanding of LATF?

- a) Good b) Fair c) Poor

12. *In your opinion, what are the objectives of LATF?*

- a)
- b)
- c)
- d)

13. How do you receive the information on LATF?

- I. Ministry circulars
- II. Training seminars
- III. Notifications of LATF
- IV. Others (specify) _____

14. How adequate is the information received?

- I. Appropriate
- II. Adequate
- III. Not adequate
- IV. Incomprehensible

Explain.....

.....

15. What is your understanding of how the LATF money **SHOULD** be used?

- a) _____
- b) _____
- c) _____
- d) _____

16. Do you undertake LASDAPS in your LA a) Yes b) No

17. Other than LASDAPS, does your council has other ways of deciding which projects are to be funded using LATF monies? A) Yes b) No

Explain.....

.....

18. In your opinion are the LATF /LASDAP regulations adequate enough to address what the LATF is intended to achieve?

- a) Yes b) No

b) If **NO**, could you suggest possible remedies on how this can be addressed?

- I. _____
- II. _____
- III. _____
- IV. _____

19. How is information on LATF/LASDAP activities disseminated to other stakeholders such as private sector and community based groups in this municipality?

- i.
- ii.
- iii.
-

20. How many levels of consultations are involved in the identification and prioritization of the LASDAP Projects in this local authority and who is involved?

Level	Actors	Issues

21. State (*by designation*) the persons involved in deciding on the LATF-funded projects ,

- I. _____
- II. _____
- III. _____
- IV. _____

22. Are these decisions influenced?

- a) Yes
- b) No

23. If yes, by who and how

<i>Who influence the projects identification</i>	<i>How the projects choice are influenced</i>

24. Is this influence restricted to LATF-funded projects only or it extends to other resources also?

- a) Yes
- b) No

25. Which five core poverty projects have implemented in this municipality in the past five years using the LATF?

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____

26. To what extent do you feel these projects have addressed the needs of the very low income groups within the municipality?

- i. Good
- ii. Fair
- iii. Poor

Give reasons for your answer

27. Are there other groups / stakeholders that augment LATF in your municipality?

- a) Yes
- b) No

28. If yes, state who and how?

Stakeholder	How

29. What other costs are related to the LA compliance with the LATF requirement?

Cost	
Lasdap Meetings	
Supervision	
Monitoring	
Advertisements	

30. Are the costs of compliance budgeted for in LATF? a) Yes b) No

31. Are the LATF monies reliable in terms of

- i. Amounts Yes No
- Explain.....
- ii. Timeliness Yes No.....
- Explain.....
- iii. Staggering of disbursements? Yes.....No.....
- Explain.....

32. Based on your experience, do you feel the consultation time give to LA to prepare and undertake consultations with local stakeholders is enough to elicit enough community participation?

- a) Yes.....
- b) No.....

33. Based on you experience in the implementation of LASDAP, give 3 suggestions on how LASDAPS and LATF administration process can be improved

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.....

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SECTION D. MONITORING AND EVALUATION

34. a) As a local authority do you undertake project Monitoring and Evaluation (M&E)?

- a) Yes
- b) No

b) If yes, explain how you carry out M&E?

.....

.....

.....

c) If No, state the reasons

.....

.....

35. a) Does the LA have a LASDAP technical team / desk?

- 1) Yes
- 2) No

b) If yes who are its members?

- i. _____
- ii. _____
- iii. _____
- iv. _____

c) If no why?

- i. _____
- ii. _____
- iii. _____

