



“The virus does not move, people move it. We stop moving, the virus dies”



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Despite challenges, NG-CDF offers hope and optimism for sustained development

One of the Government's biggest efforts to ensure equitable distribution of resources across the counties has been undertaken through the National Government Constituencies development Fund (NGCDF). Despite a few inevitable challenges, the NGCDF has arguably stood out as the biggest national equalizing agent in terms of resource distribution. MyGov's Michael Okidi spoke to the NGCDF Chief Executive Officer, Yusuf Mbuno on the successes and challenges the fund has encountered since its inception, excerpts of which are reproduced below.

Please give us a brief history of the NG-CDF – when and how it came into being.

The National Government Constituencies Development Fund (NG-CDF), formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015, as amended in 2016.

The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013.

What is the objective and mandate of the NG-CDF and how does it execute these?

The main purpose of the Fund is to enhance socio-economic development at the grassroots level through projects identified by each of the 290 constituencies in the country in order to reduce poverty. NG-CDF financed projects are implemented by Project Management Committees at the community level with the assistance of the relevant government officers.

The NG-CDF Board which is a body corporate established, pursuant to Section 14 of the NG-CDF Act, is the organ mandated to approve project proposals submitted by each constituency, disburse funds to the constituencies with respect to the approved projects and ensure efficient and effective management of the Fund.

3) How much has the Government given out as NG-CDF since its inception?

The National Government Constituencies Development Fund comprises an annual budgetary allocation of at least 2.5% of all the National Government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution. The NG-CDF Act requires that allocation to the Fund in any particular year shall not be less than the amount allocated in the previous year. Out of this amount, a maximum of 5% is set aside for the NG-CDF Board to facilitate efficient administration of the Fund country-wide.

Over the years, the Government has increased funding to the NG-

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For the eighteen financial years ranging 2003/2004 to 2020/2021, a total of Ksh. 336.89 billion has been allocated to the fund.

What are the criteria for allocating the NG-CDF to individual constituencies?

As provided for in Section 6 and 34 of the NG-CDF Act, the NG-CDF Board allocates funds to the 290 constituencies in equal proportion. For example, out of the Ksh. 41.714 billion set aside for the Fund in the 2020/2021 financial year, each constituency was allocated Ksh. 137,088,879. This was after deducting the expenditures of the National Board which cannot exceed 5% of the allocation to the Fund.

In summary, can you enumerate the general achievements so far registered under the NG-CDF since its inception?

The Fund has registered significant achievement since inception. The NG-CDF has facilitated enhanced infrastructural development in various parts of the country including construction of school libraries, classrooms, laboratories, dormitories, Kitchen/Dining halls, latrines, water tanks and auxiliary equipment. This has resulted in remarkable education progress in the country. Particularly, the Fund has:

- Financed construction of new schools and tertiary institutions where none existed, contributing to the country's capacity to meet development needs.
- Contributed to increased transition



rate from primary to secondary schools through construction of new secondary schools, especially day secondary schools which have made it possible for the government to provide affordable education to its people.

- Aided increased retention rate in secondary schools and tertiary education institutions through bursary programme.
- Contributed to increased enrolment and retention at primary school level through construction of new and renovation of existing primary schools.

Can you specifically mention instances where NG-CDF has completely changed the development trend of any part of Kenya?

The Fund has been a game changer in addressing the peoples needs as felt at the lowest level. The achievements of NG-CDF in the 18 years of its existence are tremendous. There are quite visible instances where the Fund has significantly transformed the socioeconomic status of people in constituencies. Through the education bursary component, there are Kenyans from very poor backgrounds who have accessed education up to university level through 100% NG-CDF financing. The Fund has also contributed significantly to enhancing school infrastructure across the country. In Lamu for example, there were only 5 Secondary Schools before the advent of the Fund, but now the county boasts of 27 public secondary schools. Another good illustration is Kibra Constituency which managed to establish 5 ultramodern Secondary schools (Shadrack Kimalel Secondary School, Raila Education Centre, Mbagathi Secondary School, Kibera Secondary School and Olympic Secondary School) within a span of less than ten years mainly through NG-

CDF financing.

How do you supervise the management of NG-CDF and how do you gauge individual constituency's successes or failures in the management of the fund?

The Board has put in place mechanisms for effective monitoring of the implementation of the programmes under the NG-CDF Act. These include submission of quarterly progress reports by the constituency-based Fund Account Managers, periodic field visits, Board's internal audit processes and collaboration with the Internal Auditor General at the National Treasury and ensuring that all constituencies submit annual reports to the Auditor General for review. Further, in conformity with the government's Performance Management requirements, the Board secures commitment of constituencies to meticulously implement their programmes by entering into Annual Performance Contract with each Constituency NG-CDF Committee. These measures guarantee continued improvement in the management of the Fund.

Has there been a survey to ascertain the most efficient managers of the fund? If so, which constituencies can you single out as topping the list this year?

Through the annual evaluation of the Performance contracts signed with the NG-CDF Committees in the 290 constituencies, the Board has established an effective system of measuring the Constituencies performance. The Board finished the process of signing constituencies Performance Contracts for the 2020/2021 financial year with all the constituencies and the evaluation will be done in July 2021 and results released.

Further, through the Auditor General's reports, the Board is able to

gauge NG-CDF Committee's performance in financial management. Generally, the Constituencies financial management has steadily improved over the last seven years, with 90% of constituencies financial statements earning either unqualified or qualified opinion of the Auditor General, implying that the financial statements significantly depict true and fair view of the financial position of the constituencies for the 2017/2018 financial year. This is a great improvement from the 2013/2014 financial year where 56% of the constituencies fell under these two categories. Further, NG-CDF is now assessed for FiRE awards which is a joint initiative of the Institute for Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (CMA), Nairobi Securities Exchange (NSE) and Public Sector Accounts Standards Board (PSASB). In 2019, Thika Town Constituency won the FiRE award, NG-CDF category.

What challenges have you encountered in the management of the Fund, and how are you surmounting them?

Key Challenges encountered in the management of the Fund include; numerous litigations that derail operations of the Fund, including cases filed by various parties against Constituency committees and court cases filed by Civil Societies challenging the legality of the NG-CDF Act, incomplete projects that fall under devolved functions which are no longer eligible for funding under the current Act and inadequate technical capacity for effective management at the Constituency Committees and Project Management Committees level. There are also instances of mismatch between the initiated development projects and the capacity to operationalise them, example being where the NG-CDF has financed construction of school infrastructure but the schools lack enough trained teachers. In such cases, school Boards of Management are compelled to hire teachers at the parents' expense.

We also have insecurity in some parts of the country that hampers efficient operations; and, currently, the coronavirus Pandemic that has for some months curtailed movement of people in certain areas hence slowing down the pace of projects implementation.

How impactful would you say NG-CDF could be to Kenya's rural development, going forward?

Poverty continues to be a major impediment to the development aspirations of Kenyans in both rural and urban areas. As the country's population continues to grow, the need for the NG-CDF support is expected to continue in years to come. Going into the future, the Board will focus on strengthening efficiency in project and financial management to optimise benefits to the target groups. Kenya's development aspiration will be achieved through tried and tested development agents, NG-CDF certainly being among the top.