

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.