



Graduate School of Development Studies

**An assessment of The Use and Management of
Development Funds:
The case of Constituencies Development Fund in Kenya**

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DEDICATION

I proudly dedicate this piece of work to my loving hardworking parents who laboured tirelessly and denied themselves leisure to educate me. Mum and Dad, I keep hearing the echo of your voices giving me pieces of advice wherever I go. Thanks a lot and may The Almighty God bless you abundantly.

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List of Acronyms

CEPAD	Centre for Peace and Democracy
CDF	Constituency Development Fund
CDC	Constituency Development Committee
CFC	Constituency Fund Committee
DFRD	District Focus For Rural development
DDC	District Development Committee
DPC	District Project Committee
GoK	Government of Kenya
KLRGP	Kenya Local Government Reform Program
Ksh	Kenya Shillings
LATF	Local Authority Transfer Fund
MP	Member of Parliament
NMC	National Management Committee
PAYE	Pay As You Earn
PMC	Project Management Committee
VAT	Value Added Tax
KHRC	Kenya Human Rights Commission

Abstract

The Kenya government designed a new strategy for enhancing community development in 2003 through an Act of Parliament (CDF Act 2003). This Act saw the establishment of Constituencies Development Fund. These are funds meant for initiating development projects at the constituency level. The CDF Act gives provision for earmarking at least 2.5% of ordinary government revenue for the CDF kitty. 75% of it is distributed equally to all the 210 constituencies in the country and the remaining 25% is further distributed basing upon the poverty index of constituencies.

The Act establishes four committees to facilitate the efficient implementation and management of the fund. However one of them stands out as it is the one that handles the money directly and that is the Constituency Development Committee

The agenda behind its establishment was to promote equitable distribution of resources through out the country by channelling resources direct to all the constituencies regardless of their political affiliation. However research on the use of these funds reveals that the establishment of the fund was merely to enable all national politicians to have direct access to state resources for their own benefit.

In trying to meet the objectives of the study which were to find out whether the fund is contributing towards efficiency in resource use or has been hijacked by politicians for purposes of furthering their interests, the theory of instrumentality of political disorder was employed. The main aspects of the theory employed were; politicians favour low levels of political institutionalisation as it accommodates corruption and patronage. Based on findings, the study confirms that low levels of institutionalisation are highly favoured by the Kenyan political elite (MPs) as it facilitates the process of wealth accumulation through corruption and also gives room for creating new platforms for patronage.

Relevance to Development Studies

The study takes a close look at some of the endogenous factors that underpin the success or failure of government policy frameworks that are geared towards enhancing socio-economic development in Kenya. The prevalence of corruption and patronage impede rational policy decision making. Policy makers have a tendency of designing policy frameworks that are geared towards enhancing their political interests at the expense of the citizens.

This study is therefore relevant to development studies as it exposes development practitioners to the realities of the Kenyan context. For instance it enables them to understand the mindset of policy makers with regards to design and implementation of development policies. In other words, this study emphasises on the importance of taking into consideration the context of a particular country before suggesting alternative approaches to development.

Chapter 1

1.1 INTRODUCTION

In light of the disappointing record of 50 years of development aid, both donors and civil society have called for power sharing between the central government and local organisations at the grass-root level in many countries. This has been reflected in the push for democratic decentralisation and the establishment of sub national units with a degree of autonomy, i.e. devolution of authority to local units of governance that are accessible and accountable to the local people at the grass root level .(Maina 2005).

Currently the Kenya government is employing the following strategies/approaches to service delivery, through local authority, de-concentration of central government functions to lower levels through line of ministries and devolution of development funds such as the constituency development fund. Despite these efforts there is still no legal and institutional framework to undertake coherent decentralisation such that initiatives made tend to be stand alone projects (ibid). The lack of decentralisation policy in Kenya has led to the existence of parallel systems targeting various levels i.e. the District Focus for Rural Development that informs the district development structure, sector ministries coordinating activities from various ministries and the local government.

It is against this background that I would like to under take a study on the implementation of the constituency development fund (C.D.F.) in Kenya. The fund was introduced and launched in 2003 by the Kibaki government under the C.D.F. Act of that year with the objective of combating poverty at the grass root level through implementing community based projects and to relieve the members of parliament the burden of fundraising for development projects. “It’s an annual budgetary allocation by the central government of Kenya to each of the parliamentary jurisdictions –constituencies” (Kimenyi 2005:2). These funds are called Constituency Development Fund because they are funds meant for the implementation of development initiatives at the constituency level which is assumed to be the lowest level of governance.

These funds are released directly to the constituencies and do not have to go through any rigorous bureaucratic process. C.D.F. gives the local communities at the grass root level an opportunity to take part in its administration by contributing towards identification of development priorities within the community. C.D.F. can then be seen as community driven development initiative that empowers local communities by giving them the chance to manage their development projects (ibid).

For the purpose of this study CDF is not under decentralisation discourse given the fact that it is running parallel to local government structures (municipalities and county councils) that constitute lower units of governance. With CDF the government through the ministry of finance releases money direct to the constituencies to implement development project at community level. CDF in itself is not decentralised because it is being handled by national politicians who are accountable to the central government through the national management committee as opposed to the electorate they represent. In as much as it could be seen as a model of decentralisation, it is subjected to central government controls as it is highly dependent on the national budget, its management is under national politicians and it does not involve raising revenue at the grass roots as it is with the local government authority that has the authority to raise and spend revenue. It is therefore perceived to be free money given by the central government to be spent in the constituency. (Kimenyi 2005).

Official discourse about CDF holds that poor people are able to get access to services (improved roads, water, school equipment and health services) that did not reach them directly from the government through line ministries. Despite this rosy picture painted about C.D.F., there is doubt as to whether the fund is being used optimally or it has been hijacked by politicians to advance their patron-client networks (Kimenyi 2005).

The general objectives this study is; to find out whether the members of parliament are using the fund to advance their political interests at the constituency level and whether the fund has contributed towards efficiency in resource use.

1.2 BACKGROUND

Africa's failure to achieve development has been characterised by escalating poverty, unemployment and inequality within and across a majority of African states (Mbabazi 2005: 53). The common explanation to this has been said to be the top-down approach to development that was adopted by most African leaders under the guise of national unity but in reality as a means of stifling "...opposing views and opposition politics as power became concentrated in the hands of an increasingly detached elite organised into single party, military or civilian-military diarchies of various kinds" (Olukoshi and Nyamnjio 2005: 1). The disenchantment with this centralised approach, following its dismal contribution to development has since seen the call by donors for a people centred approach (decentralisation and community driven development) to African development.

The experiences from other parts of the world have been used to justify the call for the above mentioned approach in Africa. For instance the Caribbean, East Asia and East European countries have embraced decentralisation as an important component of the development agenda and have fared better than Africa (Burki Et Al 1991); (World Bank 2000) The explanation is that decentralisation strengthens local governance, democratisation and greater efficiency and equity in the use of public resources and service deliver for development (Ribot 2002). It is against this background that decentralisation as a development strategy has dominated the discourse on state restructuring in Africa over the last three decades.

Kenya has attempted two forms of decentralisation namely devolution which is the delegation of authority to formally constituted government bodies to discharge specified /residual functions ;and de concentration which refers to the delegation of authority to staff of central government ministries away from the headquarters (Barkan and Chege 1989). However devolution of political power has not taken place substantially though attempts have been made to devolve development management (Ribot 2002) Decentralisation attempts

have mostly dealt with de-concentration of central government functions by bringing them to lower levels of governance (Maina 2005).

There have been varied results of decentralisation more so because its underlying processes are not widely understood (Ndegwa and Levy 2004: 283) . It is in this regard that the proposed study seeks to explore the recent decentralisation initiatives in Kenya. The focus of this study is on the devolved development funds especially C.D.F. Efforts to involve people in the development process in Kenya can be traced back to mid 1960s with the establishment of the District Development Grant in 1966, the provincial development committees on 1968, The special rural development program in 1970 and the district development committees in 1971. The more substantive decentralisation came in 1983 with the adoption of the District Focus for Rural Development DFRD strategy.

The objective of the DFRD was to decentralise development planning and resource allocation as well as project identification, formulation and implementation at the district level. This was implemented by government ministries and departments in all districts through the District Development Committees DDCs made up of government officials, politicians and representatives of non state actors. The DDCs however lacked funds to carry out the implementation of development projects. This made them to rely on government ministries for resources to implement development projects. The nature of implementation and the composition of the DDCs was an indication that DFRD represented of central government control outside the national capital without tangible transfers of resources and powers to make decisions by ordinary people at the local level. Thus DFRD can be said to have resulted to de concentration of administrative authority(World Bank 2002),(World Bank 2000) . The failure of DFRD to meet its objectives paved the way for devolution of development funds from the late 1990s with the aim of providing the local communities with resources to enable them prioritise and manage their own development initiatives.

The decentralisation of fiscal management from central government to sub national unit in Kenya can be traced back to Session paper No.1 of 1986 on Economic Management for Renewed growth that called for reforms to strengthen the participation of local government in development process (GoK 1986). A decade later these reforms were initiated through the establishment of Kenya Local Authority Reform Program (KLGRP) in 1995.

LATF was created as a result of the initiative of the Kenya Local Government Reform Programme (KLGRP) that aimed at revitalising local authorities. In the process of addressing issues of accountability, efficiency and effectiveness in service delivery, there emerged the need to establish grant system for the local authorities hence the Local Authority Transfer Fund (LATF). It was established under the Local Authority Transfer Fund Act no.8 of 1998 (GoK 1998)

LATF is a public fund that is transferred to all local authorities in Kenya. It currently accounts for 5% of the total annual income tax and its disbursement is based on the population of areas served by various local authorities. The purpose of this fund is to improve local service delivery, improve council's financial management and accountability, settle all councils' debt and enhance participatory development planning process at the local community level through Local Authority Service Delivery Action Plan (Smoke 2004: 225). Its implementation procedure requires that councils hold local meetings with community members to discuss priority needs and proposed projects to the clerk of the council for short listing and presentation before a full council meeting for approval and then submitted to the ministry of local government (GoK 1998). Despite the above reforms, it has been noted that residents of Local Authorities are largely ignorant of any development projects being under taken by their Authorities and how resources are allocated for such projects (Khadiagala and Mitullah V. Winnie 2007). The lack of citizen participation in development projects raises questions on the conditions of implementing LATF and whether the scheme has facilitated participatory planning of development in the activities of Local Authorities. This implies that there is a major gap between the Local Authorities and the residents (ibid: 158).

Seven years down the line the constituency emerged as the target area for channelling funds following the failure of LATF to improve on service delivery as indicated above. Other funds came into existence this time round under the management of elected Members of Parliament; Constituency Development Fund and Constituency Bursary in the 2003/2004 financial year.

Officially, the Constituency Development Fund was established with the aim of improving service delivery, alleviating poverty, enhancing economic governance and ultimately contributing to socio-economic development. Under the CDF Act, an amount not less than 2.5% of government's annual revenue is set aside for the fund. Three quarters of this fund is then divided equally among all the 210 constituencies and the remaining quarter is shared amongst the constituencies based on the poverty index of the constituency. This poverty index is obtained from the ministry of planning and national development. (www.cdf.go.ke access date, 10/5/2008).

The Constituency Bursary kitty was introduced in the 2003/2004 financial year. This fund was initially under the ministry of education but it has since been taken up by Members of Parliament at the constituency level country wide. The amount of money allocated for each constituency is determined by school enrolment and poverty ranking of the constituency. The management of the fund is carried out by the constituency bursary committee where the M.P is the patron and the area education officer is the secretary. The main objective of the fund is to increase access to secondary schools, ensure retention of students in secondary schools, and promotes transition and completion rates in secondary schools and to reduce disparity and inequality in provision of secondary education. To access the fund, needy students submit their applications to the constituency bursary committee where they are vetted (CEPAD 2007).

1.3 PROBLEM

A recent attempt to decentralisation in Kenya has been in the form of devolution of development funds with an aim of bringing fiscal decision making down to the community level with the aim of stimulating citizen

participation in identification, prioritisation, design and implementation of their preferred development projects. This is based on the assumptions that it will lead to efficient allocation of resources. However doubts have been raised as to whether the constituency development fund has met its stated objectives. For instance there is lack of transparency in allocation of funds for development projects, it is not clear how decisions are arrived at on what development projects to be implemented and the formation of the Constituency development committees (that are the centre of decision making) is characterised by political patronage. (Transparency International 2005) . These committees are constituted at the discretion of the Members of Parliament, a phenomenon that reflects centralised state control over development management as opposed to the alleged devolution of decision making power to local people. The extent to which CDF has met its objectives remains a research imperative. This therefore calls for a systematic assessment of the structure of the fund and how the fund has been put into use together with its contribution to development in Kenya hence the proposed study.

Moreover, the fund is being handled by national politicians who are accountable to the central government through the national management committee (the supervisory body of the fund).

1.4 OBJECTIVE

My general objective is to find out whether members of parliament are using the fund to advance their political interests in their constituencies. Another objective is to find out whether the CDF mechanism has contributed towards efficiency in resource use.

1.5 HYPOTHESIS

- CDF is viable for patronage and private capital accumulation for national politicians.

1.6 RESEARCH QUESTIONS

The general question to be addressed in this research is: What are the prospects of patronage and wealth accumulation for politicians in the process of implementing CDF?

Sub questions

What is the structure of CDF?

How are members of the CDC recruited?

How do MPs benefit from being in control of CDF?

How has CDF contributed towards efficiency in resource allocation if at all?

What has the track record of the fund been with regards to use of funds?

1.7 METHODS

The major source of data for this research was secondary (desk-based research) that involved textual analysis and review of available work on the implementation of CDF in Kenya. I made use of surveys conducted by various organisations such as the Kenya National Human Right Commission. This survey was on public perception of public funds dubbed Haki Index 2006. The other survey used was carried out by Centre for Peace and Democracy (CEPAD 2007) on Councils' and MPs use of public funds. It is from this survey that I was able to find information on how MPs use of CDF money and the status of projects funded by CDF. The surveys were preferred due to the fact that they covered a wide area going beyond one constituency. For instance the Haki Index covered five constituencies and Centre for Peace and Development conducted its survey in nine constituencies.

The CDF Act of 2003 provided information on the legal and operational framework of CDF mechanism.

Additional information on CDF in general was sourced from News Paper articles and online articles from internet sources such the official CDF website.

Both quantitative and qualitative methods have been applied in this research. Presentation of data is mostly in quantitative forms i.e. figures though the main mode of analysis remains qualitative.

Last but not least, the study covers a number of constituencies and is not focused on a particular one. This is due to the availability of information concerning the subject being studied and looking at variety of constituencies enabled me make a generalisation on matters arising from the study

1.8 RELEVANCE AND JUSTIFICATION

The top-down approach to development management through centralised planning driven by the state has failed to yield positive results hence the shift towards people centred approaches that drive development from the grass roots. These approaches at least in theory enhance people's participation in development decision making contributing towards their empowerment.

CDF has the potential of advancing community welfare through community projects. This devolution of development management could therefore significantly contribute to rural development.

CDF has caught the attention of other African leaders like Obasanjo former president of Nigeria and the then president for South Africa, Thabo Mbeki as an alternative mechanism that allows development resources (75% of the CDF kitty) to be transferred from the treasury and equally distributed to all constituencies in the country without bias while the remaining 25% is further distributed according to poverty index of the constituency.

Little is known about the use and management of existing devolved development funds in Kenya therefore studies on C.D.F. which is one of them will serve as a benchmark for identifying loop holes and corrective measures at policy level. Lessons learnt from the implementation of CDF will be used as foundation for designing other decentralisation schemes to aid development in the country.

Last but not least, looking at the manifestations of patronage and corruption will contribute towards exposing any irregularities that are likely to

occur due to particularistic interests of politicians handling the fund hence controlling leakages and promoting efficiency in the use of tax payers' money.

1.9 Scope and Limitation

The study revolves around the CDF structure and the way it contributes towards the failure of CDF to meet its primary objectives of efficiency in resource use and community participation in development process by encouraging corruption and patronage. The limitation of this study is the heavy reliance on secondary sources of data.

Chapter 2

LITERATURE REVIEW AND THEORETICAL CONCEPTIONS

2.1 Introduction

The analytical framework of this study is based on political clientelism (patron- client relationships). It exists in two main forms (patronage and prebendalism) as illustrated below but for this paper the concepts of patronage and clientelism are going to be used interchangeably to refer to the same phenomenon. This framework demonstrate how the nature of state society relations determine the design and implementation of policy packages in sub Saharan Africa in general and also applies to the Kenyan context. The main aspect of the mode of analysis is that the access to and control over the distribution of state resources present politicians with an asset for political mobilisation through established networks of patronage. Another issue that is contained within the framework is that of political corruption (use of public resources for private gain) as discussed below. I choose to analyse my findings within this framework mainly because the study of the implementation of CDF is all about the distribution of state resources in a political system that is highly characterised by political patronage and corruption. In essence this framework is an opportunity for me to give explanations as to why CDF has not been able to meet its primary objectives of fostering development at the constituency level and ensuring efficiency in resource allocation.

2.2 Political clientelism

(Lemarchand and Legg 1972: 151) define political clientelism as “personalised and reciprocal relationships between an inferior and a superior commanding unequal resource. In short it may be looked at as personalised and affective reciprocal relationship between actors, or sets of actors, commanding unequal resources and involving mutually beneficial transactions that have political ramifications beyond the immediate sphere of dyadic relationships.” These relationships are highly characterised by the inequality in status, power and

influence between the patron and client. These asymmetries are expressed in the “loop sided friendship.....is crucial element in the clientage relationship as it expresses the differential control of patrons and clients over resources and the resultant asymmetry of statuses and obligations between them.” (ibid: 152)

political clientelism is defined as “mode of exchange between the electoral constituencies as principles and politicians as agents in a democratic system” (Kitschelt and Wilkinson 2007: 6) However the challenge encountered by both the principal and agent is that the exchange between patron and client is gradual and creates room for either the patron or client to renege on deals struck earlier on.

Political clientelism exists in two main forms namely patronage and prebendalism. The common definition of patronage is that it is the use of state resources to reward political clientele. It is mainly designed to mobilise electoral support for the patron that dispenses it. Prebendalism on the other hand refers “to the handing out of prebends, in which an individual is given public office in order for him to gain personal access to state resources” (N. Van De Walle 2003a).

(Weingrod 1968) defines a patron as an influential person who has access to and control over scarce resources. Clients on the other hand are people striving to gain from the resources by establishing connections with influential people who have access to such resources. Patron client relationships are then established on the basis that the patron avails resources desired by the clients in exchange for political allegiance. In other words the patron is in a position to meet the demands of his clients e.g. building bridges, constructing roads, renovating schools and sinking bore holes to provide the community with water.

The definition of patronage from a political science point of view refers to the means or mechanism through which political parties distribute resources in exchange for political support. For instance (Weingrod 1968:379) looks at patronage as government response to the demands of an interest group-party- that desires a particular policy in distribution of public resources. “Patronage is best thought of as an incentive system, a political currency with which to purchase political activity and political responses.” (ibid: 379) Patronage is therefore an

established mechanism through which politicians tend to nurture public institutions and resources for their own benefit to enable them mobilise their political support bases. Patronage as used in this paper refers to a system where by politicians use resources in their control to respond to the needs of their constituents in exchange for political support from them.

2.3 Building blocks of political clientelism

This section is mainly concerned with the structural weaknesses of the state in Africa. The work of (Chabal and Daloz 1999) is the master piece for understanding the building blocks of political clientelism as employed in this paper. Other authors are building on to it as discussed in the literature review below.

(Chabal and Daloz 1999) are of the view that there exists a high degree of informalisation of politics due to lack political institutionalisation; state activities are premised on or guided by informal institutions. By this they mean that there is no respect for rule of law and public office (Chabal and Daloz 1999) characterised the state in two ways. First, they argue that the state is vacuous meaning that the state did not harness successful integration and consolidation of various political interests within its boundaries and fell prey to patronage. Patronage was favoured due to its instrumentality in political mobilisation given the fact that the political elite were in a position to respond to the needs of their constituents since they have direct access to state resources. The state has not been able to drive socio-economic development due to its failure to insulate itself from particularistic interests inherent in patronage.

The second characteristic is that the state is ineffectual. By this they refer to the fact that political elite have never had interest in establishing institutionalised state apparatus (rule of law, separation of powers and strengthening the bureaucracy) as politicians find the state more viable to enhance their political needs when it is less institutionalised. Low levels of institutionalisation gives politicians room for abuse of power and political office for personal gains.

The vacuous and ineffectual nature of the state amounts to what (Chabal and Daloz 1999) refer to as political disorder that accounts for the lack of institutionalisation of the state in Africa. “Why should the African political elite dismantle a political system that serves them well?” (ibid: 14). Legitimacy is derived from “the ability of the patron to nourish the clientele on which their power rests” (ibid: 14). Institutionalisation of the state would mean that state activities such as implementation of policies be carried out by the bureaucracy, separation of powers by the executive, legislature and judiciary and adherence to rule of law. If and when the state is institutionalised, political domination via fulfilment of patrimonial duties ceases to exist hence reducing the power and influence of political elite. Institutionalisation of the state would also mean that the political elite’s access to state resources for private use would be limited and that politicians cannot take advantage of their position as policy makers to design policies that are geared towards enhancing their material and political interests (ibid).

To wind up this section it is evident from the work of (Chabal and Daloz 1999) that political disorder is favoured by political elite in African countries (of which Kenya is one of them) as an instrument for maintaining political power, wealth and prestige. Having delved into the building blocks of political clientelism, I now turn to the next sections that unpack the concept of political clientelism focusing on how different scholars have interpreted it from various perspectives.

2.4 Origins of political patronage

The origins of political patronage in Africa can be traced back from the colonial period when the colonial powers relied on traditional leaders to enhance their control of their territories. On arrival the colonial powers were faced with the challenge of asserting their authority over the traditional political organisations they found. They enticed the leaders with gifts in exchange for assistance in administering the colony in terms of curbing resistance. (Szeftel 2000: 432-433) made the observation that the rapid decolonisation process did not give the radical up coming African leaders enough time and resources to organise a strong grass root political base as independence elections were called

at a short notice. At this juncture political clientelism became the principle mode of political mobilisation where by local and regional power brokers were incorporated in national movements to build up electoral support in exchange for access to state resources such as jobs. Patronage has remained a central element in African politics given its instrumentality in mobilising political support.

2.5 Post colonial justification for patronage

This phenomenon is closely linked to the notion of state formation. Pre-colonial Africa was organised along ethnic groups and there was no single authority as that seen in the organisation of the modern state. The notion of state as a political organisation was introduced by the colonial powers that drew up boundaries linking various communities under one centre of command. At independence the emerging African leaders faced a major challenge of asserting their authority over the state. For instance they were to consolidate nation-states out of defined colonies through national integration of all groups existing within the new state and mobilise resources for national development (N. Van De Walle 2003b) ;(Chabal 1986: 5)

(Chazan Et Al 1992) argue that clientelism (patron-client relations) is used by politicians as a means of centre maintenance (central government maintaining contact with the citizens at the periphery). To them clientelism begun on the premise that African regimes needed to establish decision making mechanism, extract resources from the state and build and maintain political support while the citizens had to establish means of benefiting from state resources. What followed then was that patron –client relations became the basis of political exchange where by politicians provided services and goods in exchange for political support.

The only available solution to seal the power vacuum was through forging alliances with influential people within the various ethnic groups and strengthening the ruling political party by extending its branches to the lowest level possible such that as the party coverage widened; the government was able to get grip of the periphery through networks patronage (Weingrod 1968), (N. Van De Walle 2003b: 21).

With the advent of the modern state, the bureaucracy became a major platform for political patronage especially with the expanding role of the state in spearheading socio-economic development and the need to hire personnel to take up duties in government ministries. These government jobs were used to reward party loyalists for their support to the party and the regime at that time (Weingrod 1968).

The ruling parties facilitated the spread of political patronage. Government jobs became lucrative platforms of patronage as the bureaucracy was the key instrument for awarding supporters. In essence, for one to be employed in the government he/she had to be a strong member and supporter of the ruling party (Weingrod 1968); (Smoke 2004, N. Van De Walle 2003a, 2003b). Party driven political patronage was adopted with the aim of widening the scope and penetration of government activity hence linking rural areas to the central government. Patronage was institutionalised within the structures of the ruling party such that access to job opportunities was through the party. For example in Kenya, for one to get a job in the government he/she had to go through the ruling party; Kenya African National Union (K.A.N.U). By being an ardent supporter for instance by being active representatives at the various branches country wide. In essence position in government office was determined by the position one held in the party either nationally or locally. For this reason, the political parties can be said to have facilitated the spread and entrenchment of political patronage in Kenya during the early post colonial years.

“Two decades following independence, the efficacy of the use of patronage for political back up experienced a major threat. The economic crisis of the 1980s and 1990s left patrons with little or no resources to maintain their political bases. For instance the introduction of the Structural adjustment programmes shook the foundations of patronage as the bureaucracy (key instrument of patronage as rewards for support was by being offered a post in government institutions) was under attack due to the rate at which it was expanding hence ‘big governments’. At this juncture patrons had to come up with other avenues for fostering the earlier established networks and this took the form of decentralisation and channelling resources to the

local level such as funds for implementing development projects at the grass root level” (Chazan et al 1992; 182)

2.6 Realities of political clientelism

(N. Van De Walle 2003b) states that the centralisation of power around the presidency is the solid foundation on which clientelism thrives given the power the president commands over the control and access to limited state resources. Hence state resources can only be accessed through well established patron-client networks. He further points out that patron client relationship serve the purpose of mobilising and building political support. Van de Walle 2003; (Fatton 1986) are of the view that little portion of these resources actually trickle down to the lowest level of the network. Instead they are concentrated within the domain of the patrons due to the monopoly they have over the control of scarce resources.

(N. Van De Walle and Ruis 2003) state that rent seeking and corruption thrives in patronage because resources are concentrated the in the hands of a few individuals. In an attempt to give an explanation to this phenomenon he argues that the key function of clientelism is to facilitate intra-elite accommodation. “State resources have been used to establish alliances with social elites...”(ibid:312) Szeftel (2000:435) on the other hand argues that the limited redistribution is due to the fact that clientelism is mainly instrumental for mobilising electoral support(by establishing patron-client networks) to enable politicians get access to political power and state resources.

Clientelism is instrumental especially when dealing with voting patterns. In this case both the voter and the politician use their patron-client relations with the aim of maximising their interests. For instance voters expect to be rewarded for their votes hence the tendency to cast votes where the returns are likely to be high. Politicians on the other hand mobilise support by promising to provide scarce desirable public goods and services (roads, hospitals, schools, water, sanitation and so on) that the electorate is in need of. The implication therefore is that the electorate stands a chance of losing out on the benefits from the above mentioned services and good should they fail to vote for the person capable of availing them(ibid:313). Political allegiance is not constant as

the electorate is always on the look out for patrons that are better placed to give them more access to state resources. This fluid nature of allegiance makes politicians to keep sourcing for means of asserting their influence to maintain his clientele (Fatton 1986:68; 69).

Resources for patronage can be accessed by patrons through policies geared towards the establishment of a mechanism for allocation of resources for development. For instance the patrons use resources allocated for development to further political interests such that the nourishment of the patron client network becomes dependent on the flow of resources from the central government coffers to the periphery. Such funds remain highly susceptible to being used for political mobilisation (Lemarchand and Legg 1972)

Van de Walle and Ruis (2003) in their study of reform in clientelistic systems note that the nature of and quality of economic policies are determined by the nature of relationship between the politicians and the citizens. (Kitschelt and Wilkinson 2007) take note of the fact that citizens and politicians are linked through direct material inducements such that accountability does not stem out of ones ability to deliver goods and services or the distribution of resources. Accountability is instead represented by exchange/transaction between the patron and client. For instance, a system where politicians wield and maintain power by dishing out favours to certain regions clientelism is likely to shape government policies. That is to say that government policy may be designed to meet specific political objectives (poverty reduction at the grass root level). However the nature implementation and the continued existence of such a policy despite its failure to meet the primary objective rest on the clientelistic objectives it serves. The more important such a policy is in enhancing clientelism to the politicians, the more reluctant they will be to seal any loopholes embedded in the policy framework. Fatton (1986) supports this view by stating that pervasive patron client relations impedes rational design and formulation of macro-economic policies geared towards national development.

Chazan et al (1992) note that it leads to political corruption when public office is used to enhance personal gains especially diverting resources meant for public use to private use/hands. Rampant inefficiency in resource use arises mainly because patronage is instrumental in building political support base therefore resource allocation is not primarily based on cost efficiency or productivity but on high political returns. Finally, patronage breeds a culture of passivity as participation is characterized by exchanging votes for favours. This mode of political exchange breeds a government characterised by private consumption of public resources mainly due to low levels of citizen participation in governance process.

2.7 Persistence of political clientelism

(Kitschelt and Wilkinson 2007) observe that the persistence of political clientelism is dependent on the following conditions; cognitive condition meaning that the politician is in a position to determine the response of his constituents to material incentives and that they stand minimal chances of defecting/shifting political allegiance. That is to say that the politician has the knowledge of the clients “motivation and pay offs from an alternative course of action” (ibid: 8). then motivation; “voluntary, spontaneous compliance of constituencies with clientelistic inducements” (ibid: 8) In other words, a combination of these two factors ensure the viability of clientelism.

These two authors argue that politicians have to establish a mechanism through which they can manage their patron client relationships with the electorate to minimise cases of shifting political allegiance. They further state that this is done by establishing organisation hierarchies of exchange consisting of pyramidal structure with the electorate occupying the lowest position at the base, brokers in the middle and patrons at the top most position. Besides these organisation hierarchies, politicians need to identify resources to extract to offer to in exchange for support. In essence “organise flow of resources across the complex client-broker-patron exchanges” (ibid: 8) finally the politician must be in a position to face the challenge of minimising principle agent conflict. That is to say that there should mechanisms put in place to discourage or suppress this kind of conflict for example by having some law that guide their

operations or give the principals mandate over the control of resources within his domain.

For instance brokers in high levels of the pyramid may have the tendency of diverting resources for their private gain instead of letting them flow down to local brokers for distribution to the clients in the form of reward /enticement for their political support.(Kitschelt and Wilkinson 2007)

2.8 The client's view of political clientelism

This section is concerned with the way the clients perceive and evaluate political clientelism. This is mainly meant to bring in another angle to study clientelism since much of the literature as seen above focus so much on an equal access to resources inherent in the relationship between the patron and the client. From the literature on political clientelism it is evident that attention is given to the exchanges that are taking place between the client and patron but “sufficient explanation for the subjective dimension of clientelism is lacking,” (Auyero 1999: 304). In short this author is of the view that for one to have a comprehensive understanding of political clientelism, one should go beyond treating the distribution of goods and services as the sole variable on which clientelism thrives. There should also be emphasis on the underlying assumptions behind the distribution of such goods and services; the justification for the distribution of such goods/services and an explanation as to why their distribution trigger certain response from the beneficiaries.

For instance he puts forth an argument that even within the clientele there are two opposing views concerning the patron. The first view is that clients perceive their patrons as ‘good’ people since they are seen to be caring for the needs of their clients to the extent that the state is not seen to be delivering basic public goods and services. Instead the provision of such goods is associated with the patron as his development gesture to his people. In such a case the clients give political support for such a person as a way of expressing gratitude. From this view patronage is a good thing.

(Auyero 1999) links this view to the notion of “positive attraction” which he finds necessary when analysing patronage. By this he means what attracts the client to the patron; the potential of the client to use resources at his/her

disposal to address the needs of the client. The clients knowledge of such potentials compels them to act appropriately without realising that their actions is reciprocating in exchange for goods offered by the patron.

The second view is that clients perceive patronage to be exploitative. This category of clients has a negative attitude towards patron and their use of resources at their disposal. They have a feeling that the resources are being used to manipulate citizens to vote in favour of the politicians. Hence negative sentiments such as politicians “using people” “deceiving people” and so on.

To sum up this section, it is clear from these two views that it is important to know the various views clients have about the patrons to be able to have a comprehensive and objective study of patronage and to avoid treating them as a homogeneous group yet they are not. These two views are explored in the study of CDF as a platform for political patronage as discussed in later chapters of this paper.

2.9 Political corruption

The aspect of political corruption as employed in this paper refers mainly to the use of (hijacking) public resources such as funds by politicians for personal gain; advancing their political power and wealth. Corruption in this context should be understood as a product of structural forces emanating from the state. These forces are as follows; being dependent on state resources and power to facilitate private accumulation and the building of a political class, an aspect that has led to plunder of state resources and the importance of clientelism as a tool for political mobilisation. In other words, a combination of the two factors gives rise to political corruption.

Political corruption is worth discussing when conducting a study in political patronage because it is a mechanism through which state resources especially funds are transferred to private hands and used to mobilise political support from the clients (electorate). Extraction of state resources and private capital accumulation is dependent on access to state and its resources through occupancy of political office-brought about by the patron client relationships that are nurtured by the notion of patronage. For instance formal political and administrative systems are not observed and that political and bureaucratic

institutions exist as avenues for private capital accumulation not for public interest (Bratton and Nicholas 1994).

Fatton (1986); Szeftel (2000) supports this view by stating that the resilience of corruption in Africa is due to the prominence given to the role of clientelism in capital accumulation and consolidation of the political class right from the period immediately after independence to date.

From a politicians point of view corruption is a good thing as it is an avenue for resource accumulation. This helps to explain why efforts to deal with corruption in Africa have been in vain due to the fact that they tend to interfere “with patterns of accumulation and political patronage and threaten privileges which state office bestows on political elites and their supporters and associates” (Szeftel 2000 :428).

This proposition can be used to explain the resilience of political corruption in Kenya today since clientelism has been and still is a major tool for mobilising political support and private capital accumulation by those who have direct access to state resources

Chapter 3

3.1 THE CDF MECHANISM

The constituency development fund was established under the Constituency Development Fund Act, 2003. The Act establishes a fund known as the Constituency Development Fund where an amount of money equal to and not less than 2.5% of all ordinary government revenue collected every year is paid into. The purpose of CDF is to ensure that a specific portion of the annual national budget is devoted to the constituencies for the purposes of development and in particular in the fight against poverty at the constituency level. The core values to be enhanced while implementing the fund are transparency, accountability, equity in resource allocation and participatory approaches by all stake holders. Its mission is to ensure that a portion of government revenue is set aside for the CDF kitty for the purpose of development and that it is managed prudently. The vision behind it is to be the most effective and efficient institution in the delivery and use of public resources (www.cdf.go.ke access date 10/4/2008)

3.2 Whose initiative was it?

CDF Social Audit Guidelines (2008) indicates that the CDF Bill was drafted by opposition Members of Parliament of the Eighth Parliament who held the view that opposition areas had been systematically neglected in terms of distribution of resources for development hence the deteriorating status of infrastructure, health and education facilities. Their main argument was that establishment of CDF would facilitate equitable distribution of resources to all the 210 constituencies in the country. The bill was not passed till 2003 with the change of guard i.e. a different regime coming to power hence the Ninth Parliament.(Gikonyo 2008)

3.3 Where does the money come from?

The money comes from ordinary government revenue which is drawn from value added tax (VAT) on foodstuff, clothing, books among others;

income tax (PAYE); Licenses and customs excises duty on imported and manufactured goods (Gikonyo 2008). The table below shows CDF allocation as percentage of ordinary government revenue.

Table 1; percentage of CDF allocations

Financial year	Total annual allocation	% of ordinary government revenue
2003/4	1.26 billion	2.5%
2004/5	5.6 billion	2.5%
2005/6	7.2 billion	2.5%
2006/7	10.1 billion	3.5%
2007/8	10.1 billion	2.7%

(Gikonyo 2008)

3.4 How is CDF allocation done?

75% of the CDF kitty is distributed equally to the 210 constituencies in the country. The remaining 25% is further divided according to the poverty index statistics derived from the central bureau of statistics in Kenya and the ministry of national planning and development. The poorest constituency gets slightly higher amount of money and in the end constituencies do not have an equal amount of money in the constituency bank accounts (GoK 2003).

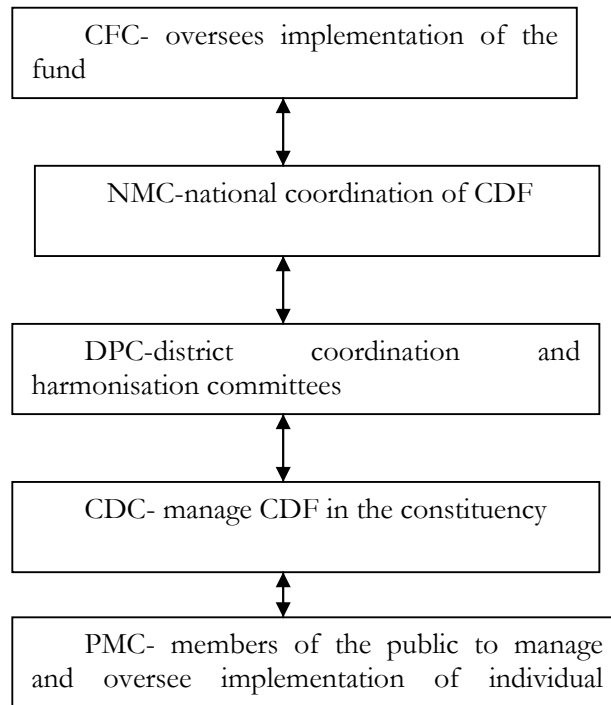
The CDF Act 2003 stipulates that the money is to be spent in the following manner; 3% to be spent on administration by the CDCs, 5% set aside for emergency, 10% for bursary and then the remaining 82% to be spent on development projects within the constituency. This scope of expenditure has since been widened with the amendment of the 2003 Act in 2007 where allocations are to be done as follows; 3% for administration, 5% for emergency, 15% for bursary, 3% for acquisition of CDC vehicle and equipments, 2% for monitoring and evaluation expenses, 2% for sports 2% on environmental projects and the remaining 66% on development projects (Government of Kenya 2007, Gikonyo 2008).

3.5 INSTITUTIONAL FRAMEWORK

The implementation of CDF is carried out in accordance with government laws and regulations such as those contained in the CDF Act 2003, The CDF amendment Act of 2007, circulars, public procurement and disposal Act 2005 and the CDF implementation guidelines 2004 prepared by the National Management Committee (Gikonyo 2008 :4-5).

The CDF Act 2003 establishes the following committees for the proper implementation of the Act; The Constituency Fund Committee, National Management Committee, District Project Committee and the Constituencies Development Committee. An additional (project management) committee was created in 2007 following the amendment of the 2003 Act. The composition and functions of these committees is presented below.

Diagram 1; CDF institutions put forth by CDF Act of 2003



Gikonyo 2008

3.6 THE CONSTITUENCY FUND COMMITTEE

This is a parliamentary select committee appointed by the Kenya National Assembly. It is made up of 11 MPs who are neither ministers nor assistant ministers and are representatives of various political parties. Their tenure in office is a 3 year renewable term or they serve until parliament is dissolved. The functions of this committee are as follows; “determining the allocation and distribution of CDF, determining the utilisation of any unspent funds intended for use by the NMC, making a report to parliament every two years and any other reports to appraise parliament and obtain approvals and considering, overseeing the policy and legislative framework to ensure efficient CDF implementation and making recommendations on persons appointed under the Act e.g. appointment of to the NMC”(Gikonyo 2008)

3.7 THE NATIONAL MANAGEMENT COMMITTEE

The composition of the committee is as follows: permanent secretaries of the following ministries; finance, economic planning, regional development and agriculture, clerk to the national assembly, 8 appointees knowledgeable in accounts, engineering, economics, finance, rural development /law. Finally the officer administering the fund who is an ex-officio and secretary to the committee (civil servant trained in finance with 5years experience is appointed by the minister of finance and approved by parliament). The quorum necessary to undertake business is half the total number of the committee.

The functions of this committee as stipulated by the Act in section 6 (1) are as follows:

- To ensure allocation and disbursement of funds to every constituency
- Ensure prudent management of the fund
- Receive and discuss annual reports and returns from constituencies
- Ensure the compilation of proper record, returns and reports from the constituencies

- Ensure timely submission to parliament of various returns, reports and information as required under the Act
- Other duties in consultation with the minister from time to time for proper management of the fund

Section 7 paragraph one of the Act mandates the officer administering the fund to carry out the following functions: chief executive of the fund and secretary to the national committee charged with the responsibility of supervising and controlling day to day administration of the fund, prepare monthly returns on the movement of the fund as appropriate for submission to the parliament, keep/cause to be kept proper books of accounts and other books and records related to the fund and prepare, sign and submit to the controller and auditor general.(GoK 2003)

3.8 The Constituency Development Committee

Section 23(1) of the Act establishes the constituency development committee for every constituency with a minimum number of 12 and a maximum of 15. The composition of this committee is as follows: the elected Member of Parliament for the constituency who shall be the chairperson. Two councillors in the constituency, two persons representing religious organisation in the constituency, two male representatives, two female representatives, one person representing the youth and one person nominated from among active non governmental organisations if any. The term of office for the above mentioned is 3years and renewable and comes to an end when a new committee is appointed. Paragraph 11 and 12 of section 23 of the Act state that; “the committee shall meet 12 times a year, the constituency development fund committee shall at its discretion, determine the quantum of instalment to various projects in the constituency taking into account the disbursement received and the requirements of different projects” “the elected member of parliament shall be the chairperson of the CDC unless he or she opts out in which case the committee shall elect one amongst themselves”(GoK 2003). The quorum needed to carry out business is half the number of the committee members.

The functions of this committee as spelt out in the Act are as follows:

- Deliberate on project proposals from all the locations in the constituency and any other projects which the committee considers beneficial to the constituency.
- Draw up priority list of immediate and long term projects and submitted to parliament in accordance with section 12 of the Act.
- Ensure appropriate consultations with the relevant government departments are done to ensure that cost estimates for the projects are realistic.
- Rank projects in order of priority. (ibid)

3.9 DISTRICT PROJECT COMMITTEE

Established under section 39 of the Act charged with the responsibility of coordinating the implementation of projects funded by the fund. This section of the Act also spells out the composition of the committee as follows; members of parliament in that district, all chairpersons of county and municipal councils in the district, District commissioner of the district, District development officer (secretary to the committee), chairpersons of the constituency development committees and the District accountant of the district. The functions of the committee as spelt out in the Act are as follows; coordinate implementation of projects financed through the fund, ensure no duplication of projects occur particularly where it is prudent to combine effort on projects aimed at benefiting a large section/sector of a community cutting across more than one constituency and to scrutinise lists of projects submitted and recommend them for onward transmission to the clerk to the national assembly through area member of parliament for that constituency (GoK 2003, 2007)

3.10CDF FINANCIAL PROCEDURES

Section 45 (1) is the provision for the establishment of a constituency account at any commercial bank where all funds kept and such account is known by the name of the constituency for which it is opened.

A national account is created for the CDF kitty at the Central Bank of Kenya in accordance with section 46(1) of the CDF Act. Signatories to this account are the officer administering the fund and two people appointed by the national committee from among its members as stated in section 46(2) of the CDF Act. Disbursement of funds to the various constituencies is effected within the first quarter of each financial year with an initial amount of 25% of total estimated amounts of the year and later on the constituency account is replenished in five equal instalments of 25% following the receipt of returns showing an equivalent amount expended from the constituency account (GoK 2003) Treasury releases funds to this account. The Act was amended in 2007 and the scope of expenditure broadened to cover the purchase of equipment and machinery, environmental projects and bursary (GoK 2007)

3.11 Tenders and procurement procedure

CDF has no special way of dealing with tenders and procurement with regard to awarding of contract and acquisition of equipment and materials for implementation of projects. Existing government procurement regulations are applied to CDF. This involves advertising tenders to the public so that those interested in them can apply, applications are scrutinised and tender awarded to the lowest bidder whose rates are realistic and reflect local market price of the commodity/contract (Gikonyo 2008) (National Management Committee 2004).

In the case of CDF, procuring entities are the DPCs, CDCs and PMCs. “Accountability of procuring entities should not only be reflected in the records of expenditure but also in the delivery of services on the ground” (ibid: 19). It follows that there are three tender committees; district tender committee whose duty is to award contracts with values that are above Ksh ten million per item and “approve bids through open tendering or disposal of stores/equipment” (ibid:20). The Constituency Tender Committee awards contracts/ direct procurement of values ranging between Ksh 5 million to 10 million per item. It awards tenders with regard to acquisition of equipment and facilities to be used at the constituency e.g. building, rent for constituency office .The project tendering committee does not have to do more

procurement due to the existence of other procurement entities in public institutions like schools, hospitals and roads. This is because these government departments implement CDF projects within their area of jurisdiction. However the committee is in a position to award tenders through quotation or direct procurement of a value not exceeding Ksh 5million (ibid: 20-21)

Accordingly payments are only be made when goods/services have been delivered or on completion of work e.g. in the case of building and construction (ibid)

3.12 CDF IN PRACTICE

This phase involves project identification, planning, implementation and sustainability.

Part five of the Act spells out the nature of projects supported by the fund in section 21 paragraphs one to 4 as follows;

1. Projects under this Act shall be community based in order to ensure that the prospective benefits are available to a wide spread cross section of the inhabitants of a particular area.
2. Any funding under this Act shall be for a complete project or a defined phase, unit or element of a project.
3. All projects shall be development projects and may include costs related to studies, planning and design or other technical input for the project but shall not include recurrent costs of a facility.
4. Funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious activities.

(GoK 2003: Part 5)

Project identification

Section 23 (3) of the CDF Act 2003 states that elected members of parliament convene location meetings to deliberate on development issues for the location, constituency and the district and prepare a list of priority projects to be forwarded to the CDCs . It is expected that the development needs of the constituency are identified, deliberated on and prioritised. At the location

level community members are expected to come up with project committees e.g. water, roads committees to identify and prioritise their development needs and also be in charge of management of such projects after completion (National Management Committee 2004)

Project planning

As indicated in section 21(1) above, it is required that all the community be consulted in the location meetings in order to come up with project objectives, identify activities to be carried out , determine the resources required, time frames, responsibilities, expected out puts, success indicators and how monitoring and evaluation is to be conducted. Besides the community, the CDC and District project Committee ensure that the projects are focused and address core poverty issues and that the desired outcome of the project can be achieved before onward transmission to the next stage (GoK 2003) : section 23, 43)

Project management and implementation

The provision in the Act is such that projects are implemented by the respective government department in which they fall. For instance the implementation of water projects is expected to be done by the water and sanitation department, projects geared towards improving education facilities to be implemented by the area education department and roads maintenance to be done by the roads engineer within that locality to mention but a few. The members of particular constituencies are expected to be active in the implementation phase to ensure that objectives of the project are met using resources allocated for them within a given period of time (CDF National Management Committee 2004).

Project sustainability

Projects under CDF are supposed to be self sustaining. This is mainly because the fund does not cover recurrent expenditure arising from the projects long after their completion. Once complete they are supposed to be

handed over to the community to maintain as they make use of them (National Management Committee 2004).

Chapter 4 CDF EXPLORED:

4.1 How are citizens involved in the management of CDF?

To determine the level of participation in the deliberations of CDF and its related projects it was necessary for me to first find out whether Kenyans are aware of the existence of the fund and its amount in figures and also find out whether they are aware of the importance of participating in CDF activities; needs identification, project planning, implementation and management. Findings on the level of awareness concerning CDF are drawn from a survey (Kenya Human Rights Commission 2006) conducted by the Kenya Human Rights Commission in five different constituencies. The respondents interviewed were 2229 in number. Kenyans are generally aware of the existence of the fund “out of the 2299 citizens interviewed, 64% could spontaneously mention CDF as one of the devolved funds, 21% confirmed that they were aware of it when prompted” (Ibid). Despite this level of awareness of the existence of the fund very few people know the exact amount of money allocated for CDF for their respective constituencies (ibid:54). Following a survey conducted in 2006 on citizens awareness of devolved public funds, findings were that it is not clear to the people who is actually/ supposed to be in charge of making decisions on projects and programmes to be funded by CDF but the study revealed that members of parliament are actually in charge of making such decisions (ibid: 56).

Recruitment of members of the CDC

The recruitment of the members of this committee lies squarely within the domain of the area Member of Parliament who nominates people and forwards their names to the national committee for approval. According to section 13 of the CDF Act 2003, it is clearly indicated that the MP should constitute the CDC within the first 30 days of the beginning of the new parliamentary term. “There shall be a constituency development committee for every constituency which shall be constituted and convened by the elected member of parliament within the first thirty days of a new parliament and shall have a maximum of fifteen members

comprising of the elected Members of Parliament....” (GoK 2003). With the proposed amendment of the 2003 Act in 2007, the term for the CDC members except for the MPs, councillors and ex-officio members will be three years and are eligible for reappointment should the bill be passed into law. This action is supported by the Act section 13 (1) which requires that members of parliament take the following into consideration while nominating names; the honesty and integrity of the persons nominated, the ability of the persons nominated to read and write, the knowledge and experience of persons nominated and the importance of representing the political, gender and ethnic diversity an the constituency development committee (GoK 2003).

Local community does not have a say in the selection of CDC members as this process is characterised by political interference/interests of the members of parliament. The result of this is that recruitment to these committees is based on political alignment or affiliation of members. Members of Parliament argue that it is preferable to nominate those they have good working relationship with into the committees to avoid delays in implementation of projects brought about by political differences. Due to this scenario the CDCs have been dominated by M.P’s relatives and friends (KHRC 2006).

Ochanda (2007) takes note of lack of transition clause in the CDF Act 2003. For instance he is of the view that the Act does not indicate the end of term for the MP with regards to CDF affairs when parliament is dissolved towards the end of the parliamentary term to usher in the four month campaign period and transition procedures should he/she fail to be re-elected back to parliament. This means that the out going MP continues to handle CDF money till the next CDC is constituted despite the fact that they are accountable to no one at this moment. This is mainly because as stipulated in the Act MPs are accountable to the National Management Committee which is comprised of fellow MPs in their positions as ministers of sectors related to issues being addressed in CDF (education, agriculture....). The dissolution of parliament means that there are no MPs and that the out going ones continue using the fund for a period of four months without accounting to any authority.

The CDF Act does not specify the qualifications that members of CDCs should have for them to be eligible for appointment to the committee. This means that these committees are likely to be comprised of incompetent people who cannot manage the fund activities hence leaving everything to be handled by the patron (MP) and making it a one man show (Ibid)

4.2 USE OF FUNDS IN DEVELOPMENT PROJECTS

CDF being a fund established to combat poverty at the grassroots, the efficiency of its use must be reflected in the manner in which the fund is spent on the perceived development needs of the people it is meant to benefit. To assess the effectiveness of CDF mechanism in resource allocation my research looked at the use of CDF money in seven constituencies; Kisumu Rural, Alego Usonga, Bondo, Kwanza, Kitutu Chache, Kibwezi and Lurambi Constituencies. The major development challenges facing the constituents of these constituencies are; poor of health facilities, education infrastructure, access to clean drinking water, high poverty levels and food insecurity, poor road networks and high levels of unemployment (CEPAD 2007). CDF money has been allocated to various sectors as indicated below.

The average percentage of allocation per sector is as follows; all the seven constituencies spent the money on education projects which involved renovation of classrooms and supply of school equipment with an average of 46.41%, 9.28% on rehabilitation and construction of health facilities, 12.1% water projects, 3.98% on administration, 15.178% construction of bridges and rehabilitation of roads, environmental projects accounted for 0.81%, emergency 3.48%, economic 1.9%, security 1.92%, agriculture 5.37% among others (CEPAD 2007).

Table 2; project cost status for Alego Usonga constituency

Project status	%
Projects completed	19.29
Projects partly done	24.19
Projects poorly done	0.86

(substandard)	
Not done	23.17
Status not clear	32.50

(CEPAD 2007)

Table 3; project cost status for Kisumu Rural constituency

Project status	%
Projects completed	15.14
Projects partly done	13.90
Projects poorly done (substandard)	7.14
Not done	1.85
Status not clear	59.04
Non existent	1.28
Diverted	0.93
stalled	0.71

(CEPAD 2007)

Table 4; project cost status for Kwanza

Project status	%
Projects completed	25.96
Projects partly done	46.82
Projects poorly done (substandard)	0.66
Not done	1.39
Status not clear	25.17

(CEPAD 2007)

Table 5; project cost status for Bondo constituency

Project status	%
Projects completed	47.02
Projects partly done	22.06
Projects poorly done (substandard)	6.37
Not done	6.27
Status not clear	17.42
Non existent	0.86

(CEPAD 2007)

Table 6; project cost status for Kitutu Chache constituency

Project status	%
Projects completed	4.46
Projects partly done	22.72
Projects poorly done (substandard)	1.62
Not done	21.57
Status not clear	49.25
Non existent	0.39

(CEPAD 2007)

Table 7; project cost status for Kibwezi constituency

Project status	%
Projects completed	1.61
Projects partly done	2.01
Not done	2.7

Status not clear	92.75
Non existent	0.54
stalled	0.40

(CEPAD 2007)

Table 8; project cost status in Lurambi constituency

Project status	%
Projects completed	42.21
Projects partly done	33.86
Projects poorly done (substandard)	3.92
Not done	2.56
Status not clear	18.79

(CEPAD 2007)

Traces of success in efficient use of CDF money

So far this paper indicates that CDF money is going to waste and is far from realising its primary objective of poverty reduction. However not all constituencies reflect the same scenario. For this reason Imenti South Constituency is worth looking at briefly. The implementation of CDF in this constituency is quite unique. The MP has given it ‘a hands off approach’ meaning that the CDC makes its decisions without due interference from the MP. Moreover the MP has opted not be the patron/chairman of the CDC. The CDC is made up of educated people; 50% university graduates the other 50% have post secondary education though not degree holders (Muriungi 2008). The main reason behind the success of this constituency is the effort made by the MP to harmonise other funds channelled to the constituency through a community based organisation that oversees the general development activities within the constituency. This organisation collaborates with the CDC to ensure wide coverage and ensure simultaneous development in the constituency (ibid)

The CDC has a liaison officer who communicates with managers of other funds to avoid cases of double funding and duplication of duty. The CDC office is open for the public to make inquiries and CDF documents are available for the public without restrictions.

There are two levels of project identification that give room for participation of the community; electoral wards where every year the CDC grants Ksh 2million to all the wards in the constituency for projects identified by people in those wards. The CDC level is responsible for large scale projects going beyond boundaries of wards e.g. roads (ibid)

The CDC is using the provincial administration and councillors to create awareness on CDF.

The CDC considers the following before allocating money to projects; potential of project to benefit the community, CDC has to be convinced that projects are priorities of the affected area and equitable distribution of projects (ibid)

Malpractices in the management of CDF

It has been observed that there is general inflation of costs especially building, materials for building, undersupply of building materials. Regulations concerning tendering and procurement are not adhered to as these procedures have become avenues for looting the CDF kitty. Cases of un-procedural award of tenders have been reported in Budalangi constituency where tender worth 10,946,488 Kenya shillings was awarded to a company to construct a classroom complex in a school without bidding. More so the director of the company is said to have been the area member of parliament's close ally. The contractor received a 10% down payment and abandoned the project after digging the foundation. According to the records available for projects funded with CDF in the same constituency and 900,000 shillings was used to build a social hall that has since remained non existent, the rehabilitation of Makunda- Bumba road cost 800,000 yet it only exists on paper as it was never done. These two projects appear in CDF records for this constituency as complete. 1,7million is said to have been spent on construction of a school dinning hall yet the hall is yet to finished and has since been condemned by engineers and will not be

used even if it was finished due to the danger it poses to the student (Oongo 2008).

Structural engineers in that area reported that CDCs do not seek professional advice because they complained that the engineers gave them expensive specifications that they could not work with.

The CDF manger of Budalangi when interviewed by one of the Daily Nation reporter stated that the constituency had received CDF money to the tune of 41,569,241 shillings in the 2006/2007 financial year (July 2006) and by December 2007 only 2.7 million was in the constituency account without proper records showing expenditure on projects in the constituency (ibid).

The audit reports of the year 2007 indicate that billions of CDF monies cannot be accounted for. A good example is the Sabaoti constituency where 56,359,045 shillings appear to have been spent but they cannot be traced since there are no records of such expenditure. In Kajiado central, only 3.3million has been accounted for out of 37,244,128 (8.86%) while in Kimilili there is no evidence to support expenditure worth 18,855,000 shillings. The report also indicated that the funds were being channelled to profit organisations like the case of Funyula constituency where CDF money was channelled to a microfinance institution (ibid)

Members of parliament have been against the notion of hiring professionally qualified personnel especially auditors to audit the CDF kitty. Besides they have been against the idea of hiring professionals (accountants) to manage and coordinate the implementation of the fund. This is evident in the fact that the newly appointed CDF managers charged with the responsibility of keeping constituency expenditure records are finding it difficult to execute their duties due to the influence of the CDC patrons (M.P.). A fresh reality of this lies in the murder of a CDF manager in Mount Elgon District for having questioned the disappearance of CDF money to the tune of 100,000,000 shillings. (www.cdfproject.org access date 10/20/2008)

An interesting revelation by the local dailies (Wahome 2008) is that a cross section of members of parliament put pressure on the Kenya National Bureau of Statistics to give false information on the poverty ranking of their

constituencies following a recent base line survey conducted on house holds well being. The reason being that they want to attract more funds for their constituencies (the 25% amount that is distributed according to poverty index). The local dailies reported that they have been manoeuvring to block the revelation of actual statistics indicating an improvement in poverty status. The members of parliament feel that their constituencies will get less funds from the CDF kitty if it is reported that few people are living below the poverty line. This resulted into situation where by the survey results were doctored to the extent that constituencies that have always been known to be among the poorest in the country were ranked among the top rich ones out staging the traditional wealthy ones (Wahome 2008)

(Okungu 2008), a Kenyan political analyst is of the view that numerous malpractices in the management of the fund are stemming out of the structure put forth by the CDF Act. The Act according to him gives the Members of Parliament the power to misuse the fund by giving them the power to convene the CDCs. He supports his view by arguing that 70% of the constituencies have reported cases of mismanagement, theft, fraud and misappropriation. He notes that CDF has had dismal performance due to political interests inherent in it. "...the main reason why MPs overwhelmingly supported its bill in parliament way back in 2003 was not because they loved their constituents and hated themselves less. It was sheer selfishness and self preservation that made them support the bill.....they dreaded another five years of endless harambees (fundraisers) for endless development projects in their constituencies as they had falsely promised their electorate .Harambees had become sitting MPs endless nightmare. It made them and unmade them every five years as the culture of wealth, greed and graft took its toll on Kenya. So the idea of having the government directly fund development projects in every constituency to the tune of 20 million shillings a year with the sitting MP as the overall boss of the fund was music to their ears. The motion sailed in parliament with lightening speed,”

Members of parliament have taken advantage of the ignorance of their constituents to divert the fund to private business. “knowing the level of ignorance, poverty and helplessness in their constituencies.....made cronies to believe that this fund ids their money given to them by the government to use as they

see fit.....MPs have formed all sort of companies using their cronies, relatives, friends, wives and even girlfriends to defraud of this fund” c(Kamau 2007)

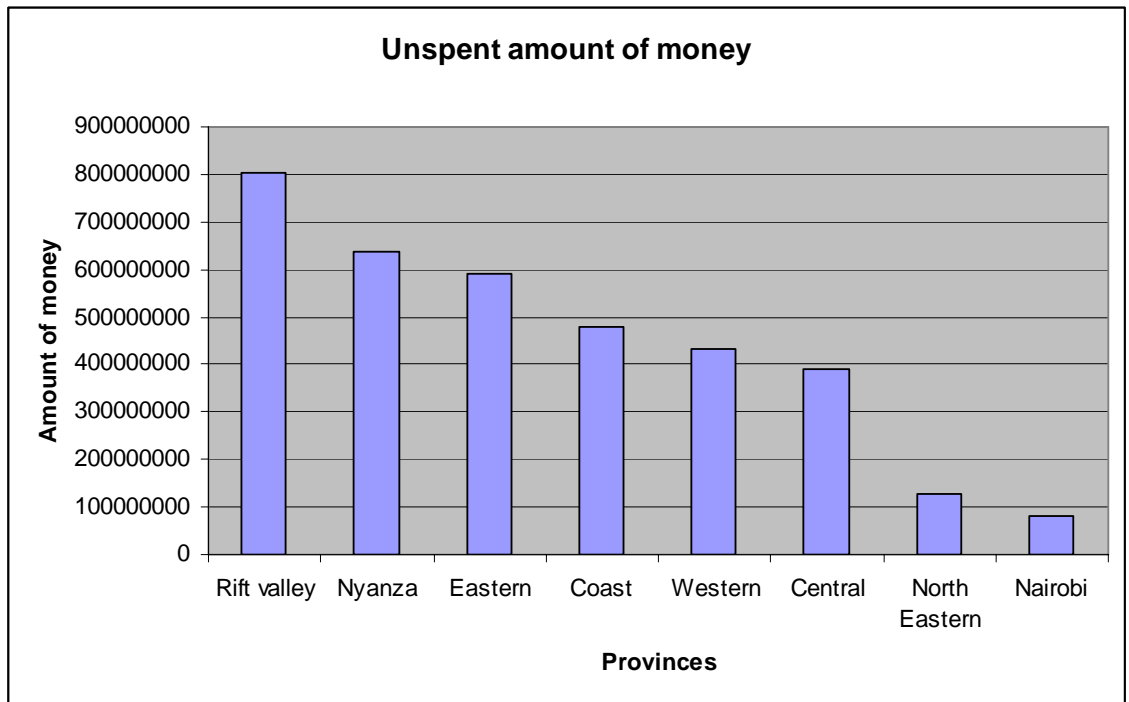
Unspent money in bank accounts

Four months to the 2007 general elections CDF monies to the tune of over 3.5 billion was reported to lying unspent in the various CDF bank accounts and there was fear that the money could be used at the last minute to woe voters. A sad scenario is witnessed in coast province’s Ganze constituency which is ranked the poorest in the country having money to the tune of 39,066.036 shillings lying unutilised in the CDF bank account the same applies to North Eastern Province which is comprised of 11 constituencies characterised by escalating poverty, poor infrastructure(roads), lack of health facilities, insecurity given its proximity to war tone Somalia and Sudan to mention but a few has millions of money lying unspent in Bank accounts as shown below (Kamau 2007 :1). The table below shows the amount of unspent money in the eight provinces of Kenya.

Table 9; unspent CDF money by October 2007

province	Amount of unspent money
Rift valley	804,753,997
Nyanza	637,710,743.95
Eastern	589,652,515.65
Coast	477,826,718.45
Western	434,457,018
Central	392,058,851
North Eastern	127,978,200
Nairobi	80,792,152

(Kamau 2007)



(Author)

4.3 Co-relation between the performance of CDF and Electoral outcomes

With CDF, two objectives can be achieved; using the fund to improve on the social welfare of a wider section of the community and politicians using the fund to build on to their political image. Politicians being partisan are likely to implement projects in areas that give them political back up (Kimenyi 2005)(Kimenyi 2005). (Gikonyo 2008)

(Ongoya and Lumallas 2005) are of the view that CDF has the potential of being used by politicians to build their reputation in their constituencies and mobilise political support. “The fund has no specific development agenda hence it stands out as a political tool” (Gikonyo 2008)

Records from the Electoral Commission of Kenya indicate that 60% of members of parliament who did not retain their seats in parliament had billions of CDF money unspent in the CDF bank accounts in light of glaring evidence of incomplete projects, poorly done projects to mention but a few. Those who were re-elected were reported to have lesser amounts compared to those who were voted out. This is kind of a warning to M.Ps to manage the fund well or

face the wrath of the electorate in 2012 (Radoli 2008). CDF has become a yardstick upon which to judge the performance of politicians. For instance in cases of rampant abuse of the fund, the electorate condemn the Member of Parliament and punish him/her by voting them out (ibid).

(Wamugo 2007) further points out that the success of the fund is pegged to the character and the commitment of the area Member of Parliament to use the fund for general development in his constituency. By pegging the successes of the fund to the personal character of the Member of Parliament, some kind of national rating can be established where MPs' performance can be judged based on their success/failure in administering the fund.

Chapter 5 ANALYSIS

5.1 Introduction

This chapter aims at employing the theoretical conception discussed in chapter two of this paper to give explanations to the disheartening performance of Constituencies Development Funds in Kenya as presented in chapter three. In this chapter we shall see that the outcome of CDF as presented in the previous chapter is as a result of the instrumentality of political disorder to politicians as a panacea to political power, prestige and wealth. By this I mean the importance of patronage and dependence on state resources for political mobilisation and private capital accumulation by the political elite in Kenya. The other explanation given to the dismal performance of CDF is failure of political elite to institutionalise the state and its apparatus and the importance of corruption as an avenue for private capital accumulation. The political elite have instead made use of their positions as policy makers to come up with policy instruments and laws that mandate them to implement the policies they make. The analysis of the dismal performance revolves around corruption and patronage as discussed below.

5.2 Political corruption

I concur with Chabal and Daloz (1999) that corruption thrives in the implementation of government policies such as CDF due to lack of political institutionalisation (adherence to rule of law, separation of powers and detachment from social enclaves) and the ineffectual nature of the state (politicians showing no interest in adhering to rule of law and respect for public office). Lack of political institutionalisation is evident in the laws governing CDF contained in the CDF Act 2003. The existence of the Act itself is a demonstration of violation of the principle of separation of powers that requires the three arms of government perform their specific functions; the executive to implement government policies, the national assembly to debate upon and pass bills to become laws and be watchdogs over the executive as it implements policies while the judiciary to translate and enforce laws. Going by

the principle of separation of powers, the role of the MPs with respect to CDF is supposed to be debating upon and passing bills to laws that govern the implementation of the fund.

The study has however shown that the structure put forth by the CDF Act vests upon the MPs executive powers to implement policies they formulate hence a violation of the principle of separation of powers between the executive and the legislature. The MPs legislate on laws governing the fund, implement such laws and oversee their implementation. This constitutional anomaly is by no chance a coincidence. It is rather a deliberate loophole that enables the national politicians to have total grip on the management of CDF money and make use of it as they deem fit. Evidence to back this argument is drawn from the 2007 amendment Act that widened the scope of expenditure for the fund. For instance 15% for bursary is not justified as a fund of that kind already exists as indicated in the background of this study. If the move was genuine then funds would have been channelled to the constituency bursary kitty not within the CDF kitty. This enables MPs to misappropriate funds since it is not even easy to access the list of beneficiaries of the bursary program. This is in part an explanation to the lack of accountability mechanisms in place to check cases of fraud, theft and embezzlement of CDF money hence a demonstration of lack of interest in institutionalisation of the state and the fight against corruption.

Members of Parliament just want to have more state resources under their control. Evidence to back this up is drawn from (Wahome 2008) who noted a cross section of MPs were reported to have manoeuvred to block the revelation of true status of poverty in their constituencies with the fear that if it is realised that there are few people below the poverty line then their constituencies will not attract extra funding.

Lack of political institutionalisation as put forth by Chabal and Daloz (1999) is a condition highly favoured by the political elite as the state is more viable to meeting their political interests in its less institutionalised form. The study of the legal and operational framework of CDF has confirmed this proposition given the constitutional anomaly engraved in it as discussed in the

previous paragraph. The study of CDF has shown that the low level of institutionalisation of the mechanism has been beneficial to national politicians (political elite) by giving them an upper hand in the control and management of the fund. It has helped to facilitate the process of private capital accumulation via diversion of the fund to private business. The evidence to support this is the dominance of the CDCs in the implementation of the fund where the intended beneficiaries are at the periphery mainly to limit the number of players in the activities supported by the fund and avoid queries arising over the expenditure incurred by these committees on CDF accounts. The result has been billions of shillings that cannot be accounted for as indicated in the previous chapter. More so (Ongoya and Lumallas 2005) emphasise this by noting the Act by vesting upon members of parliament the power to constitute and convene the CDCs automatically makes the MPs patrons or chairmen of these committees and makes members of these committees directly answerable to them.

With regards to observance of rule of law, the study has confirmed that rules and regulations are not adhered to. This scenario has transpired in the implementation of the fund evidenced by the fact that members of parliament have deliberately chosen to ignore the rules and regulations spelling out procedures to follow such as tendering and procurement for CDF funded projects and have instead gone their way to award tenders and contracts to friends and relatives without bidding. In principle, tenders are to be advertised so that those interested can apply for them then vetting is done after which tender is awarded to the lowest bidder. Payments are then to be made upon receiving goods or completion of work. Skipping these procedures has enabled a cross section of MPs and their cronies to loot the CDF kitty massively by awarding contracts to ghost companies to work on non-existent projects as seen in the case of Budalangi constituency where a fictitious company was awarded a contract worth over ten million shillings to construct a complex in Saint Cecilia secondary school. The company only dug the foundation and abandoned the project after getting the down payment of one million shillings. From this case it is clear that the main agenda was to get hold of the money and not to do the construction as such. Other cases of corruption in this

constituency are cited in a social hall worth 900000 shillings reported to be complete according to CDF records of the constituency yet the project does not exist and road rehabilitation worth 800,000 shillings is also appearing in records as complete yet it was never done.

The legal and operational framework of CDF is highly beneficial to the political elite in its present form as it gives them an upper hand in the management of the fund. This is due to the fact the CDF Act is only clear about the role and position of the members of parliament in the management of the fund where as it is not clear how members of the public are to be involved in the CDF processes. My argument therefore is that lack of legal clarity on how to get more people on board in the implementation of the fund is not a coincidence but a deliberate move by politicians to limit the number of actors operating the fund to give room for private accumulation. This explains why the operation of the fund remains limited to the CDCs that are constituted at the discretion of Members of Parliament. In other words the dominant role of the members of parliament in the CDF structure is not a coincidence. It is rather deliberate as the politicians made use of their position as policy makers to come up with laws as seen in the CDF Act 2003, 2007 that enable them to be bosses at the constituency level hence the dominance of the CDCs in the implementation of the fund.

The study has shown that the general public who are the end beneficiaries of the fund are not aware of the exact amount disbursed to their constituencies, the importance of their involvement in CDF processes and the dangers of them not taking part in CDF funded projects (KHRC 2006). My explanation to this is that members of parliament have deliberately chosen not to do publicity for the fund (how much it is, its purpose, management and the stake holders involved in its implementation) to avoid queries emanating from expenditure incurred on CDF account. To this end CDF appears more or less to be Member of Parliament's money being spent in the constituency rather than public resources ear marked for initiating development projects aimed at improving service delivery at the constituency level. Politicians have taken advantage of not doing publicity for the fund to give them an ample time to loot the CDF kitty without being questioned on how they spend the money

hence corruption. More evidence to back the above argument is drawn from the paragraph below.

The evidence of rampant corruption in the implementation of the fund is seen in the billions of CDF money that cannot be accounted for by various CDCs country wide. Corruption has enabled the political elite (members of parliament) to transfer public funds (CDF money) to private hands hence private capital accumulation for private use. Evidence to back this argument is drawn from Okungu (2007) who states that CDF money is being used by politicians he chose not to mention their names to invest in hotels, brothels, clubs to mention but a few in the neighbouring country, (Southern Sudan), CDF money channelled into a microfinance organisation in Funyula constituency, allocation of money to non existent projects and cases of amount of money whose position and availability is not known as seen in the cases of Kisumu Rural, Saboti and Kimilili constituencies in as indicated in the previous chapter.

The lack of transition clause in the Act as noted by (Ochanda 2007) facilitates corrupt practices as shown below.

The absence of this clause plays an important role in the transfer of public funds to private hands since expenditure incurred four months prior to the election is not accounted for as MPs are accountable to parliament with regard to use of CDF money. With the dissolution of parliament they are accountable to no one. This is supported by the fact that when parliament is dissolved towards the end of a parliamentary term the out going MPs still continue controlling the CDF money for four months before the next CDC is constituted. This legislative omission can be used to explain why MPs country wide had accumulated billions of shillings in their respective CDF accounts by the time the Ninth Parliament was dissolved in October 2007. The legislative omission enables national politician to use the CDF money as they wish especially if they know that their chances of being re-elected minimal.

The prevalence of corruption in the implementation of CDF undermines the notion of efficiency in resource use. This is mainly because funds are diverted to private projects. Evidence is drawn from table 7 in the previous

chapter where only 1.61% of projects funded by CDF are complete while 92.75% of the fund was allocated to projects whose status are not clear (their where about is not known). This means that the money was spent on private projects or was kept in a private account.

To sum up this section on the instrumentality of political disorder I would like to conclude by saying that the CDF structure as it is now best serves the interests of national politicians such that its revision would face strong opposition. For instance if the Kenyan state is institutionalised, it would mean that MPs strictly remain as watchdogs over the implementation of the fund. This would deny them the golden opportunity to use their position as policy makers to design policies that favour their interest with respect to public funds such as CDF. Institutionalisation would also reduce their power and access to and control over the fund. It is due to this that revising the CDF structure would not be easy. Which MP would even think of presenting a motion in parliament seeking to reduce his role in the management of CDF? As Chabal and Daloz (1999:14) asked, “Why should the African political elite dismantle a system that serves them well?”

5.3 Patronage in the CDF mechanism

CDF has the potential of being used as a platform for political patronage. From the study it is evident that there are elements of patronage in the CDF mechanism especially with regard to the composition of the CDCs. The Act makes the Members of Parliament patrons of the CDCs at the constituency level by vesting so much power on them with regards to determining who sits in those committees. This makes the CDCs platforms for patronage. Members of parliament are better placed to nominate their political allies to these committees as the law does not stop them from doing so. For instance, it is required that these committees be comprised of two councillors, two people representing religious organisations, two male representative, a youth representative and a representative from the non governmental organisations. All these people can be the MP’s supporters because the law allows him/her to choose them.

Evidence to support my view is drawn from section 4.1 of this paper with reference to (KHRC 2006) survey that indicated that recruitment to CDCs is highly characterised by political interference as MPs prefer working with their close allies. More so one of the factors MPs are supposed to consider when nominating these members is their integrity and honesty (loyalty to them MP).

Going by Weingrod's (1968) definition of a patron; an influential person with access to and control over scarce resources, while clients are economically deprived people striving to gain from resources within the domain of the patron. He further notes that the patron and clients get into a relationship on the basis that the patron avails resources desired by the clients in exchange for political allegiance. In the case of CDF, members of parliament are patrons by virtue of being in charge of funds meant for improving access to basic facilities such as schools, hospitals, roads to mention but a few. The constituents on the other hand may become the clients by virtue of wanting to have their social welfare improved upon using the fund. Patron client relations can be built on the basis that the Member of Parliament uses the fund to address the needs of his supporters in exchange for votes. Thus patronage can thrive in the CDF mechanism on the basis that Members of Parliament avail funds from the kitty for projects really needed by the constituents.

Evidence to back this up is the fact that the fund was established mainly to relief Members of Parliament from using their resources to woo voters or mobilise political support as it was earlier on with the Eighth parliament as noted by Okungu (2007) in the previous chapter. CDF therefore has the potential of building MPs political carrier given the fact that MPs would concentrate on projects that maximise their political returns while the electorate prefer those projects or development initiatives that maximise their welfare Kimenyi (2005). I also draw evidence from Ongoya and Lumallas (2005) who argue that the fund has the potential of being used by politicians as a tool for political mobilisation. "The fund has no specific development agenda hence it stands out as a political tool" The Act by not specifying the projects to be funded by the fund and their distribution within the entire constituency gives the MPs the opportunity to impress his supporters by crediting development initiatives funded by CDF to their names and scare away opponents who have no projects credited to their names.

Evidence to this effect is drawn from the dominance of the CDCs in the CDF processes especially identification, planning and implementation of projects as captured in the quotation below.

“ the committee shall at its discretion determine the quantum of instalments to various projects in the constituency taking into account the disbursements received and the requirements of different projects”(GoK 2003)

The study has shown that there is the possibility of members of parliament to support and influence the funding of projects that are bound to maximise his political returns. This is due to the dominant role played by Members of Parliament in the identification and implementation of projects in the constituency.

5.4 Viability of patronage in the CDF mechanism

I also argue that CDF is a platform for political patronage as it meets the conditions put forth by Kitschelt and Wilkinson (2007) that make it viable for political patronage. These two conditions are presented as follows; first the cognitive condition which implies that the patron should be in a position to determine the response of clients to material inducements and their chances of shifting political allegiance. In the case of CDF, MPs are aware of the socio-economic situations (poverty and the general poor state of infrastructure) within their constituencies and know that if they target to improve on these conditions with CDF money the electorate are more likely to give him/her political back up. The second condition is motivation looks at what makes the client to voluntarily warm up to material inducement. In the case of CDF, constituents will voluntarily give political back up for the MP taking into consideration his potential to deliver the most desired goods.

Besides the two conditions, these authors state that organisation hierarchies of exchange have to be established in the form of a pyramid with the patrons at the top followed by brokers and then the electorate occupying the lowest position of the pyramid for the purposes of managing patronage. The CDF structure as it is can be a mechanism for managing patronage. The Act vests excessive powers on the MPs such that they legislate on laws governing the CDF fund, implement the fund and monitoring and evaluation.

This gives them the overall authority over the utilisation of the fund. The Act also establishes organisation hierarchy of exchange within the framework for example at the constituency level, there is the CDC which is the supreme committee, followed by the PMCs and the constituents.

Having established hierarchies of exchange then resources are to be identified to be offered in exchange for political support, organise flow of resources through the entire organisation of hierarchies of exchange and then devise means of limiting conflict of interest and queries from lower level of the hierarchy as the top most layer tends to dominate leading to minimal flow of resources Kitschelt and Wilkinson (2007). For the case of analysing CDF, these pre conditions are sited as follows;

CDF money has been identified by politicians as a resource to be exploited and utilised as a medium of exchange that enables MPs invest in projects in the constituency in exchange for political support. The CDF structure enables the MP who is the patron to organise the flow of resources through the entire organisation of hierarchy exchange. The flow of resources as demonstrated in the study is that the CDCs control the funds while allowing some portion to flow to the PMCs through award of tenders and procurement without following the regulations concerning such processes so that they can benefit by looting from the kitty. A good example is drawn from the Budalangi constituency where there were cases of un- procedural award of tenders and procurement to fictitious companies whose owners turned out to be members of either the PMCs or CDCs as indicate in the previous chapter. The flow of resources to the lowest level of the pyramid is seen in the numerous projects initiated and implemented in the constituency with the support of the CDF money.

Finally, the Act by vesting so much power on the MP as patron of the CDC serves to minimise queries emanating from the lower levels of the hierarchy of exchange over the expenditure incurred on the CDF account. This is in part an explanation as to why MPs manage to keep funds, misappropriate them and divert to private business without any queries as seen in previous chapter where all the constituencies had money lying unspent in CDF accounts, billions of shillings that could not be accounted for like in Saboti

where over 53 million shillings could not be accounted for and money channelled into a microfinance institution in Funyula constituency to mention but a few.

I therefore conclude that the CDF structure is a 'legal' architectural design for politics of patronage in Kenya in the Twenty First century with well established institutional mechanisms that can keep patronage going for As long as the CDF fund is in existence.

5.5 Client's point of view

From the analysis presented above, CDF has the potential to enhance patronage. In this final section of the analysis I would like to figure out how the two views of clients put forth by Auyero (1999) can be examined within the CDF context. First is that patrons are good people because they care about the needs of their clients by providing goods and services their clients need. This group of clients give electoral support as an expression of gratitude to the patron (ibid). CDF has the potential of bringing forth this group of clients. Evidence to back up my argument is drawn from the case of Imenti South constituency. From the study, it is clear that the hand off approach employed by the MP has enabled the CDC to carry out its duties efficiently without due political interference. Effective functioning of the CDC enables benefits accruing from the fund to reach the constituents (client) through the two levels of projects identification, the thorough scrutiny of project proposals to ensure equitable distribution of projects in the entire constituency and adherence to regulations governing project implementation. To this end the fund can be said to be working efficiently and its success is due to the MPs attitude towards the general development of his constituency. I mean the MP is committed towards using available resources to develop his area.

It is therefore the commitment of the MP to initiate development that earns him political support. In other words, electoral support is an end product of benefits accruing from the fund. In such a scenario constituents view the MP as a good person who is worth keeping in parliament and give political back up as an expression of gratitude.

The aspect of positive attraction mentioned by Auyero (1999) can be applied to the CDF context especially with reference to Imenti South Constituency. In this case, what attracts constituents to the patron (MP) is the ability of the patron to use CDF to address their needs e.g. roads, health facilities to mention but a few.

The second view is of a group of clients who feel that politicians can use funds to manipulate citizens to vote for them. The study shows that the second view of the clients can be manifested in CDF. Evidence to back this up is drawn from the views put forth by Ongoya and Lumallas (2005) and (Kimenyi 2005) who argue that CDF has no specific development agenda hence stands a chance to be used by MPs for political mobilisation. Politicians are partisan and will be better placed to invest in areas that will give him support. In such a case incumbent politicians can credit development projects funded by CDF to their names as their development gesture and scare off competitors who have nothing accredited to their names in the constituency (ibid)

Chapter 6 **CONCLUDING REMARKS**

CDF is miles away from realising its primary objectives of stimulating development from below and enhancing efficiency in resource allocation and use. This is due to the dominance of political interests of the MPs in its implementation and management. What emerges from this study is that the main agenda for its establishment was not to enhance equitable distribution of resources and enhance efficiency in resource use but to enable politicians (MPs) to have equal access to state resources regardless of their party affiliation. In other words, it was a way of ensuring that all national politicians have direct access to a portion of state resources and not leaving every thing in the hands of the executive. By distributing 75% of the kitty equally to all the 210 constituencies, all national politicians have direct access to state resources that they can use to further their political interests by dishing out favours in the name of projects to their supporters in order to win their confidence and maintain their support bases.

Loopholes emanating from the CDF structure; lack of proper accountability mechanism, lack of transition clause and the dual role of MPs (legislating laws governing the fund and implementing them together with monitoring and evaluation) makes CDF a fertile ground for private capital accumulation necessitated by corruption hence leakage of resources that translates to inefficiency in resource use. To this end efficiency in resource use cannot be attained due to the importance of corruption in facilitating the transfer of public money to individuals for their private use. Corruption has to be fought without which no meaningful development can be realised.

To this end, what was meant to be a sigh of relief to the poor becomes a thorn in the flesh as they continue to bear the heavy burden of paying tax to fund the CDF kitty yet they are not benefiting from it. Projects remain incomplete, those complete are poorly done, others were never initiated or are non existent yet money is allocated to them and even appear in CDF records to have been done and are functional! To make matters worse huge sums of money cannot be accounted for!

CDF can only contribute towards efficiency in resource allocation and use if it is depoliticised. By this I mean that it should not be entirely under the control of MPs who have powers to formulate policies regarding its expenditure and establishing an accountability mechanism that makes them accountable to know one but themselves! Furthermore, CDF has the potential of enhancing patronage. Putting the fund under the control of the MPs would impede efficiency in resource use. Politicians have opponents and supporters therefore there is the likelihood that politicians will use the fund to initiate development projects in areas where their supporters are and neglect opposition areas and the end result would be skewed development to particular areas.

The following issues should be dealt with if CDF is to realise its objectives; a lot of publicity should be done on CDF so that citizens become aware of the fund especially the exact amount of money their constituencies get every financial year, the purpose of the fund, who is in charge of its overall management and implementation and the importance of their involvement in the activities of the fund. The structure should be revised to make it more inclusive by clearly stating the position and role of the general public in matters concerning the management of the fund. The dominant role and influence of the MPs over the fund be reduced to make it more accommodative to the common man to take part. This can be done by revising the legal framework such that MPs become watchdogs over the implementation of the fund and not being the main actor in the implementation process to avoid conflict of interests

The above mentioned issues should be taken into consideration before one can think of efficiency in resource use within the CDF context. Otherwise CDF mechanism as it is now is an avenue for private capital accumulation via political corruption and an alternative platform of patronage outside the bureaucracy.

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