



A GUIDE TO COMMUNITY PARTICIPATION

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KITUO CHA SHERIA

LEGAL ADVICE CENTRE

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FOREWORD

Through its Governance program, Kituo Cha Sheria has embarked on an elaborate initiative to enhance good Governance in Kenya. Kituo has been working with poor and marginalized communities, partners, collaborators and the Government towards adoption of pro-poor policies and laws, and where they exist, to ensure the people are involved in their implementation and that accountability is an integral part of the same.

In the area of decentralized funds, an aspect which has in the near past become synonymous to resource distribution in Kenya, Kituo cha Sheria endeavors to harness its experience spanning over three decades on legal matters and community mobilization towards creating a culture of informed citizenry participation in implementation of projects under decentralized funds. Kituo intends to achieve this through enhancing the capacity of community members to monitor and evaluate the implementation of the said funds by providing digested information on the funds and giving preliminary skills on monitoring and evaluation.

This information toolkit looks at the various decentralized funds by interrogating the legal regimes creating them and for the benefit of the public, exploring the room available for public participation in the implementation of the said funds. The toolkit also attempts to create a monitoring and evaluation framework within which the citizens can rate the performance of the funds as a way of making informed decisions on future leadership.

It is hoped that this information kit will complement the work of all the institutions working towards the realization of the noble objective of devolved funding which is development through participation. It is also our belief that this kit will create in the Kenyan citizenry the urge to actively participate in Governance and especially so, in utilization of funds collected through taxation.

LIST OF ACRONYMS

A.E.O	Area Educational Officer
A.L.G.A.K.	Association of Local Government Authorities of Kenya
C.A.C.C.	Constituency AIDS Control Committee
C.B.C.	Constituency Bursary Committee
C.B.F	Constituency Bursary Fund
C.B.O.	Community Based Organization
C.D.F	Constituency Development Fund
C.D.F.C	Constituency Development Funds Committee
C.F.C	Constituency Funds Committee
D.A.C.C	District AIDS Control Committee
D.D.C	Districts Development Committee
D.D.O	Districts Development Officer
D.E.O	District Educational Officer
D.P.C.	Districts Projects Committee
D.P.E.C	District Poverty Eradication Committee
D.R.C.	District Road Committee
E.C.K	Electoral Commission Of Kenya
E.R.C	Electricity Regulatory Commission
F.B.O	Faith Based Organization
F.P.E	Free Primary Education
FY	Financial Year

I.C.P.A.K	Institute of Certified Public Accountants of Kenya
K.L.G.R.P.	Kenya Local Government Reform Programme
K.N.U.T	Kenya National Union of Teachers
L.A.	Local Authority
L.A.S.D.A.P.	Local Authority Service Delivery Action Plan
L.A.T.F.	Local Authority Transfer Fund
L.D.C	Locational Development Committee.
M.P.	Member of Parliament
N.A.C.C	National AIDS Control Council
N.A.R.C	National Alliance Rainbow Coalition
N.G.O	Non-Governmental Organization
NMC	National Management Committee
P.L.W.H.A	People Living with HIV/AIDs
P.W.Ds	Persons with Disability
R.E.P.L.F	Rural Electrification Programme Levy Fund
R.M.L.F.	Road Maintenance Levy Fund
Y.E.D.F	Youth Enterprise Development Fund

INTRODUCTION

Kenya has in the last ten years continued to shift its approach to development from the top-down to a more people-centered, bottom-up approach. This is perhaps best seen in the increase in both the devolved funding initiatives and increased funds allocation to particular devolved funds. In fact, in the 2007/2008 budgetary allocations, more than Kshs 58Billion went to devolved structures.

While the philosophy underlying devolved funding is the participation of the people towards a priority and needs-responsive development, effective participation of the Kenyan people in decentralized funds remains an elusive mirage owing to a number of factors including inadequate information on the devolved funds, exclusion of citizenry in decision making processes regarding the funds, poor coordination resulting in projects duplication, the culture of political patronage, wanting citizenry capacity to demand accountability from the ruling elite, unresponsive government structures, unaccountable political class, weak legislative regimes on the devolved funds, apathy among the citizenry, and corruption among others.

Despite the shortcomings, milestones have been marked under the decentralized funds regime. School enrolments rates have increased considerably, social amenities such as schools, health centers and recreation facilities have been developed, water and sanitation facilities have become more accessible, employment opportunities have been created through enterprise and the roads networks has been improved.

This information toolkit explores three broad perspectives in relation to decentralized funds. First, and guided by the belief that information is power, this tool kit is providing general information on decentralized funds. Secondly, the toolkit attempts to cast a beam of light on windows for public participation in the funds and lastly, it digs into the opportunity for monitoring and evaluation of the decentralized funds.

The monitoring and evaluation section is designed to give community members preliminary monitoring and evaluation skills. It is intended to excite the communities into playing a more active role both in the implementation of projects and in demanding accountability from the leaders, fund managers and, generally, implementers. The section gives a rationale for this participation by the community members and outlines the benefits such participation is bound to have in the general well-being of the community and in development.

Chapter One

HIGHLIGHTS OF DECENTRALIZED FUNDS IN KENYA

1. The Constituency Development Fund (C.D.F)

Establishment

The Constituency Development Fund (CDF) was established in 2003 through the CDF Act in The Kenya Gazette Supplement No. 107 (Act No. 11) of 9th January 2004. The act has since been replaced by the CDF amendment act of 2007.

Objectives of the Fund

- To control imbalances in regional development brought about by partisan politics.
- To off-load fundraising burden from Members of Parliament
- To ensure citizen participation through decision-making in project identification, implementation, monitoring and evaluation
- To change development focus from the district to the constituency.

Allocation

The fund comprises an annual budgetary allocation equivalent to 2.5% of all the Government ordinary revenue collected in every financial year.

75% of the fund is allocated equally amongst all 210 constituencies, whereas the remaining 25% is allocated as per constituency poverty levels.

Each constituency's annual allocation should be utilized as follows:

A maximum of:

- 15% for the bursary scheme, mocks and Continuous Assessment Tests.
- 3% for running constituency project offices i.e. office administration.
- 3% for recurrent expenses of constituency vehicles, machinery and equipment.
- 2% for sports activities (This excludes cash awards).
- 2% for monitoring and evaluation of on-going projects and capacity building of various operatives.
- 2% for environmental activities.
- 5% as an emergency reserve. The Constituency Development Fund Committee (CDFC) determines the allocation of the emergency reserve and may identify a religious body/organization as a specialized body to allocate

the funds in case of an emergency or may re-allocate such reserve to other projects at the end of the financial year.

Which projects can be implemented using CDF?

CDF can be utilized in implementing the following types of projects:

- All constituency-level development projects, particularly those aiming to combat poverty at the grassroots.
- A constituency office, including office furniture and equipment.
- Acquisition of vehicles, machinery and other equipment to support constituency projects.
- Acquisition of land and buildings for purposes of a project.
- Projects initiated by a community are eligible for support if submitted with other projects as required by the Act. The community shall be expected to elect a committee to represent their interests in the project. Where the community initiates a project and the project committee is maintained by the community, the departmental head under whose docket the project falls shall be an ex-official member of the committee and may delegate this responsibility to any government official in the constituency.
- Projects financed from other sources may be considered by the Board for part funding.

Additional Guidelines

- A minimum of 5 projects and a maximum of 25 projects can be included in the standard constituency projects submission form for funding consideration, in a financial year.
- Project activities of a similar nature may be combined and considered as one project.
- Any projects to be funded under unspent funds at the end of the financial year may be lumped together as one project with sub projects.
- Constituencies may pool resources together for joint projects. This must be approved by the CDFCs of each participating constituencies and shall be coordinated by the District Project Committee (DPC).
- CDF cannot be used to support political or religious bodies/activities and in personal projects.
- Projects involving personal awards to any person either in cash or in kind shall be excluded from the list of funding.
- Any on-going/existing project initiated by the community prior to the commencement of the CDF Act and is seeking support under CDF must undergo financial and technical evaluation by the relevant departmental head in the District, have its status documented before it is listed for support.

- All fixed and movable assets including equipment bought using CDF funds shall be the property of the board and shall be insured in the name of the board. However,
 - Such property must bear the name and number of the constituency as delineated by ECK.
 - Equipment bought for institutions remains the property of those institutions.
 - Proceeds from disposal of such assets must be credited to the constituency where the asset was acquired.

Administrative Framework of the Fund

The Constituency Development Fund is managed at the national and grassroots levels.

1) *Management at the National Level*

At the national level, there are the Constituency Development Funds Board and the Constituency Funds Committee.

a) Constituency Development Funds Board

The Board replaces the National Management Committee (NMC). It comprises of:

- The Permanent Secretary, Ministry of Finance
- The Permanent Secretary, Ministry of Planning
- The Attorney General or his designated alternate
- The Clerk of the National Assembly
- Eight (8) persons qualified in matters relating to finance, accounting, engineering, law, or community development appointed by the Minister for finance. The Minister appoints the Chairman to the Board from the eight (8) persons.
- Four (4) persons qualified as above (5) appointed by the Minister for finance to achieve any regional imbalance
- A Chief executive officer appointed by the Board and who is an ex-officio member and secretary to the board. He/she shall be responsible for day-to-day management of affairs and staff of the Board.

Functions of the Board

- 1) To ensure timely and efficient disbursement of Funds to all constituencies.

- 2) To ensure efficient management of the Funds.
- 3) Receive and discuss annual reports and returns from constituencies.
- 4) To ensure compilation of proper records, returns and reports from the constituencies
- 5) To receive and address complaints and disputes and take any appropriate action
- 6) To consider project proposals submitted from various constituencies in accordance with the act, approve for funding those projects proposals consistent to the act and send funds to the constituency fund accounts of the approved projects.
- 7) To perform such other duties as the minister deems necessary for the proper management of funds.

Note.

- The Board should meet not less than six (6) and not more than eighteen (18) times in a financial year. The gap between one meeting and the other should not exceed two (2) months. The quorum for Board meetings is eight members.
- The expenditure for running the Board is determined at the beginning of the financial year and should not exceed 3% of the total fund allocated in a financial year. This must be approved by the Minister in concurrence with the CFC.
- Accounts of the Board are audited and reported upon in accordance with the Public Audit Act, 2003.

b) Constituency Funds Committee (CFC)

The Constituency Funds Committee is constituted by the National Assembly which must ensure proportionate representation of parliamentary political parties.

The committee is made up of a chairman, who is a Member of Parliament and not more than ten (10) other members of parliament who are neither Ministers nor Assistant Ministers.

The term of office of members of the committee is three (3) years renewable and their operations are governed by the standing orders of the National Assembly.

Functions of the Constituency Funds Committee

The Constituency Funds Committee has the following functions:

- To determine the allocation and distribution to each constituency and the utilization of any unspent funds intended for use by the board.
- To consider and report to Parliament names of persons required to be approved by Parliament under the Act.
- To consider and recommend to Parliament any matter requiring action by the National Assembly.
- To oversee implementation of the Act.
- To oversee policy framework and legislative matters.
- To review the framework set out for efficient delivery of development programmes.
- To carry out functions relevant to the work of the Fund.

2) *Management at the Grassroots level*

CDF is managed at the grassroots level by the following committees:

c) District Projects Committee (DPC).

The DPC is established at District level and is comprised of:

- Members of Parliament in that district whether nominated or elected.
- Chairpersons and Mayors of all Local Authorities in the District.
- The District Commissioner.
- The District Development Officer of the district who is the secretary of DPC and convener of the new committee.
- Chairperson of the CDFC.
- District Accountant of the District.

Functions of the DPC

- 1) Coordinate the implementation of projects financed through the fund.
- 2) Prepare and circulate to every constituency development fund (CDFC) committee in that district, a list of other government allocations for various projects in the district, at the beginning of every financial year.
- 3) Ensure that no projects are duplicated.
- 4) Make impromptu visits to the projects as it may deem appropriate.

Note:

- Any allocation by government to a project in a constituency shall not be used as a reason to deny either approval or funding of any other project consistent with the Act.

- All district departmental heads under whose docket projects may fall may attend the DPC meetings as ex-official members at the invitation of the DPC.
- Meetings of the DPC shall be held at least once annually but not more than six (6) times annually.
- The quorum for any DPC meeting shall be one half (1/2) of members.
- All DPCs existing prior to a parliamentary election shall stand dissolved upon the dissolution of Parliament.
- Immediate past members of a dissolved Parliament shall remain members of the DPC until a new DPC is convened.
- The new DPC shall be constituted within 60 days of a new parliament.
- Sitting allowances for members of the DPC are fixed by the board with the concurrence of the CFC and shall be drawn from the funds allocated annually to the board.

d) Constituency Development Funds Committee (CDFC)

The CDFC is constituted and convened by the elected MP within the first 60 days of a new Parliament or a by-election, and shall have a maximum of 15 members comprising of:

- MP-chairperson, unless he/she opts out where the CDC elects.
- Councilors (2)
- D.O (1)
- Religious leaders (2)
- Representatives of men (2)
- Representatives of women (2)
- Representative of youth (1).
- Representative of Non-Governmental Organizations (1).
- A maximum of three (3) other persons from the constituency such that the number doesn't exceed fifteen.
- An officer of the Board seconded by the Board as an ex-officio.

Note:

- The CDFC meets at least twelve (12) times in a year and not more than twenty four times (24) in every financial year, including sub-committee meetings.
- The quorum of the CDFC meetings is one half of the total membership.
- The term of office of the members of the CDFC is three (3) years renewable but shall come to an end upon the appointment of a new CDFC by a new MP after general or by elections. The new MP must however ensure that:

- The existing CDFC (before the elections) remains in office until a new CDFC is constituted.
- The list of projects remains unchanged until the end of the financial year.
- A vacancy in the CDFC by reason of resignation, incapacitation or demise of a member shall be filled by the MP from the same category of persons where the vacancy occurred.
- Sitting allowances for members are determined in a manner similar to that of DPCs.

Functions of the CDFC

- 1) Determine installments to various projects in the constituency, taking into account the disbursement received and the requirements of different projects.
- 2) Ensure cost estimates of different projects are as realistic as possible through appropriate consultations with government departments.
- 3) Rank constituency projects in order of priority.
- 4) Determine allocation of funds for emergency purposes.
- 5) Approve joint constituency projects.
- 6) Monitor the implementation of projects or designate this responsibility to a sub-committee, a locational committee, or a project committee.

Functions of the officer of the Board

- 1) The officer of the Board is the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general or by elections.
- 2) Compile and keep a record of all receipts and disbursements on monthly basis in respect of every project and sub-projects.
- 3) Table records of receipts and disbursements on projects/sub-projects during CDFC monthly meetings.
- 4) Submit a summary of annual financial records to the CDFC not later than 60 days after the end of every financial year.

Locational Development Committees

These committees are not specified in the Act but are constituted at the locational level. These committees are chaired by the Chiefs and are made up of community members in the different locations in a constituency.

CDF Projects Funding Cycle

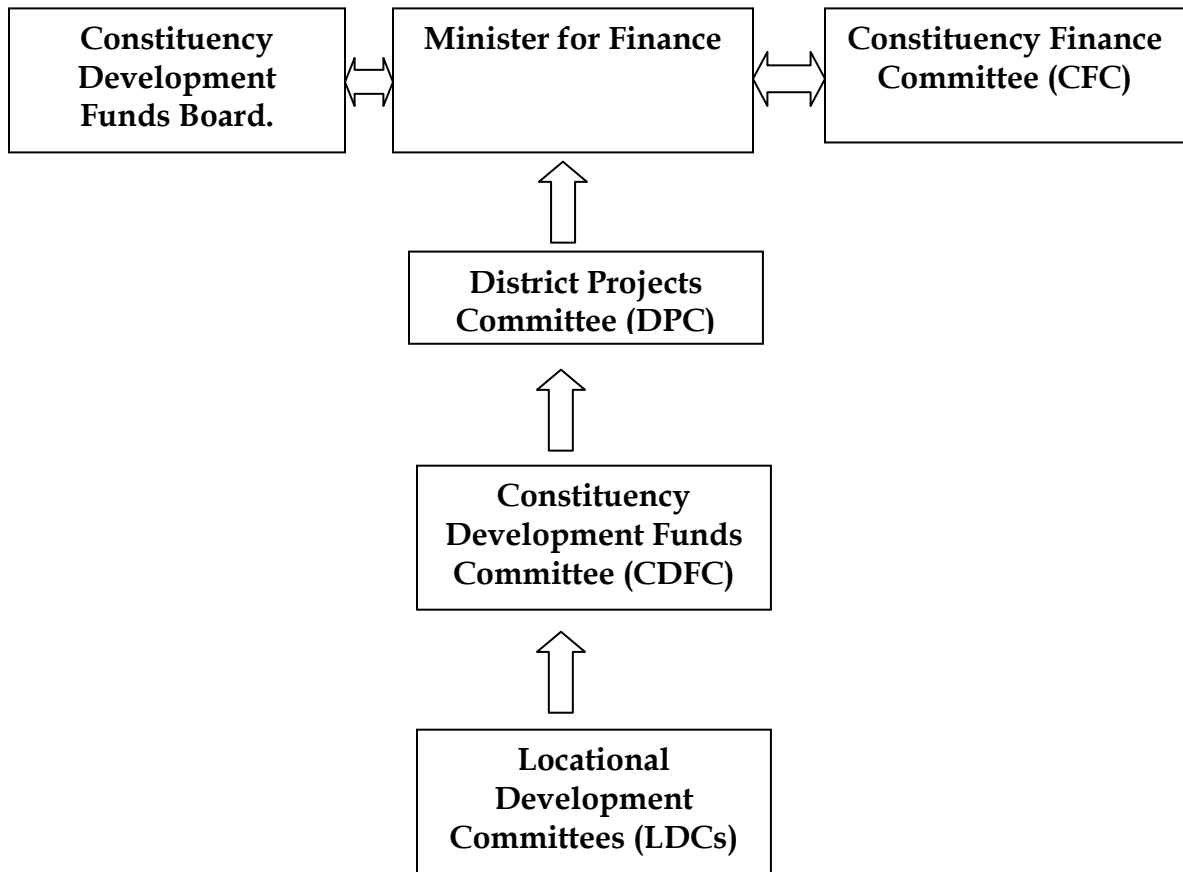
- 1) Locational meetings identify community needs and projects to be implemented. (The elected MP to convene within the 1st year of office, and at least once every 2years thereafter).
- 2) Each location comes up with a list of priority projects to be submitted to the CDFC.
- 3) The CDFC deliberates on all project proposals from all locations in the constituency including joint constituency projects and draws a project priority list indicating long term and short term projects.
- 4) The MP presents the list of proposed projects to the DPC in a DPC meeting to ensure that no projects duplication takes place.
- 5) The MP forwards the project list (with cost estimates) printed on a standard constituency projects submission form together with the standard projects description form, to the Board.(The project list must be submitted to the Board before February or any other month determined by the Minister for timely inclusion of projects in the annual budget).
- 6) The board compiles the list of proposed constituency projects submitted to it by the MP.
- 7) The board scrutinizes and approves for funding project proposals that are consistent with the act. Where the board disapproves a project proposal, it refers the matter to the CFC citing reasons for disapproval. The CFC then makes a decision within fourteen (14) days of receipt of the Board's decision on whether the project should be considered for funding or not. CFC'S decision will be final.
- 8) Where the total costs of projects submitted by the MP exceeds the allowable ceiling for a constituency, the order in which the projects are listed is taken as the order of priority and the board shall struck off projects at the bottom of the list so that projects are within the allowable ceiling. Whenever the amount for projects in a constituency is less than the allowable ceiling for reasons of a project being deleted or any other reason, the shortfall shall be indicated as unallocated amount.
- 9) The board then numbers/serializes all constituency projects in the projects list before submitting the list to the Minister for Finance who ensures that all projects are in printed estimates before presenting the annual budget in the National Assembly.
- 10) Once the annual budget is approved, CDF funds are disbursed from the exchequer/consolidated account to the bank account of the fund (CDF) in the Central Bank of Kenya.
- 11) Funds are then disbursed from the bank account of the fund (CDF) to the respective constituency accounts (opened and maintained in the name of a constituency and at a commercial bank approved by the minister).
- 12) Disbursement of funds to the constituency accounts is effected at the beginning of the 1st quarter of each financial year with an initial amount being 25% of the annual constituency allocation. The accounts are then replenished

in three (3) equal installments, at the beginning of the 2nd, 3rd and 4th quarters of the financial year.

Note:

- 1) The signatories to the bank account of the fund (CDF) are:
 - a. The Chief Executive Officer of the Board (Mandatory).
 - b. Three (3) other persons appointed by the Board from amongst its members.
- 2) An accurate record of all disbursements made for projects to every constituency shall be kept and updated every month by the Board.
- 3) Each and every disbursement from the bank account of the fund should be for specific projects as submitted by various constituencies and should be minuted by the Board.
- 4) At least three (3) signatories are required for any transaction involving actual payment or withdrawal of funds from the constituency account. This calls for:
 - a. At least one signature of a nominee from the DPC.
 - b. At least one signature of a nominee of the CDFC.
 - c. None of the signatories to be MPs or councilors.
- 5) Every payment or instruction for payment out of the constituency fund account should be strictly on the basis of a minuted resolution of the CDFC.
- 6) Allocation of funds to various projects in each constituency is the responsibility of the CDFC exercised at its own discretion.
- 7) Records of the amounts received by each constituency and their respective expenditures must be submitted to the Board within thirty (30) days after the close of the relevant financial year, together with a copy of the relevant bank statements. No disbursements for the succeeding financial year shall be made into the accounts until the said records are duly received.
- 8) Funds allocated to a particular project in a financial year cannot be reallocated to any other project within the financial year without the approval of the Board.
- 9) At the end of every financial year, every constituency must fill in a “standard annual disbursement return form” showing for every project, the amount allocated, the amount disbursed, and any unspent funds no longer needed for that project and intended to be reallocated.
- 10) Every constituency with unspent funds at the end of a financial year must submit a request to the board by filling a “reallocation of unspent funds form” detailing how they intend to reallocate the unspent funds. The funds may be re-allocated to any eligible project whether new or ongoing at the end of the financial year.
- 11) Any accruing revenues, interest and liabilities from any constituency account shall be declared to the Board together with the annual returns.

CDF PROJECT SUBMISSION FLOW CHART



Implementation of CDF Projects

- CDF projects should be implemented by the project committee with the assistance of the relevant Government departments and all payments should be done in accordance with government regulations.
- All works and services relating to CDF projects should be sourced using existing Government procurement regulations.
- The departmental head of the relevant Ministry in each district should oversee projects under his docket and keep records of disbursements of funds and progress of CDF projects funded.
- A community may request to be given a chance to nominate representatives to represent their interests in any project being undertaken in their area i.e. projects committee.

Audit of CDF Accounts

All CDF funds are audited and reported upon by the Controller and Auditor-General.

Penalty for Misappropriation of Funds

Any person who misappropriates funds or assets from the Fund, or assists or causes any person to misappropriate the funds is guilty of an offence and is liable to imprisonment for a term not exceeding 5 years or to a fine not exceeding two hundred thousand shillings (Kshs. 200, 000) or both.

Dispute Resolution

Any complaint arising from the management of the fund should be forwarded to the Board.

Role of Community Members in the Fund

- 1) Attend locational meetings, for instance chief's barazas, aimed at identifying and prioritizing community needs/projects to be implemented under CDF.
- 2) Request for inclusion in various project committees.
- 3) Apply for bursary funding.
- 4) Draft funding proposals to the CDFC for community projects that they wish to implement or have implemented whether new, existing or on-going. This should however be forwarded on time with other project proposals.
- 5) Monitor and evaluate the utilization of the CDF funds in their respective constituencies.
- 6) Petition relevant authorities like the MP or the Board in case of anomalies in the manner in which funds are utilized. Any claim should be based on facts which are verifiable.

Weaknesses in the Management of the Fund

- 1) Undemocratic appointment of CDFC- The appointment of the CDFC does not allow for community participation in free and fair elections. As such the Members of Parliament exercise discretion in the appointment of people to the committee.
- 2) The Act does not provide for the express representation of Persons with Disability in the management of the fund particularly in the CDFCs.

2. The Local Authority Transfer Fund (L.A.T.F)

Establishment

LATF was established in 1999 through the Local Authority Transfer Fund (LATF) Act No. 8 of 1998.

Objectives of the Fund

Local Authority Transfer fund was established to help:

- Improve and extend service delivery to the public.
- Improve financial management and debt resolution in local authorities.
- Improve planning and accountability.

Allocation

LATF receives 5% of the total national income tax, contributing to approximately 24% of local authorities' revenues.

At least 7% of the total fund is shared equally among the country's 175 local authorities in Kenya; 60% of the fund is disbursed according to the relative population size of the Local Authorities and the balance (33%) is shared out based on the relative urban population densities.

Disbursement of the Fund

LATF monies are disbursed directly from the Fund to the LA's bank account through a direct bank deposit. The money is disbursed 3 times a year i.e. 30th September, 31st January and 30th April.

60% of LATF allocations are released if the Council submits required budgets and meets current statutory creditor obligations.

The remaining 40% is released based on LAs performance based on submission of:

- Statement of Actual Revenues & Expenditures by every 30th September.
- Statement of Debtors/Creditors & Debt Repayment Plan by 30th September
- Abstract of Accounts of previous financial year by December 31st.
- Revenue Enhancement Plan by February 28th.
- Local Authority Service Delivery Action Plan (LASDAP) by February 28th.

Penalties for Non-compliance

Local authorities can be penalized in the following ways:

- If they fail to submit annual estimates, they do not receive the LATF.
- Late submissions:
 - 1-30 days - 15% penalty
 - 30-60 days - 40% penalty
 - Over 60 days 100 percent.

Administrative Framework of the Fund

An advisory committee headed by a private sector representative and comprising of the Ministry of Finance, the Permanent Secretary-Ministry of Local Government (officer administering LATF), various private sector members, and other co-opted members like the Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Local Government Authorities of Kenya (ALGAK) guide LATF operations.

The Kenya Local Government Reform Programme (KLGRP) Secretariat provides technical and administrative support.

LASDAP Framework under LATF

Local Authorities are required to prepare a Local Authority Service Delivery Action Plan (LASDAP) as a precondition for full disbursement of LATF.

LASDAP is an inclusive/participatory process of needs identification and prioritization of development needs to improve service delivery. The LASDAP is convened by the respective Local Authorities to allow for constructive engagement by the citizens in matters of local development. It is a three (3) year plan on how to spend LATF.

LASDAP has the following objectives:

- Improved planning and prioritization of use of Local Authority resources
- Increased targeting and spending on service delivery to citizens
- The meeting of the needs of the poor
- Increased participation by stakeholder groups and citizens in service delivery choices
- Strong downward accountability and transparency in the usage of resources
- Generally, improved efficiency and effectiveness in service delivery.

Projects that can be funded under the LASDAP framework

LASDAP targets projects aimed at providing services to citizens in a particular local authority. These include health and education facilities, roads, street lighting, water, sanitation, waste disposal, garbage collection, parks, and recreation and sports facilities.

The LASDAP process

Being a participatory process, LASDAP has 6 key stages:

- 1) LASDAP preparation
- 2) Consultation
- 3) Design
- 4) Consensus
- 5) Finalization and submission
- 6) Implementation

LASDAP preparation

This is a responsibility of a particular LA and is intended to ensure the process is on course and without hitches. It includes:

- Sharing of information among all the concerned parties.
- Formation of a technical committee since most of the LA's activities requires technical support.
- Identification of organizations (CBOs, FBOs) in the LA's area.
- Identification of the LA's priority needs internally and computation of the resource-envelope (total amount of money available for spending by the local authority. It is the balance between the money the council has and its recurrent expenditure)
- A consultation timetable outlining dates and venues for consultation meetings is prepared during this stage and shared to the public through public notices.
- The LA should also prepare brief status reports of the projects agreed upon during the previous plan.

Consultation

- This is the stage where community members are afforded a chance to discuss their needs and prioritize on them.

- The LA concerned identifies a competent facilitator to regulate the discussion on community needs and what takes precedence over the others.
- The LA presents its lists of priorities and allows the citizens to know the resource envelope around which budgeting is being done.
- A proper consultation meeting should discuss the status of the projects agreed upon during the previous year as a way of encouraging accountability in the LA and instilling an ownership sense among the community members.
- The LA should ensure that form 8-D is filled in this meeting. Form 8-D contains the names of the meeting's attendants and their organizations.
- The consultation meeting ends with participants nominating two people from among themselves, a man and a woman, to represent the community views in the consensus meeting to be held later.

Design

- The essence of this stage is to combine the needs identified during the consultation level and agree on the projects to be implemented to tackle them against the resources available.
- This is a technical stage in which the technical committee identified in stage one (1) plays the most dominant role.
- This stage involves compiling all the reports from the consultation meetings and preparation of a list of top two priorities from all the regions.
- Professionals and technical staff from line ministries and other institutions are invited at this stage to give professional input towards the development of technical solutions to identified needs.
- The result of this is a list of projects to be implemented by the specific LA and the estimated cost per project or activity.
- This list of projects to be implemented with their cost estimates forms the LASDAP.

Consensus meeting

- The selected man and woman from the consultative meetings should attend the consensus meeting.
- Other stakeholders such as representatives of umbrella organizations like MYWO, Chamber of Commerce, the church and the mosques should be invited. Care should be taken to ensure that the participants reflect the diverse aspects of the society.

- At the consensus meeting, needs identified at the consultative meeting and the projects suggested at the technical consultative stage to address these needs are presented to the participants.
- Prioritization then follows and a final list of activities to be implemented in order of priority is prepared.

Finalization and submission

- LASDAP is integrated with other planning processes to avoid duplication of activities and projects' implementation. To ensure this, the LASDAP should be shared with other stakeholders, key among them, the District Development Committee, which should essentially be aware of all other developmental plans in the district by different players.
- A full council meeting is then held to discuss the LASDAP. If the full council meeting is in agreement with the LASDAP, the same is forwarded to the Ministry of Local Government.
- Should the full council want to alter the LASDAP, a consultative process involving at least 95% of the stakeholders who took part in its preparation should be entered into.

Implementation

- This is the final stage in this process.
- It involves the actual project or activity implementation towards addressing the identified needs.
- It is at this stage that procurement is done and if the objective of making LAs transparent and accountable is to be achieved, all the stakeholders must keep vigil during this process.
- The LA is supposed to ensure that all matters touching on finances and procurement are done in accordance with regulations set by the Government.
- To ensure that Wananchi get quality service, departments charged with contractor-supervision at the Local Authority and line ministry levels should monitor the project implementers to ensure that the work done meets set targets.
- During contracting, the LA should ensure that any work, which can be done by the local communities, is given to them in what is called community contracting. This will create ownership, enhance quality and ensure that benefits accruing from the contraction remains within the same area.

Tentative work plan

- Preparation: August.
- Consultation and Consensus September and October.
- Finalization and submission November (Firm date).
- Implementation and monitoring Continuous.

Role of community members in the fund

- Formation of Community Based groups - The most convenient unit for the LAs to work with in the LASDAP process is a community based group. People should take the initiative to form such groups through which they can be invited to participate in the consultation meetings of the LASDAP process.
- Attendance and active participation in the consultation meetings - Community members should attend and voice their needs in this meeting and take the responsibility to ensure that their most urgent needs take priority.
- Raise matters concerning projects meant to be implemented in the previous year during the consultation meeting - The LA is bound to explain to the community members the status of projects discussed in the previous year during the consultative meeting. Community members should take this opportunity to raise their concerns if any on either the choice of the projects or their implementation.
- Nominate members or be nominated to represent the community views at the consensus meeting - During the consultation meeting, a man and a woman are selected to represent the community's view in the consensus meeting. This is an opportunity for the individual community member to participate in LASDAP either through nominating a member or being nominated.
- Participate in the consensus meeting - If nominated to the consensus meeting, a community member has a second chance to participate in the LASDAP process. Active and focused participation at this stage is very important in ensuring that the community felt needs take precedence. One of the ways a community member nominated to the consensus meeting can participate is through voting in case there are areas the meeting is not able to develop consensus on through ordinary dialogue.
- Giving / asking for feedback from the community members nominated to the consensus committee - For the community member nominated to the consensus meeting, he/she should give feedback to the community nominating him or her. For the community member, asking for this information is in itself further participation in the LASDAP process.
- Participation in project designs - During implementation of projects, the LA is advised to involve the community members to ensure their views are considered in the project design. Community members can participate in the designing of the projects being implemented in their areas.

- Community contracting - The LAs are advised, where possible, to contract community members in project implementation. Community members should be pro-active and ready to bid for various project tenders. Participation in LASDAP through implementation is important in that it ensures the benefits of the project being implemented flows back to the community within which the same is being implemented.
- Monitoring and Evaluation - in an inclusive LASDAP process, community members are bound to have all the relevant information concerning the projects being implemented. They have a role to ensure that the implementers adhere to set guidelines and deliver quality through observing and forwarding their observations to relevant authorities.

Weaknesses in the management of the fund

- LASDAP Consultative forums are poorly attended due to lack of public know how. Local Authorities advertise such meetings in local dailies which are not affordable to the poor. This in turn jeopardizes the opportunity for the poor to identify their project priorities.
- Community contracting in various projects is a rare phenomenon. This can however be attributed to the limited capital base of most CBOs and lack of proper information flow to the community on the process.
- Delay in disbursement of funds: funds for proposed LASDAP projects in a particular financial year are normally disbursed from the Treasury in the next financial year causing delay in the implementation of projects. For instance, projects identified in a consultative meeting (mostly held around October each year) of FY 2007/2008 will be financed in 2008/2009 FY at around December. This means that consultative meetings for FY 2008/09 are convened before the initiation of projects identified in the previous FY.
- The council's resource envelop (amount of money available for council's use) is widely dependent on the amount of revenue that the council has collected through rates and other sources. The lesser the revenue, the lesser the amount of money available for projects.
- All civic wards receive equal amount of money for LASDAP projects irrespective of inherent disparities in terms of size, population densities and poverty indexes.
- Poor harmonization of LASDAP funded projects and projects funded from other kitties resulting in duplication of projects. There have been certain instances where similar projects are initiated in the same area.

Table 1.1 Resource Envelope Computation

LA CODE	LOCAL AUTHORITY NAME		
Item	Local Authority Revenue	Amount (Kshs)	(%) of Total Revenue
1	LATF allocation for the current FY		
2	Actual Revenue for the last FY		
3	Other revenue from the central government (Road Maintenance Levy Fund (RMLF))		
4	Other income from donors		
A	Total Revenue	Amount (Kshs)	(%) of Total Expenditure
	LOCAL AUTHORITY EXPENDITURE		
1	Estimated costs of salaries and wages in the FY		
2	Estimated costs of councilors allowances in the FY		
3	Estimated costs of operations and maintenance for the FY		
4	Amount set aside for Department resolution		
B	Total Recurrent expenditure		
C	LASDAP Donations (specific grant)		
A+B+C=	Resource Envelop.		

Resource Envelope= Money available for LASDAP

3. Constituency Bursary Fund or Secondary Education Bursary Fund (S.E.B.F)

Establishment

The Secondary Education Bursary Fund was established in 1993/4 through a presidential pronouncement.

Objectives of the Fund

The fund was established with the aim of:

- Cushioning the income poor and the vulnerable groups against negative effects of increasing cost of secondary education.
- Increasing access for poor households to secondary schools.
- Ensuring retention and completion rates of those who enter secondary school.
- Reducing disparities/inequalities in the provision of secondary education.
- Promoting transition rates i.e. from primary to secondary and eventually to the tertiary level.

Allocation

Annual allocations to SEBF/CBF depend on the Ministry of Education's (MOE) budgetary provisions for each year.

Bursary funds are allocated in two installments:

- 1) The first installment amounts to one (1) million shillings allocated to every constituency in the country. This amounts to Kshs. 210 million.
- 2) The remaining fund is divided in the light of:
 - Students' enrolment in secondary schools in the constituency.
 - The constituency poverty index
 - Population size

Fund target group

CBF targets children from:

- Poor households
- Arid & semi-arid lands.
- Urban slums.
- Affected by HIV/AIDS
- Partial & total orphans

- The girl child (5% of fund are set aside for girls)
- Children with disabilities.

Administrative framework of the fund

In 2003, the Ministry of Education moved bursary administration procedures away from secondary school head teachers and education officers to the Constituency Bursary Committees (CBC's). The administration of bursary funds from the constituency level resulted in the name Constituency Bursary Fund (CBF).

The Constituency Bursary Committee has between thirteen (13) to fifteen (15) members, a third (1/3) of which should be women. The committee comprises:

- Area Education Officer (Secretary)
- Area Member of Parliament
- 1 Local Kenya National Union of Teachers (KNUT) official.
- 3 representatives of Faith Based Organizations
- 1 chairperson of a Board of Governors (B.O.G) from a school.
- 2 chairpersons of the Parents Teachers Association (PTA) from 2 secondary schools.
- 1 representative of the Kenya Secondary Schools Heads Association.
- 1 representative of an education-based NGO/CBO.
- 2 Co-opted members (committee to co-opt where necessary).

The chairperson and the treasurer are elected from among the members in elections presided over by the District Education Officer.

The CBC is charged with the responsibility of:

- 1) Coordination and disbursement of the funds.
- 2) Vetting of beneficiaries.
- 3) Preparation and submission of reports to the Ministry of Education (within two weeks after receipt of funds at constituency level).

Disbursement of bursary funds from the Ministry of Education to Constituency accounts

- 1) Each constituency is required to open a constituency bursary account and submit details of the account to the ministry's headquarters, and copies to the District Education Board.
- 2) The ministry transfers the funds allocated to each constituency into the account paving way for the committee to meet and allocate bursaries to

successful applicants. The money deposited must be used for bursary purposes only.

- 3) Disbursements of all funds at the constituency level should be completed by the end of May of every year.
- 4) The returns for each disbursement should be made within two months after the date of receiving the money at the constituency level.
- 5) The signatories to the constituency account are: the District Educational Officer (DEO) who is a mandatory signatory and in his/her absence the deputy DEO. Two (2) other signatories are approved by the CBC and submitted to the ministry and the DEOs office.
- 6) The DEO is the accounting officer of the fund. Failure to account for the funds or improprieties in accounting leads to withholding of constituencies' next allocation.
- 7) Ministry of Education's internal audit department monitors and audits bursary disbursements.

Bursary application process

- 1) Parents or students obtain bursary application forms from the division education offices in areas where they are residents free of charge (No eligible person should be denied the forms).
- 2) The forms are filled and returned to the Area Education Officer (AEO) who in turn forwards them to the Constituency Bursary Committee (CBC).
- 3) The CBC deliberates, scrutinizes and identifies those who qualify for assistance.
- 4) The CBC places students in different categories according to their levels of need. As reflected in Table 1.2 below.

Table 1.2

Variance	Ranking (Out of 100%)				
	Total orphan	Partial orphan	Single Parent	Needy Parents	
Affirmative action or special circumstances	Girl child	Boy child	children from slums	Children from Marginalized communities	Children with special needs or disability
Discipline	Excellent,	Very good	Good	Fair	Poor

Academic performance	Excellent	Very good	Good	Average	Below average
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Students who score the highest percentage from all the above categories are awarded bursaries.

- 5) The list of the successful applicants together with the minutes of the CBC signed by the Chairman, treasurer and the secretary are forwarded to the DEO who prepares payments and signs their cheques within one (1) week.
- 6) The cheques are then returned to the AEO for the other two (2) signatories to sign before disbursement to schools.
- 7) The CBC should verify and ensure that all cheques are dispatched.
- 8) The list of students awarded bursaries and the amount given to each student should be displayed on the notice boards of schools, AEOs, DEOs, and constituency offices.

Role of community members in the fund:

- Apply for the funds by following the due process and providing requisite and correct information where necessary.
- Share information on the funds with other parents and needy students.
- Monitor the use of bursary funds to ensure that the funds are fairly and equitably awarded to needy students and to further ensure compliance with the set guidelines and identifying any anomalies. (Monitoring can be done by scrutinizing the list of beneficiaries placed on notice boards against the amounts allocated to each beneficiary).

Weaknesses in management of the fund

- Lack of transparency and accountability in allocation/award of bursaries: Needy students end up getting less bursary allocation or none at all while those who are better placed in the society including those from politically correct families end up getting big awards hence defeating the very purpose of the fund.
- Duplication in award of bursary funds: while most kitties continue appropriating funds towards education bursaries, little effort has been put in place to deal with multiple applications by students. Certain students end up getting bursaries from LATF, CDF and CBF.

Note

- 1) With the introduction of free secondary education (2008), the Ministry of Education has issued directions on bursary allocation:
 - a. No bursaries will be awarded for students in day schools.
 - b. A minimum of Kshs. 8, 000 will be given out as bursaries for students in boarding schools.
- 2) The enrolment rate per secondary school throughout the country is informed by the statistics that each school submits to the Ministry of Education annually.

4. The Free Primary Education Fund (F.P.E)

Establishment

FPE was established in January 2003 through the National Alliance Rainbow Coalition (NARC) party manifesto.

Objectives of the Fund

The fund seeks to address financing and quality challenges in primary schooling.

Target population

FPE targets all Kenyan children of primary school going age in public schools.

Allocation

The fund currently comprises of an annual allocation equivalent to Kshs. 1,020 per child.

The amount of money disbursed to schools annually is dependent on the number of pupils enrolled in schools within that area. Schools are therefore expected to forward up-to-date statistics on their respective pupil enrolment rates to the Ministry of Education through the DEO. This is normally done in February, May and September.

Each school is expected to open two (2) accounts in a reputable bank in the District, where the Ministry of Education remits the money by direct wire transfer. These two accounts are:

- 1) SIMBA (Schools Instructions Materials Bank Account) account.
- 2) General purpose account.

Expenditure decisions are standard and well articulated by the Ministry of Education. This is clearly reflected in Table 1.3.

Table 1.3

<p>Account 1: SIMBA Account. Ksh. 650 for each pupil per year to all primary schools to be used to purchase:</p> <ul style="list-style-type: none"> ○ Textbooks ○ Exercise books ○ Pens ○ Supplementary readers and reference materials ○ Pencils, duster, chalk ○ Registers ○ Charts and wall maps 	<p>Account 2: General Purpose Account. Ksh. 370 sent to all primary school to support:</p> <ul style="list-style-type: none"> ○ Support staff wages ○ Repairs, maintenance and improvements ○ Support activities ○ Quality assurance ○ Electricity, water and conservancy ○ Postage ○ Box rental and telephone.
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Source: Ministry of Education, May 2003.

Administrative framework of the fund

The School Management Committee (SMC) has the responsibility of managing funds one they are wired into the school account. They also give tenders to suppliers of various learning materials.

The SMC is made up of:

- 1) The head teacher (Secretary)
- 2) Teachers.
- 3) Parents' representative.

The School Instruction Materials Selection Committee (SIMSC) comprising of the head teacher (Chairman), class teachers and parents' representative plays a significant role in the procurement of learning materials.

These committees are trained on procurement procedures and each school is provided with the following documents to guide them:

- Procurement of instructions materials for primary education supplies manual.
- Instructions materials management handbook.
- The financial management training manual for primary schools.
- The orange book (contains approved lists of text books including prices of primary and secondary school books and other instruction materials)

Monitoring of the fund

- Annually every school is audited by the School Audit Unit and the District Quality Assurance and Standards Officers carry out regular assessments.
- The Provincial Directors' office monitors 5% of the schools.
- Monitoring or tracking of the utilization of FPE funds is also carried out twice a year by the Primary School instructional materials Unit to cover 2.5% of the schools in the country.

Purpose of Monitoring

- To determine whether proper procurement procedures were followed in obtaining instructional materials.
- To ensure the purchased instructional materials are in the schools and are being properly used.
- To ensure proper care and storage of books is being adhered to.

Role of community members in the fund

Members of the community have the following responsibilities:

- 1) Engage the School Management Committee (SMCs) through their representative on various aspects relating to management of affairs in the school.
- 2) Monitor the performance of the school and offer solutions to mitigate potential problems.

5. Free Secondary Education Fund

Free Secondary Education Fund was established in 2007 with the main objective being financing secondary education.

The fund has been in operation from 2008 and receives funding from the exchequer. The fund is channeled to the Ministry of Education which in turn distributes the money to various public secondary schools in the republic. However, based on the directive issued by the Permanent Secretary, Ministry of Education, the fund is meant to benefit schools with a minimum of 40 students per class and a maximum of 45 students per class.

The fund allocates Kshs. 10,265 per student per annum, for tuition purposes. The amount covers all expenses for students in day schools, while those in boarding institutions are required to pay, on top of the funding, a maximum of Kshs. 18,000 per year. The Ministry remits the funds to respective tuition accounts for various schools. This is based on up to date statistics that schools submit to the Ministry.

The fund is sent directly to institutions in three tranches, with the first tranche comprising of 50%, the second tranche 20% and the last tranche 30%. Disbursements are done in the months of January, April and August.

An analysis of fees structures of various schools by the Institute of Policy Analysis and Research (IPAR) has revealed that payments made cater for tuition, school equipment and stores, repairs, maintenance and improvement (R.M.I), personal emoluments, activity, electricity, water and conservation, local transport and travel (L.T&T), laundry, KCSE fees and PTA fund.

There are, however, inter-school variations in the composition and levels of these payment to the effect that the fees are not uniform in all schools.

Below is a sample funding schedule specifying the vote head guidelines as given by the Ministry of Education to guide the understanding of funding modalities within the free secondary education policy:

Fee	Amount (Kshs)
Tuition	3,600
R.M.I	400
L. T & T	400
Administrative Costs	500
Elect; Water & Conservation	500
Activity	600

Personal Emoluments	3,965
Medical	300
TOTAL	10,265

Challenges

- Equity issues (fairness in distribution of resources and opportunities) e.g. how fair is it to give Kshs.10,265 to a poor child going to a national school whose tuition fees are always far higher? Wouldn't this child end up as a drop out? What about certain areas like North Eastern where it may not be possible to have a class of 40 students, would it not mean that such areas be disadvantaged?
- Isn't this mode of funding liable to abuse by head teachers?
- Given the increase in educational budgetary needs what are the likely implications of the CDF kitty? Would it mean that constituencies cut down their bursary funds or will they divert the bursaries to children in tertiary institutions?

It has been reported that the operations of certain schools have hampered due to delays in disbursement of funds by the Ministry.

6. The Constituency HIV/AIDS Fund

Establishment

The Constituency HIV/AIDS Fund was established in 1999 through a presidential Legal Order Notice No. 170. Its establishment coincided with the declaration of HIV/AIDS as a national disaster in Kenya.

Target group

The fund targets individuals infected with and affected by HIV/AIDS (PLWHA), with the focus being on long-term care and support.

Administrative framework of the fund

Structurally, the fund is managed by the following bodies:

- National Aids Control Council (NACC)
- Regional Field Office.
- District Technical Committee.
- Constituency Aids Control Committee

The fund is currently managed under the Ministry of Special Programmes.

1) The National Aids Control Council (N.A.C.C)

The National Aids Control Council (NACC) was also established in 1999 under the State Corporations Act. NACC has the following functions:

- Coordinate and supervise the funding of major HIV/AIDS activities in the country.
- Mobilize resources for HIV/AIDS control and prevention
- Develop policy, strategy and guidelines relevant to the prevention and control of HIV/AIDSs.
- Develop sector-specific HIV/AIDS programmes.
- Develop national management information systems for HIV/AIDS control
- Collaborate with local and international agencies that work in AIDS control
- Develop appropriate mechanisms and guidance for implementing agencies on selecting activities and on monitoring and evaluating programmes dealing with HIV/AIDS and sexually transmitted diseases.

2) Regional Field Office

The regional field office is established at the provincial or regional level and is charged with the responsibility of coordinating HIV/AIDS activities at the regional level.

3) District Technical Committee (D.T.C.)

The DTC is established at the District level and is charged with the responsibility of coordinating and supervising funding of HIV/AIDS activities at the District Level. The DTC is chaired by the District Commissioner (D.C.) and has between 12 to 18 members.

4) Constituency AIDS Control Committee (C.A.C.C)

Each constituency is supposed to establish a Constituency Aids Control Committee (CACC) composed of representatives of civil society, faith based organizations, PLWHAs, key government departments at the divisional level, and representatives from private sector. Other members include divisional and district officers, the public health officer, the assistant, divisional heads of departments of the ministries (officers) and a private sector representative.

Three (3) members are to serve as women's representatives and a further three (3) as youth representatives. KNUT is represented by one member. All chairpersons of councils and area councilors are also members.

The chair and the treasurer of the CACC are elected among members during the first sitting and both serve as signatories to the Committee's account. The committee also has an Aids Control Coordinator usually an employee of the government on secondment from the AIDS council and serves as a secretary and a signatory to the committee's account. The coordinator is also responsible for convening meetings and ensuring programme plans are implemented.

The patron of the committee is the sitting MP, who is required to play a supervisory role by mobilizing communities. They must, however, remain non-partisan at all times.

The CACC forms a technical committee of five (5) members whose main responsibility is to review and approve proposals and provide support to the implementing agencies. CACC members have a term of two (2) years.

The minimum criteria for membership are an appropriate level of education and commitment to HIV/AIDS work. All members must be non-partisan. At least 50% of CACC members should be women to allow fair participation. They are

not on salary but are usually reimbursed travel and subsistence costs. Committee members sit at least once a month.

An oversight board has been put in place to streamline the operations of the CACCs. The board also oversees the formation of the CACCs and comprises of MPs, the District Officer, four (4) officers based in the division, one from each of the ministries of health, education, agriculture and rural development, gender sports and culture.

The Constituency Account

Each Constituency is supposed to open and maintain an account. The initial funds for opening the account are provided by the NACC upon submission of the minutes of the 1st meeting. The minutes should be signed by the chair and secretary of each CACC.

Funds to support CACC operations are disbursed quarterly and the chairman, the treasurer and the Constituency AIDS Control Coordinator serve as the signatories to the account.

The Constituency Secretariat

Each constituency has a secretariat comprising of:

- Constituency AIDS Control Coordinator.
- An Accounts Assistant.
- A statistical clerk/records clerk.
- Typist, and support staff.

The government in consultation with the oversight board does the placement of the CACC staff. The officers are paid salaries by the government.

Functions of CACC

The Constituency AIDS Control Committee has the following functions:

- 1) To encourage communities to generate proposals.
- 2) Approve proposals for funding.
- 3) Coordinate and manage AIDS activities in their respective constituencies.
- 4) Assist in setting up networks of stakeholders that implement HIV/AIDS pandemic response activities.

Eligibility for Funding under the HIV/AIDS Kitty

- 1) Only registered community groups /NGOs are eligible for funding.
- 2) CBOs/NGOs or research organizations are expected to draft proposals and submit them to relevant authorities depending on their respective funding requirements. Normally, completed proposals with a budget:
 - Not exceeding Kshs. 350,000 are submitted to the CACC in the respective constituency where the CBO/NGO has its main office. This targets Constituency level activities.
 - Of over Kshs. 350,000 but not exceeding Kshs. 1,750,000 should be submitted to the DTC in the respective District in which the organization has its main office. This targets District level activities.
 - Of more than Kshs. 1,750,000 and not exceeding Kshs. 7,000,000 should be submitted to the NACC secretariat in Nairobi. This targets national level activities.
 - In exceptional cases, projects of above Kshs. 7,000,000 may be considered by NACC.
- 3) Proposals should be drafted as per the guidelines provided by NACC (available in the district and constituency AIDS offices and in the NACC website www.nacc.or.ke).
- 4) Complete proposals should be forwarded together with the necessary “funding application form”(available in the district and constituency AIDS offices) which outline among other things: the name of the organization, physical and postal address, date of registration, its legal status, accomplishments, funding of the organization, decision making and financial reports and accountability mechanisms of the organization.

Disbursement of Funds

Once proposals have been approved, funds are disbursed to successful applicants in the following ways:

- Funds are disbursed in two (2) installments for CACC based organizations and in four (4) installments for national projects.
- An installment comprises of funds required to finance activities for ninety days (90) days.
- Funds are remitted directly to bank accounts via electronic transfers for the organizations operating accounts in any of the mainstream banks.
- Remittance advices are sent to the organizations for signatures.
- Copies of signed remittance advice should immediately be returned to the relevant authority.

Expectations on funded organizations

- All funded organizations are expected to perform in accordance with their work Plans, activities and budgets submitted at the commencement of each quarter.
- The organizations are expected to account for the funds advanced to them by the end of 90 days from the date they are funded

Role of community members in the fund

- 1) Organize themselves in groups and have their groups registered.
- 2) Apply for funding by drafting requisite funding proposals whenever calls are made by the relevant authorities.
- 3) Inquire more information on the fund from the nearest AIDS offices.
- 4) Utilize the funds appropriately when funded. HIV/AIDs funds should solely be solely used for HIV/AIDs related activities.
- 5) Monitor the performance of funded organizations in terms of their contribution in the fight against HIV/AIDs and raise alarm where necessary.
- 6) Educate other members of the public on the funds and ways of accessing the funds for general support of the fight against HIV/AIDs.
- 7) Participate in the management of the funds at the constituency level through the CACCs. (CBO/NGO representatives are co-opted members of the CACC).

7. The Roads Maintenance Levy Fund (R.M.L.F)

Establishment

The Road Maintenance Levy Fund was established in 1994 through the Road Maintenance Levy Fund Amendment Act of 1994.

Objectives of the Fund

The establishment of RMLF can be attributed to rising demands for road maintenance. RMLF thus came into place as an alternative source of funding towards road maintenance, which initially relied on public tolls.

Despite the fact that RMLF was intended for road maintenance and repair, the poor state of roads has meant that the funds are used on rehabilitation and reconstruction works.

Sources of funding

The levy is a charge collected against every litre of petrol or diesel at port of entry from the oil marketing companies by the Kenya Revenue Authority. Main contributors include major petroleum companies (remitters) like TOTAL, CALTEX, KOBIL and SHELL among others.

RMLF therefore consists of proceeds from levy on petroleum products and transit toll collections.

Allocation of funds

From the collected revenue,

- 57% goes to the Roads Department in the Ministry of Roads for maintenance and repair of major roads. These includes:
 - International Trunk Roads (Class A) - These are roads linking international boundaries or terminating at international ports e.g. Malaba-Nairobi-Mombasa Road.
 - National Trunk Roads (Class B) - These are roads linking provincial headquarters and centres of national importance.
 - C Class roads: these are primary roads linking district headquarters to each other or to higher class roads.
- 24% goes to the Kenya Wildlife Service (KWS) and Local Authorities for repair of roads within their areas of jurisdiction.

- 16% is equally distributed to District Road Committees (DRCs) in all constituencies. The DRCs manage District roads comprising of :
 - Class D roads: these are Secondary roads linking locally important centers to each other or to higher class roads.
 - Class E roads: these are minor roads linking minor centers.
 - Other unclassified rural roads (excluding urban roads), which can also be managed by County Councils.
- A maximum of 3% is left with the Kenya Roads Board (KRB) to facilitate its operational costs and recurrent expenditures.

Administrative framework of the fund

1) The Kenya Roads Board (KRB).

RMLF funds are administered by the Kenya Roads Board (KRB) established in 1999 under the Kenya Roads Board Act.

The board is a body corporate and according to its constitutive Act section 6 the Board is established is to:

- Administer the funds derived from the fuel levy and any other funds that may accrue to it.
- Oversee the road network in Kenya by coordinating its development, rehabilitation and maintenance.
- Be the principal adviser to the Government on all matters related to the development, rehabilitation and maintenance of the road network in Kenya
- Monitor and evaluate the operations of activities undertaken by road agencies in the development, rehabilitation and maintenance of roads
- Ensure that all procurements for works funded out of the Fund or other funds are conducted in accordance with the guidelines and criteria set out by the Board.
- Recommend to the Government necessary periodic reviews of the fuel levy and other potential sources of revenue for the development, rehabilitation and maintenance of roads.
- Determine the allocation of financial resources from the Fuel Levy Fund

2) The District Roads Committee (DRC)

The DRC comprises of:

- The chair or mayor of every local authority
- MPs from the district
- The District Commissioner

- The district roads engineer (secretary).
- Two (2) other members who may be co-opted by the committee to represent special interests.

The committee appoints either the chair/ mayor or the MP to be the chairperson.

The district roads committee operates a bank account different from that of the district treasury.

The DRC has the following roles:

- Maintain, rehabilitate and develop constituency roads.
- Submit to the KRB an annual roads Programme with a comprehensive plan of action and the estimated costs of every activity.
- Approve Annual Public Roads Programme (APRP).
- Advise the district roads engineer.
- Oversee roads sector management.
- Amplify the concern of the citizens in the roads area.
- Monitor the performance of those responsible for road maintenance and rehabilitation.

The implementation of road works in constituencies on behalf of DRCs is carried out by the roads department, through the district road engineers.

The DRCs give precedence to the following maintenance projects:

- New and rehabilitated roads to protect the investment.
- Security roads and those connecting administrative and social centres.
- Roads connecting and providing access to main road network.
- Roads providing access to market centres.
- Providing basic access to rural communities (culverts, crossing points etc).

3) Ministry of Local Government and other Sub-Agencies

The road maintenance budget for the Ministry of Local Government is funded from the RMLF. The Ministry together with other sub-agencies agencies has been receiving funds based on their annual work programmes.

The money is used for maintenance works, repair of road maintenance equipment and other routine maintenance.

4) The Kenya Wildlife Service (KWS)

The KWS is responsible for the maintenance of all roads in the national parks and game reserves including those accessing them. It is therefore entitled to funding from the RMLF kitty.

Application procedures and submission of projects

- The Kenya Roads Board (KRB) gives the agencies and sub agencies a ceiling of expenditure, against which they are to submit work plans and budgets of their projects. This is normally done by June 30th every year.
- The agencies identify particular road projects to work on while delivering proposals and budgetary estimates which must reflect the ceilings issued. Work plans must be submitted to KRB by December 31st every year.
- On receiving all the plans, KRB reviews each and harmonizes them into one draft Annual Public Roads Programme (APRP) by January 31st.
- The draft APRP is then submitted by KRB to the ministers in charge of roads and finance by February 28th.
- After deliberations and harmonization the APRP is ready for printing by March 31st and by April 30th, it is published and ready for implementation.

Note:

In spite of the fact that MPs are members of DRCs, they are not allowed to participate in the tendering or awarding of contracts, which are considered executive functions.

Role of community members in the fund

- Monitor the implementation of projects funded under RMLF, at the grassroots level. A breakdown of projects earmarked for implementation in a particular FY and their respective costs are normally printed in newspapers.
- Seek more information relating to the fund from relevant government officials/offices.
- Participate in Barazas and other public meetings where projects could be deliberated.
- Advocate against any resource diversion to particular projects or any misappropriation of RMLF funds within their localities. This can be achieved through petitions to relevant authorities including KACC (The Kenya Anti-corruption Commission), the Chairman of the DRC, the District Commissioner, the MP and the Councilors among others.

8. The Rural Electrification Programme Levy Fund (R.E.P.L.F)

Establishment

The Rural Electrification Programme Levy Fund (REPLF) was established in 1998 through sections 129 and 130 of the Electric Power Act (1997).

Objectives of the fund

The fund's main objective is to finance electrification of rural and other underserved areas.

Sources of the fund

The Electric Power Act empowers the Minister to set the quantum of the levy at rates of up to 5% of all the electricity consumed in the country. All electricity consumers in the country are expected to contribute to this fund.

Target projects

REPLF targets:

- Rural factories.
- Market centres in rural areas.
- Public facilities such as schools, water projects, health centres, agricultural extension projects, the provincial administration e.t.c.

Administrative framework of the fund

The Ministry of Energy administers the Fund and has a special account into which the Kenya Power and Lighting Company (KPLC) pays all levy collections. These collections according to the Act are to be used for programmes relating to the design, construction, equipment, operation and maintenance of rural electrification projects.

Communities identify the projects before they sent to the Energy Minister for his consideration. If found viable, KPLC is given a go ahead to implement the projects.

The institutional framework for the fund comprises of:

- The Ministry of Energy.
- The Electricity Regulatory Commission (ERC)
- Kenya Power and Lighting Company (Implementing agency)

- District Development Committee (DDC).
- Constituency Development Fund Committees (CDFCs).
- Local Community Committees for Special Projects.

The PS in the Ministry of Energy serves as the accounting officer, advises the minister on power priorities in the rural areas, works closely with the director of Rural Electrification Programme and other officers in the ministry and sits on the KPLC board with the director of rural energy.

Role of community members in the fund

- 1) Seek relevant information on the fund from relevant authorities.
- 2) Seek representation in local community development committees for special projects.
- 3) Engage various representatives in the administration structure of the funds on plans for their localities.
- 4) Attend chief's barazas and other public meetings where electrification programmes could be discussed.

9. The Water Services Trust Fund (W.S.T.F)

Establishment

The water Services Trust fund (WSTF) established in May 2004 under the water Act (2002), with the object of mobilizing resources and providing financial assistance towards provision of water and sanitation services in areas that are underserved and marginalized.

WSTF Vision

WSTF'S vision is to become a dynamic and innovative leader locally and in the region in the financing of the water sector.

WSTF Mission

To substantially contribute towards facilitating targeted communities in areas of Kenya that are underserved to successfully apply for financing, implement and sustainably manage their quality water and sanitation services through capacity building and wide stakeholder partnership with coordinated resource mobilization.

Source of funds

The Fund mobilizes resources through government budgetary allocations, development partners such as Sida, GTZ, DANIDA and World Bank., grants and donations from institutions and individuals.

Functions of the fund

The functions of the Water Services Trust Fund are:

- 1) To mobilize resources from bilateral and multilateral development partners and from organizations and individuals in Kenya and abroad.
- 2) To apply resources so raised in funding the provision of water supply and sanitation in areas of Kenya that are currently underserved.
- 3) To establish strong linkages with Water Service Boards to ensure pro-poor targeting and implementation of projects, transparency, accountability and equity, while mainstreaming good governance, gender, HIV/AIDS and environmental conservation in the financing process.
- 4) To strengthen the Fund's institutional capacity to effectively function and upgrade staff skills.

Administrative framework of the fund

WSTF is managed by a Board of Trustees appointed by the Minister of Water and irrigation. The Board comprises of about nine (9) Trustees.

Project funding and selection criteria

Through the Participatory Community Project Cycle (PCPC), the Fund ensures that underserved communities have an opportunity to develop quality proposals and provides limited financing for implementation of projects in such areas.

The Fund offers assistance for development of water and sanitation facilities of appropriate technologies, ranging from wells, spring protection, pans or dams, pipelines, roof catchments, VIP latrines, hygiene education as wells as training and other forms of capacity building.

Selection of projects for funding is based on the following guidelines:

- 1) Projects should be located in any part of Kenya and must be initiated by communities or non-governmental organizations working closely with them. They must be demand-driven and managed by the communities themselves.
- 2) The owners should meet the costs of survey and design of the facilities. The designs should be economically and technologically sound, with suitable management structures.
- 3) Health improvement, poverty eradication and wealth creation are the main themes of the financial assistance.
- 4) Communities receive funding through legally registered community based organizations or non-governmental organizations.
- 5) Support for improvement of facilities is given on condition that the owners contribute to the project implementation by sourcing locally available materials, labour as well as cash.
- 6) Users are expected to meet the cost of operation and maintenance of the facilities after project completion. A well-structured revenue collection system for the services should be provided.
- 7) Projects should be environmentally sound and should demonstrate gender equity and good governance.
- 8) The cost per user must be affordable to all.
- 9) Proposals must be accompanied by complete engineering designs certified by the respective Water Services Board (WSB).
- 10) Projects falling with the WSTF target locations receive priority.

Application for funding

For applications to be successful, it is necessary that they undergo the following stages:

- 1) The Community Based Organizations (CBO's) in target areas are mobilized by Water Service Boards to articulate their water and sanitation needs.
- 2) CBOs submit application letters to the respective WSB.
- 3) Proposals are then developed and submitted by CBO's supported by Support Organizations (SO's).
- 4) The WSB appraises the proposals and makes recommendations to WSTF.
- 5) WSTF reviews and approves the proposals.
- 6) WSTF and applicant sign the funding agreements and transfer of first payment is made.
- 7) Project is implemented with the supervision of the WSB and support from Quality Control Agents (QCA'S)

Proposals should be drafted according to guidelines provided by the Ministry of Water and Irrigation.

Role of community members in the Fund

Community members are expected to:

- Seek more information on the fund from the relevant government department at the grassroots level.
- Apply for funding for water and sanitation activities through their respective CBOs.
- Liaise with NGOs and other Support Organizations for assistance as well as capacity building in proposal writing.
- Monitor initiatives funded under the WSTF.

- Learn requisite skills necessary in implementing water and sanitation projects to boost their chances of being contracted.
- Participate in project implementation activities particularly those requiring limited technical skills or know-how.

10. The Youth Enterprises Development Fund (Y.E.D.F)

Establishment

The Youth Enterprise Development Fund (Y.E.D.F) was launched on 1st February 2007, as a strategic move towards arresting unemployment which is virtually a youth problem.

The fund was gazetted on 8th December 2006, providing it with the necessary legal framework to govern its use and operations. It thus:

- Spells out the legal obligations of borrowers.
- Puts in place legal provisions to ensure that those who misuse the fund are dealt with in accordance with the law.

Objectives of the fund

- 1) To provide loans to existing micro-finance institutions (MFIs), registered non-governmental organizations (NGOs) involved in micro-financing, and savings and credit co-operative organizations (SACCOs) for on-lending to youth enterprises.
- 2) To attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises.
- 3) To support youth oriented micro, small and medium enterprises to develop linkages with large enterprises.
- 4) To facilitate marketing of products and services of youth enterprises in both domestic and international markets.
- 5) To facilitate employment of youth in the international labour market.

Sources of funds for the kitty

The YEDF consists of:

- 1) Monies appropriated by Parliament. In the 2006/2007 FY for example, Parliament allocated Ksh. One (1) billion in 2006/2007 financial year.
- 2) Grants and donations.
- 3) Income generated from the proceeds of the fund.

Fund allocation

The initial budgetary allocation of Ksh. One (1) billion was allocated as follows:

- 1) Ksh. 210 million was allocated to parliamentary constituencies to finance youth groups. Each Constituency received Ksh. 1 million.

- 2) Ksh. 690 million was channeled through Financial Intermediaries such as banks, NGOs, SACCOs, and micro-finance institutions (MFIs) to finance all legally recognized forms of youth-owned enterprises.
- 3) Ksh. 100 million was set aside to cater for the other objectives of the Fund that entail commercial infrastructure development, linkage schemes, marketing of products/services of youth enterprises, labour export scheme, and also finance some administrative expenses.

Fund distribution criteria

To ensure equity in the distribution of the Fund, the following criteria has been used:

- 1) The first half of the Fund (Ksh. 345 million) has been divided equally to all districts
- 2) The second half of the Fund (Ksh. 345 million) has been divided as a factor of the population of young people in each district

Conditions for disbursement

- One must fall in the age bracket of 18 and 35 years.
- One must intend to invest the Fund in a business venture.
- The Fund is a loan (revolving fund) and must therefore be repaid.
- Any form of legally registered organization or firm is eligible to apply.

Modes of disbursement

- 1) The Constituency Youth Enterprise Scheme (C-YES).

This portion of the Fund is to ensure that all young people especially those living in remote areas not well served by Financial Intermediaries are not disadvantaged in accessing the Fund.

The features of the scheme are as follows:

- The loan is accessible only to youth groups operating within the parliamentary constituency.
- Maximum loan amount per group is Ksh. 50,000
- Not accessible to individually owned youth enterprises
- The loan attracts no interest but has an administration fee of 5% deductible upfront from the approved loan
- Proposal Screening, recommendation and approval done by Youth Enterprise Development Fund (YEDF) committees at divisional and district levels

- 3-month grace period is given to loanees before commencement of full repayment which should be within 12 months after grace period
- Mixed age groups must have at least 70% youth membership and 100% of their leadership in the youth bracket
- Standard proposal format available to all potential applicants.

The following loan access procedures/requirements ought to be adhered to:

- The youth must have a registered group/company/cooperative of at least 12 members and must have been in existence for at least 3 months as of the date of application
- The registered entity must have a bank account
- The entity must have at least 70% youth membership and 100% of its leadership in the youth bracket
- The entity must prepare a business proposal using the standard format provided.
- The applying group may collect a proposal form from their Locational Social Development Committee (LSDC), The Social Development Assistant (SDA), the District Social Development Officer (DSDO) or download the same from the Ministry of Youth's (MOYA'S) website: (www.youthaffairs.go.ke).
- The completed form must be certified by the SDA within the locality with regard to the group's information and in particular its existence and authenticity of the age of group members before submission to the Divisional SDC.
- The group then submits the proposal form to Divisional Youth Enterprise Development Fund Committee through Youth Officers, Social Development Assistants, or the Constituency Office
- Divisional Youth Enterprise Development Fund Committee evaluates the proposal using evaluation guide provided by the Ministry of State for Youth Affairs
- Recommended proposals submitted to the District Youth Enterprise Development Fund Committee for validation and approval
- The District YEDF Committee submits the approved proposals to the Youth Enterprise Development Fund (YEDF) Secretariat
- The YEDF Secretariat disburses the funds directly to the bank accounts of the approved groups
- The Entity repays the loan in installments within 12 months after the grace period of three (3) months into the bank account of the YEDF

Key factors in loan approval and allocation:

- Geographical Distribution: the Divisional SDC should ensure that allocations show fair geographical coverage of the Division.

- Gender Considerations: the Divisional SDC should ensure that at least 40% of the approved proposals are from groups led or dominated by female youth.
- Disability Considerations: at least 10% of the funds should be allocated to groups dominated by youth with disability in the division.

2) Flexible Collateral Fund Channeled through Financial Intermediaries.

This channel has been created to finance all youth enterprises in the country to cater for the different financing needs:

Features:

- The loan targets all forms of youth owned enterprises whether owned individually, as a company, in groups, in cooperatives or any other legal forms of business ownership.
- The loan is accessible to any youth owned enterprise operating within the district.
- The loan is managed by selected Financial Intermediaries.
- The loan attracts interest rate of 8% per annum on a reducing balance.
- The loan is very flexible (soft), if any, collateral required.
- The loan amount is dependent on the nature of business proposed and the lending terms of the Financial Intermediary.
- No maximum amount. However, the financial Intermediary seeks approval for loan amount exceeding Ksh. 500,000.

Loan Access Procedures/requirements:

- The applicant must have identification details such as business registration certificates or personal identification papers such as National Identity Card or passport.
- The applicant must have a bank account preferable to the preferred Financial Intermediary.
- The applicant collects loan application form from his or her preferred Financial Intermediary.
- The applicant must submit the loan application form or self-prepared business proposal to the preferred Financial Intermediary.
- The preferred Financial Intermediary carries out the assessment of the proposed business to establish financial viability and other relevant technical matters.
- Attendance of training programme, if required.
- Verification by the District Youth Officer when sought for by Financial Intermediary.

- The applicant repays the loan with interest rate of 8% to the Financial Intermediary.
- The repayment period and amount is as agreed with the Financial Intermediary.
- The Ministry's responsibility is to monitor how the financial intermediaries disburse the Fund whereas the financial intermediaries manage the loanees' risks.

List of potential disbursement partners

- 1) Kenya Rural Enterprise Programme (K-REP)
- 2) Kenya Women Finance Trust (KWFT)
- 3) Kenya Industrial Estate (KIE)
- 4) Kenya Union of Savings and Credit Cooperatives (KUSCO)
- 5) Business Initiatives and Management Assistance Services (BIMAS)
- 6) Nyamira Tea Farmers SACCO Ltd
- 7) Agricultural Finance Corporation (AFC)
- 8) Werugha Financial Services Association
- 9) Taifa SACCO Society Ltd
- 10) Family Finance Building Society
- 11) Smallholder Irrigation Schemes Development Organization
- 12) Kenya Poverty Reduction Volunteers
- 13) Lokichogio Cooperative SACCO Ltd
- 14) Kenya Entrepreneurs and Enterprises Foundation (KEEF)

Administrative framework of the fund

- 1) The Divisional Youth Enterprise Development Fund Committee (DYEDFC).

The Divisional Youth Enterprise Development Fund Committee (DYEDFC) is the body established to manage Youth Funds at the Constituency Level. The body exists to effectively identify and recommend viable youth group enterprises for loans.

The committee is composed of:

- The District Officer (Chairman).
- The Divisional Youth Officer (Secretary).
- The Social Development Assistants.
- Two youth representatives (male and female) from non-applicant groups.
- Two representatives from the dominant faith-based organizations in the division.
- The local area Member of Parliament as an ex-officio member.

The committee has the following responsibilities:

- Publicize the youth enterprise scheme to communities through all available avenues.
- Involve the youth in decision-making.
- Ensure availability of loan forms.
- Share with and involve SDAs in the evaluation system of the loan.
- Screen and recommend proposals from locations within the set time frame.
- Sensitize the communities and the youth on the importance of loan repayment.
- Undertake an open and transparent proposal evaluation system.
- Ensure equity and fairness with regard to Youth Fund undertakings.
- Submit the recommended proposals to the District SDC within the set time line. The recommendations must be accompanied by minutes of meetings and evaluation report.
- Spearhead loan recovery efforts in the division.
- Observe strict adherence to funds allocation ceiling and proposal evaluation deadlines set by the District SDC.
- Keep all the records of the proposals received and the records of meetings relating to the Constituency Youth Enterprise Scheme.

2) The District Youth Enterprise Development Fund (District YEDFC).

This committee plays an oversight role. It is comprised of:

- The District Commissioner (Chairman).
- The District Youth Development Officer (Secretary).
- The District Youth Training Officer, the District Social Development Officer.
- The chairlady of Maendeleo ya Wanawake.
- Two youth representatives (male and female) not serving the divisional committees, two representatives of main religious faiths in the district.
- Representative of a major civil society organization operating in the area.

3) The Advisory Board.

There exists an advisory board established to manage the funds and advice the Minister on the operations of the fund. It comprises of:

- A chairman, not a public officer, appointed by the Minister for Youth, in consultation with the Minister for Finance.
- The PS Ministry of Youth or his representative
- The PS Finance or his representative.

- The PS Ministry of Trade and Industry or his representative.
- The PS of Labour or his representative.
- Four (4) persons with expertise and experience in financial management, appointed by the Minister for Youth in consultation with the Finance Minister.
- National Youth Council nominee appointed by the Minister for Youth.
- Director in charge of youth development-Secretary to the Board.

Role of the Youth in the Fund

- Team up with other youth members with a similar vision, develop viable business ideas and establish Community Based Organizations/ Self Help groups. The youth may also explore other CBOs or Self-help groups with enterprise objectives that may be willing to accommodate them.
- Draft funding proposals.
- Obtain necessary documentation for funding.
- Work closely with various fund committees at the grassroots level.
- Pursue projects funded under the YEDF and ensure that they are successful.
- Pay the loans advanced to them on time.
- Look for more information on the fund (including information from financial intermediaries) and make efforts to sensitize the youth in the respective localities on the existence of the fund and ways of accessing them.
- Monitor the funding process in their respective constituencies to ensure that the proper criteria are followed.
- Participate in capacity building programmes organized by the Ministry of Youth, NGOs and other agencies.

11. The Women Enterprise Fund

Establishment

The Women Enterprise and Development Fund was conceived in December 2006 by the Government as a strategic move towards addressing poverty alleviation through socio-economic empowerment of women.

Objectives of the fund

The fund was set up with the following objectives:

- 1) Provide loans to existing micro-finance institutions (MFIs), registered NGOs involved in micro financing, and SACCOs for on lending to women Enterprises.
- 2) Attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business markets or business incubators that will be beneficial to women enterprises.
- 3) Support women oriented micro, small and medium enterprises to develop linkages with large enterprises.
- 4) Facilitate marketing of products and services of women enterprises in both domestic and international markets.
- 5) Support capacity building of the beneficiaries of the fund and their institutions.

Funds allocation

In 2007/2008 financial year, the fund received budgetary allocation of Kshs. One (1) billion

The fund is allocated as follows:

- Kshs.640 million will be channeled through the Micro Finance Institutions to on lend to legally recognized women owned enterprises.
- Kshs.210 million will be allocated to constituencies each getting Kshs.1 million.
- Kshs.30 million will be used by the Fund for capacity building for women groups and their institutions.
- Kshs.100 million will be used by the Advisory Board and the Secretariat for administrative purposes.
- Kshs.20 million will be used by the Department of Gender and Social Services for community mobilization

Minimum conditions for accessing Women Enterprise funds

- One must fall in the age bracket of 18 and above.
- One must be a female Kenyan.
- One must have intention of investing in Income Generating Activities (IGAs).
- The groups must be registered by appropriate authorities, and must have been in existence for three (3) months.
- The fund is a loan and therefore shall be repaid.

Funds disbursement

The Women Enterprise Funds are disbursed in the following ways:

- The revolving funds through micro-financing institutions.
- The constituency women enterprise scheme.

1) Revolving funds through micro-financing institutions.

Funds disbursed through micro-financing institutions have the following features:

- The loan is disbursed through Financial Intermediaries.
- The Ministry in charge (Ministry of gender, sports, culture and social services) makes efforts to identify areas that are not covered by the approved Financial Intermediaries so that other credible Intermediaries operating in the region can be engaged to on-lend the funds.
- The loan targets all forms of women owned enterprises whether individual, companies, groups or co-operatives. The loan will be accessible to any women owned enterprise operating in Kenya.
- The loan attracts an interest rate of 8% per annum on a reducing balance.
- Flexible collateral.
- The loan amount is dependent on the nature of business proposed and the lending terms of the financial Intermediary.
- Financial Intermediary must seek approval for loan amounts exceeding Kshs. 500, 000 from the Funds Advisory Board.

Loan access procedures/requirements

- Applicant must have identification details such as business registration certificates or personal identification papers such as National Identity Card or passport.
- The applicant must have a bank account preferably with the preferred Financial Intermediary.

- The applicant collects loan application form from Preferred Financial Intermediary.
- The applicant must submit the loan application form or self-prepared business proposal to the preferred Financial Intermediary.
- The preferred Financial Intermediary should carry out the assessment of the proposed business to establish financial viability and other relevant technical matters.
- Applicants must participate in loan orientation programmes.
- The Divisional Women Enterprise Fund Committee should verify the existence of the groups.
- The applicant must repay the loan with interest rate of 8% to the Financial Intermediary.
- The repayment period and amount will be as agreed with the Financial Intermediary but should not exceed three (3) years.

2) The Constituency Women Enterprise Scheme (C-WES)

This portion of the Fund is meant to ensure that all women especially those living in remote areas not well served by Financial Intermediaries are not disadvantaged in accessing the fund.

The features and access procures are as follows:

- The loan targets enterprises of women groups in the Divisions.
- Accessible only to women groups operating within the parliamentary constituency.
- Maximum loan amount per group is Kshs. 50,000.
- Not accessible to individual owned women enterprises.
- The loan attracts no interest but has an administration fee of 5% deductible upfront from the approved loan.
- Divisional Women Enterprise Fund (DWEF) committees at divisional levels do proposal screening, recommendation and approval.
- Full repayment should be in 12 equal installments after 3 months grace period.
- Groups with male and female membership must have at least 70% women membership and 100% of women in leadership positions.
- Standard Application Forms are available to all potential applicants.

Loan Access Procedures/requirements

- Must be a registered group/company/cooperative, which has been in existence for at least three (3) months as of the date of application.

- The local Gender and Social Development Assistant or the Secretary of Divisional Women Enterprise Fund Committee must recommend the group.
- The registered entity must have a bank account.
- Prepare business proposal using the Standard Application Form provided.
- Submit the Application Form to the Secretary of the Divisional Women Enterprise Development Fund Committee.
- Divisional Women Enterprise Fund committee evaluates the application using evaluation guidelines provided by the Ministry of Gender, Sports, Culture and Social Services.
- The Divisional Women Enterprise Fund committee recommends to the Advisory Board for the disbursement of the Fund to the group.
- The Women Enterprise Fund secretariat disburses the funds directly to the bank accounts of the approved groups.
- The group repays the loan in installments in twelve (12) equal installments after a grace period of three (3) months, into the bank account of the Women Enterprise Fund.
- All repayments should be paid to a designated collection account.

Loan Recovery mechanism

- The District Gender and Social Development Officer must verify the existence of the group in their respective locality.
- The District Gender and Social Development Officer should facilitate in recovering of loans to groups within their locality.
- The group leaders must submit a written guarantee for the loan requested.

The proposed types of collateral include but not limited to the following:

- Group guarantees (Social collateral)
- Household items
- Financed assets
- Fixed assets (e.g. land, buildings e.t.c.)
- Insurance cover.

Any group that pays the principal amount within six (6) months, and subject to Monitoring and evaluation report is illegible for refinancing up to a maximum of the initial loan amount.

Key considerations in loan approval and allocation

- Geographical distribution: The District Women Enterprise Fund Committee should ensure that allocations show fair geographical coverage of the division.

- Disability consideration: At least 10% of the Funds should be allocated to groups of women with People with Disabilities, in the division.

3) Capacity building and Community mobilization.

Another component of the fund is capacity building and community mobilization of women groups and their institutions.

The Ministry facilitates this role with a possibility of outsourcing for such services from other institutions with capacity to train women in enterprise and business development skills.

Administrative framework of the fund

The Women Enterprise Fund is managed through three (3) institutions:

1) The Advisory Board:

The Board oversees the management of the Fund and advises the Ministry generally on the operations of the Fund.

A Non-Executive Chairperson heads the Board, which also has a Chief Executive and staff who are competitively recruited.

Composition of the Advisory Board:

- A Non-Executive Chairperson
- The PS, Ministry of Gender, Sports, Culture and Social Services
- The PS, Ministry of Finance
- The PS, Ministry of Trade and Industry
- The PS, Ministry of Agriculture.
- The PS, Ministry of Planning and National Development
- Five (5) persons with expertise and experience in enterprise development and financial management.

2) Divisional Women Enterprise Fund Committee (DWEFC)

The Divisional Women Enterprise Fund Committee comprises of:

- A Chairperson who is a woman elected by the committee members but should not be a public servant.
- The District Gender and Social Development Officer
- A Treasurer elected by the Committee.

- A representative of the Local Authority in the Division (CDA)
- The Divisional Officer (DO) represents the Provincial Administration.
- A representative of women with disability.
- A Prominent Woman Entrepreneur.

Role of the District Gender and Social Development Officer:

- Secretary to the Divisional Women Enterprise Fund Committee.
- Monitor the disbursement of the funds through the Financial Intermediaries
- Monitor how the beneficiaries are utilizing the loan
- Facilitate loan recovery process
- Participate in the capacity building of the groups who get the loan
- Recommend to the Ministry the groups that have been trained

Role of the Divisional Women Enterprise Fund Committee (DWEFC):

- Support the Capacity Building of the beneficiaries of the fund and their Institutions.
- Create awareness on the funds disbursement procedures and requirements.
- Assist in the mobilization, selection, Identification and vetting of the women groups seeking loans.

3) Micro Finance Institutions (MFI)

Micro-Finance institutions serve as financial intermediaries through which women can access loans under the women enterprise fund.

Role of women in the fund

- 1) To team up with other women with a similar vision, develop viable business ideas and establish Community Based Organizations/ Self Help groups. They may also explore other CBOs or Self-help groups with enterprise objectives that may be willing to accommodate them.
- 2) Draft funding proposals.
- 3) Obtain necessary documentation for funding.
- 4) Work closely with various fund committees at the grassroots level.
- 5) Pursue projects funded under the women enterprise fund and ensure that they are successful.
- 6) Pay the loans advanced to them on time.
- 7) Look for more information on the fund (including information from financial intermediaries) and make efforts to sensitize women in the respective localities on the existence of the fund and ways of accessing them.

- 8) Monitor the funding process in their respective constituencies to ensure that the proper criteria are followed.
- 9) Participate in capacity building programmes organized by the Ministry, NGOs and other agencies.

12. The National Development Fund for Persons with Disability

Establishment

The fund is established under the persons with disability act, 2003 for the sole benefit of persons with disability (PWDs), with the main purpose being fostering their development.

The National Council of Persons with Disability through a Board of Trustees manages the fund.

Use of funds

The National Development fund for persons with disability can be utilized in the following ways:

- 1) To contribute to the expenses of organizations of persons with disability.
- 2) To contribute to the expenses of institutions training persons in the care of PWDs.
- 3) To contribute to Government projects geared towards the benefit of PWDs.
- 4) To provide or contribute to costs of assistive devices and services.
- 5) Pay allowances to people with severe disability who are not trainable in any skills, aged PWDs, and single parents with children with disabilities who cannot seek employment.

Role of persons with disability on the fund

- 1) Organize themselves into groups.
- 2) Seek support from the fund.
- 3) Look for more information on the funds from the Council of persons with disability or any other relevant agency or organization.
- 4) Engage the National Council pro-actively to ensure that it is more responsive to the needs of PWDs.
- 5) Monitor the use of the funds to ensure that they are utilized appropriately and for the right persons.

13. The Poverty Eradication Fund (P.E.F)

Establishment

PEF was established in 1999 to give an answer to the reality of poverty in Kenya through supporting development initiatives. The fund's establishment was in line with a commitment to the United Nations World Summit on Social Development held in 1995 at Copenhagen. The summit set a target of reducing global poverty by half in 2015.

Objectives of the fund

The fund was set up with the following objectives:

- To provide and promote access to affordable credit by the poor
- To strengthen existing alternative credit among the poor communities
- To encourage the poor to save
- To promote innovative approaches to provision of basic social services.

Target groups

The PEC funding is intended to support community-based projects that can improve people's livelihoods. Preference is given to well organized groups engaged in income generating activities that benefit individual members of the groups. The fund avoids supporting groups composed of salaried persons.

Administrative framework of the fund

1) The Poverty eradication Commission.

The fund was designed to operate under the Poverty Eradication Commission (PEC), a Presidential Commission established in 1999 to spearhead the fight against poverty.

PEC members were presidential appointees drawn from the private sector, NGOs, religious organizations and the government. PEC tasks included:

- Fundraising
- Resource mobilization
- Oversight
- Implementation of policies
- Brief the head of state.

The PEC is backed by a secretariat whose main function is to provide professional input. The secretariat is composed mostly of economists, social scientists, communication specialists and dissemination experts.

2) The District Poverty Eradication Committee (DPEC)

The DPEC is a technical committee charged with the management of poverty eradication funds. It is the technical adviser to the DDC on poverty issues. The committee also mobilizes local resources and creates partnerships towards poverty eradication in its district of operation.

Membership comprises of:

- Two (2) community representatives elected from each of the divisions
- District Officers representing respective divisions,
- The District Development Officer,
- District Social Development Officer,
- Two (2) representatives of NGOs/CBOs,
- One (1) member drawn from the private sector,
- One (1) representative of the physically challenged persons,
- Representatives of Micro Finance Institutions contracted by DPEC.

A chair is elected from among the members. The chair should not be a civil servant.

DPEC sub committees

A small working team of not more than eight members services the DPEC. The working committee should have at least three (3) women members. The team comprise of:

- Two (2) community representatives.
- The DDO - Chairperson
- The DSDO - Secretary
- One United Nations Volunteer (UNV) where applicable.
- One representative from the Financial Institution.
- One representative from the Non Governmental Organization
- One District Officer

The sub-committee meets on a quarterly basis and its duties and responsibilities are to:

- Consider and prioritize proposals submitted by the Divisional Development Committees
- Disseminate information on available funds and resources to be used in community poverty eradication initiatives
- Ensure that The District Development Committee is properly targeting low income groups
- Prepare project progress reports for the DDC
- Lobby and advocate for pro poor policy change.
- Ensure Low income groups are mobilized and prepared for funding.
- Ensure Communities are guided in formulation of project proposals.
- Ensure communities are capacity built.
- Appraise project proposals received from communities for possible funding.
- Provide technical input to project implementation, supervision and monitoring on behalf of the Poverty Eradication Commission.
- Provide the Secretary/Director of Poverty Eradication Commission with quarterly project implementation progress reports.
- Develop a record of projects approved and those on the waiting list.

3) Lower Development Committees (LDCs)

Below the district committees, there are the divisional, locational, sub-locational and village development committees guided by District Officers, Chiefs, and assistant Chiefs respectively.

Their role is to mobilize communities and produce action plans, monitor, evaluate and document outcomes and impacts of community poverty reduction measures.

Fund allocation

PEF fund allocation to the Poverty Eradication Commission (PEC) varies depending on the annual budgets. Allocation to the districts by the PEC is in turn dependent on:

- The amount of money allocated from the Treasury.
- Poverty levels
- The number of poor people in a district
- The districts absorption capacity
- The targeted poverty interventions by other development partners.

Criteria for support

Communities are expected to submit proposals through group arrangements using the following process:

- The project identification process begins at the village development committee level.
- Proposals are forwarded through the sub locational, locational, to sub-district development committees.
- The village level proposes one project/group and forwards their application to the sub-locational level.
- The locational development committee deliberates on the proposals and selects two projects for forwarding to the sub-district development committee.
- The sub DDC considers the proposals and selects three for forwarding to the district poverty eradication committee.
- The DPEC considers the proposals from the divisions and makes proposals to the DDC.
- Taking into consideration the amount of money available, the DDC makes a decision and reverts to the PEC for approval.

Each identified project sets up a special project committee, which finalizes project Plans, implements and maintains projects and reports project progress to the village/sub location development committees.

To qualify for the funds, a group should:

- Be registered by relevant government department. Attach certificate of current registration to their proposals.
- Give details of an active bank account, balance and signatories.
- Demonstrate that the group is active and has been in operation for at least six months before applying for PEC support.
- Must have a committee in place and proof of elections and meetings in the last one year or as stipulated by their constitution.
- Have a clear vision of their strengths and weaknesses.
- Demonstrate existence of savings and lending mechanisms and ability to raise minimum savings of 10% of project requirements. (Depending on circumstances, this is sometimes waived.)
- Preference should be given to vulnerable community groups, youth groups and to the physically challenged groups.

Funding process

- Funding of community based micro projects is determined by the amount of money disbursed to each district and the proposed levels of investment.

- The DPEC through the DDC recommends to PEC for approval funds allocated to each project.
- Districts are restrained from allocating the scarce funds thinly to too many projects.
- The committees are expected to be flexible in handling the proposals. They are given a leeway to overlook certain government procedures to hasten distribution of resources.

Disbursement and management of funds

- The poverty eradication fund is subject to government financial regulations and is managed by the District Poverty Eradication Committees.
- On receiving the cheque from the PEC, the DC informs the DDO and the DSDO of availability of funds.
- The cheque is then deposited with the district treasury.
- The DDO informs the DDC, DPEC and other lower level DFRD committees of the availability of PEC funds and eligibility criteria of those to be supported.
- In order to access funds, project committees give detailed work plans and a formal request to the DPEC. (This should be handed in together with approved minutes of the project committees).
- The District Accountant releases funds for project implementation to project committees in cheque form on receipt of a request from the DDO, accompanied with a work plan approved by DPEC.
- The Project Committees, through approved minutes, and the DSDO jointly sanction withdrawals from their bank accounts.
- However, the DSDOs approval of withdrawals is mandatory.

Financial intermediaries

- Each DDC appoints one or more Financial Intermediaries with the approval of the PEC.
- The appointment is made from Community Based Organizations, Religious Organizations, NGOs, Savings, and Credit Co-operative Society.
- The major functions of the Financial Intermediaries is to:
 - Receive PEC revolving loan funds from the District Accountant and disburse them to the beneficiaries.
 - Manage recovery of the loans and facilitate savings by the beneficiaries.
- The Financial Intermediaries initially levy only a small administrative fee not exceeding 10% of the project allocation. Subsequent administrative costs are met from 50% of the interest charged on loans given to Groups, which sign a Memorandum of Understanding with PEC.

Loan Repayments

- It is the responsibility of the DPEC through the District Social Development Officer, Financial Intermediary and the group members to ensure that groups repay loans.
- The repaid loans including interests are deposited in the financial intermediary's/DPEC joint account or Groups/DPEC joint account and details of the repayments forwarded to the DSDO.
- Interest rates chargeable should range between 10% and 15%. It is the discretion of the groups jointly with DPEC/financial intermediary to agree on interest rate.
- Groups managed by Financial Intermediaries share the interest on equal basis to enable Financial Intermediaries meet their subsequent administrative costs.
- Where Financial Intermediaries do not exist, the interest gets back to the group.
- The DPEC has the discretion of recalling back the loan after two years or in the event of the group disintegrating or if the loan is dormant for a period of six months.
- Recalled loans are given to other deserving groups.
- Loans are payable within one (1) year from the date of the one (1) to three (3) months grace period, determined by the Groups/DPEC/Financial Intermediaries.
- Monies not paid within this period are termed as default and are recovered through agreed recovery mechanisms.

Challenges facing the fund

The process of loan repayment has been riddled with controversy. The commission has not received any funding from 2004/2005 Financial Year. The position of the fund remains unclear.

Chapter 2

COMMUNITY MONITORING AND EVALUATION

What is Monitoring?

Monitoring has been defined as keeping an eye on something. Monitoring in the context of a project involves regular observation, routine information gathering and information sharing with stakeholders in the project under focus. It is a process of tracking the course of a project from inception through implementation towards its desired target, against set benchmarks, standards and requirements.

The main purpose of monitoring is to track all major project variables comprising of cost, time, scope, and quality of deliverables.

In the case of devolved funds, monitoring begins at verifying the composition, selection or election process of fund implementers against the set procedures and provisions. This helps the community in determining whether the implementing body has legitimacy to act on its behalf.

It is important to note that if an implementing organ is constituted without observing the set procedures, its decisions, whether good or not, lacks legitimacy.

Importance of Monitoring

Monitoring is a vital process to various stakeholders in a project cycle. As stakeholders and beneficiaries of decentralized funds, community members need to participate in the process, to guarantee success of various interventions. Monitoring therefore provides stakeholders with:

- 1) Information on whether progress is being made towards achieving project objectives.
- 2) Avenues for increasing project transparency and accountability
- 3) Data to be used in ensuring all activities are carried out properly by the right people and in time.
- 4) Information to make timely adjustments in case of potential project weaknesses
- 5) Grounds to make radical decisions like stopping the project in case the variance between the process benchmarks and the anticipated results is too much for the project to serve its intended purpose.

- 6) Processed and continuous information for use in the evaluation of the project
- 7) Empirical data for determining whether the inputs in the project are well utilized.
- 8) Lessons for other projects.

As a process, monitoring ensures that the intended beneficiaries of a project get the best out of the money allocated to the project. It also builds ownership of the project among the stakeholders subsequently ensuring sustainability of the said project.

Monitoring at Community Level

There is an emerging component called community monitoring world over. With globalization and increased avenues for information sharing, no single activity is bound to be successful unless information around it is shared among all the interested parties. Developmental projects targeting communities are no exceptional.

The increased demand for information and participation by communities targeted by particular projects is informed by the fact that not unless such communities are involved in the implementation of particular projects and information about such projects is honestly and freely shared, ownership and sustainability of the said projects is not guaranteed. If the impact of any project is to be measured through the response elicited by the community within which it is initiated, the component of including the community in its choice and implementation must be considered as an integral part of the said project's design.

Monitoring by the community members is a sure way of their involvement. Monitoring should not be confused for a technical activity. Observation of the day to day activities in the implementation of projects in a village for example is in itself monitoring. In the case of a classroom being built under CDF money in a village school, monitoring may include noting such details as:

- 1) Was it the feeling of the majority that the priority was a classroom?
- 2) Who and how was the contractor identified?
- 3) Were community members considered in the selection of the contractors?
- 4) Are the building materials of the right quality?
- 5) Are the building materials fully and rightly utilized for the project or some are diverted for other purposes?
- 6) Is the quality of work being done by the contractor good?
- 7) Is the project moving at the right pace or the contractor is buying his time?

It is however worthy noting that in monitoring, one needs to go an extra mile to gather basic facts regarding a project earmarked for implementation. Information such as:

- 1) The amount of money allocated for the project.
- 2) The proposed location of the project.
- 3) The time allocated for implementation.
- 4) Status of the project being implemented i.e. whether the project is complete or on-going.

For CDF projects, information on funds allocation to projects and the status of projects being implemented can be obtained from constituency offices or the CDF website: www.cdf.go.ke.

Through monitoring, incidences of ghost projects, projects whose costs are exaggerated and projects which are left incomplete while records indicate otherwise would be minimized.

For monitoring to be successful, community members must be organized. Through their respective CBOs, community members can carry out monitoring initiatives effectively. The process should entail:

- Identifying the stakeholders in a project: (taxpayers, parents, local education based NGOs and CBOs, local religious groups, local contractors and artisans, opinion leaders, provincial administration etc in the case of the classroom in the village school)
- Identifying the team(s) to spearhead monitoring of projects at the grassroots level, based on individual members' strengths and interests.
- Designing a work plan to guide project monitoring.
- Building consensus on the frequency at which they should visit the project site as a means of verifying what is taking place.
- Agreeing on the mode of collecting, storing and using information for future actions.
- Agreeing on a mechanism for reporting to other stakeholders.

It is also advisable that the community monitoring team develops a working relationship with the authority implementing the particular fund. This will ensure that their findings reach the decision making body in time for actions. It is in the best interests of the project that the monitoring team is able to discuss its findings with the implementing authority for appropriate actions to be taken.

Should the implementing body fail to acknowledge concerns raised by the community monitoring team or should the latter suspect complacency in the part

of the implementing authority, accountability avenues could be explored. Advocacy campaigns should at all times remain an open option for the community members.

“It is important for the project implementers to note that the degree of acceptability of the project being implemented by community members is directly proportional to the involvement of the concerned community through out the project implementation.”

Challenges in Community Monitoring

Monitoring calls for collection of information that is authentic and reliable. However, it is worthy noting that information gathering may be an uphill task due to the following reasons:

1) Quality and Variety of Information

While monitoring of any project requires collection, documentation and sharing of a wide range of information, the means of collecting this information may not guarantee its quality. One of the major reasons affecting the quality of the information that community members may collect is the skills necessary for such a task. More often than not, skills for effective information sharing may be lacking among the community members.

2) Time and resources for information collection

Information collection has a time component which directly translates to a financial implication. Directly this may mean paying someone to collect the information while indirectly it may mean the cost forgone by the person who opts to collect information rather than engage in an economic activity.

3) Inaccuracy of Information

The attitude with most project implementers and contractors is that community members seeking information are up to no good. To them, the further these people are kept from the truth the better. This is likely to lead to dispensing inaccurate information on purpose. Such information will not serve the intended purpose.

4) Isolation

It is common practice among communities to isolate people branded as trouble makers. In information gathering, there are chances that the community monitors will be branded trouble makers and isolated from the rest of the community members.

An example in the classroom project is where the Head teacher refers to a child of a community monitor as a son or daughter of one of the people causing trouble for the school.

It is however noteworthy that the available skills among the community members are enough to lay the basis for a responsive projects implementation process. While the community may solicit for interpretation of available data from professionals, the responsiveness of any project to the needs of a particular community is not anything to be measured in technical terms.

Sources of information for community monitoring

The following avenues can be explored while gathering information for monitoring purposes:

- Through the coordinating committee members e.g. the CDFC members, ward representatives, CACC members, Districts Roads Committee (DRC), Constituency Bursary Committee (CBC) members, Divisional Youth Enterprise Development Fund Committee (DYEDFC) members and Water Services Board members among others.
- Community members/groups.
- Specific projects committee members.
- Constituency offices.
- Visits to sites and making observations on on-going progress.
- Funds websites.
- Direct beneficiaries like school children in the case of the school
- Through members of the provincial administration.
- Through the media e.g. newspapers, radio.
- By following national activities like budget reading and debate in parliament

Evaluation

Project evaluation represents a systematic and objective assessment of ongoing or completed projects or programs in terms of their design, implementation and results. Evaluation is a process of judging value on what a project or programme has achieved particularly in relation to activities planned and overall objectives.

In addition, evaluations usually deal with strategic issues such as project relevance, effectiveness, efficiency (expected and unexpected), in the light of specified objectives, as well as project impact and sustainability. Evaluation as a process is important in that:

- It helps identify the constraints or bottlenecks that hinder the project in achieving its objectives. Solutions to the constraints can then be identified and implemented.
- It enables the project planners and implementers to assess the benefits and costs that accrue to the intended direct and indirect beneficiaries of the project.
- It is essential for drawing lessons from the project implementation experience and using the lessons in planning of other projects in that community, or elsewhere.
- It provides a clear picture of the extent to which the intended objectives of the project have been realized.

Evaluation Process

Evaluation can be done:

- (a) Before implementation (Pre-project evaluation)
- (b) During implementation (Periodic evaluation)
- (c) After implementation. (Post-project/Terminal evaluation)

Evaluation before project implementation

This is an analysis of the findings of the baseline survey against the intended project. Pre-project evaluation allows stakeholders to make any necessary adjustments to the implementation plan in light of the available resources and prevailing circumstances.

This kind of evaluation allows the implementers to assess whether there have occurred any substantive changes that would translate into re-structuring the project implementation plan between the time the project was designed and its actual starting time.

Pre-project evaluation seeks to:

- 1) Assess possible consequences of the planned project(s) to the people in the community over a period of time.
- 2) Make a final decision on what project alternatives should be implemented.
- 3) Assist in making decisions on how the project will be implemented.

Evaluation during project implementation (on-going evaluation)

Usually referred to as periodic evaluation, this kind of evaluation is useful in determining the pace with which the project under implementation is moving

towards its intended conclusion. It enables the project planners and implementers to progressively review the project strategies according to the changing circumstances in order to attain the desired activity and project objectives.

Effective community monitoring may replace on-project evaluation if the information collected is communicated immediately it is gathered and if the community is properly organized and able to influence decision making by the implementers.

Evaluation after project implementation

Final project evaluation usually deals with strategic issues such as:

- Project relevance.
- Project effectiveness.
- Project efficiency.
- Project impact and sustainability.

Post-project evaluation is concerned with determining the extent to which the completed project impacts on the lives of the intended beneficiaries.

In case of projects under devolved funds where citizens are integral stakeholders, evaluation should also be used to determine whether set out procedures were followed during the project implementation.

A key component of after-project evaluation is the analysis of projects sustainability

Final project evaluation seeks to retrace the project planning and implementation processes, and the results after project implementation. It further helps in:

- Identifying constraints or bottlenecks inherent in the implementation phase.
- Assessing the actual benefits and the number of people who benefited.
- Providing ideas on the strength of the project, for replication.
- Providing a clear picture of the extent to which the intended objectives of the project have been realized.
- Designing a framework for handing over the project to its beneficiaries
- Making decisions and planning for future and complementary projects

Difference between monitoring and evaluation

In many instances, people have been unable to differentiate between monitoring and evaluation. To a number of people, the two processes are one and the same thing and the differentiation is only a matter of semantics. This argument has given rise to the reasoning that effective monitoring can replace evaluation and to others, that evaluation is a process contained in monitoring.

To differentiate the two equally important processes, the following tips are considered important:

- Monitoring is a continuous process while evaluation is episodic
- Monitoring is an oversight process of keeping track while evaluation is a process of assessment
- Monitoring may affect the implementation work plan while evaluation affects sustainability
- Monitoring basic purpose is to improve efficiency through tracking compliance with laid down guidelines during the process of implementation while evaluation's purpose is to assess the impact of the project
- The main focus in monitoring is the project inputs, outputs and schedules while the focus in evaluation is effectiveness, relevance and impact.

For community projects, evaluation involves an analysis of all the notes taken during monitoring. It is an opportunity to judge both the process and the product as compliant with the laid down regulations in terms of the process and as beneficial to the community or not in terms of the product.

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Kituo cha Sheria is a national legal aid providing Non-Governmental organization, established in 1973 by advocates committed to providing legal aid to the indigent. As an organization, Kituo Cha Sheria envisions *A Society of Equity and justice for all* and exists to *Empower Poor and Marginalized People to be able to Access and enjoy their Peoples' and Human Rights.*

The organization's services to the indigent are provided through legal advice, litigation, representation, community mobilization, organization and empowerment in the areas land, labour, housing, as well as governance.

KITUO runs a vibrant nationwide community outreach program that seeks to enhance access to justice by the marginalized people in Kenya. Through this program, poor and marginalized communities are empowered on their fundamental human rights including but not limited to the right to participate in local governance processes, a prerequisite in the realization of equitable and sustainable development. The introduction of decentralized funding presents a perfect opportunity for community members to plan and initiate their own development and thereby uplifting their own living standards.

This information guide looks at the various forms of decentralized funds by interrogating the legal regimes creating them and exploring the room available for public participation in the implementation of the said funds. The guide also attempts to create a monitoring and evaluation framework within which the citizens can rate the performance of the funds as a way of making informed decisions on future leadership.

It is hoped that this information guide will complement the work of all the institutions working towards the realization of the noble objective of decentralized funding which is development through participation. It is also our belief that this guide will create in the Kenyan citizenry the urge to actively participate in Governance and especially so, in utilization of funds collected through taxation.

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