[I FACTORS INFLUENCING CONTRIBUTION OF CONSTITUENCY DEVELOPMENT FUND TO ECONOMIC GROWTH IN KENYA: A CASE OF NYERI TOWN CONSTITUENCY.

ΒY

KAKETHI JOSEPH MIANO

1 ~



S'Tr Of NAIROBI
"""ACOUTCTio.i

A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DECREE MASTER OF ARTS IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI

#### DECLARATION

This project report is my original work. The work has not been presented for any award in any other university.

SIGNED 1 o / a

KABETIII JOSEPH MIANO DATF

L50/70506/2009

This project report has been submitted for examination with my approval as university supervisor.

DR. HARRIET KIDOMBO DAII.

Senior lecturer.

Department of Ivducalional Studies. University of Nairobi

# **DEDICATION**

This work is dedicated to my family. Special dedications to my wife Kmma, my daughter Ann. my Mum and Dad as well as to my three sisters: Grace. Mercy and Peris. You are the pillars of my strength. May the Lord grant you peace, good health and long life.

#### ACK.NOWLEDC.F.MENTS

I am very grateful to Dr. Harriet Kidombo, my project supervisor for invaluable guidance and advice through the project. My own efforts may not have yielded much without your assistance.

Thanks to the University of Nairobi for providing an opportunity to pursue this degree in our locale. Special thanks to the lecturers and the non teaching Staff of Nycri Lxtra Mural Center lor the tireless efforts and dedication during the course.

Many thanks to my fellow classmates for your cooperation, support and commitment through out the course. Finally, thanks to Mr. Onesmus Muriithi Mugo for your unwavering support and encouragement.

To all. may the Almighty I ord shower you with his blessings.

# TABLE OF CONTENTS

Page
DECLARATION
DEDICATION
ACKNOWLEDGEMENTS iv
LIST OF FIGURES viii
LIST OF TABLES ix
ABBREVIATIONS AND ACRONYMS x
ABSTRACT
CHAPTER ONE: INTRODUCTION
LI Background to lhe study
1.2 Statement of the problem
1.3 Purpose of the study.
1.4 Objectives -4
1.4.1 Broad objectives
1.4.2 Specific objectives
1.5 Research questions
1.6 Significance of the study— 5
1.7 Limitations of the study
1.8 Delimitation of the study 5
1.9 Assumptions of the study find $r = r + r = r = r = r = r = r = r = r = $
CHAPTER TWO: LITERATURE REVIEW 8
2.1 Introduction 8
2.2 Economic (irowth in Kenya 8
2.2.1 History of Economic Growth in Kenya
2.3 Decentralised Funds Model:- A Global Perspective 11
2.3.1 Decentralised Funds in Kenya
2.3.2 District Focus for Rural Development
2.3.3 The Constituency Development Fund (CDF)
2.3.3.1 Objectives of CDF

2.3.3.2 Management Structure of CDF	14
2.3.4 Constituency Bursary Fund	16
2.4 Competence of Management Staff	17
2.5 Amount of Funds Disbursed	17
2.6 Projects Chosen	17
2.7 Stakeholders Participation — — —	18
2.8 Demographies of CDF Stall-	18
2.9 Conceptual Framework	20
2.9.1 The Relationship between the Variables	21
2.10 Summary of Literature Review	22
CHAPTER THREE: RESEARCH METHODOLOGY	23
3.1 Introduction	23
3.2 Research Design	-23
3.3 Area of Study	24
3.4 Target Population——	24
3.5 Sample Si/e and Sampling Technique	24
3.6 Research Instruments ••—	26
3.7 Validity and Reliability of Instruments	-—26
3.7.1 Validity	26
3.7.2 Reliability	27
3.8 Data Collection Procedure-	27
3.9 Operational Definition of Variables	28
3.10 Data Analysis Techniques.	.29
3.11 Fthical Issues in Research	30
3.12 Summary—	30
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION	31
4.1 Introduction	<u>31</u>
4.2 Questionnaire Return Rate —	.31
4.3 Data Analysis	32
4.4 Management Competence	32
4.5 Projects Chosen	35

4.6 Amount of Funds Disbursed —	37
4.7 Stakeholders Participation	39
4.8 Staff Demographic Factors	-40
4.9 Economic Growth	41
4.10 Summary	<u></u> 44
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS	ANI
RECOMMENDATIONS	15
5.1 Introduction	15
5.2 Summary and Discussion of Findings	45
5.2.1 Competence of Management Staff-	15
5.2.2 Projects Chosen	46
5.2.3 Amount of funds Disbursed	16
5.2.4 Stakeholders Participation	<u></u> 46
5.2.5 Staff Demographic factors	17
5.2.6 Economic Growth	47
5.3 Conclusions	48
5.4 Recommendations	49
5.5 Areas of Further Research	49
Appendix I: Introduction letter	53
Appendix 2: Questionnaire for Project Management Committee	54
Appendix 3: Questionnaire for Project Beneficiaries.	58
Appendix 4: Questionnaire for CDC members	61
Appendix 5: Interview guide for Constituency CDF stall	64
Appendix 6: Sampling frame	.66

# LIST OK FIGURES

1-igurc 2.1: Trend in GDP Growth 1966-2001	9
Figure 2.2: Real GDP Growth 2002-2008	11
Figure 2.3: Conceptual Framework——	20
Figure 4.1: CDF Personnel Academic Qualifications	- 3 3
Figure 4.2: Personnel Work Experience	34
Figure 4.3: Quality of Project Output	37
Figure 4.4: Project Progress Status	43

# LIST OF TABLKS

Tabic I.I: Amounts allocated to CDF Nationally since inception	2
Table 3.1: Procedure of sampling CDF projects.	25
Table 3.2: Number of targeted respondents.	26
Table 3 J: Operational Definition of Variables	28
Table 4.1: CDF Personnel Academic Qualifications	32
Table 4.2: CDF Personnel in Service training	-33
Table 4.3: CDF Personnel Work Experience	34
Table 4.4: Projects Funded through CDF	35
Table 4.5: Progress of CDF Funded Projects.	.36
Table 4.6: Quality of Project Output	36
Table 4.7: Adequacy of CDF Funds	38
Table 4.8: Adequate CDF Allocations	38
Table 4.9: 1 evel of Stakeholders Awareness on Project Activities.	. 39
Table 4.10: Stakeholders Commitment to CDF Funded Projects.	.10
Table 4.11: Distribution of CDF Staff by Gender	-10
Table 4.12: Age Structure or CDF Management Stall'-	-41
fable 4.13: Jobs Created through CDF	42
Table 4.14: CDF Projects Progress Status	12
fable 4.15: Contribution of CDF Projects to Economic Growth	.13

#### ABBREVIATIONS AND ACRONYMS

CDF • Constituency Development Fund

ERS -Economic Recovery Strategy Ibr Wealth and Employment Creation

FPIi -Free Primary Education

GDP -Gross Domestic Product

GOK -Government of Kenya

HIV - Human Immunodeficiency Syndrome

IPRSP -Interim Poverty Reduction Strategy Paper

KANU -Kenya African National Union

KNBS - Kenya National Bureau of Statistics

LATF - Local Authority Transfer Fund

MDG - Millennium Development Goals

MP -Member of Parliament

NARC -National Alliance Rainbow Coalition

NCCK -National Council of Churches of Kenya

NGO - Non Governmental Organisation

NTA -National Tax Payers Association

REPLF -Rural Electrification Program Levy Fund

RMLF - Road Maintenance 1 evy Fund

UN - United Nations

#### **ABSTRACT**

In an attempt to stimulate and hopefully achieve sustainable economic growth in the country, successive post independent governments in Kenya have over the years employed various resource distribution models. One such model is the constituency development fund (CDF). However proper utilisation of the funds allocated to CDF is often doubled. Questions have been raised on the capacity of ("1)1- management committees to manage such huge funds efficiently and the ability of the communities to participate in the project cycle effectively. The stud\ endeavoured to make an assessment on the factors influencing the contribution of CDF to economic growth in the country.

For the purpose of this study a case of Nycri town constituency was considered. Descriptive survey design was used. A sample of CDF projects was selected through stratified and simple random sampling methods. Primary data was collected using Questionnaires and interviews which were administered to respondents from selected projects. Documented facts also served as a source of secondary data. I he data collected was analysed using descriptive statistics.

The findings of the study were that the CDI management staff in the constituency was fairly qualified academically with a majority (53%). having tertially college education. A good proportion of the staff (55%) had little work experience of less than three years. A significant number (24%) of the staff had not attended any seminar or workshop on project management. There was a preference lor projects in Iducation sector which had 50% of the projects funded. Only 4% of the CDF funded projects had stalled. Most of the respondents felt that the CDF funds were not adequate. I he stakeholders level of awareness and commitment on CDF projects was found to be high. There is Gender inequality in favour of the male gender

from the findings of the study, it is recommended that inservice courses in terms of workshops and seminars should he mandatory for CDF staff members. The amount of funds reserved for CDI should he increased by up to KMP% lor the fund to have a significant contribution to economic growth. Sensitization and affirmative action may be necessary to bridge the gender and age structure imbalance in CDF staff appointments.

#### CHAPTER ONE

#### INTRODUCTION

#### 1.1 Background to the study

Economic growth refers to an increase in real output over time. This is normally measured by the change in Gross Domestic Product (GDP) of a country over one year. Economic growth leads to an improvement in the standards of living in the country. More schooling, better healthcare, better diet, better infrastructure and better housing e.t.e. arc all positive aspects of economic growth (Henderson and Poole 1991)

The propensity to attain economic growth in a country depends on how the country utilises the available economic resources. The nation using a larger portion of its resources for capital goods is likely to experience more rapid economic growth than the nation using more of its resources for consumer goods (Ogutu 1990).

The Kenyan government has since independence adopted various models of distributing resources in an attempt to attain rapid economic growth. One of these ways is the decentralisation of resources, through this system, there have been programmes such as the District Development Grant (1966). the Special Rural Development Programme (1969/1970). the Rural Development Fund (1975). District Development Planning (1971) and the District Focus for Rural Development (1983/1981). I hough ingenious these programs suffered the same fate - a lack of funding and excessive bureaucratic capture by the central government (Bagaka. 2008). The involvement of stakeholders in the choice and implementation of the projects was also wanting.

The failure of the above programs to achieve their objectives us desired has provided invaluable insights to the government These have been incorporated in the formulation of subsequent programmes which are currently in operation. Such programmes include the Constituency Development Fund (CDF). Free Primary Education (FPE). Secondary School Education Bursary I und, Road Maintenance Levy, Rural Electrification Programme Levy-Fund. Local Authority Fransfer Fund (I.AT1F), and HIV/AIDS fund. Others are the Youth Enterprise Fund and the Women Fund.

I

The most popular of all die decentralisation programmes is the CDF. CDF was introduced in year 2003 through an Act of parliament which has since been amended through the CDI amendment Act of 2007. Unlike other government development funds that filter through many layers of administrative bureaucracy, CDF goes directly to the local level. It allows individuals at the grassroots level to inake decisions as to which projects they would like to undertake and which ones to lake priority over others.

The government has committed 2.5% of its ordinary revenue to this fund. 1 his is a big pool of resources running into billions of Kenya shillings annually as shown in Table I.I below. A proposal to raise this to 7.5% was passed in the 2007 amendment Act. However, the implementation is not yet done

la hi? 1.1: Amounts allocated to CDF nationally sine«• inception (2003/2004)

Year	Amount allocated lenationally (Ksh)	ı CDF	Percentage Annual increase (2003/2004 as
			the base year)
2003/2004	1,260.000.000		100%
2004/2005	5.341,999,997		424%
2005/2006	7.028.614.994		558%
2006/2007	9.736.860.002		773%
2007/2008	9,797,000,000		778%
2008/2009	9,797.000.000		778%
2009/2010	12.300,000,000		976%
Total	55.261,474,990		

SOURCE: CDF Board statistics (200V/

The trend as observed in Table I. I above shows that the amounts are increasing every year from Ksh 1.2 billion in 2003/2004, to Ksh12.3 billion in 2009/2010. The materiality of the lunds involved in terms of quantity and the annual increasing trend endears the fund to critics of government fiscal spending.

I'he intention of this study was to establish whether the large resources allocated to CDF had led to an improvement in the welfare of Kenyans as measured in terms of economic growth. A case of Nyeri town constituency was used and the various factors influencing the contribution of CDF to economic growth were analysed.

#### 1.2 Statement of the problem

rhc CDI has been hailed *as* one of the important strategies of attaining rapid economic growth in Kenya. It has also been marked as one of the tools through which the much cherished Kenya Vision 2030 will be achieved. However, since inception in year 2004. the success of CDF contribution to economic growth has been a subject of contention.

Indications are that though the fund has achieved some progress, the performance is not to the expected standard. I here have been questions as to whether the fund is meeting the objectives for which it was set up. whether the fund is assisting in attaining economic growth and whether it is assisting in uplifting the living standards of the Kenyan people.

|'he National Fax Payers Association (NTA) in November 2008 carried out a research focusing on how well the CDF funds for financial years 2006/2007 were utilised in Nyeri town constituency. The findings were that only about 46% of the allocated funds were properly utilised. 38% of the funds were spent on badly built projects while 16% could not be accounted for (NTA. 2008).

At the national level the National Council of Churches of Kenya (NCCK). in year 2005 issued a manual on decentralised funds. 1 he NCCK observed that there is extremely low-public awareness on decentralised funds, poor community involvement in decision making, lack of transparency in funds allocation and prevalent poor coordination of projects within an area (NCCK. 2005).

From previous studies and casual observations, several factors have been seen to influence the contribution of CDF to economic growth. These include the competence of management stall, amount of funds disbursed, projects chosen and stakeholder's participation. Others are the government support and the demographies of the management staff.

While the earlier studies by NTA and NCCK focused on prudent utilisation of CDF funds and community participation in the management of decentralised funds, this study sought to go further and establish whether ihe CDF was contributing to the economic growth in Nyeri town constituency. I he study also differed from the earlier studies in that the demographic factors of the CDF management stall were one of the independent variables. In this case,

gender parity as well as age structure of the CDI staff, factors whose inlluence on the contribution of CDF to economic growth had hitherto not been studied were looked into.

# 1.3 Purpose of the study

The purpose of this study was to analyse the factors influencing the contribution of CDF to economic growth and suggest ways in which the same can be improved.

#### 1.4 Objectives

fhc study was guided by the objectives listed below.

# 1.4.1 Broad Objective

To analyse the factors influencing the contribution of CD1; to economic growth in Nycri town constituency.

#### 1.4.2 Specific Objectives

- 1. To establish how the competence of the management staff in CDF projects influenced economic growth in Nyeri town constituency
- 2. Io determine to what extent the amount of money disbursed through CDI influenced economic growth in Nyeri town constituency
- 3. To assess the relationship between the projects chosen for CDF funding and economic growth in Nycri town constituency
- 4. To evaluate the influence of stakeholders participation in CDF projects on economic growth in Nyeri town constituency.
- 5. To establish the extent to which the demographic factors of CDF management staff influenced economic growth in Nyeri town constituency.

#### 1.5 Research Questions

lhe study was guided by the following research questions

- 1. To what extent has the competence of CDF management staff contributed towards economic growth in the constituency?
- 2. How does the amount of money disbursed through CDF influence economic growth in the constituency?

- 3 What is the relationship between the projects chosen for CDF and economic growth in the constituency?
- 4 To what extent docs stakeholders\* participation in CDF projects influence the economic growth in the constituency?
- 5 How do the demographic factors of CDF management Mart'influence economic growth in the constituency?

#### 1.6 Significance of the study

It was hoped that the study would help to analyse the factors that influence the contribution of C'DF to economic growth in Nycri town constituency. Together with other studies in other areas, it was hoped that the findings would help to analyse the factors that influences the contribution of devolved funds to economic growth in Kenya. This way, it was hoped, the study would inform the government policy formulation process to ensure that the right procedures are adopted in the management of development funds to attain higher economic growth in the country. The study would also add to the body of knowledge in the field of decentialised funds.

# 1.7 Limitations of the study

I ime and financial resource constraints could not allow lor a country wide study. I he study was thus conflued to Nycri town constituency. Another limitation was that the respondents would hold back some information which they may regard as sensitive and confidential. The researcher assured the respondents of strict confidentiality lor any information given and that such information was for the purposes of the study alone.

#### 1.8 Delimitation of the study

To succeed in this study the researcher identified Nycri town constituency as the area of study. The familiarity gained in the area by the researcher while working there for over five years boosted the success of the study. The CDF projects for government financial years 2003/2004 to 2009/2010 constituted the sampling frame Since CDF was started in year 2003/2004 reliable data on CDF projects covering this period was available.

Ihe data collected was corroborated through triangulation. Different instruments of data collection were employed including the questionnaires, interviews and document/record

analysis. This helped to ensure accurate data was captured which was reliable for making conclusions.

# 1.9 Auumpliooi of the study

The study assumed that the respondents would provide reliable and valid data that was useful in making conclusions in relation to Ihe study. Another assumption was that the management staff of various CDF projects had kepi proper records that would provide the information required in ihe study.

# 1.10 Definitions of significant terms as used in the study

An improvement in the living standards of people **Economic Growth:** living in an area. Total value of goods and services produced in a Gross Domestic Product (GDP): country over a given period of time usually one year Process of disbursing decision making closer to Decentralisation: the people. Delegating decision making authority down to lower levels in an organisation relatively away from a central authority. All those who have an interest in a project. Stakeholders: These includes the project beneficiaries, the government. NGOs\*. suppliers, workers, religious and other organisations whose contribution or lack of the same can affect the success of the project positively or negatively. A definite task with a clear timeline and budget Project: intended to improve the welfare of the community. A set of structured activities aimed at achieving a Programme: specific goal. Fund: A pool of financial resources set a side for a specific purpose. E.g. the CDF Management stuff: Individuals occupying leadership positions in the CDF projects or offices.

#### CHAPTER TWO

#### LITERATURE REVIEW

#### 2.1 Introduction

ITiis chapter aimed at looking at what others had done in the area of economic growth and decentralised funds. The intention was to broaden the understanding in this area from past studies, utilise the findings in such past studies and avoid pursuing approaches that had failed in the past. To this end the chapter looked at economic growth in Kenya since independence and various programmes under decentralised funds system with special emphasis on the operations of CDI. The influence of devolved funds on economic growth was also explored.

# 2.2 Economic Growth in Kenya

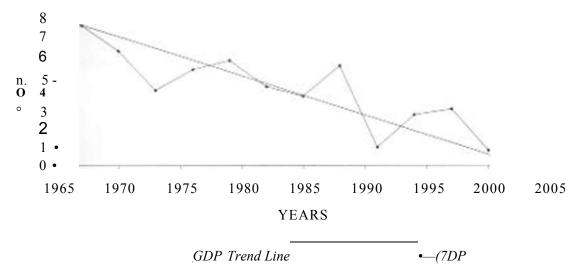
Rapid economic growth has received precedence in Kenya and elsewhere in the world as a means of alleviating poverty and decreasing human suffering. I his policy among others has been adopted in various Government sessional papers as well as the five year development plans as main goals of attaining economic development. The economic growth policy has been variously pursued in post independent Kenya. I he sessional paper No. I of 1\*>86 recommended measures that included rapid economic growth led by the private sector with support from a more clTicient public sector. I he economic growth strategy is based on the implicit assumption that the "trickle down" process would take place therefore redistribution of growth. Kenya's development strategy has been based on the idea that poverty uould be alleviated through rapid economic growth as the poor would also benefit from sustained growth (Nafula et ol. 2005)

#### 2.2.1 History of Economic Growth in Kenya

The |>criod from independence in 1963 to 1973 witnessed the most rapid economic growth the Kenya's history. GDP grew at an average of 6.6% per annum and per capita income remained positive despite high population growth rates. The 1960\*s and 1970's were predominantly characterised by controls in virtually all key sectors of the economy, fhis approach seems to have worked well as evidenced by the remarkable growth. There was expansion of output and employment propelled by expansionally fiscal policy. By 1980's

Kenya had achieved a reasonable level of industrialisation by regional standards (Lall and Pietrobelli. 2002).

However, with a series of external shocks in 1970's economic performance started to dwindle, I or instance, the oil shocks of 1970's, the 1976 lo 1977 coffee boom and the collapse of the East African Community in 1977. caused acute balance of payment problems in Kenya (Were et al. 2005). I he Economic growth rate started declining in the late 1970's and 1980's as illustrated in figure 2.1 below. The decline in economic growth was accompanied by increasing levels of unemployment, underemployment and poor income distribution. The government had large balance of payment deficits, inflation was high, meeting the recurrent expenditure was a challenge while spending on development projects almost stalled. 1 he economy was in a crisis demanding action (Were et al. 2005).



Source Kenya National Bureau of Statistics

Figure 2.1: Trend in GDP growth 1966-2001

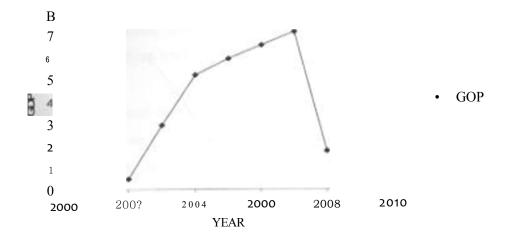
With the support of the Breton wood institutions substantial economic reforms were implemented in the 1980's. I he reforms included the dismantling of the controlled economy otherwise known as Liberalisation Other measures included the Structural Adjustment Facility (ESAF), Structural Adjustment Programmes (SAP'S) 1980-1990. Structural Adjustment 1.0ans (SAL'S) 1983. and Export Compensation Scheme (F.CS) 1984.

The iniplementation of the reforms was however patchy and marked by many episodes of policy reversals. The reforms were largely driven by extreme pressure from donors. The political structure was not supportive of the reforms because of vested interest (Were et al, 2005). The donors also lacked a clear focus, preoccupying themselves with short term targets, therefore failing to view reforms as a whole. They also took institutional capacity ind political constraints for grunted. Despite the reforms economic growth continued to slide dossil wards j<sub>n</sub> 1990's as shown in figure 2.1. The worst decline in economic growth was recorded in year 2000 al -0.3%. (Were et al. 2005).

The continued slide in economic growth contrasted by a rising population growth rate condemned many Kenyans to abject poverty. For instance, in year 2000. 52.8% of the population was estimated as poor as compared to 39% in year 1994 (Nafula et al. 2005). According to the Kenya participatory poverty assessment studies, the leading manifestations of poverty include begging, dependence on external assistance especially for food, poor shelter, clothing and health, engagement in odd jobs, dropping out of schools, child labour und idleness. Most of the households participating in the poverty assessment studies felt that poverty had worsened over time (Narayan D. 1996).

Ihe year 2002 was marked by a regime change from KANU to NARC Government. Ihe new government put up measures to arrest the declining economic growth trend One of the ingenious innovations introduced by the new government is the CDF (Mwangi, 2005). An Economic Recovery Strategy (FRS) was also put into place Among the objectives of FRS was to raise the real GDP growth rate from 0.6% in 2002 to 2.3% in 2003 und then to 7% by 2007. This seems to have been achieved as shown in figure 2.2 on next page.

linlortunately. the 2007 post elections violence and its subsequent effects disrupted production systems and ultimately reversed the growth momentum. Consequently GDP growth shrunk to a mere 1.7% in year 2008. I his is a clear testimony that gains made in economic growth can be wiped out within a very short time (FRS. 2003-2007: End Term Review, 2009).



Source: Kenya National Bureau of Statistics

Figure 2.2: Real GDP Growth 2002-2008

### 2.3 Decentralbed Funds Model: A Global Perspective

In I.alin America. There has been a steady movement towards decentralisation in the lost decade. The movement often referred as the "silent revolution" has led governments and donors to rethink the role that social fund should play in promoting local development. While social fund has been relatively successful in building local infrastructure, insufficient integration with public sector systems (both national and local) has raised well founded concerns uboul institutional and investment sustainability (Serrano. 2005).

During 1990s, fiscal decentralisation and local government reform were among the most widespread treads in development. Many of these extensive and costly efforts, however, have made only modest progress towards meeting their stated goals. Given this uneven performance. Uiere has been considerable debate about the desirability of fiscal decentralisation and how to approach it (Smoke, 2001).

According to Vaillancourt (1998). interest in fiscal decentralisation has grown greatly all over the world in recent years. The public finances of many developed economies have to varying degrees become more decentralised as one way of attempting to accommodate the fiscal realities of the "post welfare state" era. fhrough out Eastern 1-urope, new systems of local and intergovernmental finance are being established as part of the revolution away from the old central system. Finally, an increasing number of developing countries are

turning to decentralisation as one possible way of escaping from the traps of ineffective and inefficient governance, macroeconomic instability and inadequate economic growth in which so many of them have become mired in more recent years.

The debate on various forms and issues of fiscal decentralisation is thus in air more or less everywhere these days. Economic theorists are theorising about fiscal decentralisation, applied economists are attempting to measure its potential effects in various dimensions while policy economists are busily living around the world dispensing advice about it. In many developing countries, moreover, fiscal decentralisation is not only in the air but also, to varying degrees, already on the ground.

Smoke (2001), argues that the last decade has witnessed an extra ordinary proliferation of decentralisation and local government reform around the world, including in Hast and Southern Africa. Disappointing progress in meeting national goals through centralised processes has induced many developing countries to think beyond top down development strategies more seriously than they have in the past. Rapid economic and tecluiological changes have fueled the trend to rely more heavily on lower levels of government. Good exumples of this include the India's Members of Parliament Constituency Development Fund and Solomon Islands Rural Development 1-und.

Together with the above reasons the adoption of decentralisation in Kenya has also served the governments wish to share responsibility on failure to attain desired development with the legislators and the citizens. As Ogola (2007). observes, with the devolved funds system, failure in the 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 nghttul role of being the watchdog of the government. Most importantly, the devolved funds especially the CDF gives the Member of Parliament (MP), the opportunity to take development to the people and deliver on some of those well intended election promises.

#### 2.3.1 Decentralized funds in Kenya

Henderson (2007) says that economic growth occurs whenever people take resources and rearrange them in ways that arc more valuable than before. The Kenyan government has over the years employed several models to stimulate and hopefully achieve sustainable

economic growth in the country- One such model is decentralisation or the devolved funds system. In this system, government funds are allocated to specific regions which in turn determine their priority areas to employ the funds.

I he devolved funds system utilises the bottom-up approach in project identification. Ihis is an alternative to the top-bottom approach where the priorities are determined at the top and cascaded downwards to the grassroots. The paradigm shift in project identification was billed as better as it would enhance community participation, create a sense of project ownership, help to identify the priority areas as per the community and could address the regional disparities created by political marginalisation overtime. Involved funds deployed in a more efficient and transparent manner is expected to play a key and enhanced role in correcting existing economic and social inequalities (Kenya vision 2030. 2007). This way, the devolved funds system was seen as away of achieving economic growth in a sustainable way.

"The common goal of decentralised funds is to alleviate poverty by enhancing community participation in project identification, management, monitoring and evaluation, the participation of the community members in governance at their local levels will cascade into a culture where the good governance becomes the norm in the nation" (NCCK. 2005).

lhe devolved system in Kenya has been implemented in several ways. Ihese includes: the road maintenance levy, the local authority transfer fund (LA 11), the Free Primary Education, the Secondary School Bursary Fund, the District I ocus for Rural Development (DFRD), the HIV Fund, the Youth Fund, the Constituency Development Fund (CDF) among others. A look at several of these programmes will suffice to bring out how the concept has been implemented in Kenya.

#### 2.3.2 District Focus for Rural Development (DFRD)

Hie District Focus for Rural Development (DFRD). strategy was launched in 1983 with the main objective of allocating resources on a more geographically equitable basis. Ihis strategy aimed at eliciting participation of the local people in the funded projects and help alleviate poverty (Nafula et al. 2005). However, due to poor preparation, unlamiliarity of

District stall with methods of participatory planning, the absence of monitoring and evaluation combined with the weak commitment of the sector staff to intersectoral initiatives a number ol'decentralised projects were poorly conceived and designed (Manda et al. 2001). Moreover, the target groups, the poor and the vulnerable groups were largely excluded from direct involvement in design and implementation. As a consequence the DFRD did not achieve much of the intended objectives.

# 2.3.3 The Constituency Development Fund (CDF)

The CDF was established in 2003 through an Act of parliament. I he Act provides that there shall be paid into the fund an amount of money equivalent to not less than 2.5% of all government ordinary revenue collected in every financial year and any other monies accruing to or received by the national committee from any other source. The fund is divided among the 210 constituencies through a simple formula as follows: the first 75% is divided equally among all the constituencies while the remaining 25% varies depending on the poverty index of the constituency. This allows for poorer constituencies to receive a higher amount of money (Manda et al. 2001).

The CDF was created to be a channel through which the country would resolve the unbalanced development in different regions of the nation, I hrough the Act, constituencies were identified as a viable theater at which money would be channeled from the consolidated account to a point where the communities themselves would determine the development projects that the money would support I he CDF is therefore the best opportunity for community members to participate in governance and decision making for their regions.

#### 2.3.3.1 Objective of CDF

rhe objective of CDF is to take development projects to the citizens at the grassroots level within the shortest time possible in order to alleviate poverty (CDF Implementation Guide, 2003).

#### 2 3.3.2 Management structure of the CDF

CDF is managed and controlled by two local and two national committees. These are the < onstituting Development Committee (CDC) and the District Projects Committee (DPC) at

the local level ami the Parliamentary Select Committee on CDF/ Constituencies Fund Committee (CFC) and the National CDF Management Committee (CMC) at the national level (CDF Act 2003).

rhc Member of Parliament (MP) is expected to convene locational development meetings once every two years to come up with priority projects to be submitted to the CDC Within thirty days after the first session of a new parliament, each MP convenes the CDC. This compnscs of the elected MP as the chairperson. 2 councilors, one District Officer, two representatives of religious organisations, two men's representatives and two women's representatives. Others are one youth representative and one nominee from an active NGO. All the members must be from the particular constituency (NCCK, 2005).

The CDC receives the projects proposals from the locations and draws a priority list for the constituency to be submitted to the District Projects Committee (DPC). The CDC also holds appropriate consultations with the relevant government departments for their technical advice.

^

A District Projects Committee is established in every District comprising of all MP's in the District, chairpersons or mayors of local authorities in the district. District Commissioner, and District Development Officer who acts as the secretary to the committee. Other members are the District accountant and other departmental heads who may attend as ex officials upon invitation. The chairperson is elected from amongst the elected MP's or councilors for a two year term (CDF Act 2003).

rhc DPC coordinates the implementation of the projects funded through the CDF. The DPC also scrutinises the list of projects submitted from each constituency to prevent duplication of efforts on projects that span across several constituencies. The DPC forwards the list of approved projects to the parliamentary select committee on CDF.

fhe parliamentary select committee on CDF also known as the constituencies fund committee is established under the parliamentary standing orders as a select committee. It is comprised up of the chairman and not more than ten members who are not members of the cabinet Proportional representation of the parliamentary parties is ensured. This committee

considers the constituency project proposals received from the UPC and makes recommendations to the clerk of the national assembly This committee oversees the general implementation of the CDF Act (CDI Implementation Guide. 2003).

1 he national CDF management committee (NMC) is comprised of the chair who is from the ministry of finance. Permanent secretary's ministry of planning, regional development, agriculture, the clerk to the national assembly and other eight persons appointed by the minister for finance (CDF Act. 2003). A public officer who administers the fund is an exoficiol member of and secretary to NMC. I'he NMC ensures allocation and disbursement of funds to every constituency, ensures prudent management of the fund, receives and discusses annual reports and returns from constituencies.

# 2.3.4 Constituency Bursary Fund

In 1993 the GOK established a bursary fund 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. From year 2003 however, the government changed the system by establishing the constituency bursary committees to administer the fund.

Ihe allocation to every constituency is based on the secondary school enrolment, constituency poverty index, overall national secondary school enrolment and the country wide poverty situation. In year 2004, national enrolment stood at 786.129 students while the poverty index showed 65% or 47.674 students were poor and needed bursary support (NCCK, 2005).

1 he fund targets children from poor households, from arid and semiarid areas, those affected by HIV AIDS and orphans. Five percent of the allocation is set aside for the girl child and other children under special or difficult circumstances e.g. children with disabilities.

Parents or students obtain bursary application forms from the divisional educational officer m the area where they are resident free of charge. The filled forms are forwarded by the area education officer to the constituency bursary committee which deliberates, scrutinises and identifies those who quality for assistance.

#### 2.4 Competence of Management Staff

Dwivedi (2005) says that human resource of a country is the most crucial factor in its economic growth. I he quality of labour force depends on the level of its education, training, skills and its inventive and innovative abilities. A competent workforce is a requisite for attainment of meaningful economic growth. The human capital is the main factor that combines the other factors of production to attain economic growth. There is a close correlation between the competence of stall and the ability of an organisation to attain its objectives. Odhiambo (2010) observed that concerns have been raised about the qualifications of the officials charged with the management of CDF and some quarters of the society are demanding for qualified accountants to take up the task.

#### 2.5 Amount of Funds Disbursed

The financial resource at the disposal is another factor that can determine the pace of economic growth in a country. Ihe resources available will not only determine the number of projects to be undertaken but also the extent or magnitude of such projects. Capital intensive projects may be necessary to transform the economic fortunes of a region. Odhiambo (2010) observed that financial allocations to projects through CDF in most cases are hardly enough to undertake hig projects and in instances where such projects are initiated, there is always the risk of leaving them incomplete.

#### 2.6 Projects Chosen

Ihe choice of projects to be implemented can make a difference on the rate of economic growth of an area. As observed by Ogutu (1990), the nation using a larger portion of its resources for capital goods is likely to experience more rapid growth than the nation using more of its resources for consumer goods. Ihe CDF policy guide (2004) provides that the funds should go to projects that benefit the community at large such as construction of schools, health centers, water projects, roads, chiefs and police posts. The training of CDF committees members can also be supported by CDF. The CDF doesn't fund private enterprises, merry go rounds, religious and political organisations as well as projects recurrent costs (Gikonyo, 2008). To address the diversity in community needs a variety of projects is necessary.

#### 2.7 Stakeholders Participation

Mwangi (2005) noted that recent efforts to national planning in Kenya have sought to identify development priorities through a consultative process. The consultations are insightful in highlighting the priority rankings of development needs by the community. One of the lessons learnt from the various consultations conducted in Kenya is that while the country faces a number of cross cutting problems, there are significant differences on how communities rank the priorities (Mwungi. 2005). The stakeholders are the people, organisations and institutions that share a common environment with a project. The stakeholder\* can affect or lie affected by the project positively or negatively. For successful implementation of projects, deliberate efforts should be expended to ensure active participation of all stakeholders. I his promotes the project acceptance and unlocks the community potential to the benefit of the project. Consequently, the projects contribution to economic growth is promoted. However, there is indication that stakeholders participation in CDF projects is wanting in many cases. Ogalo (2009) observed that the appointment of CDF committees doesn't allow for community participation in a free and fair election. As such. MP's exercise their own discretion in the appointment of people in the committees

#### 2.8 Demographies of CDF Staff

I he president of Kenya in December 2006 directed that all recruitments in public service would have at least 30% women. This was in recognition that gender imbalance that persisted in the public service was a hindrance to equitable representation and may have negative effects on economic growth in the country. For projects to be effective in addressing the community problems, equitable representation in terms of gender balance, age structure, social status and other societal attributes is necessary, The management of any organisation should reflect the composition of the community diversity as much as possible. Manthai (2006) observed that Studies in good governance indicates that good leadership should embrace participatory and democratic principles. Consequently, breaking barriers that exclude women and youth in leadership Uirough affirmative action could improve managerial efficiency in the organisation. On review of the several national planning documents, Davies (1990), found out that reduction of inequality in the work place was a key consideration of most governments. However, most of these remain as policy documents while very few arc implemented in practice. This could be a hindrance lo

economic growth as some important groups are left out of the growth agenda thus excluding their contribution as well as ignoring their views and interests.

The three programmes analysed above bring out how decentralisation has been conceptualised and implemented in the Kenyan perspective. First, there is allocation of funds to specific administrative or elective units. Secondly, the units have some autonomy in determining lite priorities on which to utilise the funds. The all inclusive approach where M.ikcholder's participation is a critical bench mark is emphasised.

I he aim of the decentralised system is to address unique social-economic problems which aie specific to a given region. By addressing these local problems with the input of the beneficiaries and other stakeholders it is hoped that the community economic potential will be unlocked fhis will in turn improve the productivity of the available resources leading to higher rates of economic growth and sustainability of the projects undertaken. Ultimately, better living standards will be realised in the community. One of the desirable goals by the Government of Kenya will have been then attained. The other independent variables looked into includes competence of management stall, amount of funds disbursed, stakeholders participation and demographies of staff.

# 2 9 Conceptual Framework

<sub>n</sub>, is study was guided by the following conceptual framework explaining the relationship between the variables.

Figure 2.3: Conceptual Framework

# Independent variables

# Competence of management stall • Academic qualification • Experience • Quality of service

Amount of funds disbursed

Budgetary allocation

# Projects chosen

- Variety ol projects
- Sustainability of projects
- Project deliverables

# Stakeholders participation

- Stakeholders sensitization forums
- Stakeholders contributions
- Stakeholders representation

# Demographies of CDF staff

- Gender equality
- Age structure

# Dependent variable

# Economic growth

- Employment creation
- Infrastructure development

# Government support

- GOK policy on CDI
- GOK commitment to CDF projects

Moderating variable

#### 2 9 1 The Relationship between the Variables

Economic growth was conceptualised for the purpose of this study as the dependent variable while the competence of CDF staff, amount of funds disbursed, projects chosen, stakeholders' participation as well as demographic factors of CDF staff were the independent variables. Government support was taken as the moderating variable. It was assumed that the independent variables affect the economic growth (independent variable) in ihe constituency.

|"he competence of the CDI management stall'was one of the variables that was assessed to establish how it affects economic growth. I he competence of the management staff in terms of academic qualifications, training, experience and past performance were looked into, fhese are important human capital attributes that can help the CDI contribute towards economic growth.

The amount of funds disbursed is another independent variable that was evaluated in the study. The quantity of money, when it is disbursed, the procedures of disbursement and to whom the funds are released are important factors that may determine whether any economic growth will be attained.

The choice of projects to be funded through the CDF has an effect on the economic growth to be attained. Projects that are sustainable and which support income generation and capacity building are better as opposed to consumption oriented projects. Stakeholders' participation was another independent variable that may have an effect on the economic growth achieved through the use of CDF funds. Stakeholders' participation creates a sense of ownership and opens the projects to a wide range of resources, ideas and goodwill. This is vital for project success and sustainability.

1 lie demographic factors of the CDF stall may also influence the contribution of CDF funds to economic growth. A staff that is fairly representative of the community in terms of gender equality, age structure and even social class is vital for effective implementation of development projects

The government may support the implementation of CDF projects in several ways. A policy guideline on how die CDF projects arc to he integrated in the government plans is vital. Technical advice through the line ministries, monitoring and audit during project implementation, provision of personnel and equipment are important measures that may go along way in ensuring that the CDI funds contribute to the economic growth of an area. This was taken as the moderating variable for the study as its influence perv ades through all of the independent variables.

# 2.t« Summary of 1 iterature Review

From the foregoing review. the importance placed on economic growth as one of the major goals consistently pursued by the successive post independent governments in Kenya has been underscored. The path of economic growth as measured in terms of CiDP was well presented. The declining trend in GDP over the years has necessitated a paradigm change in the determination of priorities on government spending. One of the approaches adopted in this line is the decentralisation of resources or the devolution model. I his model attempts to incorporate the views. clTorts and resources of the beneficiaries and other stakeholders while formulating and implementing projects in the country. Several decentralisation programmes were looked into to give an understanding of how the concept applies. In great depth the operations of CDI were analysed as the major decentralisation programme for this study. A conceptual framework vsith the independent and dependent variables was diagrammatically presented.

#### CHAPTER THREE

#### RESEARCH METHODOLOGY

#### 3.1 Introduction

The chapter gives a detailed outline of how the study was carried out. It describes the research design, the target population, the sample and sampling procedure, research instruments, data collection and analysis procedures that were used.

#### 3.2 Research design

Th<sub>c</sub> study adopted descriptive survey research design, Descriptive survey design is used in preliminary and exploratory studies to allow the researcher gather information, summarise, present and interpret it for the purpose of clarification (Orodho. 2002) Kothari. (2003) also recommends descriptive research design as it allows the researcher to describe, record, analyse and report conditions that exist or existed. This design was ideal for this study as the researcher was assessing the factors influencing the contribution of CDF to economic growth as they existed on the ground.

In this study, both qualitative and quantitative research approaches were used. Qualitative research seeks to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied (Kombo and Tromp, 2006). It is flexible, interactive and uses the natural setting. Qualitative research includes the use of questionnaires, indepth interviews, case studies and focus groups. For this study questionnaires and interview guide were used as instruments of data collection.

Quantitative research on the other hand relics on the principle of veriliability. That means contirmation proof, corroboration or substantiation. The researcher's values, interpretation and feelings are not considered. Objectivity is reinforced. In quantitative research the researcher tries as much as possible to be detached from the subject of study or respondent (Kombo and T'romp, 2006). This research focuses on measurement i.e. the assignment of numerical events according to rules. Quantitative data from Project records was collected using this approach.

This design allowed the researcher to generate both numerical and descriptive data that was used in measuring relationships between the variables. Descriptive design involves measurement, classification, analysis, comparison and interpretation of data (Kombo and Tromp. 2006). Statistical information about the factors influencing the contribution of CDF to economic growth was generated.

#### 3.3 Area of Study

The study was conducted in Nyeri town constituency in Nyeri Central District in Central Province of Kenya.

# 3.4 Target Population

A population is a group of individuals, objects or items from which samples are taken for measurement (Kombo and I'romp. 2006) The target population consisted of all CDF projects carried out in Nyeri Town Constituency in Central Province of Kenya between government financial years 2003/2004 to 2009/2010. Ihe project officials, beneficiaries as well as CDF management staff constituted the subjects of the study.

### 3.5 Sampling Si/c and Sampling Tecltniqui-

According to Orodho and Kombo (2002). sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire population. Sampling is the process of obtaining information about the entire population by examining only part of it (Kothari. 1985)

Stratified random sampling method was used to identify the projects to make up the sample. To avoid double counting, any project that had been funded severally in subsequent years was included only once in the sampling frame. The CDF projects were grouped into five thematic areas of education, water, health, security and others. This gave each and every project a lair chance of being included in the study. Stratified random sampling technique is preferred because it produces a gain in precision in the estimates of characteristics of the whole population (Corchran. 1977).

A look ai the various stratums as shown in tabic 3.1 below shows that education constituted 58 out of the 98 projects to be sampled. This is 58% of the sampling frame. A sample of j0% was selected in this stratum. For descriptive studies, a sample of 10% of the accessible population is enough (Mugenda, 2003). For the other strata's, a sample of 20% was selected randomly. This disproportionate random sampling approach gave the other strata's some relevance in the study. In cases where strata differ not only in si7e but also in variability and it is considered reasonable to take larger samples from the more variable strata and smaller sample from the less variable strata, we can account for both using disproportionate sampling design (Kothari. 2005)

Table 3.1: Procedure of Sampling CDF projects

Ihemaiie area	Number of CD	F Projects included	in Respondents
	projects (2003-2010)	the sample	(4 per project)
Education	57	6	24
Water	8	mak*	8
Health	5	1	4
Security	14	3	12
Others	14	3	12
Total	98	15	60

To get appropriate information on CDF projects, all chair|>ersons and secretaries of the selected projects were purposively picked as respondents. These were best placed to understand the project matters. Purposive sampling is appropriate when the information required can only be obtained from a specific source (Mugenda and Mugenda. 1999). In addition, two project beneficiaries were picked randomly from each of the identified projects to make a total of four respondents from every project.

I he (\_DC members were taken as another cluster to be sampled. A 30% sample was chosen through simple random sampling. Rach member of the CDC was given a number. These numbers were placed in a container and picked at random to make 30% sample. I he lour constituency CDF staff were considered as information rich cases and incorporated in the Sudv as another stratum. Kombo and Tromp (2006). observes that the power of purposive

sampling lies >>> selccimg information rich cases lor indepth analysis related to the central issue being studied.

The sampling procedure finally yielded a sample si7C of 68 respondents as shown in table 3.2 below.

Tiihlc3.2: Number of targeted respondents

Stratum	Population	Sample	No. of respondents	% in the sample
Education	57	6	24	35%
Water	8	2	8	12%
Health	5	1	4	6%
Security	14	3	12	18%
Others	14	3	12	18%
CDC	15	4	4	6%
Stall'	4	4	4	6%
Total			(»S	100%

### 3.6 Research Instruments

The researcher used questionnaires for the purposes of gathering information from the project beneficiaries, project management committee and the CDC members. The researcher also enriched the responses and tilled any information gaps through observations done in the constituency. For the constituency staff, a structured interview guide was used.

## 3.7 Validity and Keliabilit) of instruments

This section looks at how validity and reliability of the data collected will be attained for the findings to be relevant in achieving the objectives of the study.

## 3.7.1 Validity

Validity is the degree to which a test measures what it is intended to measure (Gray and Afrasian, 2003). A pilot study was done where the questionnaires and the interview guide administered to a small group of respondents in advance. The pilot group was selected from the neighboring Ictu constituency which has similar attributes to Nyeri town

constituency. I his helped to make adjustments to ensure the data collection tools did actually measure what was intended. Test re-test was carried out later to confirm whether the changes had achieved the desired results. I riungulation which is the use of different data collection methods to gather the same information also came in handy. In this case, the researcher used the interview guide, questionnaires, observations, and documented records to get the same information.

## 3.7.2 Reliability

Mugenda and Mugenda (1999), defines reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The pilot study helped to make necessary changes in the research instruments to be belter understood. The necessary instructions in simple language were used to ensure correct interpretations were made. The researcher also used consistent and systematic questions in both the questionnaire and the interview guide.

## 3.8 Data Collection Procedure

Both primary and secondary data were collected for this study, lhe primary data was collected through questionnaires and interview guide while secondary data was collected from records at the constituency CDF office and national CDF office in Nairobi.

The questionnaires had both open ended and close ended questions. The open ended questions served to get in-depth information from the respondents. The questionnaires with adequate instructions and drafted in a clear language were hand delivered to the respondents by the researcher and /or assistants. The dates for collecting the filled in questionnaires were agreed upon the point of delivery and follow up made by phone during the process. The researcher made observations across the constituency while traversing the projects sites. Ibis enriched the study and helped to fill some information gaps.

An interview guide was prepared for the CDF staff. An interview guide is a written list of questions or topics that need to be covered during the interview (Kombo and Tromp. 2006). Ibis allowed the researcher to be flexible and interactive with the respondents while at the same lime avoid veering off the interview course. I he researcher interviewed the CDF staff at their office at an agreed lime.

The researcher also examined available daia on the projects. These documents included funding records available from the constituency CDF office and at the CDF national office in Nairobi. Documenls/record analysis assisted the researcher to obtain pertinent information that might not be obtained through interviews or questionnaires.

## 3.9 Operational Definition of Variables.

rhc variables were operationalised by looking at their behavioral dimensions, indicators or properties denoted by the concept. This rendered the variables measurable.

Table 3.3: Operational Definition of Variables

Variable*	Indicator	Measure	Scale	Tool of analysis	Type of analysis
1. Economic growth	•Employment creation -InfriLstr uctnry	-Beneficiaries sentiments -Number of jobs created •Kilometers of road	Nominal Ordinal	Mode Median	Descriptive Descriptive
8 - 11	development	improved -Number of classrooms	Ordinal	Median	Descriptive
		constructed -Number of water pipes	Ordinal	Median	Descriptive
		laid down. •Number of rooms constructed in health	Ordinal	Median	Descriptive
		centers.	Qrdinnl	Median	Descriptive
2. Competence	•Qualifications Of CDF staff	Academic qualifications	Ordinal	Median	Descriptive
of CDF management staff	-In scrvice training of CDF staff	Workshops attended b\ CDF staff	Nominal	Mode	Descriptive
	-Experience of CDI stall	-Number of years worked	Ordinal	Median	Descriptive
	-Complaints by beneficiaries	-Comments by the hencficiaricy	Ordinal	Median	Descriptive
3. Projects chosen	-Variety of projects -Sus taxability	-Types of projects chosen -Number of projects completed	Ordinal Ordinal	Median Median	Descriptive Descriptive
CHOSCH	of the projects	1		Median	Descriptive
		the henclicinrics •Quality of project	Ordinal	Median	Descriptive
		deliverables	Nominal	Mode	Descriptive

Amount of funds disbursed	-Uudgetarv allocation	<ul> <li>Ainounl of money allocated to ilic constituency.</li> <li>A mount of money alliKUted to each project -Adequateness of funds received from CDF</li> </ul>	Nominal Nominal Ordinal	Mode Mode Median	Descriptive Descriptive
5. Stakeholders	-Sensitisation programs	-Stakeholders degree of awareness	Ordinal	Median	Descriptive
participation	-Stakeholders identification	-Number of stake holders •Projects identification	Ordinal	Median	Descriptive
	process •Forums with	procedures -Minutes of stakeholder	Ordinal	Median	Descriptive
	stakeholders -Degree of	meetings -Level of stakeholders	Nominal	Mode	Descriptive
	stakeholders involvement	commitment	Ordinal	Median	Descriptive
6 CDF stall'	-(lender equality of CDF stall	-Ratio of male to female among the CDF slalT	Nominal	Mode	Descriptive
demographic factors	-CDF stall' age bracket mix	-Age of CDF staff	Ordinal	Median	Inscriptive

### 3.10 Data Analysis Techniques

Alter collecting the data, the researcher edited the raw data to free it from inconsistencies and incompleteness, litis involved a scrutiny of the completed instruments in order to detect and reduce as much as possible errors, incompleteness, misclassifications and gaps in the information obtained from the respondents.

The data was coded to establish how possible answers would be treated by assigning them numerical values. The data was captured and stored in electronic/soft and written/ hard copy formats.

I he qualitative data generated was organised into themes, categories and patterns pertinent to the study. This helped to identify information that was relevant to the research questions and objectives. The data was tabulated into sub-samples for common characteristics with responses being coded to facilitate basic statistical analysis. Orodho (2003) argues that the simplest way to present data is in frequency or percentage tables, which summarises data

about a single variable. Descriptive statistics was used to analyse the data. Microsoft Excel and Statistical Package for Social Sciences (SPSS) were employed to analyse the data. The results were presented using frequency tables, percentage charts, and bar graphs.

### 3.11 Ethical IMUC\* in Research

The researcher endeavored to remain ethical in the conduct of the study. A letter of introduction was attached to each and every questionnaire. I his served to explain the purpose of the study, seek lor voluntary participation and assured the respondents of confidentiality. The researcher also informed the CDF office, project committees as well as the constituency development committee members of the intention to conduct the study in their area.

## 3.12 Summary

The chapter explains that the study adopted a descriptive survey research design to analyse the factors influencing the contribution of CDF to economic growth in Nyeri Town Constituency. Sampling was used to get the subjects on which the research tools were applied. Questionnaires and interview guides were pre tested for validity and reliability. I he operational definition of terms was given with economic growth as the dependent variable while the competence of CDF management, amount of funds disbursed, projects chosen, stakeholder's participation, and CDF staff demographic factors were the independent variables.

### CIIAl'I I K KOI R

## DATA ANALYSIS, PRESENTATION AND INTERPRETATION

### 4.1 Introduction

This chapter deals with analysis, presentation and interpretation of data obtained in the study. Questionnaires were administered to Constituency Development Committee members, project committee members and project beneficiaries. The constituency CDF staff were interviewed while documentary records from the constituency CDF office served as a source of secondary data.

The data was analysed and presented using descriptive statistics. The questionnaire and interview guide were organised to probe and elicit data on the basis of the research questions listed below:

- 1. lo what extent has the comjletence of CDF management staff contributed towards economic growth in the constituency?
- 2. How does the amount of money disbursed through CDF influence the economic growth in the constituency?
- 3. What is the relationship between the projects chosen lor CDI and economic growth in the constituency?
- 4. To what extent does stakeholders' involvement in CDF projects influence economic growth in the constituency?
- 5. How do the demographic factors of CDF management staff influence economic growth in the constituency?

### 4.2 Questionnaire Return Rate

Out of the sixty four (64) questionnaires issued out lo the CDC members, project beneficiaries and project management committee members. lilly live (55) were returned while nine (9) were not returned. This represents a return rate of 85% vshich is acceptable for the Study. According to Peil (1995), questionnaires return rale above 50% is considered good for a study.

### 4.3 Data Analysis

Descriptive statistics were used to analyse and present the data. The questions presented in ihe questionnaire were discussed after which the related data was analysed and interpreted. The findings have been captured in tables where frequencies and respective percentages have been calculated. A variety of bar charts have been used to enhance the presentation.

## 4.4 Management Competence

The study looked at the competence of CDF stall" in terms of academic qualifications, in service training in terms of seminars or workshops attended and work experience. The aim was to establish whether the personnel in charge of CDF at both the constituency and at project level have relevant management skills attained through training and experience. Ihe findings of the study are as shown in tables 4.1. 4.2.4.3. and 4.4 below.

Table 4.1: CDF Personnel Academic Qualifications

Level of	CDC	Project committee	CDF office		
education	members	members	stair	Total	
	Frequency	Frequency	Frequency	F	%
a) Primary	-	1		1	3 %
b) Secondary	•	12	-	12	38%
c) Tertiary college	3	II	3	17	53%
d> University	-	1	1	2	6%
Total	3	25	4	32	100%

The results in table 4.1 above shows that 6% of the respondents are University graduates. 53% hold a tertiary college qualification, while 38% and 3% are secondary and primary school graduates respectively. With 55% of the respondents being holders of a minimum of a tertiary certificate in education the personnel in charge of CDF in the constituency can be said to be fairly qualified academically. These findings are also presented in figure 4.1 on next page.

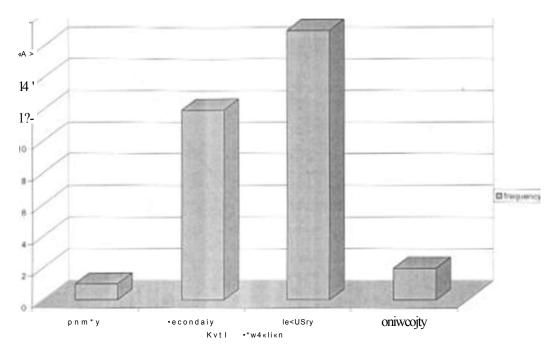


figure 4.1; CDF Pertonel Acadomtc Qualification\*

Table 4.2: CDF Personnel in Senice I raining

Workshop*/	CIH	Project committee	CDF office		
Seminars	members	members	staff	Total	
attended	Frequency	Frequency	Frequency	F	%
a) None	-	6	2	8	24%
b) < 3		13		13	39%
c) 4-6	2	3	2	7	21%
d) >7	1	4		5	15%
Total	3	26	4	33	100%

I able 4.2 above shows that 39% of the respondents have attended less than 3 workshops or seminars, 21% have attended 4-6 while 15% and 24% have attended more than 7 and none respectively. With a massive 63% of the respondents having attended less than three workshops or seminars, the management staff of CDF projects in the constituency can be said to be wanting in modem project management skills.

On interviewing the constituency CDI office staff, it emerged that only the CDF manager and the accountant had attended some courses since joining the CDF office. One the two clerical officers even wondered "is there anything we can learn in a seminar or workshop on how to conduct the affairs of the CDF office really?"

Table 4.3: CDF Personnel Work Kxpcricnce

Years worked in	CDC	Project committee	CDF office		
vi management	members	members	staff	Total	
position	Frequency	Frequency	Frequency	F	%
a)<1	-	2	-	2	6%
b) 1-3	2	10	4	16	48%
c) 4-6	1	7	-	8	24%
d)>6	•	7	-	7	21%
Total	3	26	4	33	100%

fable 4.3 above, shows that 21% of the respondents have more than six years of experience in management, 24% had between 4-6 years, while 48% and 6% have 1-3 and less than I years of experience respectively. W uli 45% of the personnel in charge of CDF in the constituency having not less than 4 years of management experience and another 48% having between 1-3 years of experience the staff can be said to be fairly qualified in this respect. Figure 4.2 below captures the above findings.

it

٠r,

12

r io

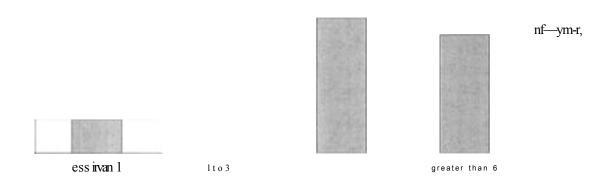


Figure 4.2: Perconnol Work Experience

From the interviews with the CDF office staff, it was established that with the exception of the CDF manager who was a permanent employee, the other three had served for two and half years only. This is equivalent to the time the current MP had served. In three conceded that they got the jobs after the current MP took charge of the CDF as the former MP had to leave with his "people". I his reveals how vulnerable the CDF is to the whims of politicians.

### 4.5 Projects Chosen

The choice of project to be implemented using the CDF money is an important factor that may affect the attainment of economic growth. The researcher was interested in the variety of projects funded through CDF, the sustainability of such projects and the quality of output from the completed projects. I he findings ire as presented in tables 4.5.1. 4.5.2 and 4.5.3 below.

vWIVf\* it<sub>v</sub>

Table 4.4: Projects Funded through CDF

Type of project	.Number of projects	%
Education	57	50%
Health	8	7 %
Water	5	5 %
Security	13	12%
Bridges	3	3 %
Others	25	23%
Total	M1	100%

Table 4.4 above shows that the (1) funds in the constituency are spread over a variety of projects. However, there seems to k- a bias in favour of education sector which has 50% of the projects in the constituency. I hi> may however, be argued to he desirable as education is a critical factor for the development of human capital necessary for economic growth in the constituency.

Ihe study endeavored to establish the sustainability of CDF funded projects by enquiring on ihe rate of completion for the funded projects. The findings are as presented in table 4.5 below.

I'uble 4.5: Progress of CDF Funded Projects

Sector	Complete	Ongoing	Stalled	Total
Education	38	19	-	57
Health	4	4	-	8
Water	3	2		5
Security	4	8	1	13
Bridges	3		-	3
Others	5	17	3	25
Total	57	50	4	111
%	51%	45%	4 %	100%

Table 4.5 above shows that 51°. of the CDF funded projects in the constituency are complete. 45% arc ongoing while 1% arc stalled, Assuming a majority of the 45% of the projects which are ongoing will IK- successfully completed, then, we can conclude that the choice for about %% of the projecis was right in this respect.

Ihe study also sought to establish the quality of output from the completed projects. The findings are presented in Table 4.6 shown below.

Table 4.6: Quality of Project Output

Quality of	Project	CDC	Project	( DF staff	Tota	
project output	beneficiaries	members	committee		F	%
Excellent	6	1	2	1	10	17%
Good	IS	2	22	3	45	76%
lair	2	0	m	-	4	7 %
Poor	•	•			0	0 %
Total	26	3	26	4	59	100%

Table 4.6 above shows that 17% of the respondents believe that the output of the CDF funded projects in the constituency is excellent, 76% believe the same is good, while 7% believe the out put is fair. No respondent said that the out put is poor. I his shows that the output from the CDF projects in the constituency are highly rated as 93% of the respondents said the output is good or excellent. The same findings are presented in figure 4.3 below.

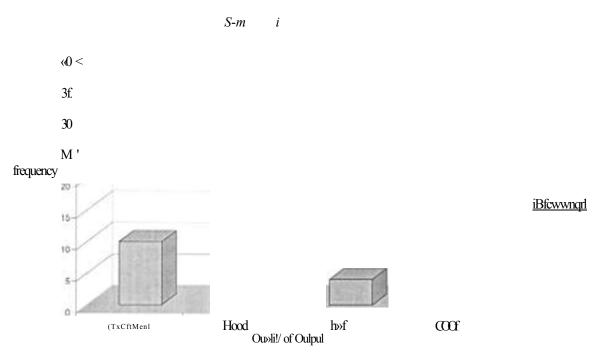


Figure 4 3 Quality or Project Output

I he CDF manager explained that to ensure the projects funded through CDF attained the desired quality standards, the policy was that the relevant government departments must be consulted tor technical advice before the projects are implemented. Ihe CDC also monitors the projects during and after im Cementation "Together with officers from the line ministries we conduct site visits to v.rit'y what is happening on the ground".

## 4.6: Amount of Funds Disbursed.

Ihe amount of money allocated to the constituency and to the respective projects is another variable that the study focused on I he researcher wanted to find out whether the amount of money disbursed through CDF' in the constituency has been adequate and if not so how much the respondents believed would be adequate. The findings are as presented in tables 4.7 and 4.8 below.

Table 4.7: Adequacy of CDF Funds

Adequacy of	Project	CDC	Project	CDF staff	Total	
funds	beneficiaries	members	committee		F	%
Yes	7	1	6	-	14	24%
No	18	2	19	4	43	73%
Don't know	1	-	1	-	2	3 %
Total	26	3	26	4	59	100%

Table 4.7 above shows that 73% of:lie respondents do believe that the funds allocated to the constituency or to the respective projects through CDF are not udcquutc. Only 24% of the respondents agree that the funds are adequate while 3% do not know. The researcher further probed the 73% who said that the funds are not adequate in a bid to establish how much they felt would be adequate. The findings are presented in table 4.8 below

Table 4.8: Adequate CD\* Mloeatiruis

Adequate	Project	CDC	Project	CDF staff	Total	
funds	beneficiaries	members	committee		F	%
1 -2 times more	15	->	14	2	33	77%
3-4 times more	3	-	2	2	7	16%
> 5 times	-	•	2	-	2	5 %
Don't know-	-	-	1	-	1	2 %
Total	18	2	19	4	43	100%

Table 4.8 above shows that 77".. of the respondents would wish the CDF allocation to be increased by up to 100%. 16% would like in increase of between 300% to 400%. while 5% of the respondents would wish to have an increment of 500% and over. I his confirms that there is a strong desire for increased CDI funding in the constituency.

From the interviews carried, there is indication of the need for increased CDF allocation to the constituency. I he accountant s;iid "we receive overwhelming requests lor funding every year. However, we can only issue cheques lo the few who are lucky to have been allocated some money by the CDC. If the funds were at least doubled, more people would benefit".

I he staff also noted that there was delayed disbursement of funds from the treasury which affects the timely implementation of projects

## 4.7 Stakeholders Participation

Hie concept of devolved funds is premised on active participation of as many stakeholders as possible. The study wanted to find out the level of stakeholders awareness on the project activities as well as the degree of stakeholders commitment to the various projects.

Interviews with the Cl)i<sup>5</sup> staff revealed that the only stakeholders involved in CDF projects were the relevant government departments and the beneficially community. The CDF manager said that there was no provision for other stakeholders such as the religious organizations, NCiO's and donors at the project level. 1 lie findings are as presented in tables 4.9 and 4.10 below

Table 4.9: Level of Stakeholders' \wamiess on Project Activities

Level of	Project	CDC	Project	CDF staff	Total	
awareness	beneficiaries	members	committee		F	%
Very high	4	-	1	1	6	10%
High	20	3	20	2	45	76%
Fair	1	-	4	1	6	10%
Low	1		1	-	2	4 %
Total	26	3	26	4	59	100%

Table 4.9 above shows that 10"., of the respondents believe that the level of stakeholders awareness on project activities is very high. 76% of the respondents believe that it is high while 10% and 4% believe that it is fair and low respectively. With 86% of the respondents saying the level of awareness is high or very high then we can comfortably say that there is adequate awareness of CDF projects in the constituency.

Tabic 4.1U: Stakeholders' Commitment to CDF Funded Projects

Level of	Project	CDC	Project	CDF staff	Total	
commitment	beneficiaries	members	commillee		F	%
Excellent	9	-	4	1	14	24%
Good	15	3	19	2	39	66%
Fair	2	-	3	1	6	10%
Poor	-	-	-	-	0	0%
Don't know	-	-	-	-	0	0%
Total	26	3	26	4	59	100%

Table 4.10 above shows that 24% o! the stakeholders have an excellent level of commitment towards the CDF funded projects, 66% have good level of commitment while 10% have a fair level of commitment. None of the stakeholders has a poor level of commitment towards the CDI funded projects.

## 4.8 Staff Demographic Factors

To be an effective intervention in addressing community problems a project should capture the community diversity and richness as proportionately as possible. This is more so in terms of gender and age structure of the community. The CDF manager said that in the CDF Act 2003, there was a provision for two representatives from either gender and one for the youth in the composition of the CDC. The Act was however silent on the appointments at the project level. This loophole has led to domination of project committees by the male gender and non representation o! the youth and other marginalised groups. The findings in this area arc as presented in tables -111 and 4 12 below.

Table 4.11: Distribution of CDF Staff by Gender

Gender	CDC	Project	CDF staff	Total	
	members	committee		Frequency	%
Male-	2	16	2	20	61%
Female	1	• 10	2	13	39%
Total	3	26	4	33	100%

Table 4.11 above shows that 61% of the CDF management staff at constituency and at project level arc male while 39% are female. This shows that there is some gender imbalance in the allocation of management positions in CDF projects.

Tabic 4.12: Age Structure of C ▶ Management Staff

Age	CDC	Project	CDF staff	Total	
structure	members	committee		Frequency	%
< 25	-	-	-	0	0%
25-35	1		3	6	18%
36-45	-	8	-	8	24%
46 >	2	16	1	19	58%
Total	3	26	4	33	100%

fable 4.12 above shows that 58% of the stall in charge of CDF in the constituency is aged over 46 years. 24% is used between 36-45 years while only 18% are between 25-35 years of age. No respondent is aged below 25 years. I his may be explained by the belief in the society that advancement in age is synonymous with experience. Much trust in managerial roles is thus gained with advancement in age us the aged arc considered as more experienced and thus better placed to steer the oganisations towards ihe attainment of their objectives.

## 4.') Economic Growth

The study looked at economic growth in terms of jobs created and the infrastructure developed using the CDF funds I he infrastructure developed was analysed by looking at the completion rate of C DF funded projects in the constituency.

The findings on jobs created as presented in tables 4.13 on next page shows that 54% of the respondents believe that their projects have created more than eight jobs, 29% and 14% say that their projects have created between 4-7 jobs, and 1-3 jobs respectively. This is a positive indicator of economic growth as creation of jobs is synonymous with increased income for the concerned individuals,

Table 4.13: Jobs Created through CDF Projects

Number nf	Project	Project	CDF staff	Total	
Jobs created	beneficiaries	committee		Frequency	%
1-3	4	4	-	8	14%
4-7	5	7	4	16	29%
>8	16	14	-	30	54%
Don't know	1	I	-	2	3 %
Total	26	26	4	56	100%

From the interviews carried out with the constituency CDF stall' there is a clear indication that CDF lias actually ^ reated some jobs in the constituency. One of the staff members said "I had 'tarmacked' for several years since I left school looking for a job. Were it in not for the CDI some of us would not be public servants in any way by now"

Table 4.14 below shows that 51% of CDF funded projects in the constituency are already complete, 45% arc ongoing while 4% have stalled. With only 4% of the CDI funded projects having stalled it can IK comfortably said that most (about 96%) of the CDF funded projects in the constituency are actually making a positive contribution to economic growth in the constituency. I his was further reinforced by the respondents view on the extent to which they believed the CDI funded projects were contributing to economic growth in their area

Table 4.14: CDK Projects Progress Status

Sector	Complete	Ongoing	Stalled	Total
Education	38	19	0	57
Health	4	4	0	8
Water	3	•>	0	5
Security	4	8	1	13
Bridges	3	0	0	3
Others	5	17	3	25
Total	57	50	4	111
%	51%	45%	4 %	100%

I hc same findings arc presented in figure 4.4 below.

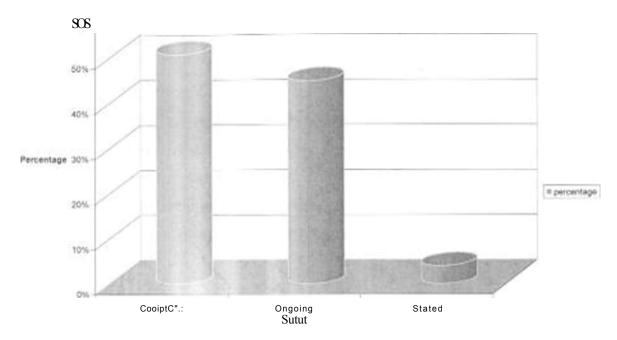


Figure 4 4: Projoct Progress Status

From table 4.15 below. 1<sup>i</sup>r,, of the respondents believe that lite degree of contribution to economic growth by the < 1)1 projects in their area is very high. 54% believe the same is high. 22% said it is mode lie. while only 2% said it is low. Ibis supports the earlier findings that the CDF projects in the constituency are actually contributing to economic growth m the constituency

Table 4.15: Contribution of CDF Projects to Economic Growth

Degree of	Project	CDC	Project	CDF staff	Total	
contribution	beneficiaries	numbers	committee		No.	%
Very high	3	1	6	1	11	19%
High	12	2	15	3	32	54%
Moderate	8	-	5	-	13	22%
Low	1		-	-	1	2 %
Don't know	2		-	-	2	3 %
Total	26	3	26	4	59	100%

I he constituency CDI- stall also supported the view that CDI- was actually contributing to economic growth in the constituency. They cited the improvement in rural feeder roads, bridges, classrooms, and health centers as a clear indication that CDF had actually led to an improvement in the living standards of the constituents.

## 4.111 Summary

In this chapter, data collected from the respondents through questionnaires and interviews has been analyso: presented and interpreted. I he focus was on the variables of the study which included management competence, amount of funds disbursed, projects chosen and stakeholders participation. Others are the demographic factors of CDF staff and economic growth I he analysed data has been presented using frequency tables, and bar charts.

#### CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents the summary of the findings, conclusions, recommendations and suggestions on areas of further research.

## 5.2 Summary and Discussion of Findings

The purpose of this study was to analyse the factors influencing the contribution of constituency development funds to economic growth in the constituency. The summary of the findings are discussed in relation to the research objectives. The objectives of the study were based on compel<. nee of CDF management staff, amount of funds disbursed, projects chosen, participation of stakeholders and the CDF staff demographic factors. The respondents views on I conotnic growth are also summarised and discussed.

### 5.2.1 Competence of Management Staff

The competence of CD! management staff was looked at in terms of academic qualifications, number of u k.-hopsteeminars attended and the work experience of the staff as measured in temvs of ye.ors worked. In respect to academic qualifications, the majority (53%) of the stall were found to be fairly educated being tertiary college graduates. However, the number of university graduates seems to be very low at only 2%. 24% of the staff had not attended any workshop or seminar on project management while another 39% had only .mended between one to three. A majority of the CDF' staff can thus be said to be wanting in respect to possession of current project management skills commonly acquired though in service courses in workshops and seminars. An overwhelming majority of the CDF staff (93%) had more than three years of work experience. I bis may mean thit the majority have some relevant work experience which is an indicator of management competence. The findings seem to a large extent to contradict with the views of Odhiamho (2010) that the qualifications and experience of the officers charged with the management of the CDF funds are questionable. I he issue may be on appointment on political patronage but not academic or work experience basis.

### 5.2.2 Projects Chosen

There is a variety of project funded through CDF in the constituency. The one hundred and eleven projects funded through CDF in the constituency are spread through six sectors of education, health, water, bridges, security, and others. I his is in line with the CDF Policy Guide (2004), I lowever, the education sector seems to be the most favoured as it takes 51% of the projects. Ihis may be explained by the desire to promote human capital formation as a crucial element in attainment of economic growth. This supports the views of Dwivedi (2005) that human resource of a country is the most crucial factor in economic growth. I'he completion rale of projects was also found to be satisfactory as only 4% of the CDI fund-. J projects had stalled. 51% were complete while 45% were ongoing. On quality of outpu: from the completed projects, an overwhelming majority (93%) said that the output • are excellent or good. This proves that the projects chosen are positively contributing to economic j'rowth in the constituency.

### 5.2.3 Amount of Funds Disbursed

A majority of the respon i-nts (73%) felt that the CDF' funds allocated to the constituency and even to tin. individual projects were not adequate. Ihis may be partly explained by the sell' cent red nature of human beings to always want more for themselves. However, while those who said that the funds allocated were not adequate were asked to state the am. unts they fell would be adequate, 77% said up to 100% increase would be adequate ' hile 23"« asked for more than 100%. Ihis proves that there is a case for increase) allocation of CDF funds. I his finding is in line with lhe provisions of the CDI ume i.lment Act 2007. which provided for an increment of the CDF allocation from 2.5" • of the ordinary annual government revenue lo 7.5%. Odhiambo (2010) had ..! noted that financial allocations were hardly enough to undertake big projects.

### 5.2.4 Stakeholders Participation

A significant majority ol ii takeholders (86%) were found to be well aware of the CDF project activities. I. .. with this, the level of stakeholders commitment lo CDF projects was found to be quite high with 90% of the respondents recording either good or excellent level of commitn
I his is an indication that the stakeholders are supportive of the implementation ol CDI funded projects in the constituency. The above findings

seems to agree with the findings of Mwangi (2005) that efforts to national planning in Kenya have sought to identify priorities through a consultative process. However the above findings could ly bused as most of the respondents in the study were project officials who may have wanted to potray a positive image of their managerial competence. Judging from the fact that all the temporally staff members had served for a similar period as the MP the views of Ogalo (2009). that the MI'exercise their discretion in the appointment of people in CDF actually do have some credence.

## 5.2.5 Staff Demographic I actors

lhc composition of CDI m. u. cment stall was found to be wanting on gender equality terms. The male gender constitutes <1% of the respondents while the females were I hough this meets the 200'» Presidential directive of at least 30% female representation in public appointments, it proves that there is some preference for the male gender while in CDF projects. This is not desirable as it locks out filling management posiu. women who constitute a si niticant constituency in the community. Maathai (2006) said that studies in good L.>winance indicated that good leadership should embrace participatory and democratic principles, then we can say that CDF is wanting in participatory leadership as women and youth arc poorly represented. On age structure of the CDF management sial: were found to be over 46 years old. I hough tilted in favour of this group, this n .» v \to explained by the community preference for old people to take management posit» us as they are considered to be mature and more experienced. The lack of any person be I w the age of 25 years in management position is mainly because a majority in :1 .> iracket are still in school or are still searching for careers which would enable them \( \brace \) settle for leadership roles in the community.

### 2.5.6 Mconnmic (Growth

A significant majority o! tl • respondents <73%) were of the view that the contribution of CDF to economic growth . an ie rated as high or very high. I his is a confirmation that the CDF model is succe st • II addressing community problems. 54% of the respondents said that CDF projects had created many iob opportunities averaging more than eight jobs per project On project progress status. 51% of the CDF funded projects are complete. 45% are ongoinr while only 4% have stalled I his is quite encouraging and a testimony that CDF projects are indeed making a positive contribution towards

economic growth in the constituency I Ins finding supports the views of Herderson (2007) that economic rowii occur?, whenever people take resources and rearrange them in ways that are more valuable than before. I his also agrees with the findings of Gikonyo (2008) that through the CDF communities all around Kenya have put up projects which have been the first infrastructure improvements seen in years.

### 5.3 Conclusions

From the findings in this study, the following conclusions are made. CDF is making a positive contribution to economic growth in the constituency. Majority of the stakeholders are not only highly committed towards CDF projects activities but also they highly approve the qiniity of the output from the projects. I he management stall" in charge of CDF III the constituency level is fairly well qualified in terms of academic qualifications and work c\vrience. However, the same stall' is wanting in current project management skills :v. a significant number have not attended any workshop or seminar on project management

The projects chosen lor im Icmcnlation through CDF were found to be desirable for addressing the community pobleins. I hey capture diversity and their completion rate is quite impressive. I lie quality of the output was also recognised as good or excellent by a majority of the respondents. I he amount of funds disbursed was identified as one of the main factors influencing the contribution of CDF to economic growth in the constituency. The fund, disbursed through CDF were found to be inadequate. A majority of the respondents requested. I up to 100"... increment.

An analysis of CDI M.iff by gender reveals that gender equality is lacking in the constituency. I he male gen er seems to dominate most of the management positions especially all the project level. The age structure of the same staff also shows some inequality with a preference to the old. I he youth and middle aged seems to be poorly represented in CDF manager enl positions.

### 5.-1 Recommendation\*

Based on the findingso: litis study the following recommendations were made

- 1. The CDF management policy structure should provide for in service training for stall members and those holdir. management positions at the project level. Seminars, workshops and other short courses should be conducted periodically to update the stuff on new and emerging trends in project management.
- 2. The amount of funds disbursed through CDF should be increased by up to 100% for the fund to have meaningful contribution to economic growth. litis would enable the fund to cater for i ore picoje\* and devote larger amounts to the identified projects.
- 3. In relation to the gender imbalance, some affirmative action may be necessary especially while filling positions at the project level,
- 4. Sensitisation on quulily i lageinent based on positive leadership attributes and not merely on gender or aye sin ild be done in the constituency. This would help to address the imbalance on gender and age.
- 5. The youth should also be encouraged and facilitated to take active roles in the project activities through a favourable polio framework that integrates them in project management ami oven offering ol incentives.

### 5.5 Areas of Further Ueseai ch

The study focusul on the factors influencing the contribution of CDF to economic growth in Kenya -i ca.s. ol Nyeri town constituency. On the basis of the findings of this study, the followrig areas ai recommended for further research

- 1) The congruence of Cl)f funded projects with the overall central government development strategy.
- 2) Alternative soutees« lun for decentralised funds model of development.

#### Kcfcrences

- American Psychological Nssociation (I\imposs). Publication Manual of the Psychological Association (3rd cd. > Wuahinglon, DC
- Ragaka, 0. (2008), Fiscal />< entralisation in Kenya Ihe Constituencies Development Fund and the Growth of (iovernment. University of Illinois, Illinois, USA.
- Cochran. W. (i. (1977), Sampling Techniques." 3rd lidilion. John Wiley & Sons. Inc: New York.
- Davies C. (1990). Et/uily ami Ifficaa School Management in an International Context. New York: I he Palmer Press
- Dwivedi I). N. (20<:>). *Managerial Economics* (6<sup>,h</sup> ed.) Vikkas Publishing House PVT L I D. New Delhi India.
- Conference on I isi il D enii. isatioa International Monetary Fund Washington DC. November 20 21. 2<m)0 New York University.
- Gikonyo W. (2008). The < '!)!• social tudit Guide: A Hand Book for Communities. Open Societies Initiatives of I i Africa, Nairobi Kenya
- Gray C.R. and Airasian I' ( "> Educational Research Competencies lor Analysis and Applications Meril Prentice Hall. Pearson Education. Upper Saddle River. New Jersey.
- Government of Keiu.i (? 1)3) Economic recovery strategy fur wealth and employment creation 2003 2007. Nair.-Iii: Government printer.
- Government of Keina (1980) Sesional Paper No 4 of 1"80. Economic Prospects and Policies Nairtthi: (iovernment Printer
- Government of Ken>.i (1986). Sessional Paper No 1 of 1<sup>4</sup>>86. Economic Management for Renewed Gro wth Nairobi: Government Printer.
- Government of Ken> i (20) i ( .ndcr Policy in Education Government Printer.
- Henderson and Pool.- (I9'M>. *Principles of \licro Economics*. DC Heath and Company: United States of Americ.
- Henderson, D.R. (2007). ( <>na>. Em vclvpedla of Economics. Liberty fund.
- Odhiambo A. (April . 01 Oi hut' Business Daily Africa .com.
- Kenya: Poverty Reduction Simteg) Paper International Monetary Fund. 2005. IMF Country Repnt No 05/1

- Kothari, C.R. (2008). Rc.sean h Afethodology.-Methods and Techniques. Now Delhi: New Age International (P) I til Publishers.
- Kontbo, K. and Truinp, I.. (2d <>). Proposal ami thesis writing an introduction. Nairobi: Pauline Publu ations Africa.
- Lall, S. and Pictrol --lli < (2002). *l ulling to Compete: Technology Development and Technology* .S -.tents in .1 "ica I dward Flgar.
- I.aws of Kenya. 200A Constituencies Development Fund Act 2003. Kenya Government Printers, Nairobi.
- Laws of Kenya. 2007, Coivitucndea Development Amendment Act 2007. Kenya Government Printers, Nairobi 2007.
- Laws of Kenya, *local Government Act. Chapter 265.* Revised ed. 1986. Kenya Government Printers, Nairobi
- Laws of Kenya. l.<h a! Author> Transfer Fund Act, 199S. Kenya Government Printers, Nairobi.
- Maathai W. M. <20(1- >. I'nbowv \ Memoir Randon House New York.
- Manda D.K.. G. M vabu. M S Kimenyi (2001). A review of poverty and antipoverty initiatives in Kenya KIPPRA Working Paper No 3, Nairobi: Kenya Institute for Public Policy Research and Analysis.
- Ministry of State fir Pl.mniiv: National Development and Vision 2030. (2009). End Term Review of die EcuiiomL Recovery Strategy for Wealth and Employment Creation. 20i 1-201/ 'Go\. run t iit of the republic of Kenya.
- Ministry ol Plannin and National Development 2009: Kenya Facts und Figures. Kenya National Bun m ol Statistics (KN'BS).
- Ministry of State f« i Planning National Development and Vision 2030. (2008). First Medium Ten Plan (2('>S-2012): A globally competitive and prosperous Kenya. Government I the Rcpul' ic of Kenya
- Ministry of State fa Planning. National Development and Vision 2030, (2007) Kenya Vision 2030. (lover nmci >> I' tin- Republic of Kenya.
- Mugenda, O M, and Mugcti A. G. (2003/ Research methods Quantitative and Qualitative Approaches. Nairobi: Act-; press
- Mulhearn C., Vane II.R. and I-den .1 (2001). *Economics for business*. Palgrave Foundations: Great Britain. Arrow Smith Ltd Bristol.
- Kimeny i S. M. (2005 > Efficient and Efficacy of Kenya 's (Constituency Development Fund Theory and Evidence. I niversity Of Connecticut.

- National Council of Churches ol Kenya (2005). Decentralised funds A manual on how lo ParticifMte in the Management and Monitoring of Decentralised f undi. Nairobi. National Council of Chun, les ol Kenya.
- National Management Committee (2003). Constituency Development fund Implementation Guide. Government of the Republic of Kenya
- National Taxpayers Association (2008). Citizen's Constituency Development Fund Re/tort Card far Nyeri 7iyu n Constituency. Nyeri South District. Nairobi. Kenya.
- Nal'ula. N. N.. Onsomu F.. \\, Mwabu <> aiul Muiruri S. (2005) Review of Policy Options for Poverty Reduction in heityu KIPPRA Discussion Paper No 49. Nairobi: Kenya Institute lor Public Policy Re ncli and Analysis.
- Ogalo A. (2009), Devolved I'm Initiative\ in Kenya A Messing or A Curse. Peace, Conflict and Development Research
- Pervez. G. and Kjell. G. (2tMH Re March Methods in Business Studies: A Practicle Guide. (3, Jed.). Prenticeh il I tirope Pearson education limited.
- Serrano. R. (2005). Integrating Soctal Funds into local Development Strategies Five Stories from Latin Imerica Social funds innovations. Note Vol.3 No. 1.
- Oguttu C. A and Waelti J. J (I'J'K); Basic Concepts of Microeconomics. University of Nairobi Press: Nairobi Kenya.
- Orodho, A.J. (2003). Essentials of educational and social science research methods. Nairobi: Masola Publisher..
- Smoke. P. (2001). Fiscal Decentulisation in Developing Countries. A Review of Current Concepts and Practice. Damn racy. Governance and Human Rights Programme. Paper No. I ebruary 2001.
- UNDP (2003). "Millennium Development Goals Progress report Jor Kenya". Washington DC: World Hank.
- Vaillancourt. F. (1998), Fiscal Decentralisation in Developing Countries. Cambridge University Press. Cambridge, t'K.
- Were. M. and Nal'ula N (2003) .In assessment of the Imptact of IHI'/AIDS on Economic Growth The case of Kenya. CI Silo Working Papers No. 1034,
- Were M.. Ngugi R.W. Makau P.. Wambua J. and Oyugi l.inet (2005). Kenya's Reform Experience What Have lie learnt KIPPRA Working Paper Series No. 12. Nairobi: Kenya Institute for Pi lie Policy Research and Analysis.

Appendices

Appendix 1: Introduction Letter

KAUli I'Hl JOSLPI I MlAM)

PO BOX 1275. KARA I IN A

TF.1 . 0721479292

\_/-\_/2010

Dear Sir/Madam.

RE: ACADEMIC KIM \RCII

I am a student ol'University of \airoh; pursuing a Masters Degree in Project Planning and

Management. Am conducting an academic research on the factors influencing the

contribution of CDF to Economic Growth in Nyeri Town Constituency.

You have been identified is a suitable person to provide information on a project/projects

funded through CDF. 1 am kindly icquesting you to till the enclosed questionnaire as

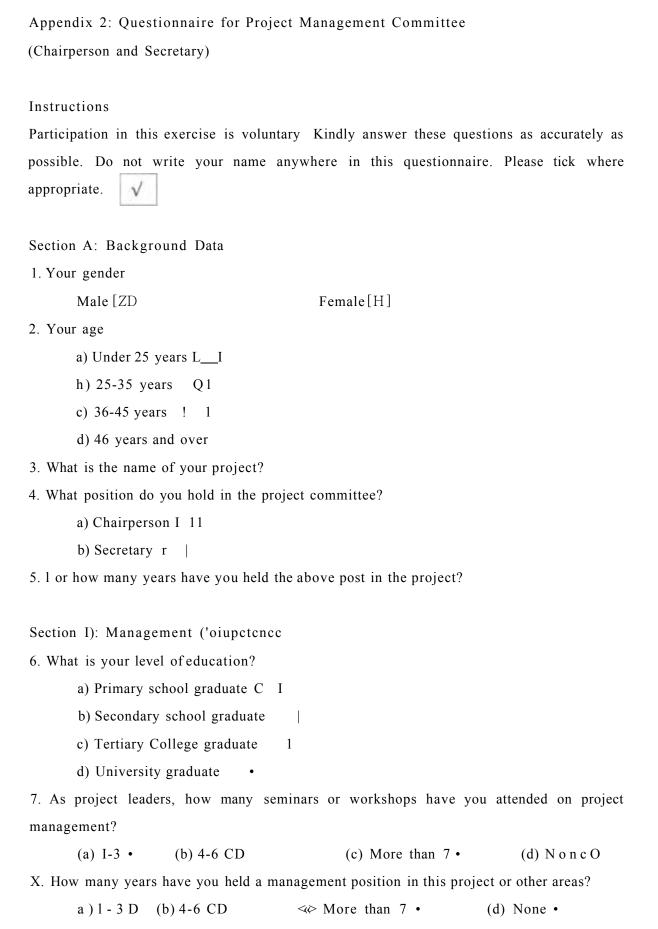
accurately as possible. Your responses will be treated confidentially and used for the

purposes of my academic research only I hanks.

Yours faithfully.

KABETMJ. MlAls'O

3



9. In your view to what extent are the project members satisfied with the performance of t	he
project management team?	
(a) Very satisfied C J (b) Satisfied I—I <e) (d)="" don't="" i="" know="" not="" satisfied="" th="" •="" •<=""><th></th></e)>	
10. (a) Do the project members complain about the project affairs?	
Yes • No d l	
Solution < < > < < > < < > < < > < < < < > < < < < < < > < < < < < < < < < < > < < < < < < < < < < < < < < < < < < < <	
(i) Leadership wrangles <u>1</u>	
(ii) Misuse of funds,	
(iii) 1 ack of information [—[	
(iv) Political interference <u>i l</u>	
(v) Other reasons (state)	
Section C: Projects ( hosen	
11. (a) Are you aware on any other projects that are funded though CDF other than yours?	1
Yes • No •	
(b) If yes how many of these projects are in	
(i) Education (ii) Water	
(iii) Health— (iv) Security	
(v) Others-	
12. What staye has your project reachoi"	
a) Complete [_ J	
b) Ongoing)	
c) Stalled •	
13. (a) Do you believe that your project is achieving or will achieve the desired objectives?	,
Yes • No C I	
14. In your view how would you rate the quality of your project deliverables/output	
(a) Excellent • (b)C.ood c -] (c)l uir • (d) Poor ^	
Section D : Amount of Funds Disbursed	
15. How much money has your project received through CDF since inception?	
a) I.ess than Ksh.lOO.OOO IZU	
b) Ksh. 100,000-Ksh. 500.000C I	
c) Ksh. 500.001-Ksh l.oOO.OOOLZD	

	d) Over Ksh 1,000.001 d1
	c) I don'l know <u>I</u>
16. (i	) Do you think the above allocation was adequate for your project ?
	Yes d I skipb No II j'.o to b
(ii	) If no how tnuch do you think would have been adequate?
	(a) 1-2 times more [ (hi 3-4 times more] 1
	(c) > 5 times more   ] (d) Don't know
Secti	on E: Stakeholders Participation
17. I	n your view how would you rate the level of awareness of project affairs by the various
stake	holders in general
	(a) Excellent L J
	(b) Good t
	(c) 1 air •
	(d) Poor <i>CD</i>
18. 11	ovv many stakeholders have been involved in the implementation of this project?
	(a) 1-3 d)
	(b)4-7 •
	(c) More than X CD
	(d) I don't know d!
19. V	ho choose this project for implementation?
	(a) Communis members di
	(b) Area MP •
	(c) Government officers [""
	(d) NGO's <b>CD</b>
20. D	oes your committee maintain the minutes of stakeholders meetings
	Yes I—I Nod)
21.1	ow can you rate the lev el of stakel »ldc: > commitment to the project affairs in general
	(a) F.xccllcnt <i>CD</i>
	(b) Good I I
	(c) Fair <i>CD</i>
	(d) Poor I I

## Section F: Economic Growth

22. How many employment opportunities (temporally and/or permanent) has this project created?

- (a) 1-3 •
- (b) 4-7
- (c) More than X •
- (d) I don't know •
- 23. (i) In your view has this project led to or is it likely to lead to an improvement in the general standards of li\ ing for the beneficiaries?

Yes<sub>n</sub> No C |

- (ii) If yes to what extent?
  - (a) Very high [Z2

(hHliglitHl

(c) Moderate HZ)

(d) Low •

(c) 1 don't know |\_\_\_]

Flic End

Thank you foryoui kind coopcriilinn

# Appendix 3: Questionnaire for Project Beneficiaries

## Instructions

Participation in this exercise is voluntary Kindly answer these questions as accurately as possible. Do not write your name anywhere in this questionnaire. Please tick where appropriate.

appropriate.	
Section A: Background Data	
1. Your gender	
MaletZU K m a l c O	
2. Your age	
a) Under 25 years i I	
b) 25-35 years •	
c) 36-45 years •	
d) 46 years and over	
3. What is the name of your project?	
4. 1 or how many years have you been a member of this project?	
Section B: Management Competence  5. Do you know the committee members of this project?  Yes  I	,
Section C: Projects Chosen  7. Is this project achic \ ing the objectives set out at the beginning?  Yes   No L  No L  No L  Section C: Projects Chosen  No L  Section C: Projects Chosen	
(b) Good 1	

	(d) Poor <u>I 1</u>			
Section	I): Amount or Funds Disbu	ırsed		
	much money did this project		form CDF?	
	Do you think the money recei			was adequate?
	YcsCD	No	•	•
(ii)	If no how much do you think	would	have been adequate?	
	(a) 1-2 limes more \ \ I		(b) 3-4 limes morel	<u>I</u>
	(c) > 5 times more		(d) Don't know	
Section	K: Stakeholders Participat	ion		
11.1 lov	w would you rate the level ol	the mer	mber's awareness on the	e project alfairs?
	(a) F.xccllcnt CZ1			
	(b) Good dl			
	(c) Fair O			
	(d) Poor L I			
12. How	v many stakeholders are invol	ved in	th • implementation of t	this project?
	(a) 1-3 <b>CD</b>			
	(b) 4-7 C I			
	(c) More than S •			
	(d) I don't know •			
13. (a)	Are membets called for meeti	ngs to o	deliberate on project ma	atters?
	Yes •	No CZ	21	
<b)< td=""><td>If yes. arc the minutes of pro</td><td>\ious m</td><td>eetings read out for me</td><td>mbers to confirm?</td></b)<>	If yes. arc the minutes of pro	\ious m	eetings read out for me	mbers to confirm?
	YCSQ	No	•	
14. Hov	w can you rate the level of me	mber's	commitment to this pro	oject?
	(a) Lxccllent CZH			
	(b) Good •			
	(c) Fair O			
	( d j P o o r ^			

(c) Fair

15. How many people were employed in ih	is project on temporally or on permanent basis?
(a) 1-3 •	
(b) 4-7 •	
(e) More than 8 •	
(d) I don't know •	
16.(i) In your view has this project led to o	r is it likely to lead to an improvement in the
general standards of li\ ing for the b	ocncliciaries?
Yes • No <u>I—</u>	
(ii) If yes to what extent?	
(a) Very high •	(b) High (ZT1
(c) Moderate CD	(d) Low []

Scction F: Economic (Growth

(c) I don't know [ ]

I In- End

Thank you for your kind cooperation

accuratel	ly as possibl	e. Do not	write you	ur name	anywhere i	n this questi	onnaire.
Section	A: Backgro	ound Data					
1. Your	gender						
N	Male!J		Fe	emale <u>f</u>	<u>?~1</u>		
2. Age							
a	Under 25	years CD					
b	o) 25-35 ye	ears •					
c	) 36-45 year	s I I					
d	l) 45 years ar	nil above <u>I</u>	1				
3. Who	nominated y	ou lo ⊳e a	CDC me	ember?_			
Section	II: Manage	ment Com	petence	•			
4. What	is your leve	l ol educat	ion?				
a	) Primary sc	hool gradu	iate I				
b	) Secondary	school gr	aduate L	L_			
c	) Tertiary Co	ollege grad	uate •	<u>I</u>			
d	l) University	graduate	_				
5 As Cl	DC members	s, how man	ny works	shops or	seminars h	ave you atter	nded on project work?
(u) 1-3 <b>(</b>	C <b>D</b>	(b) 4-6 •		(c) N	More than 7	CD	(d)None •
6. How 1	many years	have you h	neld a ma	anagemo	ent position	in CDF or a	ny other area?
a	) Less than	one year I-	—I	1	n) 1-3 years	<u>I I</u>	
c	e) 4-6 years <u>(</u>			(	d) 6 years an	nd above <u>I</u>	<u>I</u>
7. (a) 1X	» members o	of your con	stituency	make	complaints	about the pro	ojects selected by your
committ	ee?						
Ŋ	Y e s E D	1	No •				
Section	C: Projects	Chosen					
8. In wh	at areas can	the CDF r	noney be	e utilise.	1?		

Participation in this exercise is voluntary Kindly answer the following questions as

Appendix 4: Questionnaire for CDC Members

Instructions

9. How many projects has your committee approved for funding through CDF since			
inception in year 2003/2004_			
10. Out of the projects that have benefited through CDF above, how many have been			
successfully completed_			
11. Are the completed projects giving the expected deliverables/outputs?			
Yes (ZJ No E D			
12. How can you rate the quality of the pioject deliverables?			
(a) Excellent I			
 b) Good I—I			
(c) Fair •			
(d) Poor I			
Section I): Amount of Funds Diabui >ed			
13. How much money was your constituency allocated in the following financial years			
through CDF?			
(a) 2003/2004 (b) 2004/2005			
(c) 2005/2006 (d) 2006/2007			
(e) 2007/2008(1)2008/2009_			
(g) 2009/2010			
14 (i) 1)0 you thmk the amount ol funds allocated to the constituency through CDF is			
adequate? Yes I—I No L—			
(ii) If no how much do you think would have been adequate?			
(a) 1-2 times more [ (b) 3-4 times more <u>I</u>			
(c) > 5 limes more   J (d) Don't know L			
Section K: Stakeholders Participation			
15. How would you rate the level of stakeholders awareness on CDF project in the			
constituency?			
(a) Excellent • lb) Good CD			
(c) Fair   1 <d) poor="" td="" •<=""></d)>			
00			

funded projects?				
( a ) l - S O	 b) 6-11 I I			
(c) More than 12 •	<d) noncj— <="" td=""></d)>			
17. In your view what is the level of commitment of the various stakeholders to the CDF				
projects?				
<u) [="" excellent="" j<="" td=""><td></td></u)>				
(b) Good f •				
(c) Fair •				
(d) Poor O				
Section F: Economic Growth				
18 (i) In your view do you think the CDF propamine is contributing to economic growth in				
your constituency?				
YCSQ	NoCZ]			
(ii) If yes to what extent?				
(a) Very high •	(biHighn			
(c) Moderate CD	(d) Low [31]			
(c) I don't know [				

16. How many stakeholders does your committee work with in the implementation of CDF

I In End

I luuik you for >our kind coopcmlion

1 Gen	der		
	Male • •	Female ••	
2. Age	bracket		
	a) Below 25 years ••		
	b) 25-35 years O		
	e) 36-45 years £ J		
	d>46 years and above <u>I 1</u>		
3. Wha	at is your level of education?		
4. How	many years have you worked	for CDI ?	
5. How	many people have been empl	oyed in the CDF constituency office on	permanent
and/or	temporally basis'*		
			- H
	e you receiv ed any training on How many times'.'	your work since you joined the CDF? Is	f yes. in what
7. Doy	you receive any complaints fro	om >oui clients? What is the nature of th	e complaints if
	•	noney allocated through CDF to the times more do you think would	•
9. How	would you rate the success ra	ate of CDI funded projects in the constit	uency?
II. Do	you believe the completed CI	OI projects are achieving the expected o	bjectives?

- 12. Do you think there is adequate stakeholders' participation in CDF funded projects in the constituency?
- 13. Do you think the CDF projects in this constituency are contributing to economic growth?

  Yes N o d ]

If yes. to what extent?

I'he I-nd
1 hank you for your kintl cooperation

## Vppendix (»: Sampling Frame

- 1. ML Kenva Primary School
- 2. Githwariga Primary School
- 3. Gatilu Police Post
- 4. Riamukurwe Primary School
- 5. Thunguma Primary School
- 6. Nyaribo Primary School
- 7. Nyaribo Secondary School
- 8. Marua Dis|>cnsary Nyaribo Dispensary
- 10. Marua Secondary School
- 11. Marua Primary School
- 12. Githiru Primary- School
- 13. Ithenguri Primary School
- 14. Giakanja Primary School
- 15. Kwonderi Primary School
- 16. Kahiga Dispensary
- 17. Ndurutu Primary School
- 18. Kihuyo/Njeng'u Bridge
- 19. Muringato Primary School
- 20. Gitathiim Secondary School
- 21. Kamuyu Bridge
- 22. Muthuaini Secondary School
- 23. King'ong'o Primary School
- 24. Nyamach.iki Primary School
- 25. Education Itursary
- 26. Office Equipment
- 27. Administrative Cost
- 28. Nyen ( attic Dips
- 29. Kamakwa Police Post
- 30. King'ong'o Police Post
- 31. Mathari Primary School
- 32. Municipal Chiefs Office
- 33. Kihatha Secondary School
- 34. Ihwa Secondary School
- 35. Kirichu Primary School
- 36. Ngangarithi Primary School
- 37. Kiambuiri Primary School
- 38. Ihigaini Primary School
- 39. Kiganjo Primary School
- 40. DEB Primary School
- 41. Mumguru Dispens-ry
- 42. Central Disabled
- 43. Tctu Boy s Primary School •
- 44. lhwa Primary School
- 45. St Vincent Kiamuiru Secondary School
- 46. Kiamuiru I'nman School
- 47. Kamuyu I' inwy School

- •18. Iluruma Children Home
- 49. Giakanja Secondary School
- 50. YMCA
- 51. Riamukurwc Children's Home
- 52. Capacity Building
- 53. Monitoring & Evaluation
- 54. Emergent)
- 55. Chorong'i Primary School
- 56. Chorong'i Cattle Pip
- 57. Mnirwc Primary School
- 58. Mairwe Nuisery School
- 59. Kihuyo Primary School
- 60. Gachika Secondary School
- 61. Gachika Youth Polytechnic
- 62. Riamukurwc Secondary School
- 63. Mwenji Prinury School
- 64. Thungunut Police Post
- 65. Gilhiru II inguma Bridge
- 66. Githiru Youth Polytechnic
- 67. Murugum Primal) School
- 68. Witcmerc-King'ong'o Bridge
- 69. Muruguru Water Project
- 70. Roads Mm um
- 71. Njeng'u Nyaribo W ater Project
- 72. Ihungum.i Nursery
- 73. Kamweni i I cachers College
- 74. DF.B Muslim Prii i.in School
- 75. Kihatha Pritnar) School
- 76. Belwup Kescuc
- 77. Kanoga Primary School
- 78. Kiria Dispensary
- 79. Ihwa Watci Projeci
- 80. Kairia Soc ial llall
- 81. Muthuaini 1 ea Centre
- 82. Kiriehu Ojv.n Air Market
- 83. Sign Post
- 84. Kandara Social I lall
- 85. Majengo Sc urily I ipht
- 86. Nyaribo As istants Chiefs Office
- 87. Muniguru Chiefs Office
- 88. Kiganjo < hicl's Office
- 89. Gitero Polytechnic
- 90. Gitero Chvl's Cnm;>
- 91 Gitero Chicle Office
- 92. Mathari Av, isianis Chiefs Office
- 93. Kihatha Assistants Chiefs Office
- 94. Gitathi-Int \ssist.ints t hicl's Office
- 95. Kihuyo Dispensary
- %. I etu Girls Primary School

- 97. Temple Road Primary School
- 98. Kaliiga Secondary School
- 99. Rware Secondary School
- 100. Hill-Farm Primary School
- 101. Kirimara Primary School
- 102. Kinunga Youth Polytechnic
- 103. Kinunga W'angi Irrigation
- 104. lireri Kirumia Watci Project
- 105. Kamuyu Dispensary
- 106. Riamukurwe llonu- tor the Aged
- 107. Chania Primary School
- 108. Dispensary I quipmeni
- 109. Sports Activities
- 110. Environm ital Netivities
- 111. Kimalhi University