THE STATUS OF THE AGRICULTURAL SECTOR AFTER DEVOLUTION TO COUNTY GOVERNMENTS

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SUMMARY
County governments have taken up majority of the functions in the agricultural sector following the transitioning to county governments in 2013. We conducted a study slight more than a year after county governments took office to establish the status of the sector. We find that key challenges that face counties in the sector include weak coordination between county and national governments and among county governments, weak budgetary processes, inadequate human resource and capacity and inadequate funding. To catalyse the growth momentum in the sector, we recommend addressing these challenges especially building the capacities of county governments to effectively discharge their functions.

Background
In 2010, Kenya made one of the most significant adjustments on the national governance framework by promulgating a new constitution which established a two-tier system of a national government and 47 county governments. Following the transition to devolved governance system, in the agricultural sector, the national government is mandated with agricultural policy while county governments are responsible for crop and animal husbandry, livestock sale yards, county abattoirs, plant and animal disease control and fisheries. These changes are expected to have a major impact in the agricultural sector. The county governments are now expected to be the key drivers of growth in the sector. Key research question is whether the performance of the sector will improve under the devolved structure that allows for regions to prioritise their own goals. We conducted this study in sixteen counties in four regions to understand how the sector has adjusted after devolution of functions to the county governments. The study tool place slightly more than a year since the county governments took office.

Transition Process
The Sixth Schedule of the Constitution provides for a phased transfer of powers for devolved functions from the national government to the county governments in a period of not more than three years from the date of the first elections under the constitution. In the transition period, the national government is expected to facilitate transfer of power, establish a criteria for transfer of power and build the capacity of county governments to effectively discharge their functions. After the elections in March 2013, the transition process was not followed. Instead, county governments took over majority of the functions listed in the fourth schedule from 1st July 2013. Among these were majority of the functions in the agricultural sector.
Organization structure in the two governance systems

In the decentralized system, the main focus for development was the district level. District Development Committees (DDCs) which drew membership from a wide range of stakeholders were central to the development process for all sectors. The DDCs also had a number of subcommittees for specific subject matter e.g. in education, health, agriculture, land etc. After, the DDCs were divided into subcommittees focusing on specific areas such as education, health, agriculture, land etc.

In the devolved structure, the focus for development is now at the county level. At the county level, the daily running of the county government is the mandate of the governor and his deputy supported by a County Executive Committee (CEC). A CEC member is in charge of the operations of any given department. At the county level for most counties, the agriculture sector is set up similarly with the national level, i.e. agriculture, livestock, veterinary and fisheries departments. Variations to this set up is the inclusion of cooperatives under the agriculture department.

One significant change from the previous system is that departments at the county and national level are no longer directly linked. However, the intergovernmental relations Act, 2012 provides for a framework for consultations and cooperation between the two levels of government. The Council of Governors (COG) is expected to provide a framework for coordination, cooperation and consultations among counties as well as engagement with the national government. These institutions are supported by the Intergovernmental Relations Technical committee which is supposed to replace the Transition Authority after expiry of the transition period as stipulated in the constitution.

Communication in the Agriculture Sector

In the centralised system, the Ministry headquarters (for Agriculture, Livestock, Fisheries) was in charge of policy formulation and coordination. The major mode of communication was through circulars. The communication channel followed the structure shown in Figure 1 using an example of the ministry of agriculture. Feedback from grassroots level would follow the reverse channel.

After transitioning to the devolved system, the ministry headquarters (national level) was communicating directly to staff at the county level. However, new regulations were issued from the Ministry of Devolution and Planning (MDP) that required for any communication to the county governments from the national level to go through the channel shown in Figure 2. MoALF deployed liaison officers in each county to perform this role. These initiative was not well received, in addition, the role of the liaison office not defined nor were it facilitated. As a result, the officers were turned away in some cases, and those who are still in the counties are working in other capacities.

Planning and Identification of Projects

Planning in the sector at the grassroots levels was in line with the established decentralised structure i.e. through the DAC and DDC. The DACs was the coordinating body for the sector whose proposals were approved by the DDC. At the national level, planning was done through the sector wide approach. A key planning challenge was that although the decentralised system was meant to be a bottom-up system, many times it operated in the reverse direction. This is because as district prepared their own plans, which in many cases were unique, the national plan which ideally was expected to reflect an assembly of the district plans plan was most often different from the district plans.
In the devolved system, County governments are required to prepare County Integrated Development Plans (CIDPs). Most of the counties visited had either finalised or were finalizing their CIDPs. The CIDPs are prepared consultatively with communities and other stakeholders present in each county with a lot of emphasis on community participation. We observed that majority of the counties had more or less similar plans, and county governments seem to prioritize the same areas. For instance, all counties visited had prioritized promotion of horticultural crops even when it is clear that they are targeting the same market. This can potentially lead to frustrations on the part of farmers when the expected gains are not realized due to oversupply of a commodity that is perishable.

**Financing the Agriculture sector**

The government budget system is based on the Medium Term Expenditure Framework (MTEF). Through the sector groups, ministries met, identified priorities and allocated resources. The same process was expected to be followed at the district level but was not followed through in most cases.

As a result, it was always the case that officers at the decentralised level ended up implementing priorities identified at the national level (top-down instead of bottom up) because those priorities were funded. This one of the motivation of introducing decentralised funds such as LAFT and CDF.

In the devolved system, at the national level, the financing for the sector is determined through the MTEF process. At the county level, a similar process is supposed to be followed to link the budgeting process with planning. However, the county assemblies, which must approve the entire county budget before it is forwarded to the controller of budget, interfered with the budget in some counties making uninformed cuts and reallocations that grounded some services in the sector for some counties.

**Level of Funding to the sector**

Under the devolved government system, the nominal funding for the sector has improved compared to the funds spent in the sector under the centralised government system. However, despite this increase, the share of funding in the total budget is still low. Figure 3 shows that the share of funding to the agriculture sector funding in total budget had been declining even in the first year after devolution to county governments.

On average, county governments allocated 4 percent of their total budget to the agricultural sector in the 2013/2014 financial year. The allocation in 2013/2014 financial year by county governments showed a preference on infrustral projects as seen in Figure 4. This investment is expected to boost performance of the agricultural sector through opening up access to markets, reduction in transport cost for farm produce and improve market linkages. However, even as the development of infrastructure is going on, there is need to prioritise key areas that have continually constrained farmers. These include addressing the challenges related to low productivity such as: adoption of requisite technologies, access to clean planting material, and crop and livestock diseases.

**Program implementation**

The national government has been implementing several agricultural programs and projects before devolution. All on-going programs which address food security funded by both national government and donor partners are expected to continue until the scheduled completion dates. Some programs where the national government was responsible, were handed over to the counties (e.g. Farm Input Access Services, A.I. Services, Animal and Health services, Agricultural Mechanization Services (AMS), Extension services and Water harvesting for Irrigation) but a few are still being coordinated by the national government across most of the counties visited.
County bills for the Agriculture sector

In order to implement the functions handed over to the county governments, the county governments ought to put in place legislation to facilitate this. However, few of the counties visited had started drafting relevant bills that touch on agriculture ready to be presented to the County assemblies for deliberations and approval. Examples of these bills that were in the legislation process included the Animal and health disease control bill in Uasin Gishu County, Farm input subsidy and supply bill in Trans Nzoia, Potato standardization and packaging bill in Nakuru, Agricultural boards and committees bill in Kisii, and the Agriculture Mechanization services bill in Siaya County.

County staffing

The national government has staff at the county level who have been working prior to the establishment of the county governments. Currently, these staff are being paid by the County governments although there is no structured handover of these staff to the county governments. All the counties visited had insufficient number of both technical and support staff across all the directorates in the agriculture sector, hampering the responsibility of carrying out the tasks that the sector intends to fulfil. Worst affected are the directorates of livestock, veterinary services and fisheries that face serious staff shortages at the county, sub-county and ward levels.

County governments have in the meanwhile recruited through the county public service boards with a small percentage of the national government staff being absorbed by the county government through this process.

Agricultural Reforms

The recent reforms in the agricultural sector may cause overlaps of functions with the county governments. The commencement of the Agricultural Fisheries and Food Act (AFFA) Act, 2013 and the Crops Act, 2013, establishes semi autonomous government agencies which are controlled by the National government but with functions, some of which are assigned to county governments, an example being the extension services.

Conclusion

Under the current system, county governments have more responsibilities in the agricultural sector. Additionally, it is expected that counties will be the new engine of growth not only in the sector but for the country as well. There is therefore need to track the implementation of the governance structure and to draw lessons and improve performance of the system to achieve the intended results. This analysis has enabled us to learn that:

a) Coordination in the sector, between national and county government and among county governments is weak. This is further constrained by the long communication channel that is currently existing.
c) Long and bureaucratic communication channel is a serious hurdle in information flow. As mentioned in (a) it constrains information sharing and coordination of programs and activities in the sector.

d) The slow process of passage of bills at the county level is delaying the operationalization of various agriculture sector functions at the county level. As a result, counties are either carrying out these functions without supportive legal framework or in some cases delayed operationalization of these functions.

e) The planning and budgeting process is weak at the county level. First, although majority of the counties paid a lot of attention to community participation, there were cases of very little of no technical involvement in the prioritisation and finalisation of the Plans. As a result, some plans are overly ambitious and will not likely be implemented within the Plan period. Second, the planning and budgeting process has been subject to manipulation especially by county assemblies.

f) There is increased funding to Agriculture sector though structures are still being developed to enable proper absorption of the funds. Additionally, most counties are heavily dependent on funds from the National government for agriculture and other functions.

g) There is a serious staff shortage and low staff morale have been experienced particularly at both sub-county and ward levels. Staff shortage is generally acute under the directorates of Livestock, Veterinary and Fisheries. The counties also need to comprehensively deal with and streamline the staff hiring process and other issues to boost their morale and create a conducive working environment.

RECOMMENDATIONS

1. There is need for counties to prioritise the agricultural sector not only for food production, but also as an important contributor to income and employment. Counties should demonstrate this by increasing the allocation to the sector.

2. Address the Human Resource challenges including harmonize the recruitment process for county governments to be similar to national governments. Subsequently, there is need to recruit more staff especially for livestock, fisheries and veterinary departments.

3. Build capacity in county governments to effectively discharge their functions. More so, Capacity building for county governments and county assemblies should also be undertaken especially to ensure that each arm effectively plays the role assigned under the constitution.

4. Strengthen planning & budgeting processes by increasing the Technical input in planning process and making use of available data to plan and allocate resources.

5. Operationalize mechanisms to improve coordination between National Government and County Governments and among County Governments e.g. Inter-Governmental Technical Relations Committee

6. Harmonize legislation to remove overlaps between the National Government and County Governments.