

### **Abstract**

The Constituency Development Fund (CDF) is one of the latest initiatives by the Government of Kenya that provides for financing of public services at the local level. The CDF Act, 2003 mandates for the transfer to constituencies of an amount of money equal to not less than 2.5 percent of all the government ordinary revenue collected in every financial year and any monies accruing to or received by the National Constituencies Development Fund Management Committee. The monies are targeted at development projects, and in particular, the fight against poverty at the constituency level. Whether the allocations resulting from the CDF allocation formula results in equitable distribution of resources is the focus of this study. Based on secondary data, the results reveal that, the CDF allocation formula does not result in equitable distribution of resources. In effect, the poorest regions are not the greatest beneficiaries of the funds. Based on this finding, the study recommends for the revision of the CDF allocation criteria to provide for the use of two tier indices to ensure that poor regions get relatively higher allocations.