

DETERMINANTS OF USE OF DEVOLVED FUNDS ON SUSTAINABILITY OF COMMUNITY BASED PROJECTS IN KERICHO COUNTY, KENYA

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Abstract

Low awareness by communities and fund managers of their roles and responsibilities in the management of the funds has contributed to poor performance and total failure of some community-based projects in Kenya. The purpose of this study was to examine the determinants of use of devolved funds on cattle-dip projects in Kipkelion East Constituency, Kericho County, Kenya. Specifically, study examined how stakeholders' participation affects use of devolved funds in the said projects. The study employed descriptive survey design. The target population constituted 467 stakeholders of those projects. The study employed stratified random sampling method. A sample of 83 stakeholders was used in the study. A structured questionnaire was used to collect data. The data was analyzed by Statistical Package for Social Sciences tool using descriptive and Pearson's correlation analysis were employed. It was established that, there exists a positive and strong relationship between stakeholders' participation and use of devolved funds. It is recommended that, the local communities should have representatives in cattle dip projects who should participate in every phase of the projects.

Keywords: Cattle Dip Projects, Community-based Projects, Devolved Funds, Kipkelion Constituency- Kenya, Stakeholders, Stakeholders' Participation

INTRODUCTION

Like many other countries in the world, Kenya has embraced the policy of involving the public in selection and prioritization of development projects. This “bottom-up” strategy seeks to democratize the national budget and enhance wider acceptability by end users for sustainability and tighter scrutiny by concerned communities. There are indications that these funds are helping to provide services to communities that for many years did not benefit substantially from the Government. However, there are increasing concerns about their utilization. Given the importance of this resource devolution approach; an in-depth analysis of institutional, design and implementation factors that impact on the efficiency of the use of the funds is necessary. It is for the foregoing reasons that this project took a critical objective analysis of the status of projects supported by different devolved funds in Kericho County- Kenya; the focus being in Kipkelion East constituency.

Community devolved fund have been viewed as key strategies drive of social economic development and regional development in Kenya. It targets constituencies by devolving resources to the region to meet social economic objective which previously was being managed from the National government. Main objective of the devolved funds is to fund projects with immediate social and economic impact with the view of improving lives, eradicating poverty and general development projects (IEA, 2006). The adoption of devolution in most of the projects under implementation and the empowerment of communities on governance is one of the few programmes that have helped the government of Kenya to redeem its already tattered image in the critical eyes of the public. For the fast time in the history of development in Kenya, failure in projects implementation is not only seen as an abdication of responsibility by the government of the day but also a let down on the part of the public in playing their rightful role of being the watchdog of the government (Demery, 2009).

A baseline survey that was done on inclusive governance project by Cities in Partnership with Communities (CIPAC) in July 2009 alluded to the failing responsibility by the public in performing this social and moral role of being the governments’ exchequer. The survey was done to examine the rate of public participation in local governance process and it was ascertained that 74.6% of the people that were interviewed had never made personal efforts to solve the problems facing them including poverty, lack of information, and participation in government based community initiatives. 88.9 per cent of the people had knowledge of the widely publicized CDF, LATF, CBF and women development fund but had very little information on the other fund regimes, and only 7.1% of the people had taken personal initiative to establish whether the disbursed funds were planned and used in the interest of the public. Such worrying

statistics may present a presumption that communities are yet to realize the benefits of devolved funds in Kenya (Demery, 2009)

Majority of studies done on community development have evidently revealed that there is lack of interest in government initiatives to spearhead development, as well as failure on the part of government in rising above board to building public confidence on the new institutions of development. There is also more emphasis on the weaknesses and deficits with the structural frameworks of the devolved funds rather than what the funds are really doing as far as community development is concerned. A scenario, where communities seem to be less sparked by issues of development raises the concern of researchers and other development stakeholders. The current study sought to address this by examining the determinants of use of devolved funds on sustainability of community based projects with reference to Kipkelion East Constituency, Kericho County, Kenya.

Statement of the Problem

Low awareness by communities and fund managers of their roles and responsibilities in the management of the funds has contributed to poor performance, and total failure in some cases. Poor participation, particularly for marginalized groups, results in twisted prioritization of projects and exclusion. No mechanisms exist to deal with projects such as roads, water systems, agricultural projects and schools that may cut across constituencies entailing shared benefits. No clear mechanisms exist to avert duplication of functions. There are also reported instances of a single project claiming support from different funds, with no checks to prevent 'double' accounting. Finally, there are challenges in ensuring that all devolvement funds reach all parts of the constituency in adequate quantities, and that all funds allocated are actually utilized instead of being returned to the source. The implications of the foregoing include stalling of projects, funds embezzlement, and unsuccessful completion of projects. This, therefore, necessitated the current study which specifically sought to establish how participation of stakeholders influence use of funds devolved to cattle dip projects.

Objective of the Study

To examine how stakeholders' participation affect use of devolved funds in cattle dip projects in Kipkelion East Constituency

Research Questions

How does stakeholders' participation affect use of devolved funds in cattle dip projects in Kipkelion East Constituency?

Concept of Devolved Funds

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. In order to enhance community empowerment through devolved funds, the government aims at increasing the amount of devolved funds by the percentage growth in annual revenue. This goal is achieved by increasing the amount, efficiency and effectiveness of devolved funds and increasing public participation and voice of the poorest members of local communities so that development issues of concern to such members can be channeled into public policy (IMF, 2010).

According to Brown (2011), the aim of devolution is to bring about a reduction in the size and influence of the national government by reducing federal taxes and expenditures and by shifting many federal responsibilities to the states. Because one feature of devolution involves sharp reductions in federal aid, states are compelled to assume important new responsibilities with substantially less revenue to finance them. In some cases, federal programs are shared, whereby the states must match federal monies to benefit from a program, such as the Children's Health Insurance Program (CHIP), or risk losing these funds.

Khadiagala, (2006) Argues that the monitoring and evaluation section is designed to give community members preliminary monitoring and evaluation skills. Its intention was 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.

According to Republic of Kenya Report (2000), money has been set aside by the government to assist the communities from the local areas for the purpose of development and empowering the communities and the marginalized people. This resource decentralization helps bridging the gap between the rich and the poor and some of this money is channeled through devolved funds. Nexus (2002) confirmed the influence of community development projects in this regard. It highlighted projects that are well established showed extremely impressive results

in development of local infrastructure, partnership with statutory agencies and mainstreaming responses to social exclusion. It concludes that there is clear, evidence of real improvements in living conditions resulting from this. According to Maureen (2007) she believes, community development programmes empowers disadvantaged people and communities through supporting their involvement in shaping decisions, policies and social economic conditions that affect their lives. It helps them gain the skills and capacity to do this in an effective way.

Stakeholders' Theory

The proponent of this theory was Freeman (1994). A stakeholder according to this theorist is referred to as any group or individual who can be affected or is affected by the achievement of the organization's objectives. Project stakeholders are individuals and/or organizations who actively participate in the project or whose interests are likely to be affected by the execution of the project or by successful project completion. This is according to Project Management Institute (PMI, 2004). Stakeholders of cattle dip projects include members of the local community, opinion leaders amongst other individuals.

In addition, Chinyio and Olomolaiye (2010) stated that stakeholders could affect an organization's functioning, goals, development, and even survival. In particular, the scholars noted that stakeholders could be beneficial when they facilitate the realization of the projects' goals. On the other hand, they may be antagonistic when they opposes the projects' mission. It is further opined that stakeholders are crucial to the successful project completion since their non-commitment to continuously support the vision and/or objectives of the project may lead to the failure of many projects.

EMPIRICAL REVIEW

This section reviews empirical studies touching on stakeholders' participation, and use of devolved funds. According to Werhane (1998), stakeholders' participation requires managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose. Stakeholder theory is Managerial because it reflects and directs how managers operate rather than primarily addressing management theorists and economists. If devolved funding is to impact positively on the sustainability of community based projects of the targeted people, the managers of the funds must articulate how to serve them and focus on delivering the purpose of these funds. This starts by identifying the CDF stakeholders who will guide in selection of projects which align with the needs of various stakeholders. To deliver on their

purpose, the CDF management should understand the impact they creating to this stakeholders, compare this with the pre-determined goals of the fund and identify any service gap for corrective action. Through this the sustainability of the fund will easily be achieved.

Donahue (1997), argues that decentralization is not, in fact, the solution to America's governance problems. There is little evidence that the public sector will be more efficient at the state level than it is the federal level. Instead, America should focus on the challenges of mitigating cynicism in government on the public's part and narrowing the gap between the benefits expected from government and citizen willingness to endure taxation.

Adekanye (2007) argues that the theory of power-sharing is that body of ideas about a particular set of strategies for regulating conflicts and art of governance on badly divided societies. Power-sharing, otherwise known as, consociation democracy has four basic characteristics. These are: Executive- power sharing among representatives of all significant groups; a high degree of internal autonomy for groups that wish to have it; Proportional representation and proportional allocation of civil service positions and public funds

According to Warner's (2003) Successful decentralization requires administrative and financial capacity and effective citizen participation, but many rural governments lack an adequate revenue base or sufficient professional management capacity. Rural residents have relied more on private markets than government for many services; however, rural areas have also suffered from under development due in part to uneven markets. Afzar et al. (1999) argues that in cases of limited local accountability or weak civil society, local officials who have greater discretion and opportunity in a devolved system may be subservient to the needs of local elites particularly when under direct pressure.

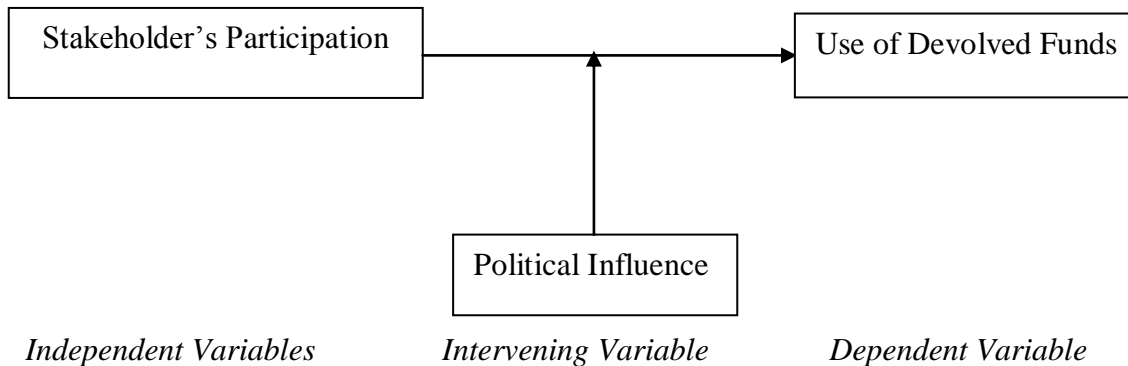
Recent efforts in national planning in Kenya have sought to identify development priorities through consultations (Nganga, 2011). For example, the preparation of the Poverty Reduction Strategy Papers (PRSPs) involved broad stakeholder consultations across the country with the objective of eliciting information on key concerns and priorities. Likewise, the Economic Recovery Strategy for Employment and Wealth Creation took account of the priorities expressed by stakeholders though the consultations were not as broad and intensive as those carried out in the PRSP. These consultations have been particularly insightful in highlighting the priority rankings of development needs by communities (Kimenyi, 2005).

Conceptual Framework

A conceptual framework is a diagrammatic representation of how study variables interact. Figure 1 outlines the conceptual framework. As illustrated in Figure 1, there are is one independent variable namely stakeholder's participation and the dependent variable is use of

devolved funds. In addition, political influence determines how stakeholder's participation influences the use of devolved funds. According to the framework, it is presumed that stakeholder's participation affects how devolved funds are used.

Figure 1: Conceptual Framework



RESEARCH METHODOLOGY

Research design

The study employed descriptive survey design. Mugenda and Mugenda (2003) defined survey research as an attempt to collect data from members of a population in order to determine the current status of the population with respect to one or more variables. This research strategy is preferred because it permits the collection of data through questionnaires administered to a sample. The data collected by this design was used to suggest reasons for particular relationships between independent and dependent variables (Saunders & Thornhill, 2007). A survey design was also used to facilitate the collection of a considerable amount of data quickly, efficiently and accurately (Oso & Onen, 2005).

Target Population

Target population refers to the population to which the study findings are generalized. The target population constituted 467 stakeholders of cattle dip projects in Kipkelion East Constituency.

Sampling Frame

A sampling frame is an exhaustive list of the accessible population. The sampling frame consisted of all the 467 members of the target population from where the sample was drawn.

Sample and Sampling Technique

The study employed stratified random sampling method to draw respondents from the target population. The various cattle dip projects illustrate the strata from where respondents were derived. The rationale of taking this method was advised by the argument that it ensured that all strata (cattle dip projects) were proportionately represented in the study and that there was no bias within each stratum (project). The sample drawn from the study population was arrived at using Nassiuma's (2000) formula as illustrated below.

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where

n = sample size;

N = population size;

C = coefficient of variation which is 50%

e = error margin which is 0.05.

Substituting these values in the equation, estimated sample size (n) was:

$$n = \frac{467 (0.5)^2}{0.5^2 + (467-1)0.05^2}$$

$$n = 82.51$$

$$n = 83 \text{ stakeholders}$$

Data Collection Instrument

This study used a structured questionnaire to collect primary data from the sampled respondents. Given that this was a survey study that cuts across several cattle dip projects in Kipkelion East Constituency, then questionnaire was the most suitable tool to use in data collection (Mugenda & Mugenda, 1999). The questionnaire consisted of close-ended questions so as to control the responses to an allowable limit. The instrument was further structured to capture data pertinent to respondents' profile and study objectives.

Pilot Testing

A pilot study was conducted with the aim of assessing both validity and reliability of the research instrument (questionnaire) before the main research was conducted. The pilot involved a few respondents drawn from the target population but who were effectively excluded from the main study.

Testing Validity of the Research Instrument

Validity as noted by Robinson (2009) is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study. Validity was determined by seeking expert opinion of University supervisors who ensured that the content of the instrument was adequate enough to collect the intended data.

Testing Reliability of the Research Instrument

Reliability refers to a measure of the degree to which research instruments yield consistent results (Mugenda & Mugenda, 2003). Cronbach alpha was used to estimate of reliability of test scores. All the study variables returned alpha values greater than 0.7 ($\alpha > 0.7$). Specifically, the independent variable (Stakeholders' participation) returned $\alpha = 0.831$ while the dependent variable (use of devolved funds) returned $\alpha = 0.799$. Therefore, the instrument was deemed reliable to be used in the final study.

Data Analysis and Presentation

The data collected was coded and analyzed using the Statistical Package for Social Sciences (SPSS) tool. Descriptive analysis in form of frequencies, percentages, means and standard deviations was conducted. This was followed by Pearson's correlation analysis which is a form of inferential analysis. While descriptive analysis outlined the views of the respondents regarding the study variables, inferential analysis facilitated deducing of conclusions pertinent to study objectives by illustrating the relationship between the various independent and the dependent variables.

EMPIRICAL FINDINGS AND DISCUSSIONS

Response Rate

A total of 83 questionnaires were issued to the sampled respondents. From the collected questionnaires, 74 had been filled as required. This translated to 89.16 per cent response rate. The high response rate was occasioned by the fact the questionnaires were administered by the researcher himself.

Descriptive Analysis for Stakeholders' Participation

Table 1 illustrates the analytical results for stakeholder participation in cattle dip projects in Kipkelion East constituency.

Table 1: Descriptive Analysis for Stakeholders' Participation

		Min	Max	Mean	Std. Dev
i.	Community participates regularly in cattle dip project identification, initiation and planning.	2	5	4.56	.600
ii.	Community participates in implementation of cattle dip projects in the constituency.	2	5	4.25	.697
iii.	There is high use of community participatory approach in planning cattle dips projects in the constituency.	2	5	3.94	.913
iv.	Community participation in the management of cattle dips funded by devolved funds in the constituency is highly valued by other stakeholders.	1	5	3.22	1.330
v.	The local community is involved in evaluation of cattle dip projects funded using the devolved funds.	1	5	3.99	.994

The findings indicate that, respondents concurred (mean > 3.5; std dev < 1.000) that, community participates regularly in cattle dip project identification, initiation and planning; community participates in implementation of cattle dip projects in the constituency; there is high use of community participatory approach in planning cattle dips projects in the constituency and that, the local community is involved in evaluation of cattle dip projects funded using the devolved funds. However, they were indifferent (mean = 3.22; std dev = 1.33.) whether community participation in the management of cattle dips funded by devolved funds in the constituency is highly valued by other stakeholders.

Descriptive Analysis for Use of Devolved Funds

The study further wanted to find out how the sampled respondents viewed the use of devolved funds in cattle dip projects in Kipkelion East constituency. The results of descriptive analysis on the same are outlined in Table 2.

Table 2: Descriptive Findings for Use of Devolved Funds

		Min	Max	Mean	Std. Dev
i.	Devolved funds are used in cattle dip projects prudently.	3	5	4.37	.561
ii.	Accountability is demanded in the use of devolved funds in cattle dip projects.	2	5	4.25	.711
iii.	Stakeholders' participation affects the use of devolved funds in cattle dip projects.	2	5	4.73	.341
iv.	Stakeholders' level of education influences the use of devolved funds in cattle dip projects.	1	5	3.40	1.291
v.	Budgetary allocation affects how devolved funds are used in cattle dip projects.	1	5	4.40	.387

The analysis results indicated that, respondents agreed (mean \approx 4.00) that, devolved funds are used in cattle dip projects prudently; Accountability is demanded in the use of devolved funds in cattle dip projects; and that budgetary allocation affects how devolved funds are used in cattle dip projects. More so, it was strongly concurred (mean = 4.73; std dev = 0.341) that stakeholders' participation affects the use of devolved funds in cattle dip projects. They were, however, indifferent (mean = 3.40; std dev = 1.291) as to whether stakeholders' level of education influences the use of devolved funds in cattle dip projects.

Inferential Analysis

Table 3 illustrates the results of correlation analysis between stakeholders' participation and use of devolved funds in Kipkelion East Constituency.

Table 3: Results of Correlation between Stakeholders' Participation and Use of Devolved Funds

		Use of Devolved Funds
Stakeholders' Participation	Pearson Correlation	.721**
	Sig. (2-tailed)	.000
	n	74

** . Correlation is significant at the 0.01 level (2-tailed).

It was established that, there exists a positive and strong relationship between stakeholders' participation and use of devolved funds in Kipkelion East Constituency ($r = 0.721$; $p < 0.01$). The relationship was also statistically significant at 0.01 level. The results of the analysis implied that the more stakeholders participated in the cattle dip projects, the more they will influence how the devolved funds are employed in those projects. On the other hand, the less they participate the little they will determine the use of devolved funds in those projects.

SUMMARY OF FINDINGS

It was indicated that, community participates regularly in cattle dip project identification, initiation and planning; community participates in implementation of cattle dip projects in the constituency; there is high use of community participatory approach in planning cattle dips projects in the constituency and that, the local community is involved in evaluation of cattle dip projects funded using the devolved funds. However, it was not certain whether community participation in the management of cattle dips funded by devolved funds in the constituency is highly valued by other stakeholders. It was established that, there exists a positive and strong

relationship between stakeholders' participation and use of devolved funds in Kipkelion East Constituency ($r = 0.771$; $p < 0.01$).

CONCLUSIONS AND RECOMMENDATIONS

A number of conclusions have been drawn in respect to the findings of the study. It is concluded that, members of the local community have representatives in committees that manage cattle dip projects in Kipkelion East constituency, Kenya. In particular, the community is used in project identification. Initiation, planning, implementation and evaluation of cattle dip projects funded by devolved funds. Yet, the study inferred that it remained unclear regarding community involvement in management of cattle dip projects funded using devolved funds. It was further deduced that indeed participation of all stakeholders in cattle dip project management was crucial in that it enabled them to participate in making of decisions regarding the use of funds devolved to those projects.

It is recommended that, the local communities should have representatives in cattle dip projects who should participate in every phase of the projects. This is very crucial given that cattle dips directly affect the local communities.

FURTHER RESEARCH

In line with the findings of this study, scholars in the field of financial and project management are advised to embark on studies on subjects such as factors that influence successful completion of projects. It is also advisable to conduct a comparative study on challenges facing project implementation in both public and private sectors. Scholars should further examine the benefits accruing from projects funded by County Governments in Kenya.

LIMITATIONS OF THE STUDY

The researcher encountered a number of challenges such as incompletely and/or inappropriately filled questionnaires from the respondents. This was attributed to limited education level amongst some of the respondents. This challenge was addressed by taking the semi-literate respondents through the contents of the questionnaires in order for them to have a better understanding of how to fill in the questionnaires. More so, some of the respondents were skeptical to participate in the study since they failed to understand the rationale of the study. In this regard, it was explained to them that the findings of the study would go a long way to enhance better use of devolved funds allocated to community-based projects such as cattle dip projects.

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