

**THE UNIVERSITY OF NAIROBI
FACULTY OF ARTS
DEPARTMENT OF SOCIOLOGY**

**DECENTRALIZATION IN RURAL KENYA: A case study of its practice in Trans Nzoia
County**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN RURAL
SOCIOLOGY AND COMMUNITY DEVELOPMENT AT THE UNIVERSITY OF
NAIROBI**

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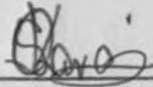


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DECLARATION

This research project is my original work and has not been submitted to any other university

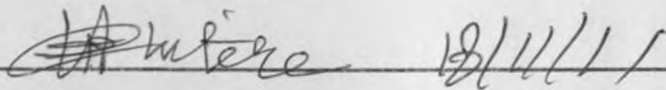


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DEDICATION

I dedicate this work to my mother, Christine Rhoda Karani, who set the foundation in my life for educational pursuit. To my son Jayden and the rest of the family, for the support, patience and understanding that you gave me

ACKNOWLEDGEMENTS

First I wish to acknowledge my supervisor Professor Chitere, for his invaluable guidance and close supervision for this study.

I am also indebted to the various staff of the Nzoia County and Kitale Municipal Councils who provided me with the relevant assistance, information and data for this study

TABLE OF CONTENTS

1.0 INTRODUCTION.....	1
1.1 Background	1
1.2 Problem statement	3
1.3 Research questions	5
1.4 Objectives of the study	5
1.4.1 Specific objectives	5
1.5 Justification for the research	5
1.6 Definition of key terms	7
2.0 LITERATURE REVIEW	9
2.1 Introduction	9
2.2 The History of Decentralization	9
2.3 Structures, Policy and Legal framework of Local Authorities.....	13
2.4 Human and Financial Resource Capacity.....	15
2.4.1 Local Authority Resource Mobilization	15
2.4.2 Other revenue mobilization strategies open to local authorities.....	16
2.5 Characteristics of rural areas	18
2.6 Purpose of decentralization	20
2.7 Types of Decentralization.....	20
2.7.1 Political decentralization	20
2.7.2 Administrative decentralization	21
2.8 Administrative responsibilities and building capacity	24
2.9 Social polarization and elite capture	25
2.10 Cost of participation on local governance	26
2.11 Sustaining decentralization	29
2.12 Challenges affecting the Local Government System (LGS) in Kenya.....	30
2.13 Theoretical framework	33
2.13.1 Sequential Theory of Decentralization.....	33
2.14 Conceptual framework	36
2.15 Operational definition of variables	37

3.0 RESEARCH METHODOLOGY & DESIGN	40
3.1 Introduction	40
3.2 Research site description.....	40
3.3 Research design	42
3.4 Unit of analysis	43
3.5 Unit of observation	43
3.6 Sampling of units of study	43
3.7 Sources of data and methods of data collection	44
3.7.1 Sources of data	44
3.7.2 Methods of data collection	45
3.8 Methods for data analysis	45
3.8.1 Quantitative data analysis	46
3.8.2 Qualitative data analysis	46
4.0 DATA PRESENTATION AND ANALYSIS	47
4.1 Introduction	47
4.2 Characteristics of the respondents	47
4.3 Policy and Legal frameworks	47
4.4 The LASDAP process	49
4.5 Human resource capacity	51
4.6 Financial Resources capacity	54
4.7 Conclusion	64
5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	65
5.1 Introduction	65
5.2 Summary of the findings	65
5.3 Conclusion	67
5.4 Recommendation	68
REFERENCES	71

LIST OF TABLES

Table 2: Background characteristics of respondents	47
Table 3: LASDAP meetings	49
Table 4: Council staff educational attainment	52
Table 5: Councilors educational attainment	52
Table 6: Staff sponsored for further studies	53
Table 7: LATF allocations	54
Table 8: PESTLE analysis	57
Table 9: SWOT analysis	62

ABSTRACT

The purpose of this study was to examine the current system of decentralization and the extent to which it facilitates participation in the two councils. The study was guided by the following objectives: To examine the policy and legal frameworks guiding the operations of Trans Nzoia Councils, To examine the Local Authority Service Delivery and Action Plan (LASDAP) process and to evaluate the level of local community representation and participation in decision making in the councils . To assess the capacity of the human resources available in the councils for development and to assess the financial and other resource capacity of the councils. The data was obtained through personal interviews with 10 informants. Questionnaires and in-depth interviews were used as data collection instruments. Document review was also used. This data was analyzed and presented using qualitative analysis and presentation.

From the findings and discussions, the study concludes that there are strategic plans in place that guide development of the projects towards the attainment of Vision 2030. It also concludes that community participation in development processes is moderate but this can be improved. Some of the factors that constrain project planning include inadequate knowledge of project planning and the limited training and capacity building. Illiteracy among the Local authority staff also limits their abilities to implement projects hence causing project delays.

The study recommends a situation where there is a complete devolution where fiscal and political decentralization is established. It will be prudent financial management if all the devolved funds could be pooled. These funds are addressing the needs of the citizen at the Local level and hence should have one management to avoid wastage, duplication of programs and activities. The control and accountability of the consolidated fund will be easier than the many funds. There is need to develop and implement elaborate Information, Education and Communication guidelines to enhance the LASDAP process. Regarding management, besides amending the strategic plan and the Local Authority Transfer Fund (LATF) Act, a committee should be enforced to ensure compliance to laid out procedures for project selection through disciplinary measures. To ensure sustainability, it is therefore proposed that in future all LATF projects must at the design phase indicate what the future running costs will be and where this will be raised from or funded.

CHAPTER ONE: INTRODUCTION

1.1 Background

During the past two decades a silent revolution in public sector governance has swept across the globe. Dissatisfied with centralized approaches to delivering local public services, a large number of countries are decentralizing responsibility for these services to lower level locally elected governments. This silent revolution has led to break up of existing countries and moves towards decentralization and confederal or federal forms of governments. The total number of countries has risen from 140 in 1975 to 192 in 2001 and of these 25% were democracies in 1975 compared to 60% in 2001. In 2001, there were 24 federal countries with 25.4% of the world population with another 20 decentralized unitary countries with some federal features having 35% of world population (Watts, 1999). This revolution aims to move decision making for local public services closer to the people. The interest in this new paradigm of public governance has further been heightened by the information revolution and globalization of economic activity, which tends to weaken the central government at the expense of supranational regimes and local governments.

The goal of economic development is to increase growth and eliminate poverty. Recently the goal has been broadened to include promoting participatory governance. Arguably, participation produces two desirable outcomes. One is democracy itself, the other, less ambitious is better targeted and more efficiently delivered public services. Concepts of decentralization have changed rapidly over the past quarter of a century in tandem with the evolution in thinking about governance. In the last quarter century, over 75 countries have attempted to transfer responsibilities of the state to lower tiers of government. Significantly, most of these lower tier governments have been elected, so that the decentralization is not just administrative or fiscal, but also political.

The World Bank policy research working paper 3353 shows that on the domestic front, political considerations have been the major catalyst in initiating a process of decentralization. These considerations had broader goals of political and economic transformation and aspirations for European Union membership in former centrally planned economies. In most other countries, the agenda for reform was driven by ethnic and regional conflicts and fiscal crisis. Interestingly

enough in some countries such as Indonesia and Pakistan, decentralization processes that had been stuck in the mud for a long time got a big boost by political and fiscal crisis. In Peru and Pakistan, recent decentralization moves had their origins in attempts by regimes in power to sideline or weaken potential opposition (Shah and Thompson, 2004). The motivation for the decentralization has varied. This shows that the quest for right balance, i.e. appropriate division of powers among different levels of government is not always the primary reason for implementing decentralization. Instead various political and economic events have often triggered such an interest.

In developing countries, debates over the structure, roles and functions of government focused on the effectiveness of central power and authority in promoting economic and social progress and on the potential advantages and disadvantages of decentralizing authority to sub national units of administration, local governments or other agents of the state (Rondinelli, 1983). Decentralization was defined as the transfer of authority, responsibility and resources through deconcentration, delegation or devolution – from the center to lower levels of administration.

By the early 1980s increasing international trade and investment; growing economic, social and political interaction across national borders; and rapidly emerging technological innovations that increased the scope and reduced the costs of communications and transportation and helped spread knowledge and information worldwide, changed perceptions of governance and of appropriate functions of the state. The concept of governance expanded to include not only government but also other societal institutions including the private sector and civil associations (Drummond and Monsoor, 2003).

As international economic interaction grew and societies became more complex and interconnected, government came to be seen as only one, albeit a critically important governance institution. The fact that people's lives were also shaped by decisions made by individual entrepreneurs, family enterprises and private firms, by multinational corporations and international financial institutions; and by a variety of civil society organizations operating both within and outside of national territories, became more apparent (Rondinelli, 2002). As globalization pushed more countries to adopt market or quasi – market economies, and as technology drove the growth and integration of worldwide communication and transportation

networks, demands for political and economic participation grew even in countries that had totalitarian, authoritarian or dictatorial governments and in which the state traditionally played the dominant or controlling role in managing national affairs. Good governance came to be seen as transparent, representative, accountable and participatory systems of institutions and procedures for public decision-making (Cheema, 2005).

1.2 Problem Statement

Although many countries have moved toward democratic governance, their attempts to decentralize have not always been easy or successful. Time and again, reformers have learned that decentralization is not a panacea for all of the ills of ineffective governance. Successful experiments in decentralization have yielded many of the benefits claimed by its advocates, but skeptics also point to its limitations. While success or failure is difficult (and premature) to judge, some common problems associated with decentralization's impact on service delivery have begun to emerge. The most frequently cited problem is the lack of capacity at sub national levels of government to exercise responsibility for public services. In Uganda and Tanzania, the lower tiers of government lacked the ability to manage public finances and maintain proper accounting procedures. Since these were a requirement for transferring money to the lower tiers, they actually received less money than before decentralization. In Uganda, spending on primary health care fell from 33% to 16% during decentralization (Akin, Hutchinson and Strump, 2001). Decentralization often fails because of low levels of administrative and management capacity in local governments and in civil society organizations (FAO, 2003).

While decentralization was in some cases intended to strengthen the political power of lower tiers of government vis-à-vis the center, it has also increased the possibility of political "elite" capture within these lower tiers. Decentralization in rural Kenya is undermined by their inability to raise sufficient financial resources to provide services efficiently. This leads to over borrowing creating a "soft budget constraint" facing several sub national governments. The poor resource base and lack of autonomy have led to dilapidated and overburdened services in most sub national authorities as reflected by poor maintenance of major roads, lack of provision of new services, difficulties in paying salaries, statutory deductions and payments to suppliers among other problems.

The impacts of decentralization on citizen participation also vary from country to country depending on the type of decentralization used and the political situation in the country. In 1979, Indonesia established "village governments" with locally chosen village heads accountable to village councils that would determine budget priorities. A study of 48 rural villages showed that, since village heads chose the members of the council, accountability to the villagers was weak; only 3% of the village proposals were included in the district budgets. Those villagers who participated in government organizations were more likely to speak out at village council meetings, crowding out the voice of others in the village (World Bank 2001). Local governments in Africa have often constrained local groups and limited citizen participation especially of the poor, as strongly as central governments (Devas and Grant, 2003).

In common with many other countries, Kenya has been reforming its system of local government. The main aim of the reform has been to strengthen the capacity of local authorities (LAs) to deliver services to its residents. The very weak financial position of LAs has been considerably strengthened in the past two or three years as a result of the transfers made through the Local Authority Transfer Fund (LATF). But real and lasting improvements will only happen if LAs involve their residents in decisions about how resources are used, and are accountable to their citizens for those decisions. In the past, both of these aspects have been very weak in LAs in Kenya, raising questions about whether LAs are making good use of their resources, both LATF transfers and their own local revenues.

Coupled with the above, local authorities have had poor human resource capacity, poor civic leadership, lack of transparency and accountability, lack of capacity in financial management which have led to poor performance, reduced provision and maintenance of basic services and infrastructure, and service delivery in local authorities in Kenya. They have also failed to implement programs that could effectively promote local development, poverty reduction and enable local authorities to repay loans (Gitau and Amaya, 2003). Moreover, stakeholders have not been participating in decision-making in planning and implementation of programs in their localities. Lack of stakeholder participation translates to non-monitoring and evaluation of service delivery projects by residents.

1.3 Research Questions

This study answers the following research question

1. What are the administrative, political and social factors that influence community members' participation in development?

1.4 Objectives of the study

The general objective of the study was to evaluate the role of citizen participation in enhancing effectiveness, sustainability and responsiveness of development initiatives to their needs

1.4.1 Specific objectives

- i. To examine the policy and legal frameworks guiding the operations of Trans Nzoia Councils
- ii. To examine the LASDAP process and to evaluate the level of local community representation and participation in decision making in the councils
- iii. To assess the capacity of the human resources available in the councils for development.
- iv. To assess the financial and other resource capacity of the councils

1.5 Justification and significance of the study

Decentralization has been justified in recent years for several reasons. First, decentralization, at least in theory, holds great potential for development. It can be said to possess a dual mandate. Decentralized government provides space for people to participate in the formulation of policies that affect them directly, including the setting of local taxes, provision of social services and ensuring security of life and property. It is also assumed that it is easier to exercise inclusive politics, which enable communities and groups to influence policies that affect their daily lives, at the local than at the national level. Indeed, for many aid agencies local participation has become the focus of their aid programs with countries that emphasize broader political participation and show a high degree of ownership of domestic reforms, including a focus on poverty reduction, getting more aid resources and support. In recent years, this has led to the strengthening of 'civil society' as a counterweight to central government powers. The most visible exponent of this trend has been the growth of the nongovernmental sector (NGO's) in many African countries, to the extent that worries have been expressed over the negative impact

that the bypassing of the state might have on public sector effectiveness. Besides, decentralization is assumed to improve decision making at the local level and to raise the quality of governance. Also, by encouraging local participation, decentralization enhances resource mobilization, including development aid, and ensures a more efficient use of resources. This increases the production of goods and services and thus local welfare (Bossuyt and Gould, 2000).

Ghai (2006) argues that the aforementioned factors combine to create an environment hostile to development since the authority of government over their people is progressively eroded. The resultant effect is reduced compliance with decisions to which the government responds through populist measures or coercion. Economic costs rise due to escalating corruption and the diversion of resources to address internal security (Ghai, 2006).

Ndulo (2006a) argues that the unprecedented economic decline and mismanagement is further fueled by unhealthy state and civil society relations. The relations are characterized firstly by the erosion of boundaries between the state and the civil society and secondly, by limited participation in governance by the citizenry. Finally, the preferential access to power and resources is determined by religious, ethnic or geographical considerations.

African states with centralized systems of government have suffered multiple symptoms associated with poor governance. Ghai (2006) citing a World Bank (1992) analysis on governance enumerates these symptoms as firstly a failure to make a clear separation between what is public and private. This engenders a tendency to direct public resources for private gain. Secondly, the system does not establish a predictable framework of law and government conducive to development, and encourages arbitrariness in the application of rules and laws. Thirdly, the system fosters excessive rules, regulations and licensing requirements which impede functioning of markets and encourage rent seeking. Fourthly, it encourages the setting of priorities inconsistent with development and non transparent decision making.

Decentralization/ devolution remains a core prescription of international development organizations for promoting democratic governance and economic adjustment and is seen by many of its advocates as a condition for achieving sustainable economic, political and social

development and for attaining the UN's Millennium Development Goals. This study will act as a guide to the various organizations in the society on the effective ways of handling and working with communities to ensure that the development activities being undertaken promote effectiveness, sustainability and responsiveness to the needs of the communities. It will also educate and enlighten the members of the society on their duties and responsibilities as citizens in contributing to the overall development of the country.

1.6 Definition of Key terms

- i. Decentralization is usually referred to as the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy.
- ii. Administrative decentralization includes de-concentration of central government structures and bureaucracies, delegation of central government authority and responsibility to semiautonomous agents of the state, and decentralized cooperation of government agencies performing similar functions through "twinning" arrangements across national borders. It empowers these governments to hire and fire local staff (thereby making local officials accountable to elected officials) without any reference to higher level governments.
- iii. Political decentralization includes organizations and procedures for increasing citizen participation in selecting political representatives and in making public policy; changes in the structure of the government through devolution of powers and authority to local units of government; power – sharing institutions within the state through federalism, constitutional federations, or autonomous regions; and institutions and procedures allowing freedom of association and participation of civil society organizations in public decision making, in providing socially beneficial services, and in mobilizing social and financial resources to influence political decision making.
- iv. Devolution is the transfer or delegation of power to a lower level especially by central government to local or regional administration.
- v. Fiscal decentralization includes the means and mechanisms for fiscal cooperation in sharing public revenues among all levels of government; for fiscal delegation in public revenue raising and expenditure allocation; and for fiscal autonomy for state, regional or local governments.

- vi. Localization means decentralization of decision making to the local level. It is pursued through political, administrative and fiscal decentralization.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains some background information to the research study, literature on the structure and operation of local authorities, characteristics of rural areas, some of the factors or aspects that affect local participation and development and the approaches to ensuring a successful decentralization outcome in the community.

2.2 The history of decentralization

During the 1970's and 1980's, globalization forced some governments to recognize the limitations and constraints of central economic planning and management. A shift during the same period in development theories and strategies in international aid agencies away from central economic planning and trickle down theories of economic growth toward meeting basic human needs, growth with equity objectives and participatory developments also led to increasing calls for decentralization (Korten and Alfonso, 1981).

International assistance organizations promoted decentralization as an essential part of "process approach" to development that depended primarily on self-help by local communities and local governments. National governments decentralized in order to accelerate development, break bureaucratic bottlenecks arising from centralized government planning and management and participate more effectively in a globalizing economy. Governments were also pressured to decentralize by political, ethnic, religious and cultural groups seeking greater autonomy in decision-making and stronger control over national resources. In much of Africa, calls for decentralization emanated from tribal minorities and economically peripheral ethnic groups (Mawhood, 1993). Growing discontent with the inability of central government bureaucracies to deliver effectively almost any type of service to local areas fueled the decentralization movement in Africa (Smoke, 1994).

In one form or another, many countries have adopted both democratic governance and decentralized government over the past quarter of a century. By the early 1990's, all but twelve of the seventy-five countries with populations of more than five million had undertaken some form of decentralization (Dillinger, 1994). At the end of the 1990's, about 95% of the countries

with democratic political systems had sub national units of administration or government. By the early 2000's, there were more democratic states in the world than non-democratic ones. Freedom House ranked 89 of the 192 countries that it surveyed as "free" and 54 as "partly free"(4 billion people or 63% of the world's population live in these countries). At least 119 of those countries were deemed to be formal electoral democracies (Freedom House, 2005).

Studies in Latin America indicate that decentralization is one, but not necessarily the most essential component for citizen participation and that the relationship between decentralization and citizen participation is conditional by complex political, historical, social and economic factors that differ in strength and importance among and within countries (Inter American Development Bank, 2001). Questions arise in Africa as well about whether decentralization can increase efficiency in service delivery, empower local groups and facilitate popular participation (Francis and James, 2003). Studies of decentralization in the Middle East note that simply because central governments allow the proliferation of civil society organizations does not mean that they encourage real empowerment (Wiktorowicz, 2002).

There is some evidence to show that the decision to decentralize may have more to do with short-term political considerations of politicians rather than being based on the perceived benefits of decentralization in the long run. Eaton (2001) suggests the following possible political motivations for decentralization:

- i. Decentralization might be a voluntary choice of politicians – it can increase political stability and economic growth in a way that compensates politicians for any loss of power they may experience in the short run.
- ii. Decentralization may result from political pressures exerted by sub national politicians. If sub national politicians can influence the political careers of their representatives in the national assembly, these legislators may be coerced into supporting decentralization.
- iii. Decentralization may reflect short-term gains for politicians, since politicians usually discount future gains heavily. When government is divided, the party in control of the legislature may promote decentralization as a way to constrain the executive branch. Experiences of Argentina and the Philippines suggest that political struggles over the

control of revenues and expenditures may have less to do with substantive debates over development strategy than with short term and highly dynamic political calculations.

External influences through globalization and the information revolution are also having profound influences on the division of power within nations. The information revolution has weakened the ability of governments to control information flows. With globalization, it is increasingly becoming apparent that nation states are too small to tackle large things in life and too large to address small things. More simply, nation states are fast losing control of some of their areas of traditional control and regulation, such as regulation of external trade, telecommunications and financial transactions. National governments are experiencing diminished control in their ability to control the flows of goods and services, ideas and cultural products. These difficulties are paving the way for the emergence of specialized institutions of global governance such as the World Trade Organization, Global Environmental Facility, and many more to follow, especially institutions to regulate information technology, satellite communications and international financial transactions. Even development finance institutions are assuming an increasingly powerful role in macroeconomic management. Thus nation states would be confederalizing in the coming years and relinquishing responsibilities in these areas to supranational institutions. This trend, however, contributes to a democracy deficit, as citizens do not have the possibility of direct input in vital decision-making by supranational institutions (Shah and Thompson, 2004).

Although evidence can be found for both beneficial and negative consequences of decentralization among and within countries, many of the failures of decentralization are due less to inherent weaknesses in the concept itself than to government's ineffectiveness in implementing it. Experience in developing countries suggests that successful decentralization always requires the right ingredients, appropriate timing and some degree of experimentation. The ingredients are now well known. Andrew Parker (1995) compares the implementation of decentralization policies to cooking a soufflé, which requires the precisely correct combination of ingredients, the right temperature and perhaps a persistent chef. If any of the ingredients are missing, mixed in incorrect proportions, or cooked at the wrong temperature, the soufflé will fall.

Learning to cook a soufflé requires some experimentation and a willingness to improve through trial and error.

Decentralization cannot easily be enacted or sustained without strong and committed political leadership at both national and local government levels. Government officials must be willing and able to share power, authority and financial resources. Political leaders must accept participation in planning and management by groups that are outside of the direct control of the central government or the dominant political party (Ascher and Rondinelli, 1999). Support for and commitment to decentralization must also come from line agencies of the central bureaucracy. Ministry officials must be willing transfer some of those functions that they traditionally performed to local organizations and to assist local officials in developing the capacity to perform them effectively. Experience suggests that decentralization can be implemented effectively only when policies are appropriately designed and when local public officials are honest and competent and national political leaders view local empowerment as a benefit rather than a threat (Mitchinson, 2003).

Since independence, Kenya has experienced episodes of political instability which have had adverse effects on the country's economic performance and social cohesion. For example, in 2008 Kenya witnessed violence following the disputed national elections held in December 2007. Kenya also experiences other failures from time to time. Such failures include – corruption, economic stagnation, inequalities and poverty. These failures and episodic instability can be linked to the quality of governance (Kimenyi and Meagher, 2004). Quality of governance is in turn dependent on institutions. These institutions can take different forms ranging from the constitution, to local authority by laws to self regulation in informal business setting. Different governance frameworks will yield varying political, economic and social outcomes. As Kimenyi and Meagher (2004) note, these differences emanate from the differences in the rules, organizing capabilities, social and political principles captured in the governance concept.

The concept of devolved Local Government is receiving attention worldwide as a tool for implementing sustainable development. Local Governments are strategic institutions for the provision of basic socio-economic and environment services. Their strategic position makes

them valuable and viable for providing effective and efficient services required by the community. Local authorities/Local Governments also provides platforms where community members exercise their democratic rights by electing their representatives who in turn coordinate the provision of the local services (IEA, 2009).

Devolution has been advocated as a political response to the ills plaguing fragile and plural societies such as conflicts, inequalities, rent seeking, economic stagnation, corruption and inefficient use of public resources. For devolution to be effective, however, the criteria of subsidiarity and consensus must be observed (Dent, 204; Kimenyi and Meagher, 2004). There are several ways in which devolution impacts governance. First, by distributing authority over public goods and revenues devolution makes it difficult for individuals or groups of official actors to collude and engage in corrupt practices. Second, where devolution of authority takes place along territorial and communal lines, it can foster effective cooperation within the devolved units. As a result, local communities are able to mobilize social pressure against rent seeking and corruption. Devolution including other forms of decentralization, however, may not always lead to improved governance and economic performance. For example, devolution may reduce the ability of the national government to redistribute resources and therefore the ability to assist the less developed sub national units. In addition, devolution may lead to the capture of local governments by the political elites, especially if devolution rules and systems are not well designed, and hence allow the local politicians to use the local resources to consolidate their hold on to political power through patronage.

2.3 Structure, Policy and Legal framework of Local Authorities

Local authorities in Kenya are established under the Local Government Act Cap 265. Once constituted, the first function of the councilors is to elect their mayor in respect of the City Council of Nairobi and the Municipalities, or the chairperson in the case of county and town councils. After the election of the mayors or chairpersons and their deputies, the councils elect the chairpersons and their deputies of the various committees. The number of committees as will be discussed later will depend among other factors on the size of the particular council.

The Local Authorities therefore work through legally constituted committees of elected and nominated councilors. The responsibilities of councilors include formulating policies and planning of activities that help the community engage in socio-economic and political responsibilities in their areas (Omamo, 1995). The council committees discuss departmental program and activities and propose their budgets. These budgets finally form the council budget discussed during the council budget day. Members of the public are allowed to attend the budget day of their Local Authority. The council committees determine the annual program and services offered by the council. The community and stakeholders should take interest on what goes on in these committees since the funded services affect them. Examples of crucial services provided include water, roads, building plans (in municipalities) and solid wastes to name but a few.

It is through the council committees that the community and stakeholders when invited can participate in council deliberations. In Kenya community participation is made possible through the Local Authority Service Delivery Action Plans (LASDAP) and the budget day. Internationally the role of Local Authorities is to manage affairs of the local community as exemplified by the German basic law governing their municipalities (Wanjohi 2003); the South African Constitution of 1993 (Section 174) and the Ugandan Local Government Act (ULGA, 1997). The legislations in different countries give Local Authorities different powers and hence the varied functions found in their Local Authorities. For example, Local Governments in Uganda implement their functions by involving the community in decision-making through participatory governance. In South Africa participation of the community in Local Government matters is recognized in the Constitution Chapter 7 section 152 (1) e. The participatory framework in South Africa clarifies the different roles to be played by each involved stakeholder. In the Kenyan situation such framework can assist the Kenyan citizens to demand for involvement in Local Authorities programs.

The structure of the different Local Authorities is related to their sizes and the categories. It is important for the citizens to know that Local Authorities are run on a committee based systems. In each Local Authority there are two structures. One is the decision making (political) structure headed by the mayor or chairperson and the other is the administrative structure headed by town/county clerk. The mayors/ chairpersons face a challenge in performing their duties when

the administrative structure headed by the town/county clerk does not work in harmony with the political structure headed by the mayor/chairperson then there will be no effective service delivery in that council. Unfortunately the current Local Government system is such that the town clerks and other senior officers of the councils are controlled by the Ministry of Local Government and any mismanagement can only be reported to the Ministry of State for Public Service which has the mandate to discipline council officers. Sometime actions take long and council services suffer. The appointment of the Clerks by the Public Service Commission and the control of them by the Ministry of Local Government sometimes cause conflict in the operation of the council as far as discipline of the officers is concerned.

The challenge in developing countries including Kenya is the fact that there is a slow growth in the revenues for Local Authorities due to limited grants from central governments as well as limited capacity within Local Authorities to collect as well as grow own resources. The Omamo report (1995) sites the second reason for the slow growth as the lack of insufficient taxing authority at the local level and shortfall in revenue collection (Omamo, 1995). Currently the Kenyan Local Authorities have a number of sources for their revenues. These include: Local Authority Transfer Fund (LATF), Roads Maintenance Levy Fund (RMLF), Contribution in Lieu of Rates (CILOR), property rates, single business permit, vehicle parking, plot rents, water and sewerage fees, cess receipts, game park fees, and house rents. LATF is the main source of Local Authorities revenue. The other sources of revenues include European Union (EU) Poverty Reduction Fund Grant, charges, fines and interests, advertising fees and planning approvals. Collection of revenue is a big challenge to Local Authorities. For example there is a very high rate of rate defaulters. For instance, the city council of Nairobi by the 3rd quarter of the FY 2007/2008 had collected Kshs. 3,737,477 against the budgeted Ksh. 6,600,000. This means that the City may implement only 50% of the programs they had planned the money for (City Council of Nairobi, 2009).

2.4 Human and Financial resource capacity

2.4.1 Local authority resource mobilization

For Local Authorities to provide the services required adequately and efficiently, they will need to find new methods and ways of mobilizing more revenues. Studies from South Africa have

shown that Kenyan Local Authorities have not been vigorous in generating and collecting their own revenues. Some of the reasons given for not realizing adequate revenue include lack of adequate human resources, noncompliance by the residents to pay council dues and lack of goodwill by the government to support Local Authorities in realizing the uncollected revenues. Weak by-laws and lack of appropriate financial strategies have also been cited as contributing to the low revenue generation and collection. One of the biggest challenges for Local Authorities in Kenya is servicing their debts which seem to be getting bigger and bigger every year. Other reasons include lack of integrity; poor record of Local Authority in collecting own revenue, poor enforcement, etc. Local authorities are empowered by the Local Government Act cap 265 of the Laws of Kenya under sections 216 and 217 to establish and maintain a general rate fund. The Rating Act Cap 267 empowers the Local Authorities to impose rate on land and buildings in Kenya. Local Authorities are empowered by Rating Act Cap 267 section 17 to enforce payments of rates (Republic of Kenya; The Rating Act Cap 267, 1986). The enforcement of this law has been the weakest point of Local Authorities. Section 26 of the Act on publication and service of notices has not been fully utilized by Local Authorities.

2.4.2 Other Revenue Mobilization Strategies Open to Local Authorities Includes:

- a. **Raising Revenue from Electricity and Water Revenues:** Local authorities in Kenya can benefit from revenue streams from a percentage share of proceeds from electricity; and water revenue generated from their jurisdictions through the formation of companies under for instance, the Public Private Partnerships (PPP). Customers can then be billed using a consolidated tariff receipt for the three services, say, water, electricity and rates resulting into improved collection of revenues. Experience from the City of Durban, South Africa where collection rate is over 90% shows that if rates, water and electricity charges are collected together the results is improved collection of revenues. Example: The city of Durban (in South Africa) collection rate is over 90%. Such revenue if accessed by Local Authorities in Kenya could increase their revenue base and hence provide more services. However, in the Kenyan case we will require the change and revision of the law governing the provision of electricity to enable the implementation of revenue sharing with Local Authorities.

- b. **Raising Revenue from Stocks and Bonds:** Empowered by the Local Government Act section 222 Local Authorities can borrow funds to implement their functions. Under section 223 Local Authorities can issue stocks or bonds. These facilities have not been used much by Local Authorities. Strategies need to be initiated to prepare Local Authorities to undertake the issuance of bonds or stocks. Success in issuance of bonds will expose Las to a higher level of scrutiny than they are used to as no private sector firms would lend to a Local Authority whose finances are managed without transparency. This will lead to their providing improved service in addition to cleaning up their books through better financial management.
- c. **Raising of Revenue from Local Government Loans Authority (LGLA):** The use of the Local Government Loans Authority Act (LGLA) can be revived to facilitate Local Authorities access money to fund capital projects at affordable repayment rates. Majority of those Local Authorities that borrowed money from this facility have not serviced their loans. The facility is not functional and its revival can accelerate service delivery. The issue of LGLA defaulters must be addressed together with the other debts discussed elsewhere.
- d. **Public Private Partnerships (PPP) and Local Authorities:** This section deals with the use of PPP to raise extra funds and management of infrastructure and service functions. Currently some PPPs exist in some Local Authorities. However, what is required in a national and Local Authority policy on PPP. Strategies can be put in place where the citizens are involved in funding specific programs. MOUs can be undertaken to specify the roles the different actors will play in the provision of the services. Examples of programs that can be undertaken through PPP include: water provision; solid waste management; street lighting, environmental beautification, roads repair and maintenance and housing. The successful partnership of Nairobi City Council on street beautification is a good example.
- e. **Local Economic Development (LED) and City Profiles:** Local authorities in Kenya lack strategies for LED. Such strategies can empower Local Authorities and their citizens to identify potential resources and maximize their use for the development of the authorities. Therefore cities need to understand their local economy and develop City Development Strategies (CDS) that will guide their local economic programs. The

strategies assist Local Authorities improve their capacity for good city management and economic performance (MoLG; 2008). The strategies also provide the Local Authorities and their stakeholders' economic control and involvement in the development processes. The first step in the development of a CDS is to prepare a city profile here referred to as State of the City Report (SoCR).

- f. **City Development Strategy (CDS) and State of the City report (SoCR):** The CDS process commits public and private sector actors to their common goals and objectives into action, thereby attracting capital and ensuring accountability. One of the objectives of a CDS would be to “develop economically vibrant and socially inclusive urban Local Authorities and productive, livable, safe, just and competitive city”.

The possible financing strategies would include: prioritizing and implementing citizen's participation and donor support frameworks for CDS programs. Strategic capacity building programs can be developed to enhance the financial and management skills of the staff charged with the responsibilities of revenue collection and management. Specific training can be mounted after needs assessment and analysis of the required skills. Improved revenue targets and efficient expenditure can be used as indicators in performance contract of Local Authority officials.

2.5 Characteristics of Rural areas

Poverty continues to pervade rural areas in developing countries. Inappropriate public policies and ill designed programs and projects have both served to impoverish rural communities. The spatial dispersion of people living in rural areas increases the cost and difficulty of providing rural goods and services effectively. Specific economic conditions in rural areas also result in fewer developmental opportunities being available than in non rural locations. Agriculture is generally the most important economic sector, making rural areas highly dependent on the performance of a single sector, where investments are risky. In addition, the tax base is limited, resulting in rural areas often being unable to mobilize sufficient resources to finance their own rural development programs. Raising taxes is more difficult in rural than urban locations because taxation reduces already low levels of rural income. Even when this is not the case, the tax base is usually small. Also, due to a higher level of self sufficiency in rural communities, trade in

taxable goods and services is often limited. Furthermore, rural areas are often politically marginalized leaving little opportunity for the rural poor to influence government policies. In many developing countries, policies have consistently discriminated against agriculture through high levels of taxation and other macroeconomic policies that have adversely affected agricultural performance and the rural tax base, resulting in a net transfer of resources out of rural areas. The impact of this combination of geographic, economic and political factors is a high incidence of poverty and a low level of development, as measured by indicators such as rates of literacy, life expectancy, infant mortality and malnutrition (Parker, 1995).

In his seminal work on urban bias, Lipton 1977 maintains that urban elites, by organizing, centralizing and controlling political and economic power, have been able to control substantially policies and the distribution of resources in poor developing countries. He seeks to demonstrate that: "many of the resources allocated by state action to city dwellers would have earned a higher return in rural areas; that private individuals, furthermore, were indirectly induced by administrative decisions and price distortions to transfer from countryside to town their own resources, thereby reducing the social (but increasing the private) rate of return upon those as well; and that, ultimately, inadequate inputs of rural resources substantially reduced even the efficient use of urban resources" (Lipton, 1977: 70-1).

Though far more numerous than urban populations, rural people are more dispersed, poor, inarticulate and disorganized. The result is an allocation of resources between urban and rural areas that is unfairly biased against rural areas and is economically inefficient. The concomitant lack of investment in rural areas that is the result of the surplus transfers to cities is manifested in the low level of services provided to the rural poor. The general tendency within rural areas is for services to be concentrated in local government administrative centers, and for outlying villages to have to accept either nonexistent services – no schools, health spots or extension agents, or a level of service that is wholly inadequate – extensive travel times to reach school, infrequent visits by extension agents.

2.6 Purpose of Decentralization

Kenya has pursued economic development through central planning since independence in 1964. The centralization of authority and management of resources has led to the inadequate distribution of resources across regions, resulting in a growing inequality in services, infrastructure and development across the country (Court and Kinyanjui 1980; Mapesa and Kibua 2006). To overcome the distortion in the allocation of public expenditure a number of decentralization programs were put into place during the 1960s and 1970s, but without much success as these programs became politicized and the misallocation of resources persisted (Court and Kinyanjui 1980). Over the last decade Kenya has had a renewed interest in decentralization programs as a way to reverse inequality and tackle poverty. But to prevent the failure of previous decentralization efforts the government has contemplated this time empowering the grassroots through devolved decision making, participatory budgeting and the monitoring of these programs. One of the main examples of these new decentralization efforts are the devolved funds. Moving decision-making closer to people requires that citizens have voice and exit options for local governance (political decentralization). In addition, local governments they elect should be allowed home rule in fiscal, regulatory and administrative matters (fiscal and administrative decentralization). All of these elements must be in place to ensure effective decision making at the local level. It is interesting to note that very few developing countries have adopted such a comprehensive approach to the decentralization of decision-making.

2.7 Types of Decentralization

2.7.1 Political Decentralization

This represents the area of most intensive political interest and reform. The degree of popular participation and contestability of local government elections nevertheless remains low given that local councils and their heads are typically elected through popular vote. Very few countries have provisions for popular recall of local officials (Shah and Thompson, 2004). Devolution of powers and resources to local governments has been a foundation for promoting sustainable decentralization in developing countries. Advocates argue that local governments with decision-making power, authority and resources can play a more catalytic role in economic and social development. Citizens are more likely to participate actively in local political processes where

local governments are perceived to have the capacity to make political and financial decisions affecting their economic and social welfare.

Two dimensions of devolution, political and fiscal, are complementary. Political devolution provides a legal basis for the exercise of power at the local level and enables citizens to influence local policymaking and priority setting. Fiscal devolution assigns functions and revenues to sub national and local governments and the resources by which to implement local policies and programs. Too often, central governments assign functions to sub national administrative and local government units without providing adequate revenues to carry them out or the authority to raise revenues locally. Where resource deficiencies cripple local governments and undermine their ability to provide services, citizens become disillusioned with their performance and are less likely to participate actively in local political processes.

Governments promoting political devolution have generally received strong support from Western Donor countries and international development institutions that see the legitimacy of governance arising from the universal franchise, free and fair elections and political pluralism. International development organizations also claim that highly participatory governance creates conditions that make governments more accountable and more efficient and effective in delivering service.

2.7.2 Administrative Decentralization

Effective administrative decentralization requires lack of any ex-ante controls over the decision to hire fire and set terms of employment of local staff. To improve tax collection or the delivery of local public services, local government should have the freedom to contract own taxing and spending responsibilities. Furthermore, local governments should have the authority to pass by laws in their spheres of responsibility without having to obtain prior clearance from the higher-level government.

In practice however, local governments in a large majority of countries do not have the authority to hire and fire senior local staff. Eastern European countries represent an important exception in this regard. The freedom to contract own responsibilities is typically available but this option in

some cases e.g. in the Philippines, is constrained to the expenditure side only. Overall, there has been significant progress in administrative decentralization in developing countries in recent years. Such progress has been slower in the area of local government autonomy for own civil service (Shah and Thompson, 2004).

Quite a large number of central governments are involved in local functions. As illustrated in the World Bank policy research working paper 3353, out of a sample of 33 countries for which details on the assignment of local functions are available, primary education is the sole responsibility of the center in 12 countries and in additional 9 countries central government is involved in this service along with local governments. In areas of shared responsibility such as education, health and social services, policies of various levels of government are typically uncoordinated. While social service expenditures tend to be less important in developing countries than industrial countries, the role of the local government in these functions is more important in the latter. These are also the functions that are in some countries mandated by the constitution to be provided universally and free.

Local authorities in the country are facing a serious crisis in attracting, retaining and developing the main asset that would normally make a difference in their performance. Throughout the 1990s, the public sector experienced a stagnant wage level in real terms due to high and persistent inflation and a state-decreed freeze on the actual growth in wages. There has been disparity between the private sector, Central Government, state parastatals and Local authorities with the latter having the lowest wage levels up to date. Recent review in the public sector wages has not corrected this disparity with the result that councils staffing situation has remained adversely affected by the persistent low wage regime (World Bank 2002:102).

Local authorities have experienced perennial shortage of qualified, experienced and skilled personnel at chief executive, deputy chief executive and head of department level that constitute council management. Senior management positions in scales 1-9 are filled through a recruitment process that is led by the Public Service Commission (PSC) and the Ministry of Local Government. The identification of needs and the management of the recruitment process is too centralized to fully respond to the requirements of Local Authorities. The filling of vacancies

takes lengthy periods during which the functions of the various offices are performed by persons who are usually not qualified to be appointed to them. The vacancy rate for these positions tends to be relatively high, being over 60 % most of the time (World Bank 2002:102). As a result the leadership that is badly needed by lower cadres of staff and the supervision required to ensure staff productivity is not available. This hampers the realization of quality service standards and at best makes for wide swings in the output of personnel and unsatisfactory rating of the performance of councils by their residents. This situation tends to be made more complicated by the perceived lack of job security which arises from politicization of the HR function. And there are plenty of cases where councilors have taken over the offices of Chief Officers whilst locking out the incumbents who may have been deployed in their councils by the PSC.

Local Authority organizational structures continue to be broad-based with severe overstaffing in the supervisory operative cadres whilst management positions remain unfilled for unduly long periods. The process of filling positions in the service providing cadre - scales 10-25 is led by the councilors and it remains highly politicized as a result of pressure on local leaders to provide employment for their political supporters.

Training opportunities are limited and coupled with the lack of nationally coordinated CB strategy or a locally designed CB plan; Local Authority staffs have very low prospects of improving their skills and competencies. The wage bill exerts a severe strain on local finances as salaries often absorb over 60 % of the council's annual budget making it difficult for the council to finance a structured and focused CB plan. Many Local Authorities have yet to develop and implement a restructuring program aimed at down – sizing / rationalizing their staff complement. The various HR challenges that Local Authorities are facing were discussed in detail in 2004 Nordic Consulting Group (NCG) Comparative Decentralization Study report. The solutions to these problems have been seriously constrained by the shortcomings in the institutional framework for the Local Authority HR function.

Generally, the councils are finding it difficult to get qualified management and technical personnel to serve in them. the existing Local Authority staff have a hard time getting promoted on merit; employment in councils is biased in favor of candidates from the locality i.e. "sons and

daughters of the soil". Reported interference of politicians in routine personnel management makes it difficult to achieve objective HR management and development in the councils.

2.8 Administrative responsibilities and building Capacity

Alongside fiscal and financial resources and autonomy, a key issue facing sub national governments is the access to staff and human resources. Decentralized service delivery is difficult when sub national governments lack skills and institutional capacity. More often than not, administrative decentralization claims far less attention than political and fiscal factors, with decentralization proceeding without explicit staffing strategies or public administration reform. Administrative devolution is inevitably drawn out, often falling behind political and fiscal decentralization. Political and fiscal devolution may have proceeded apace but administrative changes may only approximate deconcentration (local service providers continue to be full employees of upper tier government) or delegation (local government has only limited ability to hire and fire providers).

The twin tasks of administrative devolution and building local capacity are closely linked, making the task of bringing this alignment about even more daunting. The central government has a key role in building local capacity and has two approaches available to it. It can provide training in traditional, top down ways, or it can create an enabling environment, using its finance and regulatory powers to help sub national governments define their needs (making the process demand driven), to deploy training from multiple sources (local, national, overseas, public, private sector), to learn by doing as decentralization proceeds, and to establish learning networks among jurisdictions (Khemani et. al. 2005)

Another challenge in implementing devolution in some developing countries is rampant corruption and misuse of authority at both national and local levels. These problems are especially serious in societies with inequitable social and economic structures and high levels of poverty and illiteracy. Even the staunchest advocates of decentralization argue, therefore, that effective devolution requires strong accountability not only by politicians and government officials but also by the private sector and representatives of the civil society.

2.9 Social Polarization and Elite Capture

Another important issue to consider is that of capture of local government by elites. When civic participation in local government is low, there is a greater risk that interest groups and local elites may capture local governments and direct resources toward their own priorities rather than toward improving the provision of local public goods and poverty alleviation. This is particularly a serious problem for rural areas in countries where there are large inequalities in land ownership. High civic participation and contestability in local elections are particularly important in the Developing and Transition Economies (DTE) context since the ability to “vote with ones feet” is limited. However, the degree of local participation is likely to be endogenous in urban areas; as local governments take on larger roles in expenditure and taxing decisions, than the degree of participation in local government affairs should rise commensurately as the stakes increase for participation at the local level (Shah and Thompson, 2004).

In socially polarized and/or ethnically fragmented societies, voters tend to vote for those candidates with whom they most closely identify. Political competition between parties thus also concentrates on identity issues, and candidates are nominated from constituencies largely on the basis of demographic calculations of ethnicity and religion. Like uninformed voters, polarized voters are therefore also less able to hold politicians accountable for their overall performance in office in making services work. Public good provision would suffer most under these conditions, since politicians in polarized societies rarely internalize the society wide costs and benefits of their policy decisions (Khemani et. al. 2005).

Decentralization might help by devolving decision-making authority to more homogeneous groups. However, social homogeneity may decline rather than increase at more local levels. Social polarization between any two local groups may be more intense due to age old differences across settled communities and weaker at national level, perhaps through national campaigns of nation building. Local politics may therefore be more likely to revolve around identity issues and hence not be geared towards providing strong incentives for political agents to deliver public goods.

In some groups of voters, perhaps the local elite, are more likely to mobilize themselves to influence public policies at more local levels, then decentralization might increase the risk of “capture” of public resources for the benefit of the non poor (Bardhan and Mookherjee, 2000). There is substantial anthropological and anecdotal evidence from India that disadvantaged groups are systematically excluded from using public goods within their own villages by social processes of discrimination. Micro level studies and survey evidence from India show that within village inequality in education access and achievement is significant, with the privileged castes in the village enjoying near universal adult literacy for several decades while literacy rates are still close to zero among disadvantaged castes in the same village (Drize and Sen, 1996).

Several studies in Kenya have found that residents are not participating or being consulted in CDF activities (IEA 2006; KIPPRA 2006; Mapesa and Kibua 2006). These studies have also pointed out that the fact that MPs are the legislators, implementers and auditors of the CDF activities imposes a major constraint on the transparency and accountability of the fund.

2.10 Cost of participation on Local governance

In addition to the source of local revenues and composition of local budgets, the costs to citizens of engaging in local governance are another determinant of empowerment. Studies on participation explore a number of factors that hinder or stimulate citizen’s engagement in public affairs: collective action problems, organizational capacity of different groups, risks of elite capture e.t.c. However, the costs of participation have received little attention. No studies have formally incorporated the costs of participation into the analyses of mechanisms such as participatory budgeting or participatory public expenditure management (World Bank, 2003).

Beyond the normative assumption in decentralization theory that people have a natural desire to participate at the local level: it is evident that citizen engagement has associated costs. High costs may incite citizens to rely on elected representatives or avoid participating altogether. According to the rational model, individuals or groups participate only when the benefits from doing so are larger than the costs incurred. However, identifying and measuring the costs and benefits of participation is challenging. Normative studies on decentralization assume that the benefits of participation surpass the costs, but as Mansuri and Rao (2004:11) argue, this is not necessarily so:

The exercise of voice and choice can be costly under certain conditions. At the most basic level, it may involve real or imputed financial losses due to the time commitments required for adequate participation. In addition, participation may lead to psychological and physical duress for the most socially and economically disadvantaged, since genuine participation may require taking positions that are contrary to the interest of powerful groups. While the premise of participatory approaches is that the potential benefits outweigh such costs, this is by no means certain.

Some costs are easily quantifiable and some are not. Easily quantifiable costs can be indirectly measured as the opportunity costs of labor and transportation costs. Not all individuals or groups in society face the same costs of participation. In principle, one would expect better off individuals to participate less than poor ones, as they have a higher opportunity costs to labor. However, paradoxically, the poor and the very poor often face very high costs of participation. This is so because even if the opportunity costs to labor of these groups are low, their necessity of subsistence makes their time more valuable. Another factor that is often recognized as directly raising the costs of participation is distance. Poor people often live far away from the centers of decision making, so transport costs are high. Studies find that distance prevents poor people from participating, even when they have the legal right and mechanisms to do so. In Ethiopia, for example, community members can approach local councils directly, but they do so very infrequently because of problems of physical distance and poor transportation (Govender, 2003).

Poor and marginalized individuals and groups also face a number of other not easily quantifiable costs that have a negative impact on their capacity to make effective choices. Ex – ante, poor people face high costs for accessing information. By not having information, poor people in remote areas are not aware of the options they have to make meaningful choices. Getting that information, when available, increases their costs of participation. However, even if information were to have no cost, effective participation would not be assured, as citizens also face other social costs. Where community values and norms are not conducive to fair and democratic practices, poor and marginalized groups often bear the ex – post costs of deviating from social norms. At the extreme, mechanisms for citizen's participation may be in place and formal rules may ensure that marginalized individuals have the right to participate in public decisions, but the costs can be immense, such as physical violence and ostracisms. For example, research on

women's rights has documented those costs, illustrating the physical violence that women face when they choose to participate in the political sphere (Kabeer, 1999).

All the previously described costs are borne by individuals or groups that choose to participate, but often costs accrue also to local governments that are formally in charge of participatory processes. A study on citizen participation and local accountability in Kenya concluded that "participation is costly, both for the local governments and for the citizens" (DFID, 2002). In order to fully understand the impact that costs have on the capacity of people to make effective choices, costs must be compared to expected benefits. Costs may be high but the associated benefits may also be high. Thus in a rational world, citizens may choose to participate as long as the associated net benefits are positive. This helps explain why poor people don't participate as they often expect or experience few benefits from doing so. This was the case of community participation in the state of Oaxaca in Mexico where rural indigenous communities stopped participating and making contributions when they realized that their efforts received so little budget support that the impact of their engagement was often negligible (Fox and Ananda, 1996).

Among the laws that require Local Authorities to involve community participation in decision making in Kenya is the Local Authority Transfer Fund (LATF) Act. According to the LATF Act the Local Authority Service Delivery Action Plans (LASDAP) are prepared by Local Authorities in collaboration with their relevant ward communities. LASDAP is used to:

- Assist Local Authorities in planning/prioritizing their use of LATF and other resources through community participation
- Encourage Local Authorities to spend resources on service delivery to citizens
- In line with Poverty Reduction Strategy Program (PRSP), to encourage Local Authorities to meet the needs of the poor

The participatory process of LASDAP is essentially a stakeholder/ community participation process. The LASDAP process can therefore be used to encourage participation, partnership and ownership of the Local Authority projects and programs. The process has a number of advantages including accountability and ownership of the process by the participants. The challenges of the process include: inadequate resources, capacity and knowledge needed in the

participation process. Local Authority Service Delivery Action Plan (LASDAP) and City Development Strategy are examples of tools currently available that can demonstrate participatory partnership and networking.

2.11 Sustaining Decentralization

Decentralization initiatives are likely to be sustained if they were implemented after reaching a broad societal consensus. Sustainability potential is much higher for reforms stemming from grassroots support. If, on the other hand, decentralization was motivated by short-term goals, it increases the likelihood that the process will be reversed later on. Also, since decentralization in most countries is a top – down affair rather than the result of grassroots pressure from below, the interests that benefit from decentralization are rarely organized enough to defend it against reversals. Another reason for backtracking on decentralization is the struggle that politicians have with bureaucrats over its implementation. The struggle with bureaucrats over decentralization has taken place in scores of countries including Bangladesh, India, Kenya, Pakistan, Sri Lanka, Morocco and Tanzania. This may have implications for the debate on the pace of decentralization. “Big bang” decentralization might reduce the resistance that the bureaucracy could effectively mount because they do not have the time to regroup and fight the changing conditions, as they would be able to do with gradual change. Thus the pace of decentralization may affect the probability that reforms will be sustained.

Decentralization initiatives during their process of implementation may create dysfunctionalities. This may increase the likelihood that reforms are reversed. Developing countries experiences show that ill conceived and poorly executed “decentralization” programs can undermine economic reform policies, exacerbate regional inequalities, empower local traditional elites, foster clientelism and undermine the delivery of public services (Remmer and Wibbels, 2000).

Partnerships among governments, the private sector and civil society organizations are becoming an increasingly popular form of decentralization. Partnerships and other forms of cooperation among government agencies, civil society and the private sector are being used to develop and expand energy and utility networks and services, extend transportation systems, construct and operate water and waste treatment facilities and provide such basic services as primary healthcare, education and shelter (Rondinelli, 2003). Governments and the private sector are

cooperating through a variety of mechanisms including contracts and concessions; build – operate – transfer arrangements; and public – private joint ventures. Interest in public – private cooperation emerged for many reasons; insufficient national and local government capacity to extend services, public dissatisfaction with the quality and coverage of government provided services, the ability of the private sector to provide some services such as transportation and housing more efficiently than government, and pressures from international assistance organizations to mobilize private investments.

Successful partnerships between government and private or social organizations must be designed carefully and reflect the interests of those who are affected by the arrangement. An effective partnership must take advantage of the relative strengths of each partner resulting in greater combined capacities to understand the needs and priorities of citizens in improved quality and coverage of service provision, and in lowered costs. By increasing the ability of the state to respond to the needs of citizens, partnerships can play an important role in promoting local development.

In Local Authority budgeting and accounting, citizens should perform a scrutiny of the approved estimates: comparing these with the end of year audit reports and query any variance and complement compliance of the LASDAP. This will mean that the community is able to know and engage the LA on matters of implementation of the budgeted LASDAP and other council programs. Citizens are also able to do social audits of projects as further step in ensuring they get value for their resources.

2.12 Challenges Affecting the Local Government System (LGS) in Kenya

One of the challenges facing the Local Government system is that the current LGA Act cap 265 does not and cannot effectively be used to provide the required services in line with the decentralization and the principles of good local governance. The Act requires a complete overhaul. A number of legislations affecting the operations of Local Government provision of services have been amended without amending the LGA thereby creating conflict and competition in their implementation. Good examples of this situation include the water, planning and environmental Act. Another legislation that may create a bigger challenge is the proposed

Nairobi Metropolitan Bill. The Bill proposes a number of functions and powers that are already being performed by Local Government through the LGA. For example both the LGA cap 265 and the proposed Nairobi Metropolitan Bill have the powers to establish Local Authorities. There is a need for harmonization process of all bills and Acts that affect the operations of Local Government service provision to redefine powers and functions of relevant institutions and government departments. A good example is that of Tanzania.

By 1999 Tanzania faced a similar situation of conflicting legislations affecting the Local Government activities. It enacted an Act that amended and harmonized a number of laws pertaining to the Local Government. These included: Local Government District Authorities Act, 1982; Local Government Urban Authorities Act 1982; Local Government Finances Act 1982; Local Government Service Act 1982; Regional Administration Act 1997; Urban Authorities (rating) Act, 1983; and the District Corporations Act 1973 (United Republic of Tanzania; 1999). Another challenge has been the gradual weakening of Local Authorities by removing some of their powers and functions. The Transfer of Functions Act of 1969, led to the transfer of major services such as primary education, health services, roads maintenance and major local revenue sources to Central Government Agencies (Kenya, Local Government of; 2008). The national environmental management act has functions which require Local Authorities to implement. The controlling of development function under the planning Act can best be performed by Local Authorities. The water Act has deprived most Local Authorities of the revenue collection powers. The reason given for the removal of some Local Authorities functions is that of not able to deliver the required services effectively. The current poor performance of Local Authorities can be linked to their mismanagement; political interference; over control by the Ministry of Local Government; inadequate financial base due to lack of revenue collection strategies; lack of adequate human resources due to poor remuneration and overwhelmed public service commission. The numerous legislations that are not harmonized do affect negatively on the Local Authority operations. The citizens are also not adequately informed or involved in planning, implementation and monitoring of the Local Authorities programs.

Local authorities are faced with a challenge of raising adequate revenues to finance their expenditures. Deficits lead to increased borrowing hence an increase in Local Authorities debt.

One of the objectives of the LATF is the reduction of Local Authority debt and the regulations require the elimination of arrears of debt by 2009-10. The overall amount outstanding has risen again from Kshs 12.9 to 13.6 billion which is disappointing and means that for many Local Authorities the 2009-10 target will not be met. Expenditure on personnel and civic expenditure falls between 42% and 47% of total expenditure. Towns and counties, however, with smaller revenue bases tend to spend a higher portion of their expenditure on civic costs—ranging from 9 to 12 percent. The amount spent on maintenance continues to be low and Local Authorities should allocate increasing amounts for this type of expenditure to ensure that assets created through capital investment are sustainable.

In the years 1969, 1973, 1978 and 1989 Local Authorities saw a gradual removal of their functions to central government ministries and departments, consequently a decline in sources of revenue. For example, in 1969 the Transfer of Functions Act mentioned earlier authorized the transfer of primary education, health services and road maintenance from rural Local Authorities to central government. The removal of these powers was due to the fact that Local Authorities were unable to deliver the services effectively. The Graduated Personal Tax (GPT) was removed from municipalities in 1973. This was followed with the removal of grant system from county councils. The GPT was replaced with specific grants to cover certain services. In 1989, the specific grants were replaced by service charge. This was a charge levied to business premises and employees in formal and informal sector. Again the service charge was abolished and in its place the Local Authorities Transfer Fund Act (LATF 1998) was introduced. The Challenge is that all these government efforts to supplement Local Authorities income are still inadequate to meet the growing community demand for basic Local Authority services. This therefore means that Local Authorities require establishing suitable financial resources and financial sustainable strategies for them to contribute meaningfully to the economic, social and political development as envisaged in the vision 2030.

One possible solution to the issue of inadequate revenues for Local Authorities is that addressed by the first Medium Term Plan (2008-2012) of the Vision 2030. The MTP (2008-2012) describes a comprehensive review of laws relating to decentralization of funds and the Local Government Act. The solution to this situation is a complete devolution where fiscal and political

decentralization is established. It will be prudent financial management if the Local Authority Transfer Fund (LATF), Roads Maintenance Levy Fund (RMLF), Constituency Development Fund (CDF), Bursary Fund and any other devolved funds could be pooled. These funds are addressing the needs of the citizen at the local level and hence should have one management to avoid wastage, duplication of programs and activities. The control and accountability of the consolidated fund will be easier than the many funds. What is required as stated in the MTP is the review of the laws governing these funds and legislate one law that will consolidate them.

2.13 Theoretical Framework

2.13.1 Sequential theory of Decentralization

According to Tullia G. Falletti, the theory has three main characteristics: It defines decentralization as a process, it takes into account the territorial interests of bargaining actors and it incorporates policy feedback effects.

Decentralization is a process of state reform composed by a set of public policies that transfer responsibilities, resources or authority from higher to lower levels of government in the context of a specific type of state. This definition of decentralization poses four important restrictions. First, decentralization is conceived as a process of public policy reforms and not as a description of the state of being of the political or fiscal systems at a point in time. Second, lower levels of government are the recipients of the transferor's responsibilities, resources or authority. Reforms such as privatization or deregulation, which target non state actors are not included in this definition (cf. Cheema and Rondinelli 1983, 24 – 5). Third because decentralization is a process of state reform, a transition to a different type of state necessarily implies the commencement of a new decentralization sequence. The contents of decentralization policies and their interaction with the broader political and economic systems are highly determined by the type of state they seek to reform. Finally, in studying the downward reallocation of authority, much is gained from a clear taxonomy of decentralization based on the type of authority devolved, such that three types of decentralization can be distinguished:

- Administrative decentralization comprises the set of policies that transfer the administration and delivery of social services such as education, health, social welfare or

housing to sub national governments. Administrative decentralization may entail the devolution of decision making authority over these policies, but this is not a necessary condition. If revenues are transferred from the center to meet the costs of the administration and delivery of social services, administrative decentralization is funded and coincides with a fiscal decentralization measure.

- Fiscal decentralization refers to the set of policies designed to increase the revenues or fiscal autonomy of sub national governments. Fiscal decentralization policies can assume different institutional forms such as an increase of transfers from the central government, the creation of new sub national taxes or the delegation of tax authority that was previously national.
- Political decentralization is the set of constitutional amendments and electoral reforms designed to open new – or activate existing but dormant or ineffective – spaces for the representation of sub national politics. Political decentralization policies are designed to devolve political authority or electoral capacities to sub national actors.

If administrative decentralization improves local and state bureaucracies, fosters training of local officials, or facilitates learning through the practice of delivering new responsibilities, it will likely increase the organizational capacities of sub national governments. Nevertheless, if administrative decentralization takes place without the transfer of funds, this reform may decrease the autonomy of sub national officials, who will be more dependent on subsequent national fiscal transfers or sub national debt for the delivery of public social services. Similarly, fiscal decentralization can have either a positive or negative impact on the degree of autonomy of the sub national level. The result will depend largely on the design of the fiscal decentralization policy implemented. Higher levels of automatic transfers increase the autonomy of sub national officials because they benefit from higher levels of resources without being responsible for the costs (political and bureaucratic) of collecting those revenues.

On the contrary, the delegation of taxing authority to sub national units that lack the administrative capacity to collect new taxes can set serious constraints on the local budgets, and increase the dependence of the local officials on the transfers from the center. Prosperous sub national units prefer to collect their own taxes, but poor states or municipalities are negatively

affected every time the collection of taxes is decentralized and, as a consequence, the horizontal redistribution of transfers from rich to poor sub national units is affected. Finally, political decentralization should always have a positive impact on the degree of autonomy of sub national officials from the center. Depending on their institutional design, two of these three types of decentralization can actually decrease the power of sub national officials with regard to the national executive. This is a feature of decentralization that both advocates and critics have failed to take into account.

The territorial interests of presidents, governors and mayors are defined by the level of the government (national, state or municipal) and the characteristics of the territorial unit (e.g. rich or poor province, big city or small town) they represent. The national executive prefers administrative decentralization to fiscal decentralization which in turn is preferred to political decentralization. The rationale of this ordering is that the national government seeks to divest itself of expenditure responsibilities first and foremost. Administrative decentralization is greatly preferred over the other two types of decentralization. If the center is forced to choose between surrendering fiscal and political authority, it will choose to give away fiscal authority and to retain political authority. The same reasoning applies to explain the reverse order of preferences of the sub national governments. Their preference, first and foremost is political decentralization. That is sub national executives prefer political autonomy, money and responsibilities in that order.

As stated earlier, the contents of decentralization policies and their interaction with the broader political and economic systems are largely determined by the type of state they seek to reform. In the context of oligarchic states, decentralization reforms sought to consolidate or balance power among regional elites (Ansaldi 1992). In the context –of the developmental states, meanwhile, decentralization policies sought to strengthen certain regions to make them more adequate for private investment (Gonzalez 1990); whereas in the context of market oriented states, decentralization policies largely sought to reduce the size of central governments. Nonetheless it is evident that in different historical periods the policies that transferred responsibilities, resources or authority to sub national governments was part of state reform projects that had largely different overarching political and economic objectives.

The level of government whose territorial interests prevail at the outset of the decentralization process will likely dictate the first type of decentralization that is pursued. The first round of decentralization, in turn, produces policy feedback effects that account for the order and characteristics of the reforms that follow (on policy feedback effects, see Mahoney 2000; Pierson 2000, 1992; Thelen 2003). If sub national interests prevail in the first round of negotiations, political decentralization will most likely happen first, producing what Huber and Stephens (2001) call a policy ratchet effect: a group of supporters who—in this case—will continue to push in the direction of further decentralization. Political decentralization will enhance the power and capacities of sub national actors for the next rounds of reforms. Governors and mayors will find themselves in a better position to advance their preferences because they enjoy greater political autonomy from the national executive. Thus, in the second round of decentralization, governors and mayors will most likely demand fiscal decentralization and will influence the terms of such a reform. Administrative decentralization will follow as the last type of reform. As such, its impact on the process as a whole will be mitigated. The final outcome of this trajectory of decentralization that conforms to the preferences of the sub national officials (political decentralization followed by fiscal decentralization, followed by administrative decentralization) is very likely to be a large shift in intergovernmental balance of power or a greater degree of autonomy for sub national officials with respect to the national executive.

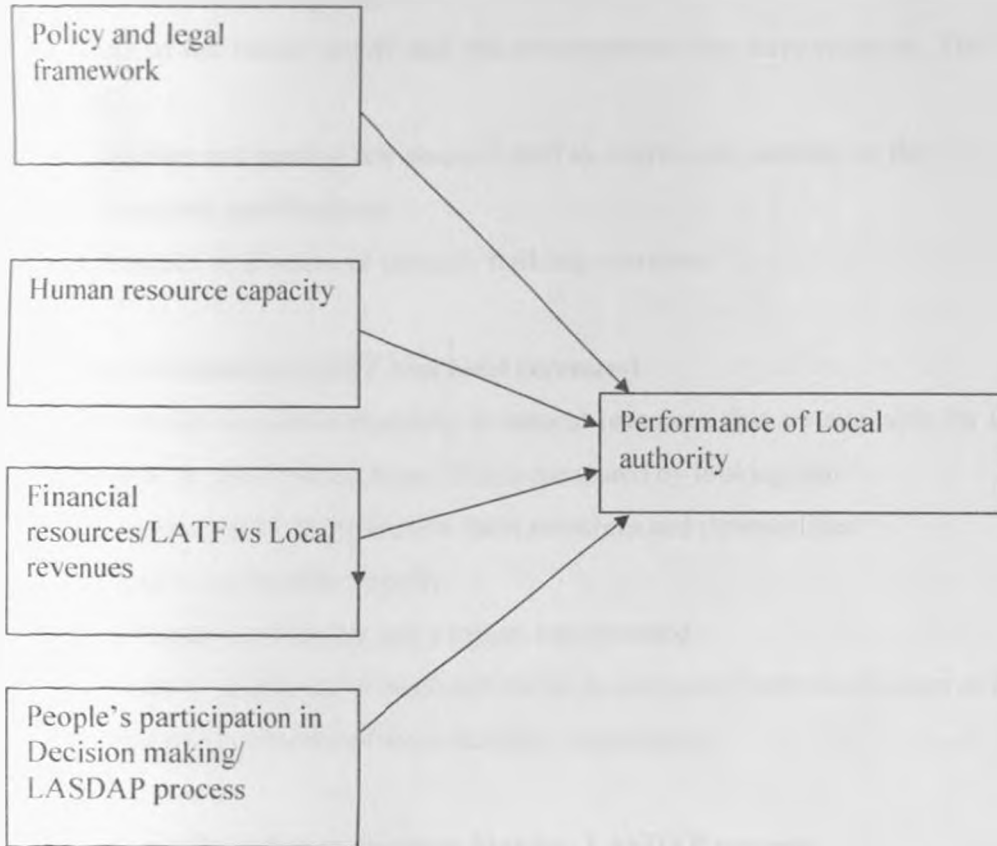
2.14 Conceptual Framework

Henderson (1994) argued that the major aims of research should be either to relate data to a theory or to generate a theory from data. In order to hold existing and new knowledge, theory should provide a conceptual framework, so that knowledge can be interpreted for empirical application in a comprehensive manner. The conceptual framework indicates the various causal factors that lead to low participation of community members in local decision making and developmental activities and links these with the various effects that occur in the presence of appropriate intervention measures. This linkage and how the various factors influence each other either positively or negatively are illustrated in the figure below.

Figure 1: Conceptual model for analyzing the overall performance of local authorities.

Independent variables

Dependent variable



2.15 Operational definition of Variables

a. Policy and Legal Framework

A policy and legal framework is a logical structure that is established to organize documentation into groupings and categories that make it easier for employees to find and understand the contents of various policy and legal documents. Policy and legal frameworks can also be used to help in the planning and development of the structures for an organization. This will be measured in terms of:

- Existence of community planning structures/ strategic plan
- Policy of transparency (public contract, contract awards) and distribution or allocation of resources

- Reporting framework and relevance within the local authorities

b. Human Resource Capacity

This refers to the human power and the competencies they have acquired. This is measured in terms of:

- Number and quality/ relevance of staff to a certain department or job
- Academic qualifications
- Presence or absence of capacity building measures

c. Financial resources (LATF and local revenues)

This refers to the available monetary or natural resources that are available for the organization to spend and/ or gain revenue from. This is measured by looking into:

- Inventory and information on local resources and potentialities
- Capacity to fundraise locally
- Allocated LATF funds and projects implemented
- Presence or absence of mechanisms for ensuring equitable distribution of resources
- Presence or absence of accountability mechanisms

d. Peoples participation in Decision Making/ LASDAP process

In social sciences, this refers to the different mechanisms for the public to express opinions and ideally exert influence regarding political, economic, management or other social decisions. This is measured by assessing:

- General awareness and knowledge of the local development projects and funds
- Inclusiveness in the selection and identification of committee and community needs
- Responsiveness of projects to the demands of the local communities
- Ownership of projects by the community members
- Participation in the prioritization of projects
- Engagement/ involvement in decision making (allocation, prioritization, monitoring and evaluation)

c. Performance of Local Authorities

This refers to the overall way in which the local authorities function. The performance outcomes can be measured by looking into: -

- Effectiveness – providing minimum standards of service delivery cost effectively and targeted towards disadvantaged groups
- Responsiveness of decentralized institutions to the demands of local communities, at the same time as meeting the aims of broader public policy
- Sustainability indicated by political stability, fiscal adequacy and institutional flexibility
- Overall performance of the local authority in relation to service delivery
- The levels of satisfaction of the community members in relation to planning, participation, relevance of projects
- The levels of satisfaction of the community members in relation to transparency and accountability in project planning and management, targeting and equity, resource allocation as well as information sharing.

From the above analysis, there is need for a systematic approach to decentralization. This simplified model provides a useful framework for analyzing the separate dimensions of decentralization and their inter linkages

CHAPTER THREE: RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction

This chapter focuses on the research design used in the study. Kerlinger (1964: 275) defines a research design as "the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance". A research design guides the researcher in collecting, analyzing and interpreting observed facts. It includes the research site, target population, unit of analysis, unit of observation, sampling procedure, methods of data collection and data analysis.

3.2 Research Site Description

Trans Nzoia County is one of the numerous Counties that make up Kenya. It is bordered by West Pokot County to the North and Elgeyo Marakwet County to the East. Bungoma County to the South and the Republic of Uganda to the West. It has an approximate area of 2,487 square kilometers. The county is divided into six administrative divisions and further divided into twenty five locations and fifty sub locations.

The county altitude ranges from 1,800m above sea level. There are three important topographical features in the district, Nzoia River, Cherangani hills and Mount Elgon. The county has a highland equatorial type of climate. The rainfall is fairly well distributed throughout the year. The region experiences a bimodal rainfall pattern with the long rains falling from the month of March to June while the short rains fall between the months of August and October. The county has a favorable climate for both agricultural and livestock production.

The inter censal population growth rate for Trans Nzoia County during the period 1979 to 1989 indicated a growth rate of 4.2% which is based on constant fertility and mortality. According to the Kenya population census (1999) Trans Nzoia County had a total population of 575,662 people. The land area is 2,487 square kilometers and with a population density of 231 per square kilometer. From the 2001 statistical abstract, Kitale had a total of 116,122 households with the number of females being higher than that of the males.

The high population growth rate in the district can be attributed to two main factors one being the recent sub division of large farms which has attracted a substantial in migration to the district by people searching for land which exist in the small and large scale farms. There are also industries coming up in the district.

The County has a road network of 1,186.7 km and this includes 658.4 km of classified roads. All the roads in the district are highly utilized for carrying farm produce and inputs. The heavy traffic especially Lorries and tractors contribute to the fast wearing out of the earth and gravel roads especially in Saboti and Kwanza divisions. The county has only one departmental post office in Kitale town, three sub post offices and four postal agencies. Kitale is the terminus of the Nairobi – Nakuru – Eldoret – Kitale railway line. This is used for transporting consumer goods to various destinations.

The main economic activity is agriculture. The County has a high agricultural and soil condition. More than 80% of the land in the County is classified as suitable for arable farming. Previously agriculture dominated but this has diverged into mixed farming. The level of commercialization is high in large farms where maize and dairy farming are the dominant activities. Wheat, coffee and sunflower are also grown. The County is also suitable for the production of fruits such as citrus, bananas, apples and avocados.

There are four hospitals out of which one is government sponsored and the rest are privately owned. 75% of the health facilities are located within Kitale municipality. Attendance statistics reveal that Cherangani has the least patients followed by Kwanza and Saboti then Central. The over utilized health facility is the government sponsored hospital. The high demand for health services in Saboti division is attributed to the high population and inadequate health facilities in the division forcing them to come to Kitale town. There is therefore need to correct this imbalance and besides this, some of the health facilities are ill equipped and often experience a shortage of drugs necessitating patients to travel causing congestion.

The sources of income in the county are agriculture and livestock production, wage employment and informal sector or self employment. Income is earned from the sale of agricultural and

livestock products. It is evident from the trends in the previous years that income from maize has been decreasing over the years. This has made the farmers shift their attention from maize production to alternatives like beans and dairy farming. This has contributed to increased production of tea, beans, coffee, sunflower and beef.

Wage earnings increased by 8.2% in the 1990 whereas the number of employees increased by only 3.5%. In 1994 there was a negative change of 9.5% in the total number of employees. This negative change led to a decrease in the total wage earnings. This was partly due to the retrenchment program and normal retirement and also because of the general decline in economic activities in the country as a whole. In the absence of proper business record keeping by entrepreneurs, it is difficult to estimate the income earned in the informal sectors which mainly comprises of the jua kali artisans, hawkers, furniture makers and roadside kiosk operators.

The County and municipality were selected due to the researcher's familiarity with the region, it also provided a good opportunity for comparison between the County Council and the municipal council which are both present in Kitale town.

3.3 Research Design

Research design is the plan of procedures for data collection and analysis that are undertaken to evaluate a particular theoretical perspective. The research design involves the entire process of planning and carrying out a research study (Miller, 1975). It is all the procedures or steps undertaken to ensure an objective test of the theory under investigation. Research design is a "blue print" that enables the investigator to come up with solutions to these problems and guides him/ her in various stages of research. It describes the process involved in designing a study and to demonstrate how specific research design that a scientist decides to use helps to structure the collection, analysis and the interpretation of the data.

Case study research was adopted for this study because it narrows a broad area of research into one case within that field and is a qualitative research design that performs in-depth investigation through use of data from field notes, interviews and archival information.

3.4 Unit of analysis

Singleton (1988:69) describes a unit of analysis as what or who is to be described or analyzed. The unit of analysis is the social entity whose social characteristics are the focus of study (Baker, 1994). The same view is held by Babbie 1995, that a unit of analysis is that which a researcher seeks to understand. Schutt (1996:539) sees a unit of analysis as the level of social life on which research questions focus. This therefore can be individuals, social roles, positions and relationships in organizations and social groupings. The unit of analysis for this study is therefore "participation" of community members in decision making in a local authority through examination of the LASDAP process.

3.5 Unit of observation

These are entities or objects from which the study data will be obtained. This includes the two councils and the respondents who are the local community members and members of the local governing structures.

3.6 Sampling of Units of Study

Singleton (1988:137) defines sampling design as that part of the research plan that indicates how it is to be selected for observation. Orodho (2004) defines a sample as a small part of a larger population. According to Gay (1983) 10% of the accessible population is enough sample for a descriptive study. So an ideal sample size should be large enough to serve as an adequate representative of the population about which the researcher wishes to generalize. The target groups for this study are the councils within Trans Nzoia region including the municipal and county council.

A sample is any subset of sampling units from a population. A subset is any combination of sampling units that does not include the entire set of sampling units that has been defined as a population. This study combines both probability and non probability sampling. Purposive/ judgmental sampling was used in selecting the study area. This procedure describes a situation where one selects a sample on the basis of one's knowledge of the population, its elements and the nature of research. In this form of sampling, the researcher relies on his/ her expert judgment to select unit's that are representative or typical of the population (Singleton, 1988).

a. Site

Nzoia County Council and Kitale Municipal Council were selected as the study sites due to the researcher's knowledge and experience of the area. The offices are located in Kitale town and this gave an opportunity to evaluate urban and rural development setups.

b. Informants

Expert judgment was used to select the informants from Saboti division to give their views on factors affecting participation within the study area. The informants included the area county and municipal town clerk or mayor, area councilors (2), Project officers (4), officers from other government offices (2).

Table 1 a. Sample distribution (Respondents)

Category of respondents	Male	Female	Total
Opinion leaders (Council/ Government officers)	5	5	10

Table 1 b. Sample distribution (Institution)

Type of institution	Sample size
County Council/ LATF Projects	2
TOTAL	2

3.7 Sources of Data and Methods of data collection

3.7.1 Sources of data

Both qualitative and quantitative data were collected as primary and secondary data. Secondary data was gathered through document analysis. This entailed the review of relevant published and unpublished literature from various library, research centers and national archives. Materials used include books, reports, and journals. Also studies carried out by credible organizations like the World Bank, Institute of Policy Analysis and Research (IPAR) among others. Some material was sourced through electronic websites. The researcher reviewed relevant information in order

to give more required information that may not have been captured by the primary techniques of data collection. The study makes use of both qualitative and quantitative research methods. Accordingly, the qualitative design was adopted to capture human behavior, thoughts and feelings on the issues addressed by the study. The quantitative design was useful in generating generalizable data and visualizing trends and patterns in relation to participation and decision making.

3.7.2 Methods of Data Collection

Primary data was collected through two main approaches.

i. Informant Interviews

Informant Interviews were the main source of information collection conducted with the opinion leaders and institutional/ organizational heads using interview guides to obtain their explanations and perceptions on political participation and local decision making. Structured questionnaires containing both closed and open ended questions will be administered with some being sent to the respondents in advance to allow adequate time for the interviewees to provide the data required.

ii. Document review

Key documents such as LASDAP reports, minutes of committee meetings, council strategic plans and the final report of the taskforce on devolved government were also looked at. This information enabled the researcher to gather background information on the history and operation of the councils as well as to better understand the councils and their operations.

Apart from the above mentioned a PESTLE and SWOT analysis of the two sites was undertaken.

3.8 Methods for data analysis

As indicated in the previous section, the data collected for this study is both qualitative and quantitative so as to enrich the study. Quantitative data analysis is used to show the magnitude of the problem of political participation in local development within the community. Qualitative analysis is used to explain details of the situation while giving more insights into the situation. For this purpose, collected data or information will be categorized thematically for the purposes of computerizing.

3.8.1 Quantitative data analysis

Analysis of quantitative data was conducted using descriptive methods. Descriptive statistics involves methods concerned with arranging, summarizing and conveying the characteristics of a range of numbers. The study uses the following descriptive statistics including percentages, frequency distributions, simple graphs and charts. Excel was used to organize, analyze, interpret and present data. This statistical tool was used in condensing and summarizing the description of units with regards to measurable characteristics of the respondents and some of the study variables.

3.8.2 Qualitative data analysis

Thematic constructions of data were used. In addition, presentation of data on the field observations, informal and in-depth interviews was done using quotations and documentation of community profiles.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the analysis and findings of data gathered from the field. The study targeted two local authorities Kitale Municipal Council and Nzoia County Council. The information was gathered from informants and document review. The results from the study are presented in five sections of this chapter. These sections represent the five sets of questions based on the research objectives as outlined in the first chapter.

4.2 Characteristics of the respondents

A total of ten respondents were approached as informants for this study. These included the administrator, treasurer, an accounts assistant, a councilor and the deputy mayor for Kitale Municipal Council and a social worker, deputy town clerk, purchasing/supplies officer, works officer and an accountant for Nzoia County Council. The sample size was small

Table 2: Background characteristics of respondents

Characteristic		KMC		NCC		TOTAL	
		No	%	No	%	No	%
Gender	Male	5	100	3	60	8	80
	Female	0	0	2	40	2	20
Highest level of education	None	0	0	0	0	0	0
	Primary	0	0	0	0	0	0
	Secondary	1	20	1	20	2	20
	Tertiary	2	40	1	20	3	30
	University	2	40	3	60	5	50
Age	< 25 years	0	0	0	0	0	0
	26 – 35 years	1	20	3	60	4	40
	>35 years	4	80	2	40	6	60

4.3 Policy and Legal Frameworks

The first objective of this study was to examine the policy and legal frameworks guiding the operations of the Trans Nzoia Councils. The study examined devolution as provided for in the Kenyan constitution and interpreted by the Task Force on devolved government and the policy and legal frameworks of Kitale municipal Council and Trans Nzoia County Council. From the

final report of the task force on devolved government, a reorganization of the political and administrative structures is a prerequisite to changing the character of Kenya's democratic configuration. Some of the policy issues and recommendations on legislation include the fact that there should be political decentralization where political power and authority is transferred to the county assemblies blended with a strong participatory framework and autonomy for the success of the county governments. Nzoia County has a reviewed 2 year strategic plan in place that was recently revised in 2010. The current strategic plan is informed by the Councils past experiences (lessons learned) and aims to address gaps identified during implementation of the previous plan. It is in line with the country's vision 2030 as local authorities are among the pillars for development and it addresses all the areas that need to be tackled to ensure the realization of the council's mission and vision. There is need for proper execution and control measures to be initiated to ensure the realization of the strategic plan. Also needed is alignment of mission processes, people and performance. There is need for greater involvement of stakeholders in the process and service design.

For Kitale Municipal Council, there is a 5 year strategic plan in place from 2007 to 2012 which was developed through a participatory approach. It is all inclusive, exhaustive and geared towards a general improvement in service delivery. It recognizes the need for reforms and improved efficiency. However there is need for further improvement given the fact that there is a new Constitution in place and the strategic plan should be revised to reflect the new mandate assigned to county governments.

Both councils are governed by the Local Government Act Chapter 265 which establishes the Local Government system in Kenya. It creates the Local authorities to perform three main functions which include local service delivery, local governance and local development. The Local Government Act Chapter 265 mandates the Local authorities to provide two categories of services: mandatory services i.e. public health and burial of the destitute and permissive services e.g. roads, water and sanitation, health and education – The Act provides the Local authorities limited autonomy, which makes them financially and administratively dependent on the central government. There are also other Acts including the Rating Act Cap 267, Public Health Act, LATF Act, Public Procurement and Disposal Act. The Council has an enforcement section to

ensure compliance with the above Acts of Parliament. There are penalties and fines imposed by court for defaulters. The councils have over 30 approved by laws covering various areas. These are formulated by the Council i.e. the councilors and approved by the Ministry of Local Government and gazetted.

4.4 The LASDAP process

The second objective of this study was to evaluate the level of local community representation and participation in decision making in the councils. This section also looks into the LASDAP process which was the third objective. Looking at the consultative meetings held, one meeting is held per ward, then there are additional technical, consensus and full council meetings. The technical meetings are held so as to obtain the necessary advice on the identified projects. The full council meeting is held to adopt what had been passed in the consensus meeting. There are minutes that are drafted from these meetings and they are attached to the LASDAP reports. There are also monitoring reports for all the projects that indicates the ward, project title, amount allocated, amount spent, balance and progress status. The report also contains observations and outstanding works as well as recommendations.

Table 3: LASDAP meetings

Financial year	NCC		KMC	
	No of meetings	No of participants	No of meetings	No of participants
2010/2011	32	1325	15	211
2009/2010	32	1287	15	183
2008/2009	32	1251	15	167

Source: Kitale Municipal and Nzoia County LATF/ LASDAP records

The number of participants is seen to increase gradually with the years but more needs to be done to get a majority of the population involved. It involves all stakeholders from the planning, implementation, monitoring and evaluation stages. Generally, it was expressed that the level of awareness could further be increased by setting aside monies for awareness creation and sensitization on the LASDAP process and LATF funds

For both councils, they are operating within the ideal guidelines of the LASDAP process however there is a challenge with a backlog of projects due to financial constraints. This suggests that there is need for an increase in the resources allocated towards the process. The resources are availed to reach the people and if lost or misused this occur in the hands of the chief officers. The funds are very open to pilferage. The LASDAP process is okay. There is no need for modifications to the process. The area in need of change is society and its attitude towards corruption.

The community's right and opportunity to participate in LASDAP have great implications on the management and implementation of LATF projects. The right and/ or opportunity to participate enhances and promotes accountability, transparency, ensures relevance of the projects against needs, reduces opportunities of conflicts arising, reduces corruption, acts as checks and balances on use of power and resources, encourages community participatory planning, enhances spread of projects in the councils and above all it promotes community ownership of the projects. For both councils, people are given an opportunity to participate and get involved in both the planning and implementation stages, in the selection and prioritization of projects as well as determining the location of the projects, monitoring and project fund management. However, the people are not so keen to get involved in the processes. There are mechanisms in place that create opportunities for community participation and involvement though they are not fully exploited.

Taking the 39 wards in the two counties, each year there is a project for each ward, either completion of a previous project or the start up of a new project. Appendix 5 contains a table indicating the ward, project title and amount for each project for the financial year 2011/2012 for both the councils.

The advantages of people's participation are that there is community ownership of the projects and the LASDAP process becomes a success. Very good ideas and proposals come up from the people. People's participation eliminates the financing of projects that will turn out to be white elephants. Participation creates enhanced accountability and transparency in resource use.

The disadvantages of people's participation include politicization of the projects and this makes the process take unnecessarily longer or a wrong project is picked as well as misuse of funds. There are also conflicting interests and priorities and many are moved by mob or mass action. Participation is also time consuming especially with the attempts of getting almost everyone involved or represented and the decision making process takes long owing to differences of opinions.

4.5 Human Resource Capacity

The third objective of this study was to assess the capacity of the human resources available in the councils for development. Nzoia County Council has 72 employees while Kitale Municipal Council has 247 employees. Nzoia County Council has 39 councilors in total. 29 are elected and 10 nominated out of which 4 are female and 35 male. Looking at the councils structure (Appendix 6) . it is not all inclusive as some departments do not exist yet their committees are in place. This means that there are gaps that need to be filled. The county has few departments.

Nzoia County Council covers an area approximately 2487 square kilometers, excluding the municipality which covers approximately 87 square kilometers. Comparing the administrative size of the County, it is too big. Nzoia County Council has 29 wards. These include Kiptoror, Kaplamai, Motosiet, Cherangany, Sinyereri, Sitatunga, Chepsiro, Chepchoina, Kaptega, Matumbei, Kapkoi, Kapomboi, Kwanza, Keiyo, Namanjalala/ Kapsitwete, Kaisagat, Mubere, Machewa, Sirende, Saboti, Kiminini, Waitaluk, Matisi, Nabiswa, Kiboroa/ Kisawai, Kinyoro, Endeless, Makutano and Sikhendu. The wards are sufficient however there is need for restructuring to distribute the population and resources as some are scarcely populated while others are densely populated.

Kitale Municipal Council has 10 wards. These include Milimani, Kibomet, Hospital, Sokoni, Mumia, Lessos, Webuye, Masaba, Grassland and Tuwan. There are 13 councilors in total. 10 elected and 3 nominated out of which 2 are female and 11 male. The 10 wards are considered by several as few bearing in mind that the council is in an urban area and densely populated leaving the existing population under represented. The staff is more than sufficient and there comes a point when there is duplication of roles and ghost workers in the system. Looking at the councils

structure (Appendix 5), there are 6 main departments that have several sections in them. This justifies the large number of staff in the council.

The table below gives a comparative analysis of the staff in the two council's on their different levels of educational attainment

Table 4: Council staff educational attainment

Educational Attainment	NCC		KMC		TOTAL	
	Frequency	%	Frequency	%	Total	%
Masters degree	6	8%	2	1%	8	3%
Bachelors degree	8	11%	10	4%	18	6%
Diploma	8	11%	30	12%	38	12%
Certificate	10	14%	35	14%	45	14%
High School	20	28%	20	8%	40	13%
Others	20	28%	150	61%	170	53%
TOTAL	72	100%	247	100%	319	100%

Source: Kitale Municipal & Nzoia County Council Administration Office Records

The table below gives a comparative analysis of the councilors in the two councils on their different levels of educational attainment

Table 5: Councilors educational attainment

Educational Attainment	NCC		KMC		TOTAL	
	Frequency	%	Frequency	%	Total	%
Masters degree	0	0%	0	0%	0	0%
Bachelors degree	0	0%	1	8%	1	2%
Diploma	2	5%	2	15%	4	8%
Certificate	5	13%	3	23%	8	15%
High School	31	79%	2	15%	33	63%
Others	1	3%	5	38%	6	12%
TOTAL	39	100%	13	100%	52	100%

Source: Kitale Municipal & Nzoia County Council Administration Office Records

From general views by the informants, the staff for Nzoia County Council is sufficient in managing the duties however, for Kitale Municipal Council, the staff is not sufficient. This is due to the numerous departments under its management. With the expanded responsibilities under the new dispensation the councils cannot cope. The staff is untraceable through regular postings to other stations and the trained staff is not easily retained to help in building the council. A shortage of technical staff therefore becomes a hindrance to the realization of the set goals. On Council matters, there are conflicting interests by the council officers and the councilors with status quo as an obstacle towards the implementation of the strategic plan.

Several staff for both councils are in school i.e. colleges for evening classes for Degree programmes at the Local Universities paid for by the Council. As can be seen in table 6, in the last three years, 45 staff in Nzoia County and 21 staff from Kitale Municipal Councils have been sponsored for further education. This includes Masters, Undergraduate, Diploma and Certificate courses. This is a small percentage bearing in mind the number of staff operating in the councils.

Table 6: Staff sponsored for further studies

Year	NCC	KMC	TOTAL
	No of staff	No of staff	
2011	16	13	29
2010	15	6	21
2009	14	2	16
TOTAL	45	21	66

Source: Kitale Municipal & Nzoia County Council Administration Office Records

The informants confirmed the presence of in-house training. The council works in partnership with other tertiary institutions to provide training through tailor made programmes. For the junior staff, there is the Government Training Institute while for the senior staff there is the Kenya Institute of Administration. There are currently no exchange programmes in place in both councils.

The main responsibilities of the councilors include policy formulation, passing resolutions governing the council; pass mandatory documents e.g. budgets, abstract of accounts. However the lack of proper education and capacity makes policy formulation a difficult task. There is also space for biased politics. There is also a high turnover of councilors and this makes it difficult for their duties to be fulfilled. There is no induction conducted for the staff and councilors on their roles and this contributes to the challenges.

4.6 Financial Resources Capacity

The fourth and final objective of this study was to assess the financial and other resource capacity of the councils. Currently, both local authorities have a number of sources for their revenues. These include the Local Authority Transfer Fund (LATF), Roads Maintenance Levy Fund (RMLF), and Contribution in Lieu of Rates (CILOR), property rates, single business permits, vehicle parking, plot rents, water and sewerage fees, cess receipts, game park fees and house rents. LATF is the main source of Local Authority revenue and the allocations have been increasing upwards for the past several years as can be seen in the table below.

Table 7: LATF allocations

Financial Year	NZOIA COUNTY COUNCIL			KITALE MUNICIPAL COUNCIL		
	2010/2011	2009/2010	2008/2009	2010/2011	2009/2010	2008/2009
Allocation	126,990,531	108,000,838	96,224,303	0	64,158,608	56,902,773
Proportion spent on salaries and wages	52,693,999	52,372,517	46,005,060	98,135,900	84,077,831	82,443,689
Proportion spent on councilors allowances	24,081,000	24,081,000	18,600,000	8,128,200	8,128,200	6,228,000
Proportion spent on operation and maintenance	78,593,750	62,855,786	55,164,000	60,738,935	48,443,831	58,240,000
Proportion set aside for debt resolution	0	0	0	19,443,668	35,210,374	20,000,000
Proportion set aside for capital projects	51,269,991	46,130,000	43,600,000	40,828,227	25,021,857	23,000,000

Source: Kitale Municipal and Nzoia County LATF records

LATF funds have spurred development in the local areas. These funds are monitored by the LATF advisory committee which guides the operation of the funds failure to comply with the regulations attracts penalties. Local authorities can lose 15% or 40% and in a worse scenario 100% of the LATF allocation and this can be seen above for Kitale Municipal Council whose allocation for financial year 2010/2011 was not made. This affects other council's activities and increases the debt burden. The table above also illustrates that the bigger local authorities in terms of population and activities receive larger amounts of LATF allocation. As illustrated above, LATF continues to play a major role in financing Local authority programmes and projects. It has assisted in maintaining Local authority expenditures within the budget levels due to its conditionality. Kitale Municipal Council should borrow some lessons from Nzoia County Council pertaining to debt resolution.

Expenditure on personnel costs falls between 42% and 47 % of the total expenditure. The proportion allocated towards debt resolution and capital expenditures is seen to increase over the years. The amount spent on maintenance continues to be low and Local authorities should allocate increasing amounts for this type of expenditure to ensure that assets created through capital investment are sustainable.

These funds are however inadequate as evidenced by persistent budgetary deficits. Deficits lead to increased borrowing hence an increase in Local authorities' debt. Most local authorities' budget for more expenditures than revenue and this can be seen in the table above. Local authorities are faced with a challenge of raising adequate revenues to finance their expenditures. Both councils require diversification of revenue sources and improvement on revenue collection in order to achieve self sustainability. This can also be supported through reduction of the council's recurrent expenditure and enforcement of the bylaws to ensure compliance to the council's fees, charges and rates. Both Councils propose building high rise buildings that can be rented out either as offices or for accommodation purposes to raise the council's revenue. Nzoia County Council has a revenue office headed by a revenue collection officer who coordinates all revenue collection activities. Another suggestion on improvement of the council's finances involve the reduction of revenue collection costs through simplification of licensing procedures. use of ICT, use of permanent staff instead of casuals and commission agents. The financial

officers should uphold honesty, integrity and prudent utilization of funds by adhering to international recognized financial practices. The council could learn from other flourishing councils in regard to revenue utilization and debt repayment.

PESTLE ANALYSIS

The councils operate in an environment which affects their operation in a number of ways. This data was obtained from the Councils strategic plan and help evaluate the factors that affect the councils and the way they operate. Below is an analysis of the PESTLE analysis.

Table 8: PESTLE analysis of Nzoia county and Kitale Municipal Councils

EXTERNAL FACTORS	1. External Factors affecting organization	2. Implications of factors for organization	3. Relative importance of implications of external factors			
			Time	Type	Dynamics	Relative Importance
Political	Political immaturity Unpredictable political trends No close liaison between councilors and parliamentarians Political camps influence freedom of choice Implementation of programmes interference National boundary review process Constitution review	Affects activity and programme implementation Minimal effect on current county boundaries Governance of counties	Impact now and in the future beyond 6 – 12 months	-ve impact	Impacts of unchanging significance	Very important

	process	
Economic	<p>Poverty in general</p> <p>Lack of proper infrastructure and poor infrastructure</p> <p>Lack of industries</p> <p>Corruption</p> <p>Low collection of revenues as a result of major defaulters</p> <p>Poor financial management procedures</p> <p>High unemployment level</p> <p>Inadequate revenue base from the councils local sources and I.ATF</p> <p>Poor planning and development control</p>	<p>Affects the proper establishment and functioning/ operation of the council</p> <p>Reduced budgetary financing</p> <p>Poor service delivery</p>
Socio - cultural	<p>Different socio cultural beliefs</p> <p>Ignorance</p> <p>Lack of social infrastructure and</p>	<p>This affects the perceptions and attitudes of the staff and community members thereby influencing the</p>

<p>Impact now and in the future beyond 6 – 12 months</p>	<p>-ve impact</p>	<p>Impacts of unchanging significance</p>	<p>Critical</p>
<p>Impact now and in the future beyond 6 – 12 months</p>	<p>-ve impact</p>	<p>Impacts of unchanging significance</p>	<p>Very important</p>

	<p>recreational facilities</p> <p>Lack of civic education</p> <p>Low literacy levels</p> <p>The impact of HIV/AIDS, drug and alcohol abuse and prostitution</p> <p>Mushrooming of urban slums</p> <p>Poor gender mainstreaming</p> <p>Traditional practices with negative cultural beliefs and practices such as witchcraft, child labor and early marriages</p>	<p>councils goals in the long run</p> <p>Tribal conflicts leading to pressure on resources and services</p> <p>Hindrances to LASDAP process, may lead to misplacement of development priorities</p>
Technological	<p>Lack of integrated financial management systems</p> <p>Poor communication network and structures</p> <p>Inadequate modern machines</p>	<p>Poor ICT infrastructure</p> <p>Inefficiency in service delivery</p>

Impact now and in the future beyond 6 – 12 months	-ve impact	Impacts of unchanging significance	Very important

	<p>Lack of specialized machines</p> <p>High cost of modern technology</p> <p>Inadequate capacity of staff to utilize available technologies</p> <p>Government policy which affects technology</p>					
Legal	<p>Disharmony in legal regimes/ conflict in implementation of laws</p> <p>Legal framework and requirements of the local authority Act</p> <p>Existing by laws</p> <p>Change of government policies</p>	<p>Overlap of functions</p> <p>Slowed institutional reforms</p>	<p>Impact now and in the future beyond 6 – 12 months</p>	-ve impact	<p>Impacts of unchanging significance</p>	<p>Very important</p>
Environmental	<p>Diminishing public land</p> <p>Environmental degradation/ Climate change</p> <p>Deforestation</p>	<p>Food insecurity</p> <p>Low investor interest and confidence</p>	<p>Impact now and in the future beyond 6 – 12 months</p>	-ve impact	<p>Impacts of unchanging significance</p>	<p>Significant</p>

	Poor farming methods Pollution and Solid waste management					
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SWOT ANALYSIS

This is an analysis of the internal and external environment in which the council operates to determine whether the council has the desired capability to achieve its objectives. This data was obtained from the Councils strategic plan and help evaluate the environment in which the councils operate. Below is a summary of the SWOT analysis.

Table 9: SWOT analysis of Nzoia County and Kitale Municipal Councils

	Helpful to achieving the objectives	Harmful to achieving the objectives
Internal origin Attributes of the organization	Strengths Broad based revenue collection area Availability of natural resources Well laid out organizational structure Adequate offices Partnership in development Community and stakeholders support	Weaknesses Poor infrastructure Lack of autonomy Inadequate financial resources Inadequate personnel Undeveloped and uncontrolled markets Lack of on the job training

	<p>LATF from central government</p> <p>The LASDAP process which involves participatory planning and budgeting</p> <p>Personnel with various qualifications and experience</p> <p>Peace and Security</p> <p>Available machinery</p>	<p>Limited development partners and omission of key development partners in various committees</p> <p>Unqualified staff</p> <p>Poor physical planning</p> <p>Poor maintenance of infrastructure</p> <p>Lack of firefighting equipment</p> <p>Lack of monitoring and evaluation of projects and programmes</p> <p>Poor accountability and transparency</p> <p>Poor attitude towards work</p>
<p>External origin</p> <p>Attributes of the environment</p>	<p>Opportunities</p> <p>Modern technology</p> <p>Partnerships and collaboration between CBO's, NGO's, the donor community and the GTI for staff training</p> <p>The prevailing political climate in the country</p> <p>Opening of new markets and upgrading the existing markets</p> <p>Tourism</p> <p>Updated valuation roll</p> <p>Creating a conducive environment for private investors</p> <p>Various untapped sources of revenue e.g. solar energy, natural reserves, forest</p>	<p>Threats</p> <p>Political instability and interference</p> <p>Disease outbreaks</p> <p>Fire outbreaks</p> <p>Change of government policy e.g. referendum</p> <p>Insecurity</p> <p>Environmental degradation</p> <p>Diminishing public land</p> <p>Drought and famine</p> <p>External encroachment e.g. council boundaries</p> <p>Outward migration of skilled manpower</p> <p>Competition from other groups who can provide the same services effectively and efficiently</p> <p>High poverty levels</p>

resources, minerals and land rates

Existence of IT in the market which can be used to automate key business processes

Cooperation with other Local Authorities (Twinning) and sharing of best practices

Lack of modern technology

Nepotism, tribalism, favoritism and discrimination

Land cadastral structures/ ownership mechanisms

Insufficient budgetary allocation

Duplication of roles

Drug and alcohol abuse

4.7 Conclusion

From the study findings, it is seen that there is a close relationship between the performance of the local authorities and the human and financial resources as well as with the policies and legal frameworks that govern the councils. The findings from the taskforce put public participation in perspective in reference to such governance issues like transparency, accountability, decision making and equity. It also summarizes the need for integration of communication and its off shoot, civic education into all facets of governance institutions. Civic education is a key factor in building a symbiotic culture of accountable government and responsive citizens. It is therefore imperative that the national government and county governments pay critical attention to the question of communication and information both at the national levels and at the county levels. One way of doing this is to ensure that at the policy level, public communication is integrated into the whole question of governance.

It is clear that for the achievement of the new strategic direction of the councils is dependent on good governance, financial sustainability, enhanced service delivery, improved urban planning and management, optimal land allocation and utilization, infrastructure development and the people's participation and involvement in these processes.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations made from the study. The results of this research provide a detailed understanding into the dynamics and functioning of the local authorities and the involvement of local communities in development initiatives.

5.2 Summary of the Findings

Both Councils have strategic plans in place that contain the vision, mission, core values and strategic direction for the councils. The Councils are guided by the Local Authority Act 265 and the Local Authorities Transfer Fund Act (No. 8 of 1998) which came in effect on the 10th of June 1999 and provided for the transfer of 5% of the national income tax. The fund is being managed by two Committees through the LATF regulations and the LATF advisory committee. The committee monitors and guides the operation of the fund to ensure that the provisions and the requirements in the LATF Act and regulations are followed by all Local Authorities. Failure to comply attracts a penalty of a loss of allocation.

Most local authorities Nzoia County and Kitale Municipal council included do not have proper structures and capacity to ensure effective development, communication and implementation of LASDAP. As observed in the findings, the communities are yet to be optimally involved in the LASDAP process due to low levels of awareness. This study supports the findings from the MOLG Community Participation manual (RPRLGSP, May 2009), which emphasizes that efforts should be made by the ministry to build capacity of local authorities in terms of governance, human capital and infrastructure to deliver on the LASDAP objectives.

In relation to human resource capacity, the councils need to have optimal staff required to deliver on the set objectives. This requires optimal financial, human and material resources. In general, more staff including the councilors need to be facilitated to undertake further studies in relation to their areas of specialty. As indicated in the findings, the number of staff trained is very low compared to the number of staff operating in the councils as well as the resources allocated to them. With no exchange programmes in place there is little that can be done to learn from other

council's best practices. To improve on staff productivity, the council's should undertake staff count and job evaluation exercises and use the findings and recommendations from this to realign the human resource plan.

Conducting an organization capacity assessment is critical in determining the capacity gaps and concerted efforts should be made to competitively remunerate to attract and retain qualified staff, strengthen and develop their technical capacity and create an enabling environment. Activities aimed at building the capacity of the civic wing to deliver on its role should be undertaken. Meanwhile, councillors are often poorly equipped to formulate strategies or make key choices, but instead tend to intervene on an ad hoc basis, often at the implementation stage. As a result, there is distrust between officials and councillors, with officials driving the agenda, and both sides accusing the other of vested interests and malpractice. In practice, much decision-making is informal, while formally approved budgets are often not adhered to because of the lack of financial resources.

There is need for restructuring of the wards to distribute the population and resources as some are scarcely populated while others are densely populated. To achieve concrete results, it is important that the council strengthens its existing governance and management structures. The composition of the council committees should be reviewed and the organization structure aligned to the new strategic direction.

The Kenyan Local authorities have a number of sources of revenues including: Local Authority Transfer Fund (LATF), Roads Maintenance Levy Fund (RMLF), Contribution in Lieu of Rates (CILOR), property rates, single business permits, vehicle parking etc. However, LATF is their main source of revenue. The above local authorities are faced with a challenge of raising adequate revenues to finance their expenditures. Deficits lead to increased borrowing hence an increase in Local Authority debt. One of the objectives of the LATF is the reduction of Local Authority Debt. Strengthening the current revenue collection mechanisms is important to widen the revenue base and optimize on revenue collection. To compliment the above efforts, special approaches should be developed to educate councilors on the essence of enhancing revenue collection in their respective areas of representation. Increased revenue receipts from all wards

will enable the council to match fixed costs related to the councilors (representation) and finance its operational budget from internal sources. Although LATF money is meant for debt reduction and implementation of LASDAP plans, it is mainly used for financing operations e.g. payment of staff salaries. Most local authorities are in deficits, have inadequate resources, the disbursement is not fully regulated and controlled, lack of technical expertise and these hinder proper use of LATF money. It is therefore important to develop or improve LASDAP in an inclusive manner that is transparent and participatory.

The LASDAP process takes place once in a year between the months of September and November. The process involves the council engaging in discussions with various community groups with an aim of identifying needs of persons living within the councils jurisdiction so that the council can come up with projects that will address the needs identified. Local Authority Service Delivery Action Plans (LASDAP) are prepared by Local authorities in collaboration with their relevant ward communities. This process is people driven as it is the public who are encouraged to propose projects that will address their needs although the avenues for peoples participation are not adequately provided. The participatory process of LASDAP is essentially a stakeholder/ community participation process. It can therefore be used to encourage participation, partnership and ownership of the Local Authority projects and programs.

5.3 Conclusion

From the findings and discussions, the study concluded that decentralization plays a vital role and can be enhanced by improving transparency and accountability, increasing public involvement, improving coordination, monitoring and evaluation and reducing political interference.

Though capacity building in human resources has improved significantly as a result of public service reforms, attention has not been sufficiently focused on aligning the capacity of staff to the strategic issues that are of critical importance to effective performance. Moreover, there has been numerous cases of disconnect between the political leadership as policy makers at various levels and policy implementers in understanding and appreciating core issues which eventually leads to paralysis in decision making. There is need to develop and implement training

programmes that target the political and executive leadership at both levels of government with the aim of promoting efficient service administration and delivery.

There are strategic plans in place that guide development of the projects towards the attainment of Vision 2030. However, these need to be reviewed to work towards Vision 2030.

LATF projects are identified by the community. Project identification and selection is facilitated at the community level through wards. LATF funds are increasingly being used to fund capital projects which includes social infrastructure such as schools, dispensaries, roads etc. However sustainability of these projects is not certain since the budgetary allocations for operation and maintenance of these projects is not growing in tandem.

However, certain constraints are encountered in this process from inadequate knowledge of project planning, bias in project selection including the site and location. Inadequate knowledge of project planning and the limited training and capacity building also constrain project planning. Illiteracy among the Local authority staff also limits their abilities to implement projects hence causing project delays. Key among these includes resource constraints, limited public involvement, weak monitoring and evaluation and bad politics.

5.4 Recommendations

From the findings and conclusions, the study makes the following recommendations:

One possible solution to the issue of inadequate resources for Local authorities is that addressed by the first Medium Term Plan (2008 – 2012) of the Vision 2030. The MTP describes a comprehensive review of laws relating to decentralization of funds and the Local Government Act. The solution to this situation is a complete devolution where fiscal and political decentralization is established.

It will be prudent financial management if the LATF, RMLF, CDF Bursary funds and any other devolved funds could be pooled. These funds are addressing the needs of the citizen at the Local level and hence should have one management to avoid wastage, duplication of programs and activities. The control and accountability of the consolidated fund will be easier than the many

funds. What is required as stated in the MTP is the review of the laws governing these funds and legislate one law that will consolidate them. This therefore means that Local Authorities require establishing suitable financial resources and financial sustainable strategies for them to contribute meaningfully to the economic, social and political development as envisaged in the vision 2030.

Structured citizen engagement and information sharing should be institutionalized through localized monthly meetings, quarterly constituency meetings and bi-annual national meetings.

To enhance awareness on the LASDAP process and other devolved funds, there is need to develop and implement elaborate Information, Education and Communication guidelines. The mode of information sharing on the process need to be evaluated so that information is spread widely using different channels and media of communication. The information could also be packaged separately and uniquely for different audiences and groups.

The quality of leadership can be enhanced by requiring minimum academic qualifications or experience in the management of public affairs before one is elected or nominated to certain public offices. Building the capacity of all staff including the councilors is important. There needs to be competitive recruitment processes in place to get the best candidates for the job and continuous on the job training.

There is need to reduce political interference in the management of decentralized development for the councilors and the council officers to work together towards realizing the strategic plan of the councils. This would also include preparing a reporting system that would enhance the coordination of all public offices in the county.

With regard to management, besides amending the strategic plan and the LATF Act, a committee should be enforced to ensure compliance to laid out procedures for project selection through disciplinary measures. The committees should also continuously and aggressively engage in campaigns to publicize and educate the communities on the LATF act and regulations as well as the LASDAP process.

Even though there is an observable increase in the number of capital projects in the local authorities, the sustainability of many of these projects is doubtful due to the inadequacy of the operational budgets. It is therefore proposed that in future all LATF projects must at the design phase indicate what the future running costs will be and where this will be raised from or funded.

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ANNEXES: QUESTIONNAIRE AND TABLES

ANNEX 1: RESEARCH INSTRUMENTS

DECENTRALIZATION IN RURAL KENYA: A case study of its practice in Trans Nzoia County

My name is Karani Sarah Oling'a, an MA student at the University of Nairobi. I am conducting a research on the devolution in rural Kenya. The main objective of this study is to evaluate the role of citizen participation in enhancing effectiveness, sustainability and responsiveness of development initiatives to their needs. Kindly take time to go through and respond to the questions.

IDENTIFICATION

Date of Interview

Province:

County:

Personal Characteristics

Name of respondent..... Age: Sex: Male
Female

Highest level of education reached

None Primary Secondary Tertiary University

Current position:

Section 1: Policy and Legal Frameworks

1. What is the Council's goal, mission and vision?

.....
.....
.....
.....
.....
.....

2. Is there a strategic plan in place and for how long?

.....
.....

3. Is there a local Act in place and what are the provisions of this Act?

.....
.....
.....
.....
.....

.....

4 How do you ensure that what is in the Act is enforced?

.....

.....

.....

.....

5 What By Laws are present and how are they formulated?

.....

.....

.....

.....

Section 2: Human Resource Capacity

1 How many staff are in the Local Authority?

.....

2. Council staff

Educational Attainment	Number of Staff
Masters degree	
Bachelors degree	
Diploma	
Certificate	
High school	

3. Councilors

Educational Attainment	Number of staff
Masters degree	
Bachelors degree	
Diploma	
Certificate	
High school	

4 Are these staff sufficient in managing or undertaking the necessary duties? Yes/ No. (Please give a brief explanation for your response

.....

5 What measures are undertaken to further build and develop the staff capacity?

.....

6 What training or mentorship programmes are present within the local authority?

.....

7 How many staff have been sponsored for further training/ education

Year	Number of staff	Type of training
2011		
2010		
2009		

8 Are there educational/ career exchange programmes in place?

.....

Year	Educational/Career exchange programme	Where to	Number of staff
2011			
2010			
2009			

Section 3: Financial Resource Capacity

1 How much LATF funds were allocated this year?

2 How much was allocated to the council in the last three years?

.....

Year	Allocation	Proportion spent on salaries and wages	Proportion spent on councilors allowances	Proportion spent on operation and maintenance	Proportion set aside for debt resolution	Proportion set aside for capital projects
2011						
2010						
2009						

3. What other devolved funds are available in the council for development?

.....

4. What are the other alternative sources of county council income that you are aware of?

.....

5. Inventory of the local resources and their potentialities

Type of Local resource	Land and buildings rate (Ksh)	Electricity and water revenues (Ksh)	Revenue from stocks and bonds (Ksh)	Revenue from Market (Ksh)	Revenues from Public Private Partnerships (Ksh)	Other sources of revenue (Ksh)
Year						
2011						
2010						
2009						

6. Is the amount raised sufficient in supplementing decentralized funds and development projects at the local level?

7. What assets are available for the council

.....

Section 4: Structure of local authorities

a. How is the institution structured? (Kindly share an organizational structure with staffing in the individual departments)

b. How many wards are in the council?

.....

c. How many councilors assist in governing?

.....

-
- d. What are the responsibilities of these individuals? (JD)
-
-
-
-
- e. What are the difficulties in fulfilling those responsibilities?
-
-
-
- f. What is the size/ area of coverage of the council?
-
-

Section 5: Assessment of public participation in decision making, prioritization and development project implementation

- How is the LASDAP process undertaken in the Council?

.....

.....

.....

.....

- How many consultative meetings have been held?

Year	Number of meetings	Number of Participants
2011		
2010		
2009		

- Are there minutes of the LASDAP meetings from the various wards?

.....

- What is the current LASDAP situation as compared to the ideal?

.....

.....

.....

.....

.....

Please give details on the right to participate in development/ project decision making below

Making dimensions on	Are people given the opportunity to participate in	Did the council take measures to involve people in	Are people keen to get involved in
Selecting and prioritizing projects	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Determining location of projects	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Monitoring projects	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Project fund management	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

What main projects have been financed by LATF over the last financial year

Name of Project	Amount allocated	Ward

Section 5: PESTLE analysis

This is a tool that can aid the organizations making strategies by helping them understand the external environment in which they operate in the future

EXTERNAL FACTORS	4. External Factors affecting organization	5. Implications of factors for organization	6. Relative importance of implications of external factors			
			Time	Type	Dynamics	Relative Importance

Political						
Economic						
Social						
Technological						
Legal						
Environmental						

Section 6: SWOT analysis

This is an analysis of the internal and external environment in which the council operates to determine whether the council has the desired capability to achieve its objectives

	Helpful to achieving the objectives	Harmful to achieving the objectives
Internal origin Attributes of the organization	Strengths	Weaknesses
External origin Attributes of the environment	Opportunities	Threats

Section 7: Lessons learnt, problems/ constraints and the way forward

- What are the institutional arrangements in place that promote good practice and good governance from the community's perspectives?
-
-
-
- What are the environmental factors that promote or constrain good organizational and citizen involvement in project management and performance?
-
-
-
-
- What problems/ constraints were encountered in identification, prioritization, implementation, monitoring and evaluation of projects?

.....
.....

- What needs to be done to improve the effectiveness of development projects in the area?

- What are some of the challenges foreseen in implementing decentralization?

- What are your proposed solutions to managing them?

Thank you for taking the time to answer the questionnaire

ANNEX 2

DECENTRALIZATION IN RURAL KENYA: A case study of its practice in Trans Nzoia County

INTERVIEW GUIDE FOR OTHER INFORMANTS

My name is Karani Sarah Oling'a, an MA student at the University of Nairobi. I am conducting a research on devolution in rural Kenya. The main objective of this study is to evaluate the role of citizen participation in enhancing effectiveness, sustainability and responsiveness of development initiatives to their needs. Kindly take time to go through and respond to the questions.

IDENTIFICATION

Date of Interview

Province:

County:

Personal Characteristics

Name of respondent..... Age: Sex: Male Female

Highest level of education reached

None Primary Secondary Tertiary University

Current position:

Section 1: Policy and Legal Frameworks

1 Give your general view or comment on the Council's strategic plan and the existing by laws.

.....
.....
.....
.....

2 Any improvements needed? If so where?

.....
.....
.....

Section 2: Human Resource Capacity

1 Give your general view or comment on the capacity of the available council staff and the councilors towards realizing the Strategic plan of the council

.....
.....
.....
.....

Section 3: Financial Resource Capacity

1 What are your comments about LATF and other local resources?

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.....
.....
.....

2 What mechanisms exist for raising and managing the local resources?

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.....
.....
.....

3 What could be done to improve the Councils finances and resources on a sustainable basis?

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.....
.....

Section 4: Structure of local authorities

1 Give your comments on the structure of the council e.g. distribution of the wards.

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.....
.....
.....

2 Are they sufficient?

.....
.....

Section 5: Assessment of public participation in decision making, prioritization and development project implementation

1 What are your comments on the LASDAP process?

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.....
.....
.....
.....

2 Is there need for any modification or adjustments to the process?

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.....

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.....

.....

- 3 What are the advantages and disadvantages of peoples participation?
-
-
-

Section 6: Lessons learnt, problems/ constraints and the way forward

- 4 What are the institutional arrangements in place that promote good practice and good governance from the community's perspectives?
-
-
-
- 5 What are the environmental factors that promote or constrain good organizational and citizen involvement in project management and performance?
-
-
-
- 6 What problems/ constraints were encountered in identification, prioritization, implementation, monitoring and evaluation of projects?
-
-
-
- 7 What needs to be done to improve the effectiveness of development projects in the area?
-
-
-
- 8 What are some of the challenges foreseen in implementing decentralization?
-
-
-

.....
.....
What are your proposed solutions to managing them?
.....
.....
.....

Thank you for taking the time to answer the questionnaire

ANNEX 3

LASDAP GUIDELINES

The LASDAP process in both councils is guided by the LASDAP guidelines. This includes:

- Preparation of a list of community organizations (formal, informal), within the Local Authority's jurisdiction.
- Publicizing the preparation of LASDAP, the resources available and inviting inputs/proposals from the stakeholders.
- Holding consultative meetings to which various development partners and community members are invited.
- Holding meetings in more than one location/ward
- Asking invited organizations to consult their members in advance.
- Recognising that the poor may not be adequately represented, and take action appropriately.
- The presence of both Councilors and Local Authority officers at the consultative meetings, but allow citizens should give their views freely.
- Publicity of the meetings to be in English and Kiswahili to accommodate those people not conversant with English.

ANNEX 4
FY 2011/2012 Capital Projects

COUNCIL	WARD	PROJECT TITLE	AMOUNT	
KMC	Hospital	Murraming of roads	2,000,000	
	Webuye	Construction of classroom at Pombo Primary School	2,000,000	
	Lessos	Installation of electricity at Lessos Primary School	2,000,000	
	Masaba	Construction of Hostel at Union Primary School	2,000,000	
	Mumia	Construction of Dining Hall at Youth Polytechnic	2,000,000	
	Grassland	Construction of administration block at Soil Conservation Primary School	2,000,000	
	Milimani	Provision of piped water in all primary schools	2,000,000	
	Kibomet	Extension of water services	2,000,000	
	Sokoni		Construction of toilets in all schools	2,000,000
			Completion of market shade	2,000,000
Tuwani		Completion of Open air market	2,350,233	
		Construction of Tuwan market phase II	2,000,000	
CC	Machewa	Construction of one classroom at Lukesi Secondary School	400,000	
		Completion of administration block at St. Mary's Machewa	150,000	
	Nabiswa	Grading of roads	550,000	
	Saboti	Construction of VIP latrine at Saboti Primary, Chebukaka Primary, Koykoy Primary, Mengo Primary, Sukwo Primary at 100,000 each	500,000	
			Water spring	50,000
	Matisi	Construction of one classroom at Rafiki secondary Matisi secondary	400,000	
			150,000	
	Sirende	Grading and installation of culverts	550,000	
	Kinyoro	Protection of water spring Construction of VIP latrine at Makhele Primary	350,000	
			200,000	
Kiminini	Construction of one class at Meso Primary Grading of roads	350,000		
		200,000		
Waitaluk	Construction of one classroom at Kapkoi Secondary School Grading of roads	400,000		
		150,000		
Kisawai/	Grading of roads in Kiboroa	275,000		

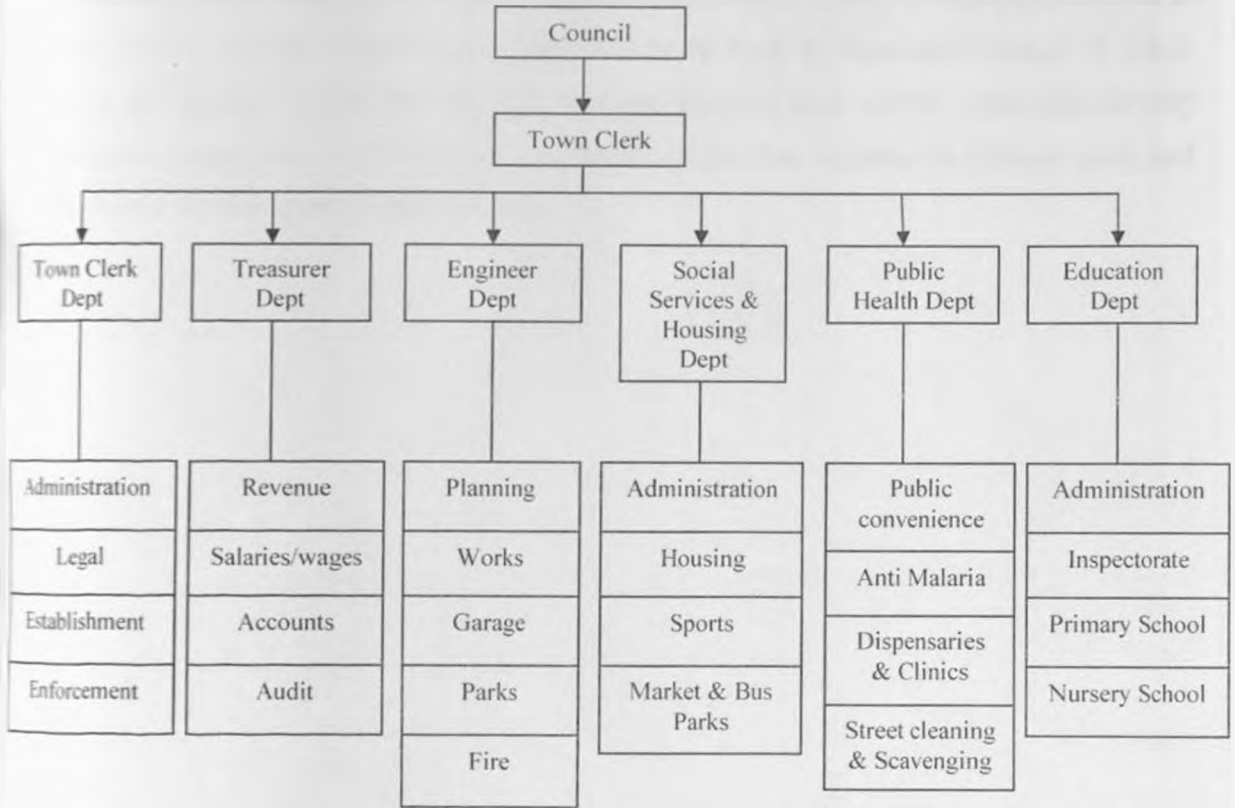
Kiboroa	Protection of water spring in Kisawai	200,000
	Construction of Log bridge	75,000
Sikhendu	Construction of proposed Sikhendu dispensary	550,000
Cherangani/ Suwerwa	Construction of Kiboino primary ECD	300,000
	Completion of classroom at Sitamani Primary	150,000
	Grading of Koibarak	100,000
Kaplamai	Grading of roads	550,000
Chepsiro	Simatwet primary	350,000
	Grading of roads	200,000
Kiptoror	Benon Kiptoror bridge	400,000
	Land for Top Suwerwa dispensary	150,000
Motosiet	Grading of Roads	350,000
	Completion of one classroom at Hututu Primary	200,000
Sinyereri	Completion of one classroom at Tumaini Primary	200,000
	Protection of water springs Zirima, Nzoia, Mukhanya and Lazaro at 75,000 each	300,000
	Kamur dispensary	50,000
Makutano	Construction of classroom at Bwake Primary	385,000
	Makutano dispensary	165,000
Sitatunga	Construction of proposed Makoi polytechnic	550,000
Keiyo	Roads installation of culverts	550,000
Kapomboi	Grading of roads	550,000
Matumbei	Purchase of water pipes and trenching work	550,000
Kwanza	Grading of roads	550,000
Mubere	Completion of laboratory at Kimwondo secondary	300,000
	Construction of Kimwondo dispensary waiting shade	250,000
Kapkoi	Excavation of shallow well and fixing of hand pump at Kolongolo market	300,000
	Construction of pit latrine at kolongolo Primary	100,000
	Grading of roads	150,000
Chepchoina	Construction of Kiptogot dispensary	550,000
Endebess	Grading of roads Lodge Kipsipo	550,000
Kaisagat	Water at Amuka center shallow and fixing of hand pump	250,000
	Completion Kaisagat dispensary	180,000
	Construction of VIP latrine at Amuka Primary	120,000

Kiptega	Protection of 4 water springs at Chepchoina, Nebeki and Cheberem at 70,000 each	280,000
	Police camp shallow well and fixing of water pump	170,000
	Completion of one classroom at Suam Primary	100,000
Kapsitwet/ Namanjalala	Construction of one classroom at Ketubo primary	400,000
	Grading of roads	150,000

Source: Kitale Municipal and Nzoia County L.ATF/ L.ASDAP records

ANNEX 5

Kitale Municipal Council administrative chart



Source: Kitale Municipal Council Administration Office

Overall Goal – To reengineer Municipal Council of Kitale to be a modern, efficient and effective Council that is responsive to the needs and expectations of its customers.

Vision – To be the best, committed and leading Council in service provision towards enhanced national Social Economic development.

Mission – Provision of improved quality service delivery, local development and governance towards poverty alleviation in Kitale Municipality.

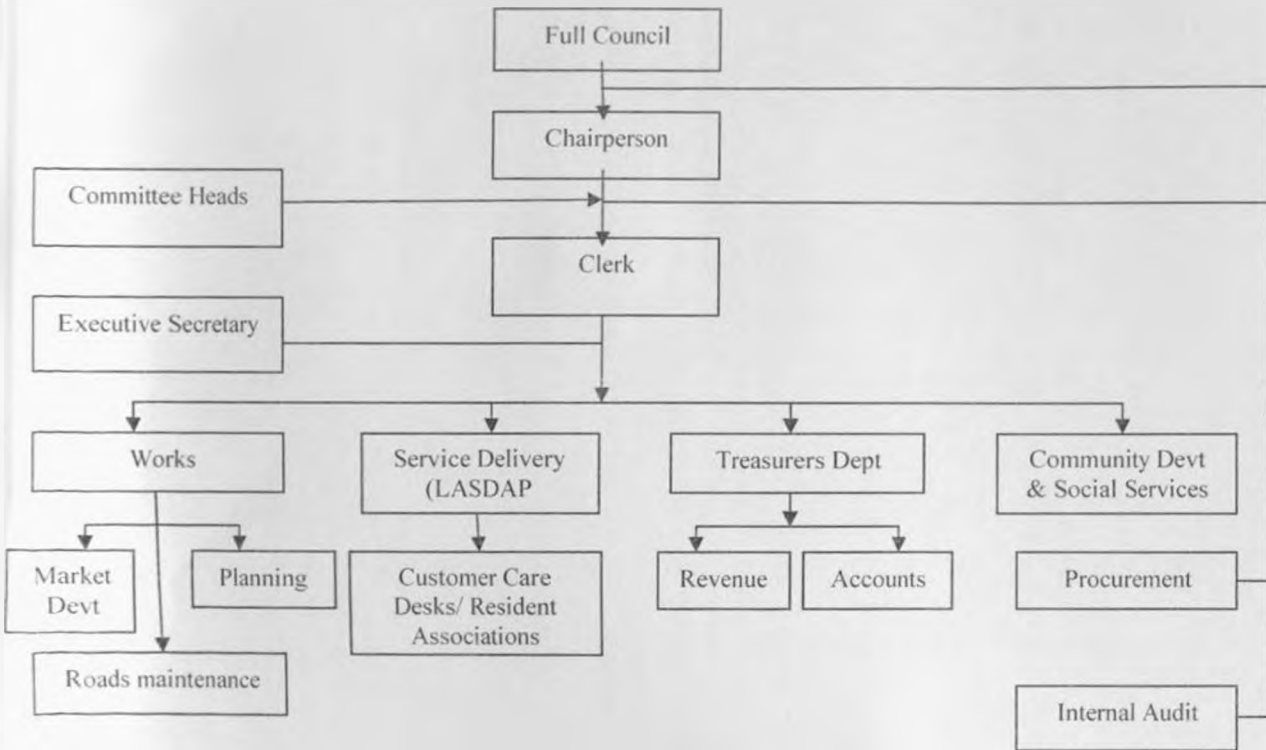
Core Values – In the performance of her functions, the Municipal Council of Kitale is guided by the following values: Adherence to the rule of Law, Transparency, Integrity, Fairness and Equality. Honesty, Dedication to public service, timely, effective and efficient service delivery,

proactive, outward looking and result oriented, accountability, responsibility and respect for human rights.

Strategies and action plan – The main strategies for Kitale Municipal Council are to eliminate redundant operations and systems, reduce barriers to customers' loyalty to Municipal Council of Kitale services, provide incentives for customers to be loyal to Municipal Council of Kitale services and products, build and maintain a sound financial base, recruit, retain and develop professional employees, institutionalize a corporate culture that supports the strategic plan, and effect improved cash management practices.

ANNEX 6

Nzoia County Council Administrative Chart



Source: Nzoia County Council Strategic Plan

Mission – To provide and promote quality services in a transparent and equitable way that enhances the socio economic development of the people of Trans Nzoia

Vision – Be a model Council providing quality services to a prosperous community

Core Values – The Council commits itself to the following values of Participation, Honesty and Integrity, Quality and Teamwork (PHIQT).

Strategies and action plan – The main strategies of Nzoia County are to train personnel, Consultation and planning with the private sector/ market players in Nzoia and beyond, active change management modules in all the operations on the provision of services, Operational pro growth activities between the local based firms and the world at large and to regard operations as part of entire citizenry's collective effort and responsibility.