CASE STUDY 15

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OPEN AND INCLUSIVE GOVERNMENT

Boosting Accountability through Participatory Budgeting in Kenya

Overview

Beginning in March 2013, Kenya devolved a huge amount of responsibility for delivering public services to county governments. The administration envisioned that these local governments would closely incorporate citizens in the governance process and that citizens would be able to demand greater accountability from their elected representatives. Two years into the devolution process, counties sought assistance from the World Bank to improve their participatory processes. The World Bank introduced the counties to "participatory budgeting," an approach that involved allocating a portion of the budget for citizens' priorities and creating a participatory process where citizens could work together to define and vote on development priorities. Two counties piloted the process in the 2015/2016 fiscal year, and more counties followed their lead in each of the following years. While participatory budgeting did not directly target corruption, it nonetheless had an impact on ensuring public funds were spent on citizens' needs, increased citizen oversight of public spending, and in some cases resulted in cost savings during project implementation. Kenya's experience with open budgeting illustrates that engaging citizenry in the budgeting process can enhance accountability of public officials.[48]

Introduction

When Kenya began rolling out its 2010 constitution, local governments and citizens suddenly had a far greater role in governance than ever before in the country's history. Newly established county governments, which took office in March 2013, took on major responsibilities—and major funding—for delivering public services and local infrastructure. The new constitution stated that the new "devolved" governance system ought to "give powers of self-governance to the people" and to "recognize the right of communities to manage their own affairs and to further their development."[49] Along with increasing citizen participation in governance, the new system aimed to tackle regional inequality, increase the responsiveness and accountability of government to citizens, allow regions greater autonomy, and re-balance power away from a historically strong central government. The Kenya Accountable Devolution Program, a World Bank multi-donor trust fund program, supported Kenya's transition to the new system.

Delivering on the promises of the new constitution was a tall order. Citizens had little experience participating in the governance process, and local officials often lacked the skills to encourage meaningful participation. In the first two years of the devolved system, counties' efforts

at increasing participation tended to be tokenistic at best and opportunities for women and minority groups to engage were minimal. Pressure on counties to fix the problem grew when Kenya's High Court annulled Kiambu county's 2013 finance bill for failing to meet the constitutional requirements for citizen participation.[50]

Even when counties made genuine attempts at engaging citizens, public forums were usually unstructured and citizens were rarely provided with adequate advance notice or information to participate effectively. Meetings often resulted in citizens presenting overambitious wish lists that were difficult to translate into practical development projects.

Seeing the challenges that county governments were facing in delivering their mandate, the Kenya Accountable Devolution Program partnered with the Council of Governors, an organization composed of the governors of all 47 counties, and the Kenya School of Government, a training institution for the public sector. In October 2015, the Kenya School of Government hosted a workshop for representatives from county governments. A team of international experts led by the World Bank introduced the Kenyan attendees to participatory budgeting, a tool pioneered by the Brazilian city of Porto Alegre beginning in the late 1980s. Participatory budgeting involved engaging citizens in discussions about development priorities and allocating a portion of the government's budget for projects chosen by citizens.

Following the workshop, representatives from 12 counties that showed a high level of interest in participatory budgeting attended a seminar to learn how they could go about implementing it. The World Bank team selected six of the 12 counties from the seminar to work with to implement participatory budgeting. To ensure resources were not spread too thin, the team decided to pilot participatory budgeting with three of those counties in 2016, and three more the following year. The selected counties all demonstrated that they had incorporated citizen input in previous budgets and committed to allocate at least 5% of their budget to participatory budgeting in the next budget cycle.

The idea was that, through participatory budgeting, counties would allocate resources in a way that better responded to the needs of their citizens. The participatory budgeting process could also provide citizens with a better understanding of the budget process and a platform to hold local officials accountable.

The implementation process

Kenya had some experience in participatory governance through its Local Authority Transfer Fund, launched in 1998, and its Constituency Development Fund, introduced in 2003. Through these two funds, the central government allocated resources for community projects following a selection process that involved community meetings where citizens identified priorities. However, the initiatives faced some challenges due to a number of reasons like poor access to information, low levels of citizen participation, and weak monitoring, all of which meant projects often stalled or service delivery was poor.[51] Still, this prior experience, along with different counties' experiments with engaging citizens in 2014 and 2015, provided a starting to point to build on.

In January 2016, the World Bank experts led a workshop to help local officials from the three counties design participatory budgeting mechanisms using a 10-step process (see Box 6.3). Time was short—the budget preparation cycle ended on June 30th. In less than six months, the three pilot counties had to design a participatory budgeting process that fit their local context, mobilize citizens, refine their ideas, and vote on priorities.

Designing a participatory budgeting system

The World Bank team leading the participatory budgeting training implemented a two-tier process for working with counties on the design of participatory budgeting systems. First, the team trained high-level policy makers, including county finance ministers and heads of departments for planning and budgeting. Next, those heads of department trained staff working at a more local level, and some also held trainings for elected representatives who were members of the county assembly. "We wanted the policy makers, but we also wanted those who would oversee the running of the program to make sure it cascaded down to the lower levels," said Annette Omolo, who led the World Bank's participatory budgeting initiative in Kenya. Under the devolved system, counties were divided into

BOX 6.3

The 10-Step Process to Implement Participatory Budgeting[52]

1. Choose a general strategy (Where and when to implement? What are the goals?).
2. Prepare the organizational model (Decide on an approach to engage with citizens, set aside a portion of the budget for participatory budgeting initiatives).
3. Develop informational material and mobilize citizens.
4. Hold public meetings to identify citizens' priorities.
5. Carry out technical evaluation of proposals.
6. Refine and publish the list of proposals.
7. Hold a vote so citizens can decide which proposals to prioritize.
8. Approve the proposals and ensure budget is allocated.
9. Create voluntary working groups on selected proposals to oversee implementation.
10. Review the process and make improvements for future budget cycles.

sub-counties, sub-counties were divided into wards, and wards were divided into sub-wards and villages. The World Bank team wanted to help the counties implement participatory budgeting at the ward level and encourage participation down to the sub-location or village level.

Each county adapted an approach based on its local culture and context. Makueni county, for example, had already implemented citizen meetings that closely matched the participatory budgeting approach, so the county government only had to make revisions to their existing processes. "Makueni already had a framework for engaging citizens down to the sub-ward level," said Omolo. "But they wanted to make it more inclusive, for example by including people who might never have left their village before." Makueni had 3,455 villages, and the county government wanted to ensure every one of them was included in the participatory budgeting process.

At the second-tier trainings in West Pokot and Makueni, the high-level officials that attended the first-tier event trained officials at the ward level and worked out the practicalities of implementation. Both West Pokot

and Makueni allocated 12% of their 2016 budgets to participatory budgeting. Although policy makers in Kakamega county participated in the first-tier training, the county later dropped out of the pilot program.

Mobilizing citizens and reaching agreement on priorities

Next, West Pokot and Makueni had to mobilize their citizens and encourage them to attend participatory budgeting meetings. The county governments placed advertisements in major daily newspapers detailing meeting dates, times, and venues. In addition, the two administrations advertised meetings on radio, made announcements at public gatherings (such as church meetings), put up flyers in public places, sent text messages to citizen contact lists, and posted information on social media channels. Citizens who were unable to attend meetings could send written submissions to the county finance offices by email.

The counties worked out a process whereby citizens could choose priorities at a local level and then gradually refine those ideas into a selection of specific

projects that would be voted on and finalized at the county level. In Makueni, the head of each village organized public meetings to discuss development needs and propose possible projects to address them. Each of Makueni's 3,455 villages chose 11 local leaders to represent their village and present the development priorities decided on at "village clusters," which were groups of 11-15 villages grouped together based on proximity and similarities. Eleven representatives from each cluster then attended sub-ward meetings, where they prioritized which projects to present at the ward level. In early March, projects were presented at the ward level, the first level of official representation. All projects presented had to show a trajectory of how they were arrived at from a specific local development need. No new projects could be introduced at the ward level.

At each meeting, attendees discussed all of the proposed projects and eventually reached agreement on a few projects to put to a vote. Attendees voted on which projects to move on to the next level, within the budget constraints outlined by the county government. There was no set mechanism for voting on projects. A secret ballot was recommended during the participatory budget training, and some locations used secret ballots to avoid potential conflicts during the decision-making process. In practice, however, most locations found it easier to conduct voting by a show of hands. "We did not see any evidence of people being coerced into voting a particular way," said Omolo.

On March 18th, 2016, Makueni held a county level forum to present the county's budget for the next year. The budget included the projects which had made their way from the village level through to final approval by the elected officials of the county assembly and the governor. Examples of projects chosen included a medicine dispensary, a stadium, a training college, an adult learning center, an early childhood development center, and a borehole to extract water. The county set up a complaint mechanism, so that citizens could make complaints about errors in the projects chosen or problems in the selection process.

After the governor signed off on the projects to be implemented, Makueni set up project management committees, made up of citizens from the area where the project was being implemented, to oversee implementation. The county trained the committees on their responsibilities, and how they could monitor and supervise the project. The committees paid particularly close attention to project spending, and reported back to the county when funds allocated to a project appeared to be too low—or too high. When projects were under budget, funds could be diverted to other citizen-selected projects. One way that the committees helped cut costs was by facilitating land donations. For example, in the construction of several dams in Makueni, the county was able to acquire land for free from community members who realized the benefit the dams would bring to their communities.

Refining the process

After budgets were allocated for the first year's projects, the World Bank team and the counties set about improving the process for the following year.

One area the counties wanted to improve was the inclusion of underrepresented or marginalized groups, such as youth and disabled people. To ensure higher participation of those groups, Makueni set up "thematic groups" and specifically invited young people and people from the disabled community. According to Omolo, the thematic groups "made the counties aware of the particular issues the groups were facing," and by participating in the participatory budgeting process, the groups "could make decisions on what they needed…rather than having someone else make those decisions for them."

Engaging at a more local level also helped counties boost inclusivity. "You find women and youth in the villages, from there they are able to access the meetings," said Omolo. "In rural areas it is difficult for a woman to leave her immediate environment and her daily chores to travel long distances for a meeting."

Another issue that Makueni and West Pokot faced in the first year was that, in some cases, the projects decided on had ended up not being feasible to implement. There were a range of reasons behind this, for example not having land to implement the project, or the land allocated being unusable. To avoid these issues, Makueni introduced technical evaluations to their participatory budgeting process. "County officials and citizen representatives went to the field to assess the land, the costs, and other technical aspects, and took that information back to the citizens," said Omolo. "Citizens could then adjust their selections or allocations based on the evaluations. For example, they might need to allocate more funding for a particular project based on the evaluation." West Pokot also

presented the technical costs of the proposed projects to the citizen representatives at ward level meetings to guide their final selection of projects.

In 2017, the World Bank team partnered with Map Kibera, a local organization in Kenya, to further strengthen citizens' ability to make informed decisions during the participatory budgeting process. Map Kibera began helping the counties integrate more data and digital mapping into the decision-making process. For example, digital maps made it easier for communities to identify where medical facilities were, or where boreholes to access water were, and that data made it easier for participants to identify where the areas of greatest need were. "Mapping helped citizens determine their real needs and priorities," said Omolo. "Now their decisions are informed by data."

Expanding from the pilot

In the second half of 2016, the World Bank team began working with the three other counties that had been selected at the initial participatory budgeting workshop. All three followed a similar process to that adopted by Makueni and West Pokot, and followed through on their commitments to allocate part of their budget to the projects chosen through participatory budgeting.

In addition, more counties became interested in following the example set by the pilot counties. Media in Kenya highlighted Makueni's experience, and word spread across the country how that county had delivered on citizens' priorities through participatory governance.

To capitalize on the interest, the Council of Governors in August 2018 organized a peer-learning workshop in Makueni, where other counties could learn how participatory budgeting worked in practice. At the workshop, Makueni's governor Kivutha Kibwana described his county's experience implementing participatory budgeting and other governors also shared their efforts at improving citizen engagement.[53] Counties with a strong level of interest in participatory budgeting were able to request World Bank support through the Council of Governors. After training a further seven counties on participatory budgeting in 2017, the World Bank team trained four more in 2018.

Makueni county continued to be one of the leaders of the participatory budgeting movement, and in 2019 introduced a new innovation to streamline the budgeting process. The county trained "Community Resource Volunteers" on how to conduct meetings, and these volunteers went on to convene and facilitate participatory budgeting meetings at the village and village cluster levels. The new process reduced the administrative burden on officials, who previously had to travel to each village unit to oversee meetings, and also reduced the number of days needed to select projects since meetings could be conducted simultaneously.

Reflections

Participatory budgeting reforms are designed to ensure that public money is spent on communities' highest priorities, and do not directly target corruption. Nevertheless, in Kenya's case, introducing participatory budgeting possibly reduced or prevented corruption because citizens were more engaged in the budget allocation process and had more information to hold public officials accountable. "In Makueni… people become part and parcel of the [budgeting] process," said Kibwana. "At various levels on the ground, they must approve completed projects. It is only when they are satisfied that the county government can process payments."[54]

If projects stalled or were not completed, citizens could demand explanations from the officials that had approved their project selections. According to Omolo, in some instances, citizens refused to select new priorities until county officials provided answers as to why the previous year's selections had not been completed.

The mapping component of the process helped citizens find better and more cost-effective solutions for their needs than might otherwise have been decided on. "In some cases, communities realized there was no need for an entirely new project when instead they just needed to upgrade an existing facility," said Omolo. "In other cases, it might just require more staff in order to improve service delivery."

Citizens were also able to identify cost savings through their oversight role. According to Omolo, local citizens often had a better idea of the costs of labor and materials than bureaucrats did, and when citizens in Makueni had access to project expenses they were able to identify opportunities to deliver projects at lower cost. "Increased accountability has meant more value for money," said Omolo. Although Makueni had strong citizen oversight through its project management committees, as of 2019 most other counties were yet to implement similar mechanisms.

Officials wielded little say on the participatory budgeting portion of the budget, but since participatory budgeting allocations were less than 15% of each county's entire budget, the overall impact on increasing budget oversight and preventing corruption was somewhat limited. "Whatever projects citizens decide on are locked in," said Omolo. "Policy makers still have their flagship projects, because participatory budgeting is always only allocated a portion of the budget." Over time however, counties tended to incrementally increase funds available for participatory budgeting and also began to incorporate more citizen involvement and oversight in other portions of the budget.

As of 2019, participatory budgeting had been implemented in less than a quarter of Kenya's counties and the extent of citizen engagement across those counties varied. In counties like Makueni, however, where the government had embraced participatory budgeting by actively engaging citizens and giving them a strong oversight role, the reform was working. "The budget process has gained more credibility and there is more trust between the citizens and the government," said Omolo.