

**THE INFLUENCE OF DEVOLVED FUNDS ON SUSTAINABILITY OF
COMMUNITY DEVELOPMENT PROJECTS IN KENYA: A STUDY OF
EMBAKASI CONSTITUENCY**

BY

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF
THE AWARD OF DEGREE OF MASTER OF ARTS IN PROJECT PLANNING AND
MANAGEMENT OF THE UNIVERSITY OF NAIROBI.**

2013

DECLARATION

This is my original work and has not been submitted to any other university for academic credit.

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DEDICATION

I dedicate this project to my dad Mr. Samuel Ayuku for his constant encouragement to pursue higher studies.

ACKNOWLEDGEMENT

The successful completion of this research project could not have been without the contribution of the following that I wish to acknowledge. My supervisor, Dr. Anne Aseey for her guidance and development of this research project report, Dr.Gakuu for his guidance on research methods course .My classmates Joseph Okumu, Anne Misiko, Jecinta Anyiso, Samson Mbaluka and Faith Mutua who were always there for consultations and willing to assist me when I got stuck.

ABSTRACT

Despite the initiative by the government to introduce devolved funds in Kenya. The real influence of the initiatives is yet to be experienced in many communities in Kenya. Presence of devolved funds at community level seems to spark little concern among community stakeholders yet, the funds are meant to bring change in community development. There has been overemphasis by previous studies on the issues that address challenges and administration of devolved funds with less regard on the real influence on community development projects. This study therefore sought to examine the influence of devolved funds program on community development with reference to Nairobi's Embakasi constituency. The study sought to examine; the influence of constituency development fund, bursary funds, and local authority transfer fund and poverty eradication funds on sustainability of community development projects. The study was expected to contribute to existing literature which majorly emphasised on community development with regards to complexity of communities within which projects thrive, barriers to community participation in project development, potential for community based projects and way in which community development can reduce poverty in Kenya. The study used descriptive survey design to accomplish the research objectives. Stratified random sampling was used to select 50 projects within Embakasi constituency to be studied. Data was collected via questionnaire whose reliability and validity was tested prior to the study. Data analysis was done using quantitative technique. Statistical Package for Social Science was used analyse data. The output of data analysis was presented in tables and charts and interpretations made based on the research objectives. The study findings indicated that devolved funds had majorly contributed to community development in Embakasi constituency. Constituency Development fund particularly played a critical role in establishment of basic amenities such as schools, health centres, and resting places along bus stations. Local Authority Transfer fund, though expected to support many projects in the community was found to have little contribution towards meeting community needs. Bursary fund was actively used to sustain needy students in schools and thus a large contributor towards retention of students in school. Poverty eradication fund has catered for peoples' welfare through various dimensions through provision of funds for business, which largely improved peoples living standards. The researcher recommended that a need for the City council to do vetting of the LATF management to ensure adequate service delivery to citizen, a need to establish and maintain an appropriate balance between the amount of decentralized financial resources and the services devolved to local government at different levels and match this with their technical capacity to utilize the funds and proper management of Poverty Eradication Fund need to avoid misappropriation of funds and to ensure that the fund meets its goals of eradicating poverty among the Kenya citizens. A further study should be undertaken to examine strategies used to effectively manage devolved funds, to ensure that they enhance community development

ABBREVIATIONS AND ACRONYMS

CBF	Constituency Bursary Fund
CDF	Constituency Development Fund
CIPAC	Cities in Partnership with Communities
HIV/AIDS	Human Immune Virus / Acquired Immune Deficiency Virus
ICDC	Kandara Institute Development Centre
IEBC	Independent Electoral Boundaries Commission
KIPPRA	Kenya Institute for Public Policy Research and Analysis
LA	Local Authorities
LASPAP	Local Authority Service Delivery Action Plan
LATF	Local Authority Transfer fund
MDGs	Millennium Development Goals
SPSS	Statistical Packages for Social Sciences
SSEBF	Secondary School Education Bursary Fund

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Community development is a structured intervention that gives communities greater control over the conditions that affect their lives. This means that it is critical in facilitating sustainable livelihoods in communities as well as ensuring a country's economic growth. As a strategy in ensuring that communities have a share of participation in equal development, the Kenyan government made deliberate efforts to decentralize most of its development projects over the past five years, key among them, the projects aimed at meeting the MDGs. In the year 2007-2008 budgetary allocations, more than Ksh 58 Billion went to devolved structures. (KIPPRA, 2007)

Among the devolved funds regime instituted under this period was the Constituency Development Fund through the CDF Act, which was later changed to CDF amendment act of 2007. Other decentralized projects that enjoy this synonymous resource distribution in Kenya include The Local Authority Transfer Fund, Constituency Bursary Fund, Free Primary Education Fund, Constituency HIV/AIDS Fund, The Roads Maintenance Levy Fund, Rural Electrification Levy Fund, The Water Service Trust Fund, The Women Enterprise Fund, The National Development Fund For Persons With Disability, and The Poverty Eradication Fund (Republic of Kenya, 2007)

The adoption of devolution in most of the projects under implementation and the empowerment of communities on governance is one of the few programmes that have helped the government of Kenya to redeem its already tattered image in the critical eyes of the public. For the first time in the history of development in Kenya, failure in projects implementation is not only seen as an abdication of responsibility by the government of the day but also a letdown on the part of the public in playing their rightful role of being the watchdog of the government (Demery, 2009)

A baseline survey that was done on inclusive governance project by Cities in Partnership with Communities (CIPAC) in July 2009 alluded to the failing responsibility by the public in performing this social and moral role of being the governments' exchequer. The survey was done to examine the rate of public participation in local governance process and it was

ascertained that 74.6% of the people that were interviewed had never made personal efforts to solve the problems facing them including poverty, lack of information, and participation in government based community initiatives. 88.9% of the people had knowledge of the widely publicised CDF, LATF, CBF and women development fund but had very little information on the other fund regimes, and only 7.1% of the people had taken personal initiative to establish whether the disbursed funds were planned and used in the interest of the public. Such worrying statistics may present a presumption that communities are yet to realise the benefits of devolved funds in Kenya (Demery, 2009)

Majority of studies done on community development have evidently revealed that there is lack of interest in government initiatives to spearhead development, as well as failure on the part of government in rising above board to building public confidence on the new institutions of development. There is also more emphasis on the weaknesses and deficits with the structural frameworks of the devolved funds rather than what the funds are really doing as far as community development is concerned. A scenario, where communities seem to be less sparked by issues of development raises the concern of researchers and other development stakeholders. The present study seeks to address this by examining the influence of devolved funds on community development projects with reference to Embakasi constituency Nairobi Kenya. (Takao, 2005)

Embakasi Constituency is an electoral constituency in Kenya. It is one of eight constituencies of Nairobi Province. It consists of eastern and south-eastern suburbs of Nairobi. According to the IEBC, with 292,643 registered voters, it is the most populous constituency in Kenya. Embakasi constituency has common boundaries with Embakasi Division. The entire constituency is located within Nairobi City Council area.

The constituency has an area of 208 km. It has nine locations and eleven wards. (http://en.wikipedia.org/wiki/Embakasi_Constituency) Since the inception of the CDF Act, there are a number of projects that have been started in this Constituency. CDF allocations to the constituency have grown steadily, in line with CDF allocations country-wide. Given its large population, Embakasi received the greater than average CDF allocations over the past 3 years. According to KIPPRA (2007) less than half of the projects started in Embakasi were completed as at the end of 2006/07 financial year. Field visits by Mapesa and Kibua, (2007) revealed that the situation was actually worse: several projects reported as complete remain

incomplete, while other projects had collapsed due to poor construction or lack of maintenance.

Since Kenya gained its independence in 1963, the development of the country and indeed of the economy has been formulated, financed and implemented by the central government. This has not worked well since it has been characterized by beauracracy, command and control from the centralized managerial authority (Mapesa and Kibua, 2006). This resulted in serious development inequalities. To tackle the problem, the government introduced new policies, for example, majimboism in 1963. The next initiative was the Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya. This recommended that planning was to be spread to the respective provinces, districts and municipalities (Takao, 2005). This study will particularly focus on poverty eradication fund, Constituency Development Fund, bursary and LATF funds

1.2 Statement of the problem

Despite the initiative by the government to introduce devolved funds in Kenya. The real effect of the initiatives is yet to be experienced in many communities in Kenya. According to Ogolo, (2009), most people in Kenya have little knowledge or simply, lack interest on the government's new initiatives of spearheading development through the bottom-up approach of engaged governance. Presence of devolved funds at community level seems to spark little concern among community stakeholders and yet, the funds are made to bring a new face in community development (Brown 2011). There has been overemphasis by previous studies on the issues that address challenges and administration of devolved funds with less regard on the real influence on community development (Mboga, 2008; Davies, 2012). This study therefore sought to examine the influence of devolved funds on sustainability of community development projects with reference to Nairobi's Embakasi constituency.

1.3 Purpose of the study

The purpose of the study was to establish the influence of devolved funds on sustainability of community development projects in Embakasi constituency.

1.4 Objectives of the study

The study was guided by the following objectives

- i. To examine the influence of constituency development fund on sustainability of community development projects at Embakasi constituency
- ii. To examine the influence of bursary funds on sustainability of community development projects at Embakasi constituency
- iii. To establish the influence of Local authority transfer fund on sustainability of community development projects at Embakasi constituency
- iv. To establish the influence of poverty eradication fund on sustainability of community development projects at Embakasi constituency

1.5 Research questions

The study sought to answer the following research questions

- i. What is the influence of constituency development fund on sustainability of community development projects at Embakasi constituency
- ii. What is the influence of bursary funds on sustainability of community development projects at Embakasi constituency
- iii. What is the influence of Local authority transfer fund on sustainability of community development projects at Embakasi constituency
- iv. What is the influence of poverty eradication fund on sustainability of community development projects at constituency level

1.6 Significance of the study

It was expected that the study would contribute to existing literature in addressing future research problems. The study added to the existing knowledge on devolved funds and their effect on development. Policy makers in the government were expected to use this study as an evaluation towards the effect of devolved funds. This would help improve on existing research policies. The study provides an opportunity for beneficiaries of projects at Embakasi constituency to present their opinion on effect of devolved funds. This might be used by managers of devolved funds in deciding what projects to do and what not to do in certain areas.

1.7 Delimitations of the study

The study sought to address community development which is an issue of concern among many community stakeholders and therefore expects targeted respondents to provide as much information as possible. Since the study is not intrusive respondents were expected to freely and exhaustively provide the information required. Since the study used a descriptive survey design, it is expected to provide an in-depth examination of the area under study through interview guides that probed respondents to provide as much information as possible.

1.8 Limitation of the study

Embakasi constituency where the researcher focuses to undertake her study is a cosmopolitan area and therefore language was a challenge especially when gathering data from community residents. The study was also limited by time and financial resources required to accomplish the research objectives.

1.9 Assumptions of the study

The researcher assumed that the instruments used in data collection were reliable and valid and therefore enabled the researcher to accomplish research objectives. That every project established within Embakasi constituency has contributed negative or positively on community development and this contributions trickles down to the government initiatives through devolved funds.

1.10 Definition of significant terms

Community development:	A structured intervention that gives residents greater control over the conditions that affect their lives
Devolved funds:	Centralised funds made to facilitate development at local level
Community development projects	A structured programmes that empowers communities to improve their lives
Project management:	Organizing, securing, and managing resources to achieve specific goals
Project planning:	Stating how to complete a project within a certain timeframe, with defined stages and designated resources.
Requirement:	What the community needs as far as development issues are concerned

Sustainability: The ability of a project to continuously provide the benefits that it was initially meant to provide, long after it is completed

1.11 Organization of study

This study establishes the influence of devolved funds on community development community development. Chapter one highlights the background of the study, problem statement, purpose of the study, objectives, research questions, delimitation and limitation of the study, assumptions of the study and definition of significant terms. Chapter two presents relevant literature based on the study objectives while chapter three presents the research design and methodology used. Chapter four highlights the data analysis, presentation and interpretation. Chapter five presents the summary of findings, discussions, conclusions and recommendations

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents relevant literature on influence of devolved funds on sustainability of community development projects. The chapter presents the concepts of devolved funds and community development and further reviews empirical studies on the influence of devolved funds on various aspects of community development.

2.2 The Concept of Devolved Funds

The philosophy underlying devolved funding is the participation of the people towards a priority and needs-responsive development (Kimenyi, 2005). In order to enhance community empowerment through devolved funds, the government aims at increasing the amount of devolved funds by the percentage growth in annual revenue. This goal is achieved by increasing the amount, efficiency and effectiveness of devolved funds and increasing public participation and voice of the poorest members of local communities so that development issues of concern to such members can be channelled into public policy (IMF, 2010).

According to Brown (2011), the underlying concept in devolution is to bring about a reduction in the size and influence of the national government by reducing federal taxes and expenditures and by shifting many federal responsibilities to the states. Because one feature of devolution involves sharp reductions in federal aid, states are compelled to assume important new responsibilities with substantially less revenue to finance them. In some cases, federal programs are shared, whereby the states must match federal monies to benefit from a program, such as the Children's Health Insurance Program (CHIP), or risk losing these funds.

Effective participation of the Kenyan people in decentralized funds remains an elusive mirage owing to a number of factors including: inadequate information on the devolved funds, exclusion of citizenry in decision making processes regarding the funds, poor coordination resulting in projects duplication, the culture of political patronage, wanting citizenry capacity to demand accountability from the ruling elite, unresponsive government structures, unaccountable political class, weak legislative regimes on the devolved funds, apathy among the citizenry, and corruption among others as Kimenyi (2005) explains.

Despite the shortcomings, milestones have been marked under the decentralized funds regime. School enrolments rates have increased considerably, social amenities such as schools, health centres and recreation facilities have been developed, water and sanitation facilities have become more accessible, employment opportunities have been created through enterprise and the roads networks has been improved (Kazmi,2008). This information toolkit explores three broad perspectives in relation to decentralized funds. First, and guided by the belief that information is power, this tool kit is providing general information on decentralized funds. Secondly, the toolkit attempts to cast a beam of light on windows for public participation in the funds and lastly, it digs into the opportunity for monitoring and evaluation of the decentralized funds.

According to Kimenyi, (2005) Kenya has in the last ten years continued to shift its approach to development from the top-down to a more people-centred, bottom-up approach. This is perhaps best seen in the increase in both the devolved funding initiatives and increased funds allocation to particular devolved funds. In fact, in the 2007/2008 budgetary allocations, more than Kshs 58 Billion went to devolved structures.

Khadiagala, (2006) Argues that the monitoring and evaluation section is designed to give community members preliminary monitoring and evaluation skills. It is intended to excite the communities into playing a more active role both in the implementation of projects and in demanding accountability from the leaders, fund managers and, generally, implementers. The section gives a rationale for this participation by the community members and outlines the benefits such participation is bound to have in the general well-being of the community and in development.

According to Kenya Republic Report (2000), money has been set aside by the government to assist the communities from the local areas for the purpose of development and empowering the communities and the marginalized people. This resource decentralization helps bridging the gap between the rich and the poor and some of this money is channelled through devolved funds. Community development has been seen as key tools in tackling poverty and promoting social inclusion and equality. Nexus (2002) confirmed the influence of community development projects in this regard. It highlighted projects that were well established showed extremely impressive results in development of local infrastructure, partnership with statutory agencies and mainstreaming responses to social exclusion. It concluded that there was clear

evidence of real improvements in living conditions resulting from this. According to Maureen (2007) community development programmes empowers disadvantaged people and communities through supporting their involvement in shaping decisions, policies and social economic conditions that affect their lives. It helps them gain the skills and capacity to do this in an effective way.

2.3 Influence of Constituency Development Funds on Sustainability of community development projects

Recent efforts in national planning in Kenya have sought to identify development priorities through consultations (Nganga, 2011). For example, the preparation of the Poverty Reduction Strategy Papers (PRSPs) involved broad stakeholder consultations across the country with the objective of eliciting information on key concerns and priorities. Likewise, the Economic Recovery Strategy for Employment and Wealth Creation took account of the priorities expressed by stakeholders though the consultations were not as broad and intensive as those carried out in the PRSP. These consultations have been particularly insightful in highlighting the priority rankings of development needs by communities (Kimenyi, 2005).

The Constituency Development Fund was introduced in Kenya in 2003 with the passage of the CDF Act 2003 by the 9th Parliament of Kenya (Shah, 2007). The CDF Act provides that the government set aside at least 2.5% of its ordinary revenue for disbursement under the CDF program. Three quarters of the amount is divided equitably between Kenya's 210 constituencies whilst the remaining 1/4th is divided based on a poverty index to cater for poorer constituencies.

According to Takao, (2005), the constituency is the unit of political representation in Kenya of which there are 210 in the country. Each constituency is further subdivided into locations for local administrative purposes. A district is a grouping of 4-6 constituencies and before the implementation of CDF in 2003; the district was hitherto considered the unit of local development. Under CDF, for the first time ever, the constituency is functioning as a development unit. Consequently at present considerable resources are being channelled towards building up institutional capacity at the constituency level to support the fund. CDF is devoted to community based projects, which ensure that the prospective benefits are available to a widespread cross-section of the inhabitants of a particular area (Mwangi, 2009).

The establishment of various special funds by members of the legislature poses a number of public finance management problems as discussed by public expenditure review (Republic of Kenya 2005). These funds are not subject to the same control, reporting, and accountability procedures as spending under the main budget. More significantly, this process fragments public spending, thereby hindering a comprehensive consideration of all claims on spending against the complete pool of available funds.

In practice, the projects undertaken are not accounted for in recurrent budget allocations. When a constituency uses its funds to build a secondary school, no mechanism exists to ensure that the school is adequately staffed on completion. Of course, the fund also affects the efficiency of public resource use (Shah, 2007). The location of roads, schools, and other public infrastructure funded by the Constituency Development Fund with a forward effect on the recurrent budget is not determined by a consideration of cost and benefits across localities and of economies of scale. Although 2.5 percent of ordinary revenue is not a huge proportion on its face, it grows in significance when taken as a proportion of spending after interest and short-term rigid spending, such as salaries.

Amid these problems associated with CDF management, devolved funds have helped to improve the standard of education (Nganga, 2011). The impact is very clear and consequently it has affected the development of the entire Nation, Gatanga Constituency remains literally and symbolically, a Regional phenomenon in increased effective administration of CDF to foster growth and development. A strategy that encompasses transformation of Katanga Constituency, better education; vibrant health systems; extensive physical infrastructure; robust public service; sustainable peace, security and the rule of law; affirmative action for the marginalized citizens such as youth and women; integrity in the management of public assets; and protection of natural resources (Friedrich E., 2004).

The amount of educated citizens is increasing. Schools are being built through funding by the CDF resources. Each of the schools that have been built by the aid of CDF funds are properly equipped in terms of teachers and facilities (Odundo, 2004). This has increased the quality of education and aided free primary education in all constituencies. People who could not join higher institutions of learning because of financial difficulties are now able to get an education through loans that they repay after they can generate an income for themselves.

Kimenyi (2005) notes that, the CDF kit has improved the life of Kenyans greatly in various aspects. Good health and growth and development go hand in hand. Healthy children make better Youth, and better Youth become healthy, successful adults who are productive members of our community. Quality Community health programs help members achieve their highest productivity potential. Health Programmes are a continuum of learning experiences that enables our Community as individuals and as members of society, to make informed decisions, modify behaviours, and change social conditions in ways that are health enhancing and increase health literacy.

According to a report by Khadiagala, (2009) dispensaries and hospitals are now more developed than ever before. Stalled dispensary buildings and projects are now being completed in record time as a result of funding from the CDF kitty. In emergency cases like accidents the wounded are first taken to dispensaries for first aid then to hospitals leading to more survivors. Serious diseases in most cases are discovered in the smaller hospitals then thoroughly evaluated in the larger hospitals (Mwangi , 2009).

2.4 Influence of Bursary Funds on Sustainability Community Development projects

According to Blackden, (2006) In 1993/4, the government established the Secondary school Education Bursary Fund-SSEBF to cushion households from impacts of poverty, unstable economy and the effects of HIV/AIDS by increasing access, retention and completion rates in secondary schools. The bursaries were administered by the Ministry of Education, Science and Technology through secondary school heads.

From 2003, however, the government established Constituency Bursary Committees to administer the Fund. The allocation to each constituency is based on the secondary school enrolment, constituency poverty index, overall national secondary school enrolment and the countrywide poverty situation (Nganga,2011). Each constituency is required to open a constituency bursary account and submit details of the account to the Ministry's headquarters with copies to the District Education Board. The Ministry transfers the funds allocated to each constituency into the account paving way for the committee to meet and allocate bursaries to successful applicants. The money deposited must be used for bursary purposes only.

The money is sent to each constituency in two instalments: A standard allocation of Kshs 1 million to the entire 210 constituencies (Blair,2000). A second instalment which varies from constituency to constituency depending on the Population size, district poverty index, student enrolment in secondary schools so as to ensure equitable distribution of resources. Disbursements of all funds at the constituency level should be completed by the end of May. The returns for each tranche should be made within two months from the date of receiving the money at the constituency level.

According to Blair,(2000), application Procedure, includes the Parents or students obtain bursary application forms from the division education offices in the areas where they are resident free of charge. No eligible person should be denied the forms. Once filled, the forms are forward by the Area Education Officers to the constituency bursary committee which deliberates, scrutinizes and identifies those who qualify for assistance. The committee places students in different categories according to their levels of need. The information is then communicated to the involved parties.

Increased enrolment in secondary schools according to IMF(2010) has been attributed to devolved bursary fund given to secondary students aimed at increasing access to secondary schools, ensuring retention of students in secondary schools, promote transition on completion rates and reduce disparities and inequalities in the provision of secondary school education.

The impact of these increased enrolment has led to overstretched facilities and crowding in learning institutions. However, with community intervention and other devolved funds such as CDF, new schools have been developed in all the eight provinces as others were upgraded to provincial and national schools (Ministry of Education, 2012).

On the negative side, the increased enrolment due to the bursary fund, with no intervention to increase the infrastructure and quality controls, high student's staff ratios has been experienced, poor quality of education, reduced pace of the curriculum to handle the demands of globalization. In addition, IMF(2007) on the Kenyan report of 2004/2005 shows that, even though these funds are received and allocated in all districts with the record of beneficiaries and level of funding shown, it is generally acknowledged that the amount allocated to each beneficiary is inadequate to take them through schooling due to some significant level of political interference.

2.5 Influence of Local Authority Transfer fund on Sustainability of community development projects

According to Republic of Kenya, (2000) Report LATF was established in 1999 through the LATF Act No. 8 of 1998, with the objective of improving service delivery, improving financial management, and reducing the outstanding debt of local authorities (LAs). LATF, which comprises 5% of the national income tax collection in any year, currently makes up approximately 24% of local authority revenues. At least 7% of the total fund is shared equally among the country's 175 local authorities; 60% Biesheuvel,(2006) notes that the fund is disbursed according to the relative population size of the local authorities. The balance is shared out based on the relative urban population densities. LATF monies are combined with local authority revenues to implement local priorities

LATF transfers 5% of central income tax revenues to local authorities to supplement revenues raised locally through land taxes (rates), single business permits and other sources. In 1998 the idea of direct funding was mooted to assist local authorities broaden their revenue base (Wanyande, 2007). It is the most structured and established of the funds in that it results from processes put in place by the Kenya Local Government Reform Programme (KLGRP) based in the Ministry of Local Government. LATF monies, together with revenues generated by individual councils, are used to implement development projects. Since 2001, LATF's general objectives were to improve service delivery to the public, financial management, and accountability. It was expected that councils would eliminate debts within five years. LATF transfers funds from Central Government to civic authorities under the supervision of the Ministry of Finance. The funds should ideally be used to address needs identified through a participatory process called Local Authority Service Delivery Action Plan (LASDAP).

LATF is an important source of revenue to Local Authority. In the absence of any other grant or revenue source, LATF continues to play a major role in financing local authorities programmes and projects. It has assisted in maintaining local authorities expenditures within the budget levels due to its conditionality. Most local authorities are showing significant levels of capital expenditure and debt resolution payment.

According to Mboga (2008), LATF has facilitated disbursement of funds to local authorities to assist them finance some of the services they are required to provide under the local government act. It has facilitated the improvement service delivery to the public, improved

financial management and accountability and in elimination of outstanding debts (Mboga, 2008).

According to Brown (2011), the low economic potential regions and those viewed as unimportant by the decentralization of development funding through the creation of local authorities transfer fund, provide more investments and influence. There is a range of ongoing projects in local areas. In fact, dispensaries and schools have been built and once completed equipped with necessary facilities to provide intended services that improve quality of life in the community. In some areas, roads are under construction as water projects are initiated.

Davies,(2012) emphasizes that, decentralization facilitates the mobilization of local resources in support of the development process, and enables value added contributions to the provision of services and development efforts, which increases the total value of services provided, or development achieved, from the limited formal resources available.

A report prepared by Syagga and Associates (2007) on the impact of LATF for the Kenya Local Government Reform Programme (KLGRP) noted that though the Fund is presumed to provide supplementary funding to the LAs, it has become a significant source of funding for the majority of LAs. The study recommends that there is need to establish and maintain an appropriate balance between the amount of decentralized financial resources and the services devolved to local governments at different levels and match this with their technical capacity to effectively utilize the funds.

2.6 Influence of Poverty Eradication fund on Sustainability of community development projects

According to Kessy, (2008), Poverty reduction has been a long-standing concern of all African countries since independence. It has gradually moved up the priority order to assume the top place since the turn of the millennium as this focus has not only been evident at national levels in the countries concerned but also in the policies of the international donor community. On the strength of their size, research capacity, and financial strength the twin International finance Institutions (IFIs), the World Bank and the International Monetary Fund, (IMF) have been near hegemonic in designing policies and setting the stage for the international development community at large.

Through this, Poverty Reduction Strategy Papers (PRSPs) are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF Updated every three years with annual progress reports. They describe the country's macroeconomic structural and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing (International Monetary Fund,2010).For the case of Kenya, in 2002 the Government adopted the Poverty Reduction Strategy Paper (PRSP) and the Medium Term Expenditure Framework (MTEF) as the appropriate tools of attaining poverty eradication targets (Centre for Governance and Development, 2007).

Poverty Eradication Commission (PEC) was established by the Government of Kenya in April 1999 charged with the responsibility of coordinating the efforts of all stakeholders in the fight against poverty and undertake advocacy for the poor (Centre for Governance and Development, 2007).To start its work, PEC produced a work plan within the framework of the National Poverty Eradication Plan (NPEP). In January 2005, the government re-launched poverty eradication commission (International Monetary Fund, 2007).

Key work plan components advocated were: Budgeting for and financing of initial poverty reduction initiatives in try-out districts; resource mobilization through the Anti-poverty Trust funds (APTF) and Government budget; implementation for the Charter for social Integration; establishment of appropriate Monitoring and Evaluation Systems and corresponding reviews of benchmarks/ indicators for assessing levels of poverty and for measuring progress with regard to poverty alleviation efforts; build capacity for poverty eradication in government and civil society through the civil servants' training and awareness in poverty assessment and solutions and partnerships with civil society, advocacy, publicity and awareness campaigns on NPEP approaches (Nganga, 2011).

This was obtained to spearhead the efforts towards the eradication of poverty in different strategies and ways developed in poverty policy and strategy documents as well as national poverty eradication plan (NPEP) (Satterthwaite D., Reid H. and Bass S., 2012). Turning to the devolved government, strengthening the local government will address the priority of the public sector management.

The governments' commitment to devolution is underscored in the recognition of local authorities as effective partners in the governance and development process (Satterthwaite D.,

Reid H. and Bass S., 2012). In its policy and technical oversight role, the Ministry of Local Government (MoLG) acknowledges that decentralisation is a process which involves changes in governmental structures and entails the transfer of political, administrative and financial power, authority and responsibility to lower levels of government. Furthermore, the design and implementation of decentralisation and local government reforms are critical for the realisation of benefits of decentralisation while ensuring continued macroeconomic stability, regional equity, and reduction of corruption (International Monetary Fund, 2007).

On the achievement of the revolving fund to address poverty reduction, it is worth noting that between financial years 1999/2000 and 2005/2005. PEC allocated a total of Kshs. 150 million to 1,186 community groups in all the 8 provinces (Centre for Governance and Development, 2007). Of the amount allocated, Kshs 27.1 (18%) went to social projects; Kshs. 105.9 (70.6%) was used to pilot the revolving loan fund and Kshs. 17.4 (11.6%) was used for management of projects including training of groups. At the end of 2005/2006 financial year, of the Kshs. 105.9 million Kshs. 41.3 (39%) had been repaid to DPEC. Kshs. 61.2 million (57.7%) was still circulating within groups and Kshs. 3.5 million (3.3%) was defaulted.

Even though such funds have had shortcomings that plague devolved democratic structures of development in Kenya, both the critics and the sympathisers of the government cannot ignore one fact; the bottom-up approach of development is a shared responsibility between the government and the citizens and its success or failure lies in the hands of all players in policy making including the citizenry (Whitehead, 2007). Since the inception of this approach of development in the country, more gains have been seen at the grass roots in terms of employment opportunities, schools enrolments and increased construction of local infrastructures than at any other time in the history of Kenya (Ogolo, 2009).

Poverty eradication fund has reported a small contribution to community development in Kenya, given its challenges of limited funding and withdrawal of some agencies who had pledged to support the funding. However, poverty reduction fund has supported the implementation of local economic development plans. The poverty eradication initiative under the poverty eradication commission (PEC), has contributed in some ways whose effects are the improving the status of the poor and encouraging them to indulge in income generating activities (Poverty Eradication Commission, 2009). Some of the initiatives with their effects include; revolving fund. The revolving fund provides funds to the poor to

finance their projects since they are neither able to access credit from formal banks nor from most microfinance institutions due to long distances, high charges and interest rates and conditions which they cannot meet. Apart from the revolving funds, district table banking was also developed as an alternative to boost funds available for borrowing to the poor who are already in business. It is an innovative approach for boosting funds for business for low-income earners. This has further contributed the financing of the poor as a strategy to eradicate poverty.

According to GoK (2007), 80% of Kenyans living below the poverty line are smallholder farmers. Through the Smallholder Commercial Farming boost, the PEC sought strategies that would enable these smallholder farmers to increase their incomes. These strategies identify early maturing high value crops with ready and reliable market, which smallholder farmers can and those in arid areas can grow individually and sell collectively to obtain commercially viable income. Empowering community groups both socially and economically is therefore likely to uplift individual households towards a better standard of living and therefore constitutes a major step towards addressing national income poverty and employment creation.

2.7 Conceptual framework

Kothari (2004) define conceptual framework as a structure that defines the interrelationship between variables deemed important in a study. He further explains that it expresses the researcher's views about the constructs deemed important in a study. In this study the researcher views community development as subject to facilitation by decentralised funds which for the sake of this study includes, constituency development funds, bursary funds, Local Authority Transfer fund and poverty eradication fund. This has been presented in figure 1.

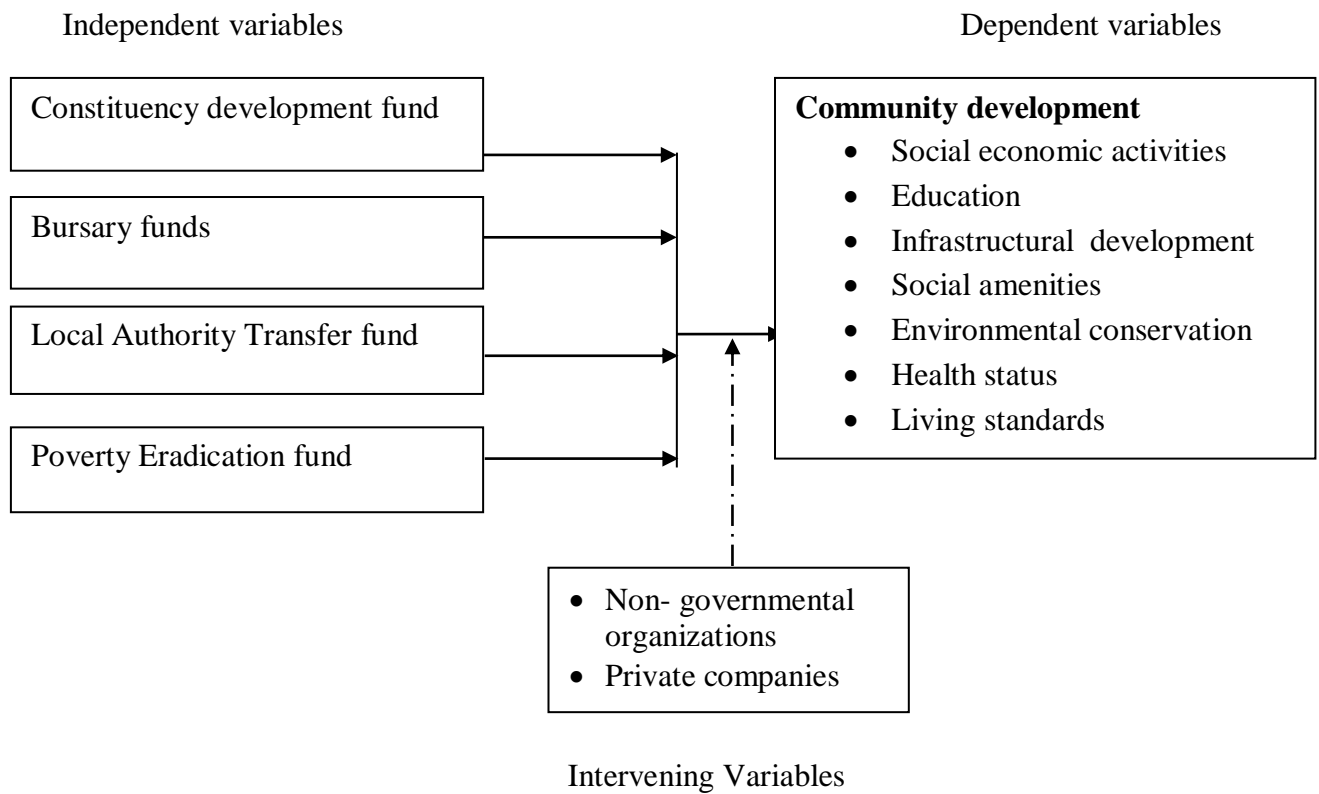


Figure 1: Conceptual Framework

This study was based on the interrelationship between various devolved funds and effect on community development. Community development for the purpose of this study was considered structured intervention that gives community residents a greater control over conditions that affect their lives. Thus, the study was build on the premise that community development is a function of various devolved funds initiatives that world provide beneficiary community with greater control over their own lives through generation of sustainable livelihood. The study’s independent variables and considered to affect the direction of community development included; Constituency development funds, Bursary funds, Local Authority Transfer funds and poverty eradication funds.

The Constituency development fund (CDF) was established as a government strategy to devolve resources (Kimani Francis, 2009). This was in hope that the strategy would enhance people’s participation and power in decision-making processes; promote good governance, transparency and accountability and ultimate transform communities through development initiatives. The study reviewed the implications of CDF funds; however raised concerns as to the extent to which this funds have facilitated community development. According to Gituto ,(2007), various concerns have been raised regarding CDF processes and structures and community participation in decision making in the administration, management and mornitoring and evaluation of the funds in various constituencies, with some constituencies

considered to be bad while others were considered good in terms of CDF implementation. This analysis did not however feature Embakasi constituency which is the current study's focus.

The Local Authority Transfer Fund was established in 1999 through Local Authority Transfer Fund (LATF) ACT of 1998. The purpose of the fund was to improve and extend service delivery to the public, improve financial management and debt resolution in local authorities and improve planning and accountability. Given the objective of the fund, it would be justifiable to indicate that the fund it would be considered that one of the effective outcomes would be facilitation of community development projects through provision of services.

The constituency bursary fund (CBF) which was formally referred to as secondary school Education Bursary Fund (CBF) was established in 1993 /4 financial year. The Objective of the bursary fund was to reduce financial burden of the poor families in financing secondary education (Republic of Kenya, 2005). CBF aims at cushioning the country's poor and vulnerable groups against the high and increasing cost of secondary education. The effective implementation of bursary fund thus enhance access equitable access to education and consequently lead to transformed community. There has however been little to indicate the effect of bursary fund on community development.

Poverty Eradication Commission (PEC) was established by the Government of Kenya in April 1999 charged with the responsibility of coordinating the efforts of all stakeholders in the fight against poverty and undertake advocacy for the poor (Centre for Governance and Development, 2007). To start its work, PEC produced a work plan within the framework of the National Poverty Eradication Plan (NPEP). In January 2005, the government re-launched poverty eradication commission (International Monetary Fund, 2007).

Key work plan components advocated were: Budgeting for and financing of initial poverty reduction initiatives in try-out districts; resource mobilization through the Anti-poverty Trust funds (APTF) and Government budget; implementation for the Charter for social Integration; establishment of appropriate Monitoring and Evaluation Systems and corresponding reviews of benchmarks/ indicators for assessing levels of poverty and for measuring progress with regard to poverty alleviation efforts; build capacity for poverty eradication in government and civil society through the civil servants' training and awareness in poverty assessment and

solutions and partnerships with civil society, advocacy, publicity and awareness campaigns on NPEP approaches (Nganga, 2011).

2.8 Summary of Literature Review

Chapter two presents relevant literature on the influence of devolved funds on sustainability of community development projects and further reviews empirical studies. The chapter starts with the introduction, the concept of devolved funds, influence of constituency development funds on sustainability of community development projects, influence of bursary funds on sustainability of community development projects, influence of local authority transfer fund on sustainability of community development projects, influence of poverty eradication fund on sustainability of community development projects and the conceptual framework.

2.9 Research gap

The impact of devolved funds in sustainability of community development projects has been vastly focused as per scholarly work reviewed. It has been evidently revealed that devolved funds are intended to enhance community development through creating a needs responsive approach to development. Further the concept of devolved funds has been highly elaborated with an indication that it brings about a reduction in size and influence national governments by reducing federal taxes and expenditures and shifting many federal responsibilities to states. Though the intended purpose could otherwise be a good track towards sustainability of development projects, it is evident that devolved funds in Kenya remains an elusive mission and thus questioning the role of developed funds in sustainability of community development projects. Moreover research on the impact of devolved funds on sustainability of community development projects remains inadequately done. This study therefore sought to fill in this gap by examining the impact of devolved funds on sustainability of community development projects.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the research design used by the researcher in establishing the effects of devolved funds on sustainability of community development projects at Embakasi constituency. The subtopics discussed under this chapter include; Research design, target population, sampling technique, sample size, data collection, data analysis and ethical considerations

3.2 Research design

A descriptive survey design was used to accomplish the research objectives. According to Kothari (2004) descriptive survey design is suitable where the researcher needs to draw conclusions from a larger population. He further explains that survey designs are concerned with finding what, where and how of a phenomenon. Descriptive surveys are used to develop a snapshot of a particular phenomenon of interest since they usually involve large samples which are characteristic of this study. The advantage of a survey design as indicated by Mugenda, (2003) and of particular relevance to this study is the ability to avoid manipulation.

3.3 Target Population

Target population is defined as total individuals, elements or groups to be studied (Orodho, 2009). Target population for this study was representative of different projects in Embakasi constituency. During the 2008/09 financial year, there were a total of 50 projects that are either ongoing or have not been started. These are grouped as education, health, water and other projects. Therefore, the respondents were the management, from education, health, water and other sectors, both ongoing and started. The target population was 343 based on the projects as categorized into sectors shown in the table 3.1.

Table 3.1: Target population

Sector	Ongoing	Started	Total	Management	% of total population
Education	14	3	17	143	23.6
Health	2	0	2	13	2.8
Water	0	3	3	19	4.2
Others	13	9	28	168	69.4
Total	29	15	50	343	100

Source: [Http://www.cdf.go.ke](http://www.cdf.go.ke) ; City council of Nairobi 2008

3.4 Sampling design and sample size

The study used stratified random sampling to select samples to participate in the study. Kothari (2004) defines stratified sampling as grouping of study elements into homogenous strata and then picking a sample from each stratum for the final sample size. The projects within the constituency were stratified into four strata namely; health, education, water and others. From each project in a particular stratum, 2 respondents from the mid-level management were selected to participate in the study. This formed a sample size of 100 respondents as shown in table 3.2.

Table 3.2: Sample Size

Sector	Total projects	Mid level Management	% of total population
Education	17	34	23.6
Health	2	4	2.8
Water	3	6	4.2
Others	28	56	69.4
Total	50	100	100

3.5 Data collection techniques

Primary data was collected using questionnaire which was administered by the researcher with the help of a research assistant. The questionnaires comprised of questions which sought to answer questions related to the objectives of this study. The questions were both closed to enhance uniformity and open ended to ensure maximum data is obtained. The questions were administered to those community members who have benefited from the devolved funds in

Embakasi constituency. Secondary data was obtained from books, internet and journals as indicated in the literature review.

3.6 Reliability of instruments

Reliability is achieved when research instrument has internal consistency. A pilot study was done to assess the capability of the research instruments to collect required data for the research. The questionnaire was first administered to five respondents in the constituency as part of the pilot study. The pilot test was meant to establish whether all the questions from the questionnaire can be fully understood by the targeted respondents and hence rectification if need be. The pilot study took place before the actual research was carried out. On other hand, standard deviation – measure of variance was used to test the reliability of the research instrument. This was done using the formula

$$s = \frac{\sqrt{\sum (x-m)^2}}{n-1}$$

Where s = Standard deviation

x = The individual score in each item

m= The mean scores per instrument

n =Total score

The smaller the Standard deviation, the higher the reliability of the research instrument Kothari (2009). The standard deviation was 0.002

3.7 Validity of the instruments

According to Mugenda (2003), research instruments need to be valid and reliable in order to produce useful results. Validity of research instruments is achieved when they measure what they are intended for and does so clearly without accidentally including other factors. The validity of this research instrument was measured through the opinion of experts and during the pilot study. Any ambiguity or non clarity in the questionnaire item was cleared before the questionnaire was taken to the field for data collection.

3.8 Ethical considerations

For the purpose of this study, permission to carry out the study was sought from respective project officials as well as the provincial administration in Embakasi constituency. The researcher also assured confidentiality to the respondents and affirmed that the study is made for purposes of accomplishing academic goals. The researcher acknowledged all sources of information from other scholars.

3.9 Data Analysis techniques

Qualitative data analysis involved explanation of information obtained from the empirical literature. Quantitative analysis involved use of numeric measures to the scores of various responses obtained from the Likert questionnaire. Data was coded so that each item on the Likert questionnaire had a numerical value attached to it. The responses were then keyed into SPSS program and analysis to generate summarised data sets per variable generated. The output of data analysis of generated and presented in tables. Interpretation and discussion of data was made based on research objectives. Conclusions and recommendations were thereafter made.

3.10 Operationalization of Variables

Table 3.3: Operationalization of Variables

VARIABLE	TYPE OF VARIABLE	INDICATORS	MEASUREMENT	SCALE OF MEASUREMENT	DATA ANALYSIS	TOOL OF ANALYSIS
Community development	Dependent	<ul style="list-style-type: none"> • Social economic activities • Education • Infrastructural development • Social amenities • Environmental conservation • Health status • Living standards 	Dimension of success	Nominal	SPSS	Descriptive
Constituency development fund	Independent	<ul style="list-style-type: none"> • Timely disbursement of funds • Partnership with community stakeholders to facilitate development • Identifying community development need of the community 	Dimension of success	Nominal Ordinal	SPSS	Descriptive
Bursary fund	Independent	<ul style="list-style-type: none"> • Access to secondary education • Partnership with community members to identify bursary recipients • Involvement in decision making 	Rate of school dropouts Rate of advancement to higher education	Ordinal Ratio	SPSS	Descriptive
Local transfer fund	Independent	<ul style="list-style-type: none"> • Local service delivery • Financial management 		Nominal Ordinal	SPSS	Descriptive
Poverty Eradication fund	Independent	<ul style="list-style-type: none"> • Enterprises financed by the fund • Employment opportunities created by the fund 	How many Rate of unemployment	Nominal Ordinal	SPSS	Descriptive
Private companies, NGO	Intervening	<ul style="list-style-type: none"> • Development programmes developed by private companies and NGO's • Participation in Corporate Social Responsibility by NGOs 	Number of programs run private and NGOs, other than the government	Nominal	SPSS	Descriptive

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presented the findings of the study, the influence of devolved funds on sustainability of community development projects in Embakasi. The chapter has been sectioned into; response rate, respondents' background, and the influence of devolved funds on sustainability of community development projects.

4.2 Background Information

4.2.1 Response Rate

The response rate showing those who responded to the research instrument and the representation of gender according to the data is as shown below.

Table 4.1: Response rate

	Frequency	Percent
Responded	82	82.0
Did not respond	18	18.0
Total	100	100.0
Male	24	29.3
Female	58	70.7
Total	82	100.0

Among 100 respondents sampled to participate in this study, 82 responded to the research instrument provided. This formed a response rate of 82%. According to Mugenda (2009) response rate of above 50% is adequate to carry out an investigation. Thus, this response was adequate to examine the effect of devolved funds on sustainability of community development projects in Kenya.

Gender characteristic of the respondents indicated that, majority of them were females represented by 58 respondents (70.7%) against males who were 24 represented by 29.3%. The large gender gap may be as result of largest proportion of respondents available to respond to the study.

4.2.2 Age of the Respondents

Table 4.2: Age of the Respondents

Age category	Frequency	Percent	Cumulative Percent
18-21yrs	22	26.8	26.8
22-25yrs	23	28.0	54.9
26-30yrs	1	1.2	56.1
31-35yrs	31	37.8	93.9
35-40yrs	2	2.4	96.3
above 40yrs	3	3.7	100.0
Total	82	100.0	

Majority of the respondents were aged between 31 and 35. This was shown by 37.8% representing 31 respondents, while 28% represented age category of those who were aged between 22-25 years. Twenty-two (26.8%) of respondents were aged between 18-21 years, 2.4% representing 35-40 years and only 3.7% tallying to 3 respondents were aged above 40 years. Cumulatively, 93.9% of the respondents are within the definition of youth in Kenya, hence it can be concluded that a higher percentage of respondents within Embakasi constituency are in dire need of community development.

4.2.3 Period of Constituency Residency

Table 4.3: Period of residency at Embakasi constituency

Period	Frequency	Percent	Cumulative Percent
1-5yrs	19	23.2	23.2
5-10yrs	27	32.9	56.1
10-15yrs	7	8.5	64.6
over 15yrs	29	35.4	100.0
Total	82	100.0	

An analysis of the time period within which respondents had been residents in Embakasi constituency revealed that 19 out of 82 respondents (23.2%) had been residents for 1-5 years, 32.9% representing 27 respondents had been residents from 5-10 years, 8.5% for 10-15 years while 29 of the respondents shown by 35.4% had been residents for over 15 years. The findings reveal that majority of the respondents had over 15 years of residence in Embakasi

constituency. The period of residence for majority of respondents was a good indicator of their understanding on community development as far as the contribution of devolved funds was concerned.

4.3 The Influence of Devolved Funds on Community Development

4.3.1 Existing Funding Projects

Table 4.4: Existing Funding Projects

Existing Devolved funds	Frequency	Percent	Cumulative Percent
Constituency development funds	26	61.9	61.9
Bursary funds	13	31.0	92.9
Local authority transfer fund	1	2.4	95.2
Poverty eradication funds	2	4.8	100.0
Total	42	100.0	

Existence of Constituency Development Fund (CDF) project is the dominating project among other projects as shown by 26 respondents represented by 66.19%. Bursary Funds as well were mentioned by 29.27% of the respondents as existing. The existence of Local Authority Transfer Fund and Poverty Eradication Funds was rated by minority of respondents counting to 1 and 2 respondents respectively. These results reveal the level of participation of these projects and the scope which they cover, which shows that, CDF projects have a wide coverage on community needs and it is actively involved in many community based projects against the other projects. The finding on the existence of devolved funds tally with literature findings on by brown (2011) which describes the underlying concept of devolution in bringing about a reduction in size and influence of national government through reduction of federal taxes and expenditures by shifting federal responsibilities to states.

4.3.2 The influence of CDF on Community Development

Table 4.5: CDF has led to Increase in Numbers of Schools in Embakasi

Level of agreement	Frequency	Percentage
Strongly Disagree	2	2.4%
Disagree	0	0.0%
Neutral	9	11.0%
Agree	28	34.1%
Strongly Agree	43	52.4%
Total	82	100.0%

In the assertions seeking to gauge the effects of CDF on Community Development, a question seeking opinion from respondents that CDF has led to increase in numbers of schools in Embakasi Constituency, majority of the respondents' equivalent to 52.4% strongly agreed. Those who had agreeing opinion were 28 respondents represented by 34.1% while 11% were neutral. Only 2.4% disagreed strongly.

Table 4.6: CDF has led to more infrastructural development

Level of agreement	Frequency	Percentage
Strongly Disagree	7	8.5%
Disagree	9	11.0%
Neutral	10	12.2%
Agree	43	52.4%
Strongly Agree	13	15.9%
Total	82	100.0%

Most infrastructural framework has been laid down by CDF funding according to 43 and 13 respondents represented by 52.4% and 15.9% from those who agreed and strongly agreed. Response of 25.6% was neutral while 11% were on disagreeing opinion. A response of 12.2% represented those with neutral opinion while 11% disagreed and 8.5% strongly disagreed.

Table 4.7: CDF Contribution to Increased Community Level Of Participation

Level of agreement	Frequency	Percentage
Strongly Disagree	0	0.0%
Disagree	4	4.9%
Neutral	9	11.0%
Agree	40	48.8%
Strongly Agree	29	35.4%
Total	82	100.0%

Forty of the respondents equivalent to 48.8% agreed that CDF projects have increased level of community participation in development while 35.4% strongly agreed. Those who had neutral opinion were 11% and those disagreed with the statement were 4.9%. More employment opportunities have been created through CDF projects as supported by 53.7% and 19.5% from those who agreed and strongly agreed. Neutral opinion was received by 18.3% while 4.9% and 3.7 disagreed and strongly disagreed.

Table 4.8: Development changes as a result of CDF

Level of agreement	Frequency	Percentage
Strongly Disagree	39	47.6%
Disagree	31	37.8%
Neutral	2	2.4%
Agree	4	4.9%
Strongly Agree	6	7.3%
Total	82	100.0%

The assertion that respondents hardly experience developmental changes as a result of CDF was opposed by majority of the respondents of 47.6% and 37.8% of those who disagreed and strongly disagreed. Neutral view was supported by 2 respondents equivalent to 2.4% as 4 and 6 respondents represented by 4.9% who agreed and 7.3% strongly agreed.

From the results, CDF has received positive response regarding its level in community participation and development. This therefore indicates that CDF in Embakasi constituency is

highly involved in meeting community needs through project constructions and employment opportunities to the residents. It has improved the life of many residents greatly in various aspects such as good health and growth and development. The finding that majority of respondents indicate increase number of schools as a result of community development fund in a clear indicator that CDF has in many communities played as a development unit as indicated by (Takao, 2005). Similarly Mwangi, 2009) notes that CDF is devoted to community based projects which ensure prospective benefits are available to a wide spread section of inhabitants of a particular area.

4.3.4 Influence of Local Authority Transfer Fund on Development

Table 4.9: Assessment of service delivery provided by the LATF fund

Level of agreement	Frequency	Percentage
Strongly Disagree	23	28.0%
Disagree	22	26.8%
Neutral	26	31.7%
Agree	7	8.5%
Strongly Agree	4	4.9%
Total	82	100.0%

The assertion that the Local Authority Fund partner with the community to plan and develop projects, was agreed upon by 7 respondents shown by 8.5% and strongly agreed by 4.9%. Neutral opinion was gotten from 31.7% of the respondents as 28% strongly disagreed and 26.8% disagreed. Judging from majority response, it can be note that majority of respondents were not sure of the extent to which LATF fund had provided adequate service delivery in Embakasi constituency. This could thus reveal the unfelt community development effect of the LATF fund.

On the statement seeking to determine how service delivery is adequately provided by the LATF, most of the respondents disagreed with the statement. This was revealed by 28% who strongly disagreed that they have adequate service delivery provided by the LATF fund. The statement was also disagreed by 26.8% and neutrally accepted by 31.7%. Rating of agree achieved 8.5% while strongly agree achieved 4.9%. This reveals the small percentage of respondents who have witnessed adequate service delivery.

Table 4.10: Projects through Combined Input of Different Funding Agencies

Level of agreement	Frequency	Percentage
Strongly Disagree	4	4.9%
Disagree	2	2.4%
Neutral	13	15.9%
Agree	29	35.4%
Strongly Agree	34	41.5%
Total	82	100.0%

Majority of the respondents supported the statement that many of the projects within the area have been through combined input of different funding agencies. This was shown by 34 respondent's equivalent to 41.5% who had strongly agreed and 29 respondents (35.4%) who held their opinion as agree. Neutral opinion was sought form 15.9%, while 2.4% and 4.9% disagreed and strongly disagreed respectively. This rating received a high support in regard to other funding agencies that exist in the area and which might be other than LATF. Similarly, majority of the respondent were both neutral and strongly agreeing with the same percentage on the assertion that LATF fund does not have capacity to cater development needs. This was presented by 34.1% on each opinion as 1.2% agreed with the statement. However, 15.9% agreed with the assertion while 14.6% strongly disagreed.

Table 4.11: Capacity of LATF fund to cater development needs

Level of agreement	Frequency	Percentage
Strongly Disagree	12	14.6%
Disagree	13	15.9%
Neutral	28	34.1%
Agree	1	1.2%
Strongly Agree	28	34.1%
Total	82	100.0%

The rating on the effect of LATF on community development indicates low participation of on community matters as shown by majority of the respondents who defy developments by

LATF in the constituency. The study recommends that there is need to establish and maintain an appropriate balance between the amount of decentralized financial resources and the services devolved to local governments at different levels and match this with their technical capacity to effectively utilize the funds.

Literature by Wanyande (2007) indicate that LATF transfers 5% of central income tax revenues to local authorities to supplement revenues raised locally through taxes, land rates , single business permits and other sources. The LATF fund which according to Syagga and Associates (2007) is meant to provide supplementary funding for LA has majorly been the only fund used to do development projects at constituency level, thus, rendering it's impact among the Embakasi community too minimal. This would therefore explain neutral rating on provision of adequate service delivery and the assertion that LATF did not have capacity to cater for developments projects.

4.3.5 Influence of Bursary Funds on Community Development

Table 4.12: Bursary allocation and its contribution to increased access to education among poor students

Level of agreement	Frequency	Percentage
Strongly Disagree	0	0.0%
Disagree	4	4.9%
Neutral	27	32.9%
Agree	43	52.4%
Strongly Agree	8	9.8%
Total	82	100.0%

There has been increased level of school retention as a result of bursary financing. This affirmation was strongly agreed upon by 8 and agreed by 43 respondents represented by 9.8% and 52.4% respectively. Neutral opinion was sought from 27 respondents (32.9%) and only 4.9% from those who disagreed.

Table 4.13: Community Residents' Awareness of the Availability of Bursary Funds to Finance Financial Needs

Level of agreement	Frequency	Percentage
Strongly Disagree	0	0.0%
Disagree	6	7.4%
Neutral	24	29.6%
Agree	49	60.5%
Strongly Agree	2	2.5%
Total	81	100.0%

Seeking to investigate whether community residents are aware of availability of bursary funds to finance financial needs, 60.5% tallying to 49 agreed as 2.5% equivalent to 2 respondents strongly agreed. Respondents who declared their views as neutral were 29.6% and those who had a disagreeing opinion were represented by 7.4%.

Table 4.14: Increased academic performance as result of bursary allocations

Level of agreement	Frequency	Percentage
Strongly Disagree	2	2.4%
Disagree	2	2.4%
Neutral	18	22.0%
Agree	51	62.2%
Strongly Agree	9	11.0%
Total	82	100.0%

The relationship between bursary allocations and increased academic performance received a firm support from majority of the respondents of 62.2% who agreed with the statement and again supported further by 11% from those who strongly agreed. Responses of 22% from 18 respondents held a neutral opinion as 2.4% expressed an opinion of strongly disagree and disagree.

Table 4.15: School dropout's rates

Level of agreement	Frequency	Percentage
Strongly Disagree	23	28.0%
Disagree	34	41.5%
Neutral	16	19.5%
Agree	5	6.1%
Strongly Agree	4	4.9%
Total	82	100.0%

However, the issue of absence of school dropout cases as a result of bursary fund was disagreed by majority, 34 of the respondents' equivalent to 41.5%. The statement was also strongly disagreed by 28% as 19.5% assumed a neutral stand. Minority response agreed and strongly disagreed with 6.1% and 4.9% respectively. This shows that, school dropout is not a sole factor of Bursary Fund but a combination of many other factors.

These results therefore indicate that, bursary fund is actively utilised in community development and are attributed to increased academic performance. According to Blackden, (2006). Bursary fund was established by the government to cushion households from impacts of poverty, unstable economy and the effects of HIV/AIDS by increasing access, retention and completion rates in secondary schools and therefore in Embakasi area, it can be concluded that, the fund has helped students and families which are unable to meet needs for school fees.

4.3.6 Influence of Poverty Eradication Fund on Community Development

Table 4.16: Projects contribution to increased living standards for the residents of Embakasi

Level of agreement	Frequency	Percentage
Strongly Disagree	2	2.5%
Disagree	0	0.0%
Neutral	19	23.8%
Agree	20	25.0%
Strongly Agree	39	48.8%
Total	80	100.0%

Poverty Eradication Fund has helped residents of Embakasi constituency to fight poverty. This was shown by 39 and 20 respondents represented by 48.8% and 25% who agreed and strongly agreed that most projects in Embakasi have increased the living standards for the residents. Only 23.8% were neutral and 2.5% strongly disagreed.

Table 4.17: Investment groups formed as a result of the local fund

Level of agreement	Frequency	Percentage
Strongly Disagree	9	11.2%
Disagree	27	33.8%
Neutral	23	28.8%
Agree	16	20.0%
Strongly Agree	5	6.2%
Total	80	100.0%

On the assertion that respondents had formed investment groups funded by the local fund, 27 and 9 respondents represented by 33.8% and 11.2% of the respondents disagreed respectively. Sixteen respondents equivalent to 20% of the respondents agreed with the assertion as 6.2% strongly agreed. Neutral opinion was gotten from 28.8% of the respondents. The findings revealed that investment groups at Embakasi constituency were not majorly funded by the local fund. It could therefore be concluded that the fund did not majorly play a big role towards facilitating investment amongst the local community, which is a good indicator towards community development.

Table 4.18: Poverty eradication fund provision of favourable interest rates for small and medium enterprises

Level of agreement	Frequency	Percentage
Strongly Disagree	13	16.2%
Disagree	18	22.5%
Neutral	21	26.2%
Agree	18	22.5%
Strongly Agree	10	12.5%
Total	80	100.0%

On the assertion that poverty eradication fund provides favourable interest rates for small and medium enterprises, was responded with mixed opinions from the respondents. Twenty-one respondents, the majority were neutral with 26.2%, 22.5% equal to 18 respondents held an agreeing and disagreeing opinion, 16.2% strongly disagreed and 12.5% strongly agreed. This

shows that, poverty eradication fund might be providing favourable interest rates for small and medium enterprises but known by few individuals as revealed by the mixed opinions.

Table 4. 19: Poverty eradication fund and poor management

Level of agreement	Frequency	Percentage
Strongly Disagree	6	7.5%
Disagree	15	18.8%
Neutral	23	28.8%
Agree	17	21.2%
Strongly Agree	19	23.8%
Total	80	100.0%

Majority of the respondents of 23.8% and 21.2% strongly agreed and agreed with the statement that the objective of poverty eradication fund has been marred by poor management. Neutral opinion was sought from 23 respondents shown by 28.8% as 18.8% disagreeing and 7.5% strongly disagreeing. This points out that, either way, the objective of poverty eradication fund has been spoiled by poor management but not to a great extent, considering the contrary opinions from the respondents.

Table 4.20: Self employment programs at Embakasi created through poverty eradication fund

Level of agreement	Frequency	Percentage
Strongly Disagree	24	30.0%
Disagree	13	16.2%
Neutral	17	21.2%
Agree	16	20.0%
Strongly Agree	10	12.5%
Total	80	100.0%

Most self employment programs at Embakasi were not created through poverty eradication fund as shown by 24 respondents (30%) of those who strongly disagreed. The statement was opposed by 13 respondents (16.2%) from those who disagreed. Twenty-one percent were

neutral on the statement as 22.5% and 12.5% agreed and strongly agreed that most self employment programs at Embakasi were created through poverty eradication fund.

Table 4.21: Poverty eradication fund contribution to training on business development skills

Level of agreement	Frequency	Percentage
Strongly Disagree	13	16.2%
Disagree	15	18.8%
Neutral	22	27.5%
Agree	18	22.5%
Strongly Agree	12	15.0%
Total	80	100.0%

The assertion that, through poverty eradication fund, residents are normally trained on business development skill received neutral stand from 27.5%, equivalent to a frequency of 22. However, 22.5% agreed and 15% strongly agreed. On the contrary opinion, 18.8% disagreed while 16.2% strongly disagreed. The response indicate that the poverty eradication fund has tried to cater for peoples' welfare through varied dimensions like business and increased living standards. According to Kessy (2008), poverty reduction has been a long – standing concern of all African countries, however, it has not fully achieved its objectives due to some faults like poor management and failure to meet some responsibilities.

4.3.7 Rating Kinds of Devolved Funds on Community Development

Table 4.22: Rating Kinds of Devolved Funds on Community Development

Rating of different devolved funds	Frequency	Percentage	
Constituency development fund	Very Great Extent	40	48.8%
	Great Extent	34	41.5%
	Moderate Extent	8	9.8%
	Small Extent	0	0.0%
	Not At All	0	0.0%
	Total	82	100.0%
Bursary Funds	Very Great Extent	7	8.5%
	Great Extent	42	51.2%
	Moderate Extent	28	34.1%
	Small Extent	5	6.1%
	Not At All	0	0.0%
	Total	82	100.0%

	Very Great Extent	0	0.0%
	Great Extent	9	11.2%
Local Authority transfer fund	Moderate Extent	18	22.5%
	Small Extent	33	41.2%
	Not At All	20	25.0%
	Total	80	100.0%
	Very Great Extent	10	12.2%
	Great Extent	15	18.3%
Poverty Eradication fund	Moderate Extent	13	15.9%
	Small Extent	29	35.4%
	Not At All	15	18.3%
	Total	82	100.0%

In terms of community development, constituency development fund was rated to a very great extent by 40 respondents (48.8%), great extent by 41.5% and 9.8% to a moderate extent. There was no rating of small extent or no extent at all. This shows the level of commitment of the CDF and the quality services this devolved fund has been of help to residents of Embakasi constituency. Bursary funds were rated by 42 respondents (51.2%) to great extent, 28 (34.1%) to a moderate extent, 8.5% to a very great extent and 6.1% to a small extent. It is the second devolved fund appraised by many respondents after CDF.

Local Authority Transfer fund was rated to small extent by 33 respondents equal to 41.2 %, to no extent at all by 25%, 22.5% to a moderate extent and 11.2% to a great extent. This rating of the local authority transfer fund shows that, the devolved fund is not actively involved in community development and thus received a low rating in terms of community development. On the other hand, poverty-eradication fund was rated to small extent by 35.4%, 18.3% to both great extent and to no extent at all. Rating of moderate extent was expressed by 15.9%. The rating on poverty eradication fund reveals also the level of commitment in community development. However, in terms of ranking the kinds of devolved funds, the poverty eradication fund scoops the third position in terms of community development.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary, conclusion and recommendations to the study based on research findings. The study sought to establish the effect of devolved funds on sustainability of community development projects in Kenya. The summary, conclusion and recommendations the effects of Constituency Development Fund, Local authority transfer fund, Bursary fund and Poverty eradication fund have been tackled.

5.2 Summary of findings

Existence of Constituency Development Fund (CDF) project is the dominating project among other projects as shown by 26 respondents represented by 661.9%. Bursary Funds as well were mentioned by 29.27% of the respondents as existing. The existence of Local Authority Transfer Fund and Poverty Eradication Funds was rated by minority of respondents counting to 1.2% and 4.9% respectively. These results reveal the level of participation of these projects and the scope which they cover, which shows that, CDF projects have a wide coverage on community needs and it is actively involved in many community based projects against the other projects.

5.2.1 Influence of Constituency Development Fund on Community Development

Constituency Development Fund was recognized by the residents of Embakasi area as one of the devolved funds that has contributed to most of developments in the area. The level of development was measured by a number of assertions that aimed at getting response on the level of participation in the community. As a result of CDF, there have been more allocations for infrastructural development coupled by development of infrastructural frameworks in the area. This was supported by majority of the respondents' equivalent to 43 respondents represented by 52.4% who strongly agreed that CDF has led to increase in numbers of schools in Embakasi Constituency.

As a result of these infrastructural developments and funds allocations, there has been increased level of community participation in development and more employment have been

created in the constituency. This was evident by high score received from 84.4% of those who disagreed with the statement that residents hardly experience developmental changes as a result of CDF.

This finding to some extent concurs with Odundo (2004) study that, through the CDF, schools have been built through funding by the CDF resources. Each of the schools that have been built by the aid of CDF funds are properly equipped in terms of teachers and facilities (Odundo, 2004). This has increased the quality of education and aided free primary education in all constituencies. In addition, dispensaries and hospitals are now more developed than ever before implantation of CDF. Stalled dispensary buildings and projects have been completed and others initiated in record time because of funding from the CDF kitty.

5.2.2 Influence of Local Authority Transfer fund on Community Development

Local Authority Transfer Fund has received a moderate rating and low score in terms of community development. The level of participation was measured by the efforts of the devolved fund to partner with the community to plan and develop projects. The fact that majority of the respondents supported the statement that many of the projects within the area have been through combined input of different funding agencies as shown by 63 respondents equivalent to 76.9% from agreeing and strongly agreeing opinion. The high rating is attributed to other funding agencies that exist in the area and other than LATF.

On the statement seeking to determine how service delivery is adequately provided by the LATF, most of the respondents disagreed with the statement. This was revealed by 23 respondents (28%) who strongly disagreed that they have adequate service delivery provided by the LATF fund. The statement was also disagreed by 26.8% and neutrally accepted by 31.7%. Similarly, majority of the respondent were both neutral and strongly agreeing with the same percentage on the assertion that LATF fund does not have capacity to cater development needs.

From the literature, Mboga (2008), explains that LATF is an important source of revenue to Local Authority. In the absence of any other grant or revenue source, LATF plays a major role in financing local authority's programmes and projects. It has assisted in maintaining local authorities expenditures within the budget levels due to its conditionality. Most local authorities are showing significant levels of capital expenditure and debt resolution payment.

The low economic potential regions and those viewed as unimportant by the decentralization of development funding through the creation of local authorities transfer fund, provide more investments and influence. There is a range of ongoing projects in local areas. In fact, just like CDF, dispensaries and schools have been built and once completed equipped with necessary facilities to provide intended services that improve quality of life in the community. In some areas, roads are under construction as water projects are initiated.

The fund facilitates the mobilization of local resources in support of the development process, and enables value added contributions to the provision of services and development efforts, which increases the total value of services provided, or development achieved, from the limited formal resources available.

From the study findings, the research demonstrates a moderate function of LATF in Embakasi as compared to the expected functions depicted in the literature. This moderate contribution has been attributed to low and moderate service delivery in terms of supporting students who have difficulties in meeting school fees.

5.2.3 Influence of Bursary Fund on Community Development

There has been increased level of school retention as a result of bursary financing. This affirmation was strongly agreed upon by 8 and agreed by 43 respondents represented by 9.8% and 52.4% respectively. Bursary Fund has contributed in meeting needs of school fees to the poor families within the constituency as agreed by 63% of the respondents on the availability of bursary funds to finance financial needs. Similarly, high response of 52.4% supported the fairness of bursary allocation which has increased access to education among poor.

As a consequence of the fairness of bursary allocation and commitment to cater for school fees for students from poor background, increased academic performance has been witnessed in many schools in the constituency as agreed upon by 60 respondents equal to 73.2%. Only minority response of 2.4% were contrary on the increased academic performance represented by respondents who assumed strongly disagree and disagree opinion.

The research findings on the influence of bursary fund on community development projects exhibited a characteristics that is in line with IMF (2010) report that, increased enrolment in secondary schools has been attributed to devolved bursary fund given to secondary students aimed at increasing access to secondary schools, ensuring retention of students in secondary

schools, promote transition on completion rates and reduce disparities and inequalities in the provision of secondary school education.

Despite the overstretched facilities and crowding in learning institutions as a result of the increased enrolment, with community intervention and other devolved funds such as CDF and LATF school facilities such as classes, dormitories have been expanded. Therefore, the influence is attributable to the move of the government that sought development of new schools in all the eight provinces with others being upgraded to provincial and national schools to cater for the huge enrolment of students in secondary schools (Ministry of Education, 2012).

5.2.4 Influence of poverty eradication fund on Community Development

Poverty Eradication Fund has helped residents of Embakasi constituency to fight poverty. This was shown by 39 and 20 respondents represented by 48.8% and 25% who agreed and strongly agreed that most projects in Embakasi have increased the living standards for the residents. However, the issue of having investment groups funded by the local fund was disagreed and strongly disagreed by 27 and 9 respondents represented by 33.8% and 11.2% respectively.

On the assertion that poverty eradication fund provides favourable interest rates for small and medium enterprises, was responded with mixed opinions from the respondents. Twenty-one respondents, were neutral with 26.2%, 22.5% equal to 18 respondents held an agreeing and disagreeing opinion, 16.2% strongly disagreed and 12.5% strongly agreed. Poverty eradication fund has been marred by poor management as agreed upon by 36 respondents (45%) as 28.8% assumed neutral stand. This was further supported by 37 respondents equal to 46.2% of those who held that most self employment programs at Embakasi were not created through poverty eradication fund.

The Poverty eradication fund on community development as presented in the research findings takes a different form as compared to the literature. The performance of the und has not been fully functional and has been encountered with poor management.

The Poverty Eradication Commission in 2009 reported that, poverty eradication initiative under the poverty eradication commission (PEC), has contributed in some ways whose effects are the improving the status of the poor and encouraging them to indulge in income

generating activities which is fairly true in accordance with data analysis in Embakasi. Some of the initiatives with their influence include; revolving fund given to the poor to finance their projects since they are neither able to access credit from formal banks nor from most microfinance institutions due to long distances, high charges and interest rates.

District table banking as an initiative of poverty eradication programme also has boosted funds available for borrowing to the poor who are already in business. It is an innovative approach for boosting funds for business for low-income earners. This has further contributed the financing of the poor as a strategy to eradicate poverty (GoK, 2007).

Empowering community groups both socially and economically is therefore likely to uplift individual households towards a better standard of living and therefore constitutes a major step towards addressing national income poverty and employment creation.

5.3 Conclusions

Constituency development fund is the major devolved fund that has contributed in many developments in Embakasi constituency. It is highly involved in meeting community needs through project constructions and employment opportunities to the residents. It has improved the life of many residents greatly in various aspects such as good health, employment opportunities and increased schools which has improved schooling status of many students in the area.

Local Authority Transfer Fund is expected to support many projects in the constituency but in Embakasi constituency, LATF participates lowly in community development. Service delivery provided by the fund is inadequate and for the developments that have been laid is highly attributed to combined input of different funding agencies as opposed to LATF development.

Bursary Fund is actively utilised in community development and are attributed to increased academic performance. The fund has the capacity to boost the academic performance through bursary allocation to students from poor background. It has also enables poor families to meet other needs especially those affected by HIV pandemic and other chronic diseases since school burden has been eased. Increasing access, retention and completion rates in secondary schools have been witnessed in Embakasi constituency.

Poverty eradication fund has catered for peoples' welfare through varied dimensions like business and increased living standards. Families languishing in poverty have access to devolve fund that enable them to meet their needs to some extent. However, in some areas, the poverty eradication fund has not fully achieved its objectives due to some faults like poor management and failure to meet some responsibilities.

Devolved funds therefore have the capacity to improve people's living standards, by actively supporting development projects and opening up employment and business opportunities. This helps the community to advance economically and socially.

5.4 Recommendations

1. Local Authority Transfer Fund has been rated to small extent on the participation in community development. It is recommended that vetting of the LATF management should be done to ensure adequate service delivery to citizens. The study also recommends that there is need to establish and maintain an appropriate balance between the amount of decentralized financial resources and the services devolved to local governments at different levels and match this with their technical capacity to effectively utilize the funds.
2. The fact that CDF participates actively in community development in Embakasi constituency might not be the same case in the other constituencies in Kenya. It is therefore recommended that other constituencies faced by low participation of CDF and other devolved funds should emulate the participation in Embakasi to achieve improved welfare for Kenya citizens.
3. Proper management in Poverty Eradication Fund need to be reinstalled to avoid misappropriation of funds and to ensure that the fund meets its goals of eradicating poverty among the Kenya citizens.

5.5 Suggestion for further study

1. A further study should be undertaken to examine strategies used to effectively manage devolved funds, to ensure that they enhance community development.

2. A similar study should be done in other constituencies within Nairobi to establish whether a similar influence of devolved funds exists.

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APPENDICES

Appendix I: Introduction letter

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TO WHOM IT MAY CONCERN

DEVOLVED FUNDS IN EMBAKASI CONSTITUENCY

RE: PERMISSION TO CARRY OUT AN ACADEMIC STUDY

My Name is Lydia Musitah, a Master of Arts student in project planning and Management. The effect of devolved funds on sustainability of community development projects in Kenya: a study of Embakasi constituency. Devolved funds are centralised funds meant to facilitate development at local level. I kindly request your authorization to undertake this study in your area of authorization.

Thanks in advance

Yours faithfully

Lydia Musitah

L50/63338/2010

Appendix ii: Questionnaire Embakasi community residents

RE: INTRODUCTION

Dear Respondent

This questionnaire is aimed at gathering primary data on the effect of devolved funds on sustainability of community development projects in Kenya: a study of Embakasi constituency. You are kindly requested to fill in the questions depending on the instructions given. The information you provide will be treated with utmost confidentiality and will be used for the purpose of accomplishing academic goals. Do not include your name anywhere in the questionnaire. Note that there are no wrong or right answers.

PART A: Background information

1. Kindly indicate your gender
 - a. Male
 - b. Female
2. Kindly indicate your age bracket
 - a. 18-21 Years
 - b. 22-25 Years
 - c. 26-30 Years
 - d. 31-35 Years
 - e. 35-40 Years
 - f. Above 40 years
3. How long have you been a resident of this constituency
 - a. 1-5 years
 - b. 5-10 Years
 - c. 10-15 years
 - d. Over 15 years

PART B: Effects of devolved funds on community development

4. Are there projects in your area facilitated through funding by any of the following
 - a. Constituency development funds
 - b. Bursary funds
 - c. Local authority transfer fund
 - d. Poverty eradication funds
 - e. Others (Please specify).....

The following statements are relating to community development and devolved funds .Kindly indicate your agreement on the statements by ticking the column that best describes your opinion.; 5- Strongly agree (SA), 4- Agree (A) 3- Neutral (N), 2- Disagree (D), 1- Strongly Disagree (SD)

Statement	5-SA	4- A	3- N	2-D	• SD
Effects of CDF on community development					
a. CDF has led to increase in numbers of schools in Embakasi					
b. Most infrastructural framework has been laid down by CDF funding					
c. As a result of CDF , there has been more allocation for infrastructural development					
d. CDF projects have increased level of community participation in development					
e. More employment opportunities have been created through CDF					

projects					
f. We hardly experience developmental changes as a result of CDF					
Effects of local authority transfer fund on development					
g. The local authority partners with the community to plan and develop projects					
a. Many of the projects within our area have been through combined input of different funding agencies					
b. We have adequate service delivery provided by the LATF fund					
c. Our LATF fund does not have capacity to cater development needs					
Effects of bursary funds on community development					
a. There has been increased level of school retention as a result of bursary financing					
b. The bursary allocation is a fair process and has increased access to education among poor students					
c. Community residents are aware of availability of bursary funds to finance					

financial needs					
d. There has been increased academic performance as result of bursary allocations					
e. Our area has no cases of school dropouts attributed to school fee payment					
Effects of poverty eradication fund on community development					
a. Most projects in Embakasi have increased the living standards for the residents					
b. We have formed investment groups funded by the local fund					
c. Poverty eradication fund provides favourable interest rates for small and medium enterprises					
d. The objective of poverty eradication fund has been marred by poor management					
e. Most self employment programs at Embakasi were created through poverty eradication fund					
f. Through poverty eradication fund, we are normally trained on business development skill.					

5. Kindly indicate your rating the following kinds of devolved funds on community development

Devolved funds	Very great extent	Great extent	Moderate extent	Small extent	Not at all
Constituency development fund					
Bursary funds					
Local Authority transfer fund					
Poverty Eradication fund					

What are some of the other effects of devolved funds in your community? Kindly explain

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Thank you for your participation and corporation