FACTORS INFLUENCING THE EFFICIENCY AND EFFICACY OF KENYA'S CONSTITUENCY DEVELOPMENT FUND: A CASE STUDY OF SABATIA CONSTITUENCY

BY

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REG: D53/CE/12308/04

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (FINANCE) OF KENYATTA UNIVERSITY.

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Factors influencing the efficiency and
DECLARATION
I declare that this is my original work and has never been presented for a degree in any other University.

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ABSTRACT.

Kenya’s Constituency Development Fund (CDF) is one of the ingenious innovations of the National Rainbow Coalition (NARC) Government of Kenya. Unlike other development funds that filter from the central government through larger and more layers of administrative organs and bureaucracies, funds under this program go directly to local levels and thus provide people at the grassroots the opportunity to make expenditure decisions that maximize their welfare consistent with the theoretical predictions of decentralization theory. Increasingly, however concerns about the utilization of funds under this program are emerging. Most of the concerns revolve around issues of allocative efficiency. My research aimed at establishing constituency characteristics that impact on the efficiency and efficacy of CDF and also the utilization of the funds to ensure that the program achieves its full potential. My research observed that CDF could have negative outcomes because of fiscal illusion and reduced local fiscal effort. The research also found out some political economy aspects associated with this program.

The study used both primary and secondary sources of data. The school and church heads, contractors’ and members of the management committee of Sabatia CDF were consulted as the source of primary data. The secondary data was obtained from written reports about CDF use in Kenya and other development reports. The study used Cluster random sampling to obtain the sample population from the target population. The study was conducted through survey research design and was concerned with the efficient use of CDF in Sabatia constituency. The survey research design generally entailed the use of sample populations to analyze and discover occurrences of events. In data analysis the
study used the measures of central tendency (mean, mode and median), measures of
dispersion (Standard deviation) and variation coefficient. The findings of the study, it was
hoped, will be useful as a benchmark for establishing whether funds are well managed
when decentralized to local levels or by the central Government.
This was to be used as a guideline for future allocation of CDF and further establishment
of decentralized or devolution of resources.
**DEFINITION OF TERMS**

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<th>Abbreviation</th>
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<tr>
<td>CDF</td>
<td>Constituency Development Fund</td>
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<td>CDFMC</td>
<td>Constituency Development Fund Management Committee</td>
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<td>LATF</td>
<td>Local Authority Transfer Fund.</td>
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**EFFICIENCY** - Putting the disposable economical resources to the budget or intended purpose. Can be quantified by comparing the allocation of the economic resources to the various projects and the quantity or proportion of work completed.

**NGO** - None – Governmental organization.
ACKNOWLEDGEMENT

I would like to thank all the people who helped me make this research project a success. First and foremost I wish to thank my supervisor, Mr. Joseph Theuri, for his time, gentle and constructive criticism which has enabled me to successfully complete this research project. I'm also indebted to the Kisii Campus Library staff who tirelessly assisted me get the literature that was necessary for this project report.

Above all, I thank God for the gift of life and enabling me come this far.
DEDICATION

I dedicate this work to my lovely wife Elizabeth, my daughter Patricia and Son Johnny for the patience they exercised when I took a lot of time off them to prepare this research project.
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CHAPTER ONE

1. Introduction

This chapter contains background to the study, statement of the problem, purpose of the study, research questions, significance of the study, and scope of the study.

Background of the study

For the previous four financial years, the innovative constituency Development fund, the scheme that Kenya Government had conceived in 2003 has been used to push over $100 million into the rural areas for its constituency based rural development projects. In his article posted to the internet on 13th Nov, 2006, Okungu (2006) observed that in a meeting of African leaders held in Banjul Hall on 30th June, 2006, African leaders including South African president Thabo Mbeki and Olusegun Obasanjo of Nigeria praised the Kenya’s CDF because they observed that it was the most effective way of equitably distributing national resources throughout the country from the treasury without biases.

In Kenya, the constituencies themselves, under the chairmanship of their elected members of parliament are required to manage the funds for the benefit of their respective electorate (CDF Act, 2003). Special committees in individual constituencies are formed. They write proposals suggesting projects that will benefit constituency, accompanied by the expected budget. The projects are analysed by a special team under the leadership of the MP of the constituency. Money is then allocated for the project that is a priority to pick off. The projects started vary from constituency to constituency and the needs of the constituents. Through this process, the central government has shifted the onus of regional development to the locals themselves.
The Government has established the CDF with the following objectives. To finance the
development projects, to distribute among districts (and therefore constituencies) funds
allocated to those projects and ensure these funds are equitably distributed to those
entities, to monitor the use of funds allocated to development projects in districts (hence
constituencies) and to serve as an intermediary between the districts (constituencies) and
the donors or agencies who specifically are involved in financing development projects in
these entities.

To achieve the above objectives, the government directly fund development projects in
every constituency to the tune of Kshs. 20 million a year with the sitting MP as the
overall boss. Because of the punitive measures that had been imposed on Kenyan
Government by donors countries, IMF and World Bank in 1990’s the NARC Government
had to reduce it’s reliance on donations. By the time year three budget of NARC
Government was read, donors were allocated a paltry 5% which even if they would not
honour would not have adversely affected government operations and development plans.
The government ahs trebled tax revenue in the country and this has made it possible for
the government to get funds for disbursement as CDF. But according to (KIPPRA, 2006)
this has been successfully and efficiently utilized in some constituencies. The following
constituencies have been rated amongst those that have utilized CDF efficiently. Bahari,
Lang’ata, Rarienda, Olkalou, Tetu. The following constituencies have been listed
amongst those that their constituents have complained over the efficient use of the CDF.
Alego Usonga, Embakasi, Nyeri town, Makadara, Sabatia. According to Daily Nation,
Thursday (23rd Aug 2007 pg 31, Nyeri Town CDF Management committee was sent
packing over Kshs. 26, 000, 000. An interim report by auditors from National
Management Committee of the CDF found that three illegal bank accounts had been
opened for three projects in Nyeri town constituency. Investigations had been prompted by the Nyeri District Residence Association which claimed that there were ghost’s project being funded by the fund. They had argued that these include two Primary Schools.

However according to (KTN, 21 Aug 2007), Bahari Constituency (Coast Province) was rated as having the best utilization of CDF and whose activities were visible. That up to then it had received about Ksh. 189,000,00. But the survey carried out towards the end of 2006 and whose report was released on 21st Aug, 2007 by transparency International, it was indicated that CDF office i.e Management Committees were worsening in corruption. The CDF office was ranked 8th most corrupt institution in Kenya after the Police force, transport licensing board, Public Universities, Immigration Department, Ministry of Public Works and Local Authorities (Daily Nation, 22nd Aug 2007 pg 1).

Ruto S (2007), observed that the Kenya Bureau of statistics data used to allocate the CDF illustrates wide regional disparities in poverty incidences, ranging from 31 percent in Central Province to 43 Percent in Nairobi, 47 Percent in Rift Valley, 57 Percent in Coast, 58 Percent in Eastern, 60 Percent in Western, 64 Percent in North Eastern and 64 Percent in Nyanza province. The difference in the rating of the constituencies in their performance in the efficient and efficacy use of CDF brought about the questions as to what factors may have influenced the efficient use of the CDF in the two categories of constituencies.

Statement of the problem.

The Constituency Development Fund which was established in Kenya through the CDF Act (2003) is one of the ingenious innovations of the NARC Government. While there are
several rules that govern the utilization of the fund (CDF Act, 2003) to ensure transparency and accountability, decisions over the utilization of the funds are primarily by the constituents. This has led to discrepancies in the utilization of the funds and the development amongst the constituencies. Thus in some constituencies the funds has been used efficiently while in other it has not. There has been a public outcry that the sitting MPs have appointed their relatives and cronies to the CDF management committees which has led to allocative inefficiencies and misuse of the fund. This study therefore investigates the factors that influence the efficient utilizations of CDF.

Objective of the Study

The main objective of this study was to establish the factors that influence the CDF efficiency. The efficiency of the CDF will be measured by evaluating the level of completion of the CDF project and the benefits accruing to the Tax payer from the CDF projects.

Specific objectives of the Study.

The study was based on the following specific objectives.

- To establish factors influencing efficiency and efficacy of CDF.
- To evaluate the use of CDF allocated to development projects in the constituency.

Research Questions

The following Research Questions were used in the study.

1. Are the finances disbursed by the Central Government to the constituencies through the CDF utilized to fund the intended development project?
2. How often are the constituents involved in CDF projects decision making at the constituency level?

3. What is the level of completion of the CDF established projects?

1.5 Significance of the Study.

1.5.1 Government

The Government in setting up the CDF aimed at enhancing development at the village level. The study is significant in assisting the Government to establish whether the CDF projects set have helped in developing the ordinary Kenyan and reduced the poverty levels.

In both the Wako draft (2005) and the Bomas draft (2005), Kenyans indicated that they needed the Decentralization of the National resources. The study acts as a bench mark for such a move. i.e. it is to help establish whether the National resources can be managed efficiently when decentralized to village level or centralized at National level.

1.5.2 National Management Committee

The study is significant in finding out whether the CDF finances were sufficient in meeting the needs of the set projects. This was revealed by establishing the level of completion of the CDF projects. This is to be a guideline in further allocations.

1.5.3 Constituents

This study was to assist the constituents in making the right choice of CDF projects according to their priorities and the funds received from the Central Government. This was to avoid situations where the constituents set up projects which couldn’t be completed by the funds available or which could not be a priority e.g. setting up a new Secondary School in the neighborhood of another when the students population could sufficiently be accommodated by the already existing Secondary School.
1.5.4 Members of Parliament

The study was to provide a benchmark to the members of Parliament to indicate to them activities which are likely to lead to inefficiency in the use of CDF and those which if undertaken will assist in improving the development level and reduce poverty levels in the constituencies.

1.5.5 Other Researchers

Knowledge is not an end in itself. Other researchers may be interested in finding the relationship between other variables related to the ones under study. This study was therefore to provide them with the prerequisite knowledge of their research activity.

1.6 Scope of the Study

The study was based in Sabatia constituency, Vihiga District. The study targeted the constituency Development Fund (CDF) projects carried out between the years 2003 and 2007. The study target to involve the Constituency Development Funds (CDF) Management Committees at constituency level, the CDF contractors’ and the school, church heads’ in the constituency. The study targeted only CDF funded projects i.e projects established by other funds e.g. Charity Sweepstake were not involved in this study. Sabatia constituency was sampled for this study because of its dense population. Sabatia constituency is one of the constituencies that form Vihiga District. Vihiga District is the most densely populated District in Kenya (with 886 people per square kilometer). The dense population was believed to be composed of people with varied socio economic characteristics. CDF was made to assist and alleviate poverty and improve development amongst people staying in the various constituencies. Such fund targeted the residents of constituency and not land mass. Thus, the CDF projects in Sabatia constituency could easily be pin pointed unlike where the population density was too low e.g. Mt Elgon.
constituency with 143 people per square kilometer (Appendix G). Also the researcher was a resident of Sabatia constituency. He sampled Sabatia constituency because he was directly affected with the use of CDF and the projects established under this fund.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The constituency development fund (CDF), which was established in Kenya through the constituency development fund Act of 2003 (The Kenya gazette supplement no. 107 (Act no.11) of 9th Jan, 2004, is one of the igneous innovations of the National Rainbow Coalition (NARC) Government of Kenya. While there are several rules that govern the utilization of the fund (CDF Act, 2003) to ensure transparency and accountability, decisions over the utilization of the funds are primarily by the constituencies.

Unlike other funds, from the Central Government (KIPPPRA. 2006 pg2) through large and more layers administrative organs and bureaucracies, the funds under these programmes go directly to local levels. In essence, the CDF provides individuals at the grassroots the opportunity to make expenditure decisions that maximize their welfare inline with their needs and preferences. To the extend that the local population is better informed about their priorities, the choices made can be expected to be aligned to their problems and circumstances. Thus the CDF can be considered a decentralized scheme that provides communities with the opportunity to make spending decisions that maximize social welfare.

Initially, CDF comprised an annual budgetary allocation equivalent to 2.5% of the Government’s ordinary revenue. A motion seeking to increase this allocation to 7.5% of Government’s revenue was recently not passed in parliament. 75% of the fund is allocated equally amongst all 210 constituencies. The remaining 25% is allocated as per constituency poverty levels. A maximum 10% of each constituency’s annual allocation may be used for an
education bursary scheme. CDF is managed through four committees, 2 of which are at the National level and 2 at the grass root level.

NATIONAL CDF ALLOCATIONS

Fig. 1:


According to the CDF Act, expenses for running constituency project offices should not exceed 3% of annual constituency allocations. Each constituency is required to keep aside 5% as an emergency reserve.

The CDF is not to be used to support political bodies/activities or personal award projects. A sitting MP is not a signatory to the CDF bank account but convenes the CDF committee in his/her constituency. The penalty for misappropriation of the funds (CDF) is a prison term of 5 years or Kshs. 200,000 fine or both.

Although the CDF takes relatively a small amount of national resources (2.5% of the Government’s ordinary revenue collected every year), its impact can be significant if the funds are efficiently utilized. Because the funds benefit the communities directly, it
stimulates local involvement in development projects and as a result constituents are expected to have more information about the projects funded under this programme. This is enhanced by regular commentaries in the media and reports by members of parliament on the status of the CDF projects. As a result of the involvement of communities in decision making and monitoring resource use, this research study predicts that programmes such as CDF would result in high levels of efficiency and that the selection of the projects would vary across constituencies in line with development priorities. These efficiency outcomes largely arise from the role that communities play in decision making and monitoring the use of funds.

However, constituencies are not created equally. Constituencies vary widely in various aspects that may impact on the efficiency of CDF. Some of these aspects includes: size of the constituency, population size, density and diversity, scope of economic activities degree of urbanization, levels of education, poverty and so on (See Appendix D).

Though these selected constituencies are categorized amongst the poorest in the republic, the level of poverty may not be the same because of the differences in population density. Thus such dimension as poverty, population density/dispersion and level of education are expected to impact on the project choices and the extent of prioritization because the transaction costs of implementing such an allocation scheme would be extremely high. Given the diversity of expressed demands for particular goods, project choices under CDF are expected to vary across constituencies as communities prioritize those projects that have the highest marginal impact on their lives within the budgetary constrains (Mwangi S. 2005). Citizens are able to align their demands with resource allocations. Thus, there should be significant variations in project consultations. An efficiency measures may be developed based on how close the CDF projects reflect expressed priorities (CDF Act, 2003). Such a measure would help identify whether CDF is generally associated with social welfare enhancing outcomes predicted by decentralizing theory.
However wide variations in the constituencies’ characteristics may impact on the choice of projects and the mode of delivery and may enhance or impede on the efficiency of utilization of CDF. Efficiency is primarily determined by the degree of involvement by local communities and also the capacity for the beneficiaries to hold politicians and those in charge of implementation of CDF accountable. Thus, constituency characteristics that impact on these factors can be expected to affect efficiency and efficacy in the utilization of CDF (Okungu, 2006).

Constituency characteristics that hinder participation of the beneficiaries or weaken their capacity to monitor the utilization of funds can be expected to lead to more inefficient outcomes. We expect to fund under divergences in the projects selected compared to expressed priorities and the participation of the communities in decision making several factors that may impact on CDF efficiency and efficacy include:

2.2 Conceptual Framework

Factors influencing the efficiency of CDF

- Size of constituency/ population density and dispersion
- Socio – economic characteristics/poverty and helplessness.
- CDFMC members/ use of the CDF
- Strategic choice of projects to internalize benefits.
- Constituents’ involvement.
- Perceived voting patterns/political Economy of CDF.

Efficiency and Efficacy of CDF

Dependant Variable

Independent Variables
Population Density:

It is observed that, If the population in the constituency is dense and the size of land mass is small then it may be expensive to run the CDF projects because acquisition of the land will be too expensive. Even if the land is found, it may be too small to accommodate a project to cater for the interest of many people. Even the choice of the projects undertaken may be a problem because of the divergence in the interests of the electorate. The dense population can be used as labour in developing the projects and this should improve the productivity of such an electorate.

Socio-economic characteristics

Similarity it is observed that, the higher the poverty index, in the constituency, the higher the level of helplessness and thus the electorate is likely to accept anything offered by the CDF management team. Because of such, the electorates view such CDF money as free. Such electorate may not be keen on the monitoring of such CDF projects. But if the poverty index is high and the electorate understands the objectives of CDF, they are likely to keep an eye and monitor the effective use of such CDF. This will consequently help them in reducing their poverty level.

CDFMC Members:

CDFMC members will influence the utilization of fund. If the management of such development projects is efficient and accountable, then CDF allocated to them will be used effectively. This will help in improving the lives of residents of the constituency. However, some CDFMC members utilize the CDF for their welfare without emphasizing the welfare of members and the residents of the constituency. This will lead to inefficient utilization of CDF and consequently will not help in improving the lives the constituents.
Strategic choice of projects:
Choice of CDF projects should be strategic in that, they should be completed within the funds available and within the shortest time for the benefit of the constituents. The constituents should participate in choosing the projects but not for the constituency management committee to impose the projects on the constituents. It is the constituents who should ensure that the project is suitable and thus they should accept what they know they can sustain or else the CDF projects will not succeed. This will affect the CDF efficiency and efficacy because of lack of monitoring by the constituents.

Perceived voting patterns:
Some myopic and visionless MPS have sought to punish clients perceived to be opposed to their leadership (Okungu, 2006). Such clients have been ostracized by the MPS and punished for lack of support in the last elections. As such, they have been excluded from all the development projects for their political leanings. Schools, roads, and health centres and any form of funding from the government have been diverted to clients more amenable to the sitting MP. This does not provide for equitable distribution of CDF and thus inefficient management of the fund. But some sitting MPs have accepted challenge from their political rivals. They have therefore allocated the CDF as per the regulation provided by the CDF Act. Such a move has resulted in positive change in the development of the constituency.

Constituents Involvement
The constituents should play a critical role in decision making because they are the beneficiaries of the projects and know well which projects are beneficial to them. These projects should be community based. Thus the constituents should be involved at all stages of project Implementing and should provide feedback on the use of the project.
2.3 Main Review

2.3.1 Size of constituencies/population density and dispersion.

Constituencies vary in respect to the size of the land mass, population density. All these characteristics are expected to influence the choice of projects and the mode of delivery. Some projects that could serve a large number of people in high density areas may not optimal where the population is widely dispersed. The result of such differences may be reflected in the scale of projects (few large dispensaries versus many few clinics). Likewise, a day secondary school could serve a large number of people in dense areas, such may not be ideal for low density areas where investing in a boarding school would be more ideal. Even though different communities prioritize provision of water, the mode of service delivery is expected to vary depending on the constituency characteristic in regard to population distribution. By developing measures of the characteristics of the population served by a particular CDF project it is possible to identify the extent to which the constituency characteristics influence the project choices efficiency in delivery of the chosen project.

2.3.2 Strategic choice of projects to internalize benefits:

From a theoretical stand point choice of projects is motivated by making sure that, benefits are internalized by members of the constituency CDF are to be more of the “club – goods” type as opposed to board public goods. Simply, there are projects that would have wide spread spillover benefits to communities in the constituencies. While such projects may have been ranked high amongst the priorities, they may not be selected because of the spillover benefits e.g. a road that passes through a number of constituencies.

In Urban centre where students from different constituencies can attend a particular primary school, there may be a tendency to avoid investing in school improvements because such
would export the benefits to other constituencies. Thus there may be a tendency to invest in projects whose benefits accrue generally to the resident’s e.g public toilets and service delivery like local security. A primary activity that would be undertaken is to establish rigorous measures of the extent to which different projects internalize benefits.

However, according to KIPPRA (2006), most of the potential beneficiaries or the residents are not aware of how the decentralized funds e.g. CDF, Local authority transfer fund (LATF), road maintenance (fuel levy) fund and so on are utilized. When the respondents were asked to indicate their awareness of the decentralized funds, most indicated that they were aware of free primary education fund. Similarly majority indicated that they did not know about the other funds e.g. CDF, LATF and how they were utilized, (See Appendix F). This is expected to influence the efficiency and efficacy of CDF.

It is clear that, while some funds enjoy a reasonable profile in the target districts, a great deal of publicity and information work is indicated, particularly for Local Authority Transfer Fund. This is of critical significance to the aims of the pilot programme, as awareness and information must by nature be a precursor to effective public participation. There were no significant variations between the different districts on the issue of awareness. Despite a large increase in the funds allocation for the last few years, respondents gave a poor rating of the impact of the funds. This study survey managed to raise awareness amongst the target populations.

2.3.3 Political Economy of CDF/Perceived Voting Patterns.

Unlike in pure fiscal decentralization which is characterized by both revenues and expenditures, CDF is a one sided fiscal decentralization scheme since expenditure are not linked to the local revenue sources of fiscal effort. Such partial decentralization can associate with fiscal illusion which minimizes the extend to which beneficiaries monitor the use of
funds. Beneficiaries consider the funds as ‘free” and thus are not motivated to monitor utilization of funds since they do not take into account the costs of the projects. Knowing the level of ignorance, poverty and helplessness, in their constituencies, some sitting MPS have for all practical purposes made cronies believe that this constituency money is their money given to them by the government to use as they see fit. Consequently, these MPS have formed all sorts of companies using their cronies, relatives, and friends to defraud the public of this fund. Harambees called by ordinary people have seen some local MPS writing personal cheques as their contribution only to swap them with CDF cheques a clear theft of public fund to gain popularity with the electorate (Okungu, 2006).

In other constituencies, Jerry Okungu, a political analyst, in his article titled,” The beauty and shame of Kenya’s CDF” observes that some area MPS are so incompetent that to date four years after the conception of CDF, have not managed to secure the release of funds from the treasury due to the inability to identify viable projects and write business proposal for funds to be released.

Thus, it is important to investigate the monitoring aspects associated with CDF and the degree to which constituency characteristics may influence fiscal illusion and hence inefficiencies in CDF.

2.3.4 CDFMC members participation:

The interest – group theory, of government suggests that well organized producer and consumer, interests often influence the spending choices of the government. The CDF is also subject to interest competition and that resources are likely to benefit well organized constituencies.

In survey carried out by KIPPRA in 2006 in which respondents were asked to rate their participation in relation to different kinds of involvement in the management of decentralized
funds, it was found that while 32.8% of them were involved to the extent of receiving information or listening and attending meetings to discuss specific issues, less than 5% were involved in decision making or in the setting of the development agendas for their areas (See Appendix F).

It is therefore important that an evaluation of CDF efficiency involve investigation of the extent to which the projects reflect the competition amongst local interests. This will require a detailed understanding of the various constituents that are well organized and are capable of capturing rents arising from the CDF. Very relevant is an understanding of the role of various constituents in the selection of the projects.

2.3.5 Diversity of preferences/socio – economic characteristics.

The theory of decentralization, teaches that the heterogeneity of preferences, is a key determinant of the efficiency of public goods provision. The utilization of CDF is also expected to be influenced by the degree of diversity. There are many parameters that capture the heterogeneity of a community including income, economic activities, education and many others. Diversity is expected to influence scope of project choices. In homogenous communities, projects could be few but much larger in scope. Community involvement is also much higher in more homogeneous other things equal. Much more heterogeneous communities are likely to select many diverse projects to cater for the diversity of preferences.

Socioeconomic characteristics of a constituency facilitate community participation. Key factors are those that impact on social capital. The average level of education in a constituency is expected to influence the involvement of the community and also the extent to which they are able to monitor the utilization of funds. CDF will be more in line with priorities in areas where the average level of education is higher. Also religion may influence the choice of projects and cohesiveness of a community.
2.4 Critical Review of Major Issue.

The major issue is the efficiency in use of decentralized funds. The Government has undertaken a good project of letting the constituents and other citizens decide their destiny in development by decentralizing the funds e.g. through LATF and CDF. Therefore, it is worthwhile finding out whether there is any change in the live hoods of the constituents. It is also possible that once the funds reach the constituency level then they are not use for intended purposes and therefore not benefiting the constituents and the government.

2.5 Summary and Gaps to be filled.

There is a gap in that funds are decentralized by the Central Government to the constituency but then how is the efficiency of these funds monitored? Are the projects completed on time and do they benefit the constituents? In the identifying the projects they require and assist in implementation? All these questions once answered will have filled the gap in the study.
CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter expounds on the research design, target population, the sample and sampling procedures, data collection and analysis procedures.

3.2 Research Design

This study was conducted through survey. The study was concerned with the factors that influenced the efficiency and efficacy of CDF. It was specifically intended to investigate how these factors influenced the effectiveness in the use of CDF. Such issues are best investigated through surveying (Mugenda, 1999). Survey research design generally entails the use of sample population to analyze and discover occurrences or events. It is suitable for extensive research and provides the ability to understand populations from part of it (Krathwohl, 1988). For purposes of this study, then survey design provided quantitative and numeric descriptions of the sample population. The design suffered from lack of cooperation, lack of disclosure of contractors’ secrets and inability to reach some CDFMC members.

3.3 Target Population

The study targeted the CDF management committee in Sabatia Constituency, Vihiga District. This is because they are directly involved in implementation of the CDF project and disburse the CDF to the various projects in the constituency. There are 100 Church organizations and the 250 Government Primary and Secondary Schools are also targeted. The contractors of CDF funded projects are also targeted to provide information as to how tendering was done, how they are paid for the projects they have completed and the approximate amount of
money they have been paid for the work completed. A presumption made is that the
constituency is composed of people of different socio economic characteristics.

3.4 Sample and Sampling method
Gay (1981) in his correlational studies indicated that a sample of 30 or more items or 5% of
the target population is necessary for any research study. The sample consisted of 50% of
Church Organization, 50% of the Government run schools, 50% of contractors and 50% of
CDFMC. The respondents were the leader or head of a church organization and the head
teacher of a government run school. The 190 respondents were taken for a fair representative
of the constituents of Sabatia constituency. Sabatia Constituency was divided into eight
locations. North Maragoli, Wodanga, Busali East, Busali West, Lyaduywa, Ezava North and
Chavakali. 50% of the CDF projects established in the 50% of the locations were sampled.
Both the 50% of the CDF projects established and the 50% of the locations were sampled
randomly. Each of the four locations represented a cluster from which a quarter of the
respondents for the study were selected. Thus after sampling the locations using schools from
each location sampled were identified for the study. Similarly, a quarter of the Church
organization were sampled randomly from each of the four location sampled for the study.
However, 50% of CDFMC and 50% of contractors were randomly sampled for the study.

Table 3.0: Derivation of the sample population

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDF Management committee</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>10</td>
<td>$1 \times 5 = 5$</td>
</tr>
<tr>
<td>Church</td>
<td>100</td>
<td>$1 \times 50 = 50$</td>
</tr>
<tr>
<td>Organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government schools</td>
<td>250</td>
<td>$1 \times 125 = 125$</td>
</tr>
</tbody>
</table>
50% of the contractors and the entire CDFMC of Sabatia constituency were targeted. The study employed cluster random sampling and convenience sampling techniques to select the respondents for the church organizations, Government schools, contractors and CDFMC member of clusters. Convenience sampling is a technique which groups the population into a number of clusters. Convenience sampling is a technique that is applied where a group of individuals who are conveniently available for the study are selected from the population.

3.5 Data Collection Instruments.

Three questionnaires were developed to facilitate the research study. The questionnaires contained both open and closed ended questions. The questionnaires sought information about factors that influenced the efficiency and efficacy of CDF. The questionnaire also elicited information on possible remedies, to ensure that the CDF projects were fulfilling their intended purposes, job creation, self sustenance, poverty reduction, rural-urban migration reduction and rural development. Interviews and observations by the researcher were also used for data collection. The choice of these tools of data collection was guided by the time available and the objectives of the study. Such information was best collected using the questionnaire and interview techniques (Sekara, 2003).

3.6 Validity

To ensure that the questionnaires were valid, they were pilot tested on three officials of each school, members of the church organization, one contractor and one CDF management committee official. Respondents used in the pilot test were not included in the actual sample for the study.

3.7 Data Collection Procedures

The researcher approached the Vihiga District CDF management committee members in order to get permission to approach the Sabatia Constituency CDF personnel. The Sabatia
Constituency CDF personnel then were requested to fill in the questionnaires as respondents. For the church organizations and government run schools the researcher will approach the assistant chief of the area under the study who assisted him in linking him to the required respondents. The researcher then administered the questionnaires. The constituency CDFMC members were interviewed where the questionnaire was not the best tool to gather the required data.

3.8 Data Analysis Procedure

Data was analysed using both qualitative and quantitative procedures. The researcher categorized the data into homogeneous groups and summarized quantitative information into tables and percentages. Qualitative data was consolidated and narrative report used to depict respondents’ views about the factors that influenced the efficiency and efficacy of CDF. The data was presented using tables and percentages.
CHAPTER FOUR

4.0 DATA ANALYSIS AND PRESENTATION OF RESULTS.

4.1 Introduction to Data Analysis.

The chapter deals with data analysis and presentation of results. The purpose was to analyze data and present the results of the factors influencing the efficiency and efficacy of Kenya’s CDF: A case of Sabatia Constituency.

4.2 Questionnaire Return Rate

The government schools and church organizations heads’ questionnaire was the main instrument while the CDFM members and the contractors were used to support the government and church organizations heads’. The number of questionnaires issued and returned by the various categories of respondents and rate of return of the questionnaires was as per Table 4.0 below.

Table 4.0: Questionnaire return rate.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>No. of Questionnaires Issued</th>
<th>No. of Questionnaires returned dully filled</th>
<th>Percentage return rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Schools</td>
<td>125</td>
<td>91</td>
<td>72.8%</td>
</tr>
<tr>
<td>Church Organization</td>
<td>50</td>
<td>34</td>
<td>68.0%</td>
</tr>
<tr>
<td>CDFMC</td>
<td>8</td>
<td>4</td>
<td>50.0%</td>
</tr>
<tr>
<td>Contractors</td>
<td>4</td>
<td>2</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>187</strong></td>
<td><strong>131</strong></td>
<td><strong>70.0%</strong></td>
</tr>
</tbody>
</table>
Overall, the return rate was 70.0% which was considered to be adequate because a return rate above 50 Percent is considered a good response when using the questionnaire as an instrument of data collection (Peil, 1995).

4.3 Information Requested from Various Respondents.

Government schools heads, church heads and other public utilities heads were requested to provide information concerning their awareness of CDF, their involvement in deciding which project to be funded by CDF, the number of projects they’ve seen started in their organizations and whether the projects were completed or not, if the projects completed are useful to the constituents, whether they were involved in selecting members of the constituency CDF and to comment on how the efficiency of CDF funds in their constituency could be enhanced.

CDFMC members’ were requested to provide information concerning the position they held in the CDF committee, their level of education, their involvement in making decisions as to which projects to be funded by CDF, reasons for non-funding of some CDF proposed projects, kind of projects they preferred, whether the projects funded were complete, and if complete, how useful they were to the constituents, reasons for non-completion of some CDF funded projects, ways the committee gets feedback from the community on the proposed and the implemented projects, the criterion that was used to have them on the CDF committee, the number of NGO’s and youth group that applied and the number that was funded, the person or company that evaluates or monitors the quality of work done and comment on what could be done to enhance the efficiency and efficacy of CDF in the constituency.
The contractors' were requested to provide information on the number of CDF projects they had been awarded to construct in the constituency by CDFMC since 2003 – 2004 financial year, whether they had completed the projects and if not, the level of completion they had reached, an estimate of the amount spent on undertaking the projects, criterion used to award them the contracts, ways they used to monitor or evaluate, the quality of work they did, how they sourced their manpower for labour intensive projects and comment on ways the CDFMC could improve on CDF efficiency and efficacy.

Table 4.1: Number of Head Teachers Aware of CDF

<table>
<thead>
<tr>
<th>Izava South</th>
<th>Busali West</th>
<th>North Maragoli</th>
<th>Wodanga</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware</td>
<td>21</td>
<td>19</td>
<td>19</td>
<td>32</td>
<td>91</td>
</tr>
<tr>
<td>Not Aware</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>19</td>
<td>19</td>
<td>32</td>
<td>91</td>
</tr>
<tr>
<td>Percentage awareness</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage not aware</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Results from the study indicated that most of the respondents (head teachers) in Sabatia constituency were aware of CDF (100%). This indicated that the constituents were available for involvement in CDF development projects.

Table 4.2: Awareness level of church heads about CDF

<table>
<thead>
<tr>
<th>Izava South</th>
<th>Busali West</th>
<th>North Maragoli</th>
<th>Wodanga</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>34</td>
</tr>
<tr>
<td>Not Aware</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>10</td>
<td>9</td>
<td>7</td>
<td>34</td>
</tr>
<tr>
<td>Percentage awareness</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage not aware</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
Table 4.3: Involvement of school heads in decision making as to projects preferred for funding by CDFMC.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NUMBER</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Involved</td>
<td>Not Involved</td>
</tr>
<tr>
<td>Izava South</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Busali West</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Wodanga</td>
<td>17</td>
<td>15</td>
</tr>
</tbody>
</table>

From the above table 4.3, it can be deduced that apart from Wadonga location, school heads in the other location had very little involvement in decision making as to the preferred projects to be funded by CDFMC. Only 35.2% of the 91 respondents were involved in deciding which Projects were preferred for funding by the CDFMC.

Table 4.4: Involvement of church heads in decision making as to the project to be funded by CDFMC.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>NUMBER</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Involved</td>
<td>Not Involved</td>
</tr>
<tr>
<td>Izava South</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Busali West</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Wodanga</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>32</td>
</tr>
<tr>
<td>Percentage</td>
<td>5.9</td>
<td>94.1</td>
</tr>
</tbody>
</table>
The table 4.4 shows that majority of church heads (94.1) were not involved in deciding the projects to be funded. It can also be deduced from the table 4.4 that in all the locations the involvement of Church heads was below 15%.

Table 4.5: Number of projects funded in the various locations in the constituency and amount spent upto end of 2006/7 financial year (data from secondary sources).

<table>
<thead>
<tr>
<th>Location</th>
<th>Administrative office</th>
<th>Schools</th>
<th>Public utilities</th>
<th>Churches</th>
<th>Roads</th>
<th>Bridges</th>
<th>Cattle dip</th>
<th>Water Spring</th>
<th>Total Amount (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Izava South</td>
<td>1</td>
<td>15</td>
<td>6</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>11,962,083</td>
</tr>
<tr>
<td>Busali West</td>
<td>1</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>6,896,908</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>1</td>
<td>18</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>5,540,920</td>
</tr>
<tr>
<td>Wadanga</td>
<td>0</td>
<td>17</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>8,727,785</td>
</tr>
</tbody>
</table>

Source: Sabatia constituency CDF location allocations report for 2003/07 financial years.

All the four members of CDFMC who returned their questionnaires dully filled indicated that they were involved in decision making as to the projects preferred to be chosen and implemented. However, they noted that some projects could not be found because:

The constituency was huge and the funds allocated inadequate, some projects didn’t have accurate quotation and some projects were individual and not community based. They also indicated that preference was given to education, health, water and preference was given to education, health, water and provincial administration projects. But they appreciated that those completed were very useful in the constituents. 50% of the contractors indicated that they had completed more than 67% of schedule, majorly, because of inadequate funds, mismanaged funds and poor workmanship.
Table 4.6: Number of projects funded upto the end of the 2006/7 financial year (data from Primary source)

<table>
<thead>
<tr>
<th>Location</th>
<th>Administrative office</th>
<th>Schools</th>
<th>Public utilities</th>
<th>Churches</th>
<th>Roads</th>
<th>Bridges</th>
<th>Cattle dip</th>
<th>Water Spring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Izava South</td>
<td>1</td>
<td>13</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Busali West</td>
<td>1</td>
<td>13</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>0</td>
<td>17</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Wadanga</td>
<td>0</td>
<td>17</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>60</td>
<td>14</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Public utilities include self-help groups, dispensaries, fishponds, electricity and football kit projects. The table 4.6 shows that mostly schools were funded. Table 4.5 presents data that was gotten from Sabatia CDF office (report) while Table 4.6 present data from the field. Notice that while in table 4.5 the number of schools funded in Izava South, Busali West, North Maragoli and Wadanga were 15, 12, 18 and 17 respectively table 4.6 shows that the schools funded in these locations in that order were 13, 13, 17 and 17. This discrepancy was not accounted for by the CDFMC.

Table 4.7: The number of NGO and youth groups that applied for the CDF and number of projects that were funded according to the CDFMC.

<table>
<thead>
<tr>
<th>Respondent Number</th>
<th>Number applied NGO</th>
<th>Number applied Youth Groups</th>
<th>Number Funded NGO</th>
<th>Number Funded Youth Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Above 10</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>10</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>Above 4</td>
<td>-</td>
<td>4</td>
</tr>
</tbody>
</table>
Criteria for funding were that the projects were to be community and not individual based, quotation was to be accurate and realistic and able to assist solve community problems.

From the table 4.7 above, it can be deduced that many youth groups and NGO’s applied for funding but a few were funded. The CDFMC members noted that most youth and NGO projects funded failed because of Bad weather e.g. mushroom project and poor management.

Table 4.8: The completeness of the CDF funded projects.

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of on-going projects</th>
<th>No. of complete Projects</th>
<th>Total no. of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Izava South</td>
<td>22</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>Busali West</td>
<td>12</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>18</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>Wodanga</td>
<td>21</td>
<td>11</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
<td>31</td>
<td>104</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>70.2</td>
<td>29.8</td>
<td>100</td>
</tr>
</tbody>
</table>

From table 4.8, it is evident that most projects were incomplete (70.2%). Though from table 4.5 it can be revealed that Izava south location received the highest CDF funding table 4.8 shows it has the highest number of projects that are incomplete. This could be attributed to the fact that most of the projects required a lot of funding which exceeded the amount allocated or mismanagement of the funds.
Table 4.9: Number of projects actually seen started by the respondents in their organizations, their completeness and usefulness of the complete projects.

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of projects actually seen started in their organizations</th>
<th>Are projects Completed?</th>
<th>Usefulness of projects Completed.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Over 5 (several)</td>
<td>none</td>
<td>1</td>
</tr>
<tr>
<td>Izava South</td>
<td>2</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Busali West</td>
<td>1</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>4</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Wodanga</td>
<td>11</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Percentage</td>
<td>21.2%</td>
<td>12.9%</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

From the table 4.9 above, most projects funded were not completed (74.7%). This is in agreement with table 4.8 which shows that the number of on-going projects stood at 70.2%.

Table 4.10: Amount, approximately, disbursed to the CDF projects.

<table>
<thead>
<tr>
<th>Amount (Kshs)</th>
<th>Location</th>
<th>Izava South</th>
<th>Busali West</th>
<th>North Maragoli</th>
<th>Wodanga</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 50,000</td>
<td></td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>50,001 - 150,000</td>
<td></td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>36</td>
</tr>
<tr>
<td>150,001 - 300,000</td>
<td></td>
<td>13</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Over 300,000</td>
<td></td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>7</td>
<td>25</td>
</tr>
</tbody>
</table>
The table 4.10 shows that most projects received Kshs. 50001 – 150,000. This amount may not have been adequate and this could be the reason behind the high percentage of incomplete projects (Table 4.8 and 4.9).

**Table 4.11: The Involvement of school heads in selecting members of CDFMC.**

<table>
<thead>
<tr>
<th>Location</th>
<th>Involved in selecting CDFMC members</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No.</td>
</tr>
<tr>
<td>Izava South</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Busali West</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Wodanga</td>
<td>1</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>88</td>
</tr>
<tr>
<td>Percentage</td>
<td>2.2%</td>
<td>97.3%</td>
</tr>
</tbody>
</table>

From the table 4.11 above, it can be deduced that majority (97.8%) of the school heads were not involved in constituting the CDFMC.

**Table 4.12: Opinions of school heads on who selected CDFMC.**

<table>
<thead>
<tr>
<th>Location</th>
<th>Who selected CDFMC?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sitting area MP</td>
<td>Not aware</td>
</tr>
<tr>
<td>Izava South</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>Busali West</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Wodanga</td>
<td>31</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>7</td>
</tr>
<tr>
<td>Percentage</td>
<td>90%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

31
It can be deduced from the table 4.12 above that most respondents 90% felt it was the sitting MP who constituted the CDFMC. A small percentage (7.8% was not aware of how the CDFMC was constituted while 2.2% had been involved in constituting the CDFMC.

Table 4.13: Involvement of church heads in selecting CDFMC.

<table>
<thead>
<tr>
<th>Location</th>
<th>Involved in selecting CDFMC members?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Izava South</td>
<td>0</td>
</tr>
<tr>
<td>Busali West</td>
<td>0</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>0</td>
</tr>
<tr>
<td>Wodanga</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
<tr>
<td>Percentage</td>
<td>0%</td>
</tr>
</tbody>
</table>

From the Table 4.13 above, it can be deduced that most church heads (100%) were not involved in selecting the CDFMC.

Table 4.14: Opinion of church heads on who constituted CDFMC.

<table>
<thead>
<tr>
<th>Location</th>
<th>Who selected CDFMC?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sitting area MP</td>
</tr>
<tr>
<td>Izava South</td>
<td>8</td>
</tr>
<tr>
<td>Busali West</td>
<td>8</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>8</td>
</tr>
<tr>
<td>Wodanga</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
</tr>
<tr>
<td>Percentage</td>
<td>91.2%</td>
</tr>
</tbody>
</table>
From the table 4.14 above, it can be deduced that most (91.2%) church heads felt it was the sitting MP that constituted the CDFMC. However, only 8.8% were not aware of how the CDFMC was constituted.

Table 4.15: Schools heads opinions about efficiency and efficacy in use of CDF.

<table>
<thead>
<tr>
<th>Location</th>
<th>Are CDF funds used efficiently?</th>
<th>Heads of Schools involvement</th>
<th>Opinions</th>
<th>Project monitoring and evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Lacking</td>
<td>Adequate</td>
</tr>
<tr>
<td>Izava South</td>
<td>4</td>
<td>15</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Busali West</td>
<td>1</td>
<td>17</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>6</td>
<td>13</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Wodanga</td>
<td>3</td>
<td>20</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>65</td>
<td>72</td>
<td>22</td>
</tr>
<tr>
<td>Percent (%)</td>
<td>19.8%</td>
<td>80.2%</td>
<td>76.6%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

From the table 4.15 above, it can deduced that most heads’ (80.2%) felt that the fund was not utilized efficiently. This was also reflected in the reasons they gave for non-completion of the CDF projects. Most (76.6%) of the heads’ felt they were not involved in the utilization of the fund (see table 5.1) 92.4% and 93.7% of the heads’ observed that lack of transparency in the use of the fund and lack of adequate project monitoring and evaluation respectively also contributed to inefficiency. out of 4 i.e. 75% of CDFMC members who responded on how they obtained feedback from the constituents on the proposed and the implemented projects indicated that mostly they obtained this from the provincial administration (e.g. through the Chief’s Baraza), a project implementation committees’ and reports from the members of the public. They also indicated that monitoring and evaluation was done by the CDF monitoring
committee and the National Management Committee, officers from the ministers to which the projects are allied e.g. road construction projects are allied to the Ministry of Roads and Public Works and technical officers from the government ministries e.g. district architect and the District quantity surveyors.

Table 4.16: Church heads opinion about efficiency and efficacy in use of CDF funds.

<table>
<thead>
<tr>
<th>Location</th>
<th>Are CDF funds used efficiently?</th>
<th>Heads of Church involvement</th>
<th>Transparency</th>
<th>Project monitoring and evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Lacking</td>
<td>Adequate</td>
</tr>
<tr>
<td>Izava South</td>
<td>0</td>
<td>8</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Busali West</td>
<td>0</td>
<td>10</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>0</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Wodanga</td>
<td>0</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>34</td>
<td>29</td>
<td>5</td>
</tr>
<tr>
<td>Percent (%)</td>
<td>0%</td>
<td>100%</td>
<td>85.30%</td>
<td>14.70%</td>
</tr>
</tbody>
</table>

The table 4.16 shows that most church heads' (100%) felt the CDF was not used efficiently. Majority (85.3%) felt that this was due to lack of constituents' involvement in CDF matters. 97.1% felt there was no transparency in CDF management 91.2% felt the projects were not well monitored and evaluated.

The four members of the CDFMC who included the youth representative (member), secretary, treasurer and another member indicated that their educational and professional training was as per the table 4.17 below.

4.17 Educational level of CDFMC member.
Educational qualification Frequency

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>0</td>
</tr>
<tr>
<td>A-level</td>
<td>0</td>
</tr>
<tr>
<td>0 - Level</td>
<td>4</td>
</tr>
<tr>
<td>Primary level</td>
<td>0</td>
</tr>
</tbody>
</table>

Any other professional training for the officials or members of the CDFMC was limited only one official had training in provincial administration.

Table 4.18: Schools and church heads’ comments on measures to enhance efficiency and efficacy in CDF disbursed to projects.

<table>
<thead>
<tr>
<th>Location</th>
<th>Involve constituents fully in selection of CDFMC</th>
<th>Train the CDFMC members on fund utilization.</th>
<th>Involve professional in management of CDF at Constituency level</th>
<th>Projects monitoring and evaluation be done by independent body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Izava South</td>
<td>16</td>
<td>7</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Busali West</td>
<td>10</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>North Maragoli</td>
<td>9</td>
<td>12</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Wodanga</td>
<td>13</td>
<td>14</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>41</td>
<td>36</td>
<td>37</td>
</tr>
</tbody>
</table>

Percent (%)

<table>
<thead>
<tr>
<th>Involve constituents fully in selection of CDFMC</th>
<th>29.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Train the CDFMC members on fund utilization.</td>
<td>25.3%</td>
</tr>
<tr>
<td>Involve professional in management of CDF at Constituency level</td>
<td>22.2%</td>
</tr>
<tr>
<td>Projects monitoring and evaluation be done by independent body</td>
<td>22.8%</td>
</tr>
</tbody>
</table>

From the table 4.18 above, it can be deduced that majority of the heads observed that constituents should be involved fully in the utilization of the fund. Few (22.2%) observed that professionals be used in management of the fund at constituency level. A slightly larger percentage (25.3%) observed that the CDFMC members be trained on fund utilization. 22.8% indicated that the projects monitoring and evaluation be done by an independent body.
75% of the management committee members indicated that to improve on efficiency and efficacy of CDF in the constituency, the following measures be taken:

(i) Increase the amount allocated to the CDF kitty nationally, similarly, at constituency level, the members observed that the amount allocated to the various projects should be such that it is adequate to see the project through to completion.

(ii) Avoid politics in the fund management. The fund should have its independent managers i.e the government should employ CDF managers in every district and they be answerable to another person other than the area MP.

(iii) Ensure the managers of CDF at all levels have adequate knowledge and trainings in financial management, project planning, implementation, evaluation and appraisal.

(iv) Ensure that there is full participation of the constituents in decision making and project choice.

To enhance efficiency, the church heads observed that the CDF managers or officials should be knowledgeable and trained in financial management, project planning, monitoring, evaluation and implementation. They felt that the fund by the government be increased from the 2.5% of GDP.

On source of labour for the labour intensive projects, the contractors indicated that they majorly used the youth who hailed from the areas in which the projects were being implemented. The contractors observed this was in line with the objective of the government to increase employment opportunities for the youth.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The purpose of the study was to investigate the factors that influence the efficiency and efficacy of CDF. A case study of Sabatia constituency. The study attempted to answer the following research questions:

i. Are the finances disbursed by the central government to the constituencies through the CDF utilized to find the intended development projects in the constituencies?

ii. How often are the constituents involved in CDF projects decision making at constituencies?

iii. What is the level of completion of the CDF established projects?

To answer the above questions, three questionnaires were used, one for the church and government schools heads, one for CDFMC members and one for project contractors.

Each questionnaire required one to give information on their involvement in CDF utilization, factors influencing CDF use and efficiency, measures to enhance efficiency and completeness of the projects funded.

5.2 Findings of the study

Government schools and church heads observed that they were not involved in selecting the CDFMC and this provided for political manipulation of the committee. Because of this, the head felt they rarely had input in the projects choice, implementation, monitoring and evaluation. They also noted that the CDFMC members were not transparent and accountable because they only reported to the sitting MP (see table 4.5). They observed that to enhance efficiency in CDF management, the members of CDFMC should be knowledgeable and have adequate financial training. They also observed that most of the CDF funded projects were
incomplete and that finding should be such that it is adequate to complete the project, delink the MPs from the fund and have independent managers of the fund.

The CDFMC members observed that majority of the funded projects were still ongoing (see tables 4.8, 4.15 and 4.16) and thus there was need to increase the amount allocated to the national CDF committee so that allocations to the constituencies could be increased. They also noted that the CDF should have its own independent managers delinked from the area MPs. They also felt that managers of CDF should have adequate knowledge and training in fund management. They also called for full participation of the constituents e.g. by electing those who should be members of the CDFMC. They also cited lack of effective monitoring and evaluation hence poor workmanship.

The CDF project contractors observed that the funds were not adequate and that the fund should be increased to ensure the projects funded were completed on time. They also observed that most projects funded were still on going because of inadequate funding. Furthermore, most interest groups (i.e. NGO’s and church organizations) were not involved in decision making on project choice and appraisal (see tables 4.6 and 4.7)

5.3 Conclusions

From the study findings it has been found that school and church heads felt political economy of CDF affected efficiency of CDF because the sitting MP would constitute a CDFMC full of his cronies even if they lacked the necessary credentials.

The CDFMC members observed that most interest groups that were organized e.g youth groups and NGOs were not funded and those that were funded had problems in implementing their projects because of mismanagement of the funds and bad weather. They also observed that strategic choice of projects, population dispersion and diversity of preferences affected
the efficiency of CDF. They felt that this was the reason for non completion of most projects because some projects chosen were too big that the amount allocated could not be adequate. The contractors observed that the amount set aside for the fund should be increase so that it could assist in completion of the projects.

5.4 Recommendations

In order to enhance the efficiency and efficacy of CDF in Sabatia constituency there is need to implement the following measures:

i. The government needs to employ independent managers of the CDF and delink its management from the MPs. By so doing, the fund will be managed by already qualified personnel and costs on training such personnel may be reduced.

ii. The government needs to involve the constituents in matters concerning the CDF e.g. the members of CDFMC should be vetted vigorously or election be carried out to elect those potential officials.

iii. There is need to increase the amount allocated to the CDF. The government through parliament should increase the fund from the 2.5% of GDP. Projects should be implemented after being sure that the amount allocated for the project will be adequate to complete it.

iv. Lastly, the government should ensure there is adequate monitoring and evaluation of the projects to avoid situations where projects are completed with poor workmanship.

5.5 Suggestions for further research.

On the basis of the findings of this study, the researcher recommends the following for further research.

1. The study can be replicated to a larger sample of school and church heads, contractors and CDFMC members in the district or in the country to see if similar results will be attained.
2. A study can be done to investigate whether the other four locations that were not sampled for this study experienced similar inefficiencies in CDF because of the factors studied.

3. A study can be done to establish the contribution of the constituents to the efficiency and efficacy of CDF.
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Ministry of Finance, (Kenya), Circular on Implementation of Constituencies Development Fund Projects (AG/16/06/vo/viii(2)).


Nyambuti. J. (2005); Factors influencing the performance in Kenya certificate of Primary education (K.C.P.E); case study of Nyamaiya division.


This is to confirm that the above named is a student undertaking Master of Business Administration, in the Department of Business Administration, School of Business, Kenyatta University. The student would like to get information from your institution. The information will be used for education purposes only.

Any assistance you may accord him will be highly appreciated.

Thank you.

MR. D. K. NGABA
CHAIRMAN, DEPT. OF BUSINESS ADMINISTRATION

Committed to Creativity, Excellence & Self-Reliance
APPENDIX B

FACTORS INFLUENCING THE EFFICIENCY AND EFFICACY OF CDF: A CASE STUDY OF SABATIA CONSTITUENCY.

CHURCH AND SCHOOL HEADS QUESTIONNAIRE.

The purpose of this questionnaire is to help collect data for an MBA project in Kenyatta University. All responses will be treated as confidential.

Designation.................................................................

Respondent

Please answer the following by placing a tick ( ) where necessary in the spaces provided.

1. (i) In which organization are you?
   A. Church organization
   B. Government schools
   C. Any other

(ii) If any, specify

2 (a) Are you aware of CDF?
   (i) Yes    (ii) No

(b) If Yes, who informed you of it?

3. If yes in 2(a) above, are you involved, in any way, in deciding which projects to be funded by CDF?
   (i) Yes    (ii) No

If yes, what criterion is used to select the project to fund?

4(a) How many projects have you seen started in your organization by the CDF?

(b) Are the projects completed?
   (i) Yes    (ii) No
(c) For projects that have been completed, how useful are they to the constituents?

A. Very useful
B. Useful
C. Not useful

2. Approximately, how much was disbursed to your organization to finance the CDF projects in Kshs?

A. 0 – 50,000
B. 50,001 – 150,000
C. 150,001 – 300,000
D. Over 300,000

6a Were you involved in selecting members of the constituency CDF management committee?

(i) Yes  (ii) No

(b) If yes, what management characteristics did you find in the person you selected/

(c) If No, who selected the constituency CDF management committee members?

7. Do you think the CDF is used efficiently in your village?

(i) Yes  (ii) No

Comment:

8. How useful do you think the CDF project started by your organization above is useful to the residents of the area within which it is situated?
9. What do you think will assist in ensuring that the CDF disbursed to your organization is efficiently utilized?

Comment:

THANK YOU VERY MUCH FOR YOUR CO-OPERATION
APPENDIX C

FACTORS INFLUENCING THE EFFICIENCY AND EFFICACY OF CDF:
A CASE STUDY OF SABATIA CONSTITUENCY.

CONSTITUENCY CDF MANAGEMENT COMMITTEE QUESTIONNAIRE.

The purpose of this questionnaire is to help collect data for an MBA project in Kenyatta University. All responses will be treated as confidential.

Designation.................................................................

Respondent no.............................................................

Please answer the following questions by placing a tick ( ) where necessary in the spaces provided.

1. What position do you hold in the CDF management committee?

2. (i) What is your level of education?
   A. University
   B. A-Level
   C. O-Level
   D. Primary Level

   (ii) Which other professional training do you have?

3 (a) Are you directly involved in making decisions as to which projects are to be funded by CDF?
   (i) Yes (ii) No
4. What are the reasons for non-funding of some CDF proposed projects?

5. (i) What kind of projects does the committee give preferences to?
   (a) ________________
   (b) ________________
   (c) ________________
   (d) ________________

(ii) Are the projects above completed?
   (a) Yes [ ]
   (b) No. [ ]

(iii) If yes, how useful are those CDF projects that have completed.
   (a) Very useful [ ]
   (b) Useful [ ]
   (c) Not useful [ ]

(iv) If No, what is the course of not completing the projects?

6. How does the committee get feedback from the community on the proposed and the implemented project?
   (e) ________________
   (f) ________________
   (g) ________________
7. What criterion was used to have you on the CDF constituency committee?

8(a) How many NGOs and self help groups applied for financing from the constituency CDF kitty to establish projects for the welfare of the constituents?

(i) NGOs

(ii) Self – Help groups

(b) How many of these NGOs and self help groups were funded from the constituency development fund kitty?

(i) NGOs

(ii) Self – Help groups

(c) What criteria was used to select the NGOs or self help groups that could be funded?

Comment:

9(a) Who evaluates or monitors the quality and quantity of work done?

(b) How does he/she evaluate the quality of work done e.g. mixing the ingredients in construction of a building like a classroom in a school?

10. In your opinion what do you think can be done to improve on the efficiency and efficacy of CDF in your constituency?

THANK YOU VERY MUCH FOR YOUR CO-OPERATION.
APPENDIX D

FACTORS INFLUENCING THE EFFICIENCY AND EFFICACY OF CDF:
A CASE STUDY OF SABATIA CONSTITUENCY.

CDF PROJECT CONTRACTORS’ QUESTIONNAIRE.

The purpose of this questionnaire is to help collect data for an MBA project in Kenyatta University. All responses will be treated as confidential.

Designation………………………………………………………………………………

Respondent no…………………………………………………………

Please answer the following questions by placing a tick (  ) where necessary in the spaces provided.

1. How many contracts have you been awarded by the Sabatia constituency CDF Management Committee since 2003 – 2004 financial year?

   a. 0 – 5
   b. 6 -10
   c. 11 – 15
   d. Over 15

2(a) Which project are you working on?

   ________________________________________________

(b) In which location of Sabatia constituency is it situated?

   ________________________________________________

3(a) Have you completed the CDF project assigned to you?

   (i) Yes (ii) No
(b) In which financial year was the project commissioned?

(i) 2003 - 2004

(ii) 2004 - 2005

(iii) 2005 - 2006

(iv) 2006 - 2007

(c) Specify the date of completion of the CDF project

(e) If No in 3(a) above, what percentage of work have you completed?

4(i) Approximately, how much has been spent in undertaking this CDF projects?

A 1 - 500,000

B 500,001 - 100,000

C 100,001 - 200,000

D Over 200,000

(ii) Highlight any challenges you faced in the process of undertaking the project.

a) 

b) 

c) 

d) 

5(a) Are you aware of the criterion that was used in awarding you the tender to undertake this project?

(i) Yes

(ii) No
(b) If yes, highlight the criteria.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

(c) What do you think gave you an advantage over your competitors for being awarded this tender?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

6. How did you monitor or evaluate the quality of work done?

________________________________________________________________________

7. For the labour intensive CDF projects, how do you source the man power?

(i) _____________________________________________________________________

(ii) ____________________________________________________________________

(iii) ____________________________________________________________________

8. In your opinion how can the constituency CDF management committee improve on efficiency and efficacy of CDF?

________________________________________________________________________

________________________________________________________________________

THANK YOU VERY MUCH FOR YOUR CO-OPERATION
Homestead awareness of decentralized funds

Household awareness of decentralised funds

- Good
- Average
- Poor
- Do Not Know
- Not known

Source: KIPPRA, 2006
HOUSEHOLD PARTICIPATION IN MANAGEMENT OF DECENTRALISED FUNDS
### APPENDIX G

Population by Area and Density by Districts

<table>
<thead>
<tr>
<th>District</th>
<th>Males</th>
<th>Female</th>
<th>Total</th>
<th>No. of HHS</th>
<th>Land Area (sq.km)</th>
<th>Density (Person per sq km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bungoma</td>
<td>425,957</td>
<td>450,534</td>
<td>876,491</td>
<td>174,838</td>
<td>2,069</td>
<td>424</td>
</tr>
<tr>
<td>Busia</td>
<td>174,368</td>
<td>196,240</td>
<td>370,608</td>
<td>81,697</td>
<td>1,124</td>
<td>330</td>
</tr>
<tr>
<td>Mt. Elgon</td>
<td>66,783</td>
<td>68,250</td>
<td>135,033</td>
<td>25,529</td>
<td>944</td>
<td>143</td>
</tr>
<tr>
<td>Kakamega</td>
<td>290,343</td>
<td>313,079</td>
<td>603,422</td>
<td>125,901</td>
<td>1,395</td>
<td>433</td>
</tr>
<tr>
<td>Lugari</td>
<td>105,273</td>
<td>110,647</td>
<td>215,920</td>
<td>41,809</td>
<td>670</td>
<td>322</td>
</tr>
<tr>
<td>Teso</td>
<td>87,926</td>
<td>93,565</td>
<td>181,491</td>
<td>38,285</td>
<td>559</td>
<td>325</td>
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<tr>
<td>Vihiga</td>
<td>232,720</td>
<td>266,163</td>
<td>498,883</td>
<td>105,701</td>
<td>563</td>
<td>886</td>
</tr>
<tr>
<td>Butere/Mumias</td>
<td>227,043</td>
<td>249,885</td>
<td>476,928</td>
<td>107,563</td>
<td>939</td>
<td>508</td>
</tr>
</tbody>
</table>

Key: HHS: Households

Source: Central Bureau of Statistics (August 1999 Kenya Population census)