FACTORs INFLUENCING IMPLEMENTATION OF DONOR FUNDed PROJECTS IN MERU COUNTY.

MAIThULIA, MUTWIRI MOSES

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KENYATTA UNIVERSITY.

Factors influencing implementation of donor

Muriithi. Danson
MAY 2012.
DECLARATION

I declare that this is my original work and has never been submitted in any other Institution of Higher Learning for examination.

Signature: Maithulia Mutwiri Moses
Date: 11/05/2012

This research proposal has been submitted for examination with our approval as University supervisors:

Signature: Phelgona Genga
Date: 17/5/2012

Lecturer
Department of Business Administration

For and on behalf of Kenyatta University.

Signature: Ms. Gladys Kimutai
Date: 29/9/12

The chairperson
Department of Management Science
DEDICATION

This paper is dedicated to all my family members for the moral and financial support they gave me during my studies.
ACKNOWLEDGEMENT

I sincerely appreciate the effort put in by my supervisors James Kilika and Phelgona Genga to ensure that this work is done to satisfaction. I thank my colleagues at work, especially the school principal for all their support in my absence from work to carry out this study. My gratitude also goes to my MBA classmates for their moral support during our studies. Thank you all and may God bless you abundantly. Finally but not the least, I thank the Almighty God for His endless grace during the time of study.
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>CBOs</td>
<td>Community-Based Organizations</td>
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<td>CDF</td>
<td>Constituency Development Fund</td>
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<td>CI</td>
<td>Compassion international</td>
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<td>FBOs</td>
<td>Faith-Based Organizations</td>
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<td>FH</td>
<td>Food for the Hungry</td>
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<td>GoK</td>
<td>Government of Kenya</td>
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<td>HI</td>
<td>Hope International</td>
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<td>HIV</td>
<td>Human Immune Deficiency Virus</td>
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<td>MGDs</td>
<td>Millennium Development Goals</td>
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<td>NGOs</td>
<td>Non-governmental organizations</td>
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<td>OECD</td>
<td>Organization for Economic Co-operative and Development</td>
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<td>PM</td>
<td>Project Management</td>
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<td>PMBOK</td>
<td>Project Management Body of Knowledge</td>
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<td>PMI</td>
<td>Project Management Institutional</td>
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<td>PSI</td>
<td>Population Services International</td>
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<td>RCI</td>
<td>Red Cross International</td>
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<td>RI</td>
<td>Ripples International</td>
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<td>SPSS</td>
<td>Statistical package of social sciences</td>
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<td>UNEP</td>
<td>United Nations Environmental programme</td>
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<td>UNESCO</td>
<td>United Nations Education Science and Cultural Organization</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>WFP</td>
<td>World Food Programme</td>
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Operational Definition of Terms

Challenge of project implementation
A condition leading to reduced performance and consequently the attainment of the project objectives.

Community
Means residents of a particular geographical area or region defined as a constituency, location, sub location and having common interests.

Compassion
It is a feeling of sympathy and caring for someone who is in a bad situation.

Financial Systems
Accounting records and financial statements and investment policies used to report financial performance and to project cash flows that determine project implementation.

Non-Governmental organizations (NGOs)
It is a legally constituted organization created by natural or legal persons that operates independently from any government.

Poverty eradication
It is the ability to improve the society’s standard of living.

Project management committee
Means a committee or board of persons elected or nominated to implement a project or manage an institution and which is assuming the responsibility of implementing a project funded by the donors.

Project management institute
It is the professional organization for people who manage projects.

Vulnerable child
A child who is under distress; he/she have been placed in a situation of extreme need.
ABSTRACT

The prime concern and key priority of the donor agencies is to improve the living standards among the people in line with the Millennium Development Goals (MGDs). The Non-governmental organizations (NGOs) have put up spirited fight against poverty by initiating various projects like in the field of education, health, water and sanitation, and social welfare. This is done by providing the services and also creating employment opportunities. Poverty has rampantly affected large portion of population but has greatly ravaged on the rural population. The donor funded projects have laid down strategies to handle the challenges especially on rural population, but this has not been without drawbacks in execution of these strategies to curb the problem of poor living standards. In this study the factors influencing the implementation of donor funded projects in Meru County were assessed to evaluate its efficiency in attaining its objectives. To achieve this, the study attempted to find out the influence of the management structure in projects, project financial systems, technology adopted and the donor policies on the implementation of donor funded projects. Relevant literature review on the concept of the project, projects management, donor agencies, donor funded projects and literature guided by the objectives was carried out.

The study adopted a descriptive research design. The target population included all the employees working with the selected donor funded projects in Meru County. Data was collected from the sampled respondents using questionnaires as the principal data collection instrument. Stratified and purposive sampling techniques were used to come up with a representative sample size. Data was analyzed using descriptive statistics and Statistical Package for Social Sciences (SPSS) aided in generation of results. The data was presented in form of pie charts, Bar graphs and frequency tables, percentages and cross-tabulation among others. The study found out that most donor funded projects were not implemented well after the withdrawal of donor funding. The major factors that were found to affect the implementation were the existing donor policies and the management systems adopted by the projects. The study recommends the beneficiaries to be trained well to be able to implement the projects well after the donors’ withdrawal.
CHAPTER ONE

INTRODUCTION

This chapter discusses the background of the study, statement of the problem, research objectives and questions, scope of the study, significance of the study, limitations and assumptions of the study.

1.1 Background to the Study

Projects world over, are conceived and designed to initiate, promote change and innovation in the society (Mwangi, 2006). The anticipated change mostly is based on social and economical parameters. Both community-based and government financed projects or programmes are aimed at improving the living standards of people, consequently lowering the levels of poverty. To achieve this critical obligation, government embarks on various initiatives by itself or in collaboration with multilateral or bilateral development partners as well as NGOs (Okun, 2007).

Poverty has been universally identified as key challenge to improving the living standards of people. Due to rise of poverty levels over time, many organizations are pumping resources into poverty-alleviation oriented projects (Mulwa, 2007). For example the government of Kenya through the ministry of Youth affairs conceived the Youth development enterprise Fund programme in 2006 to address high levels of unemployment among the youths which is the precursor to absolute poverty (Kinyua, 2011). Donors play a significant role in the social development process in all regions of the world. They are particularly critical in circumstances where state funds are limited.
Political situations are fluid, natural disasters resulting from both predictable and unpredictable environmental circumstances occur, ethnic strife is rampant, and the level of per capita income severely restricts the ability to purchase needed goods and services-social, educational and economic (Dorothy, 2007). From a global perspective, the donor funded development projects are involved in a wide range of activities and programme at national and regional levels all aimed at improving the well-being of the people. Donor agencies such as Faith Based Organizations (FBOs), Non-governmental Organizations (NGOs) such as Compassion International (CI), Food for the Hungry International (FH), Ripples International (RI), United Nations Education, Science and Cultural Organization (UNESCO), United Nations Children’s Fund (UNICEF), Red Cross International (RCI), World Food Programme (WFP), United Nations Environmental Programme (UNEP), Population services International (PSI), Hope International (HI), SOS Children’s villages International among others and CBOs have historically provided vital services to needy populations and contributed significantly to the strengthening of many individuals’ lives, families and communities (Vidal, 2001). FBOs and CBOs are often located in regions and neighborhoods where especially the needy populations live. These organizations tend to have scarce resources, yet tend to make large contributions to the society. Conceptually, development projects undertaken by donor agencies are “asset building” that improves the quality of life among the residents of low-to-moderate income communities (Vidal, 2001).

The donor funded development projects are involved in various activities which includes: integrated food security programmes, transportation, marketing and processing of agricultural and livestock production. Availability of safe drinking water for human and
livestock, plus conservation of soil, water, wildlife and the environment form part and parcel of the integrated rural development programmes implemented by donor agencies at the community level. Health programmes for diseases prevention and treatment often with mobile health clinics form a common feature in high population density locations. The HIV/AIDS scourge is stronger and the donors’ focus is on the information sharing, de-stigmatization and appropriate counseling and coping skills. The focus on capacity building at national and regional level ensures a workforce with appropriate skills to promote participatory and sustainable community development, while at the same time empowering the community to be more analytical about their situations, resources and develop appropriate interventions to address their challenges. Their capacities are further enhanced through Gender, justice and equity, conflict resolution and civic education and Advocacy Programmes (Okun, 2007).

1.1.1 Study Locality

Meru County is in the Eastern part of Kenya. It borders Isiolo County to the North and north East, Tharaka County to the South West, Nyeri County to the South West and Laikipia County to the West. Meru County has a population of 1,356,301 people and has an area of 6,936.2 KM$^2$ and is an agricultural County. The Northern parts bordering Isiolo County and North east parts bordering Tharaka County are semi-arid and receive inadequate rainfall and this disrupts normal livelihoods. Meru County is the home of the Imenti, Tigania and Igembe sub-tribes of Ameru tribe. The people of Meru County are predominantly Christians and the County has seven constituencies namely: Igembe South, Igembe North, Tigania West, Tigania East, Imenti North, Imenti central and
Imenti South (IEBC report, 2012). Meru County has many donor funded projects and whose expected benefits has not been fully realized by the by the residents. (Mugambi 2008), in his study on goat breeding projects in Meru mentions low outputs from the projects after it was handed over. This applies to many other donor funded projects in the County, hence there is need to know the factors contributing to this.

Having sustainable development projects in Meru County goes hand in hand with promotion of skills and investment enterprises for the benefit of the local people. The donor agencies are therefore involved in funding a range of micro-enterprise development, small scale business, home improvement, health improvement among others all aimed at improving living standards of families /households, groups and individuals, (Mugambi, 2008).

1.2 Statement of the Problem

Donors usually have the objectives of helping to improve the livelihood of the locals either through direct participation or providing funding to supplement government’s budgetary allocation to various sectors. Unfortunately, the funds provided by most of these donors are project-driven short-term funds, which do not factor into the whole funding mechanism policies that will ensure that such projects are fully implemented after donors have withdrawn (Heeks and Baark, 1998). The presence of a well thought out strategy that not only looks at how a donor funded the project is completed, but also the means to continue with the project after the donors funds have been withdrawn is critical to the project’s successful implementation (Young and Hampshire, 2000). According to Mugambi, (2008), goat breeding projects is an example of the projects
which were sponsored by FARM- AFRICA in collaboration with Ministry of agriculture and whose output after the donors’ handover has not been satisfactory in Meru.

The national policies on poverty eradication as stated in Poverty Reduction Strategy Paper (PRSP) places emphasis on efficient management initiatives supporting improvement on socio-economic, political and legal environments. However, the question of effectiveness or efficiency of implementation of donor funded projects remains a significant policy and management concern to be investigated. Evaluation studies done by Agevi (2002), Muttagli (1998), Ashley and Barney(1999) and Cedric (1992) widely linked poor management of community projects to the increase in the cycle of poverty and failure of many donor funded projects in developing countries like Kenya. This situation is even worse in Meru County especially in the semi-arid parts of the County. According to Mugambi, (2008), the output from goat breeding projects dropped significantly leading to a shortfall of milk in the county as well as low deliveries being made at the Meru dairy center. Similarly other donor funded projects like education programmes has suffered many setbacks like high dropouts leading to many complains from both the residents and the donors. Despite this problem, little has been done to establish the cause of poor implementation and even termination of these donor funded projects in these parts of Meru County. This poses a gap which this study aims to fill through an investigation of the factors that affect the implementation of the donor funded projects in Meru County.
1.3 Objectives of the study

1.3.1 The Broad Objective

The broad objective of the study was to investigate the factors influencing the implementation of donor funded projects.

1.3.2 The Specific Objectives

The study was based on the following specific objectives:-

(a) To determine how management structures in projects influence the implementation of the donor funded projects.

(b) To find out to which extent project financial systems influence the implementation of the donor funded projects.

(c) To identify the effects of technology adopted on implementation of donor funded projects.

(d) To find out the extent to which donor policies affect the implementation of donor funded projects.

1.4 Research Questions

Based on the stated objectives, the study was to answer the following questions.

(a) How do management structures in projects influence the implementation of donor funded projects?
(b) To which extent project financial systems influence the implementation of donor funded projects?

(c) What are the effects of technology adopted on the implementation of donor funded projects?

(d) How do donor policies affect the implementation of donor funded projects?

1.5 **Significance of the Study**

The study will benefit policy makers and implementers within private and public sector in understanding the analytical steps and stages where applicable in the implementation planning process of donor funded projects.

The study will give information on areas that need to be refined and re-defined to ensure that the strategic direction is attained. It will provide information and lesson for future reference. Business study students who have interest in implementation of donor funded projects will get information and reference for their future studies.

The study will enhance focus on community development. It will encourage NGOs to develop overall long-term plans for further development. This particular case can be generalized by the outcome to be obtained from the study leading to better solutions for similar cases in other parts of the country and even other countries. It will generate interest for future research in development projects.
1.6 **Scope of the Study**

The study was restricted to donor funded projects in Meru County. Meru County is one of the most populous Counties in Kenya. It is found in the upper part of Eastern province. The concern of the study was factors influencing implementation of donor funded projects by the selected NGOs in Meru County.

1.7 **Limitations of the Study**

The study was done in few donor funded projects because of the time set to complete the study and the cost implications. It was limited to investigating factors affecting the implementation of donor funded projects. The study was therefore not investigating other factors like those affecting the selection of projects implemented.

1.8 **Assumptions of the Study**

Respondents gave accurate and reliable information on the research topic on which valid conclusions was drawn. The realization of factors affecting implementation of the projects will lead to proper implementation of the projects leading to realization of the objectives. The sample population which was chosen represented the population of the County. The instruments which were chosen were valid and measured the required construct.
2.1 Concept of Project

2.1.1 Characteristics of a Project

According to (Schwalbe, K; 2007; PMBOK, 2004), the term project is defined as a temporary Endeavour undertaken to create a unique product, service or result. Juvah (1997) considers a project as a problem scheduled for a solution. According to Brown (1992), a project has eight main characteristics:- A project is an instrument of change, has a clearly identifiable start and finish, has a specific aim, results in something being delivered is unique, it is the responsibility of a single person or body, involves cost, resources and time and uses a wide variety of resources and skills. According to Klastorin (2004), a project has several phases that constitute the project cycle. The various phases are: - project formulation and selection, planning, scheduling and control and implementation and termination. The project formulation and selection phase, the managers define (and refine) the project and its scope and consider the impact of the project on the strategic plan of the organization. If the project is selected for further development, managers then proceed with more detailed planning in second phase. In the planning phase specific tasks are defined that constitute the project and estimate the resources (workers, materials etc) which are needed to successfully complete the project. Here managers decide which tasks are to be subcontracted and define request for bids for these tasks. Planning phase is very critical; it defines the 6p rule of PM, (Brouds, 2004).
Scheduling and control phase is the phase when the work of the project is most intense, the resources assigned to the project peak. Finally the project is implemented. According to Fixsen, D.L. et al (2005), a project undergoes six levels of implementation. These levels are exploration, installation, initial implementation, full implementation, innovation and sustainability. At the exploration level, the assessment of the potential match between the stated needs, evidence-based practice and education needs and stated resources is done and the decision of whether to proceed (or not) is done. At the installation level, there is preparation of implementation of the project. Resources are expended on active preparation for doing things differently, in keeping with the tenets of the project. Structural supports necessary to initiate the project are put in place. Initial implementation is actively engaged in implementing and supporting the project. Implementation requires making changes and providing education, practice, and time for skill levels, organizational capacity, organizational culture, and so on, to mature. Full implementation is the part of typical practice. It is integrated into practitioner, organizational, and community practices, policies and procedures. At this point, the project becomes fully operational with full staffing compliments. The project starts being used by all the beneficiaries. At the innovation level, there is learning more about the project conditions under which it can be used with fidelity and good effect. New staff members working under different conditions within uniquely configured project circumstances present opportunities to refine and expand the project implementation models. Some of the changes are undesirable, while others are defined as innovations that need to be included in the ‘standard model’ of implementation practices. At some point innovations may sufficiently change the definition and operations of the project model to
merit a new round of experimental outcome studies to confirm the overall benefits of the revised model. Finally the sustainability level ensures the continued use of the project. The goal during this stage is long-term survival and continued effectiveness of the project implementation in the context of changing the world, (Fixsen, 2005).

2.1.2 Project Implementation Process

According to Langdon (2010) project managers and customs consultants, a staged project implementation process is to ensure that the system is delivered on time, to budget and fully operational. The needs of the project are rapidly assessed and configure a template that serves as the basis for the project implementation. Langdon’s approach to the project life cycle ensures a significant reduction in implementation costs provides an implementation process with ‘An end in mind’ and enables customization of the application to the needs. Langdon identifies a number of key stages during project implementation. These includes:- Assignment of a project manager, project kick off meeting, establishment of customer requirement documents, technical design, system testing and implementation and post implementation support. Assignment of a project manager. An experienced project manager is designated to oversee the implementation of a project, who liaises with the client on a regular basis through telephone conferences and attendance at project meetings. He/she works closely with the project team to ensure that the design and implementation of the system runs as smoothly as possible. Project kick off meeting. The project starts with a project kick-off meeting attended by the project manager and any of the clients’ key personnel. The project manager outlines details regarding the PM. The meeting is also used to define the study of determining the
IT requirements (the systems specifications phase). Establishment of the customer requirement document. The information provided at the kick-off meeting will enable a customer requirement document for the final system to be created. This outlines the structure of both the applicable core system and the duty management system. Customs have the opportunity to cement on/amend the functional design. Amendments in later phase cause considerable delay and incur additional costs. Technical design. Once the functional design is completed, it is transformed into a technical design, identifying the activities necessary for generating the interfaces and setting up the duty management system according to the specifications of the client. This also identifies the requirements of the customs. Systems testing. Once the system has been compiled, based on the customer requirement document and any other additional client specific programming requirements, a comprehensive system testing programs is undertaken. Clients' commercial data is normally used to ensure accurate testing. This incorporates data extracted from the clients legacy system and downloaded data. Implementation and post implementation support. Implementation consist of support in a number of areas, not just the installation of the software for the first three months after the implantation of the duty management system, the Langdon project team support users on a day to day basis. The Langdon support desk thereafter manages support services.

2.1.3 Key Success Factors to Project Implementation.

According Brouds, (2004), the project implementation success factors are of many types. Some are detailed, others are technical, and some are more general. These success factors includes: - The technological requirements, hardware requirements, implementation
requirement requirements and data requirements and functionality. Technological requirements. The assessment is done to confirm if the technology available is suitable for the successful implementation of the project. The tools/products needed to make it work in the environment are acquired and analysis done to verify if the technology can be supported internally. Hardware requirements. Analysis of the hardware is done and if new ones are needed, then the specifications and costs are verified before buying after which the right personnel to configure or install them is obtained. Implementation requirements. The person to do the work is confirmed, the work may be done by either a vendor or a consultant. The training available is assessed and the right person to be trained is identified. Data requirements and functionality. A detailed requirement is important for thorough analysis. However because of time and budget constraints focus may be done on just critical or unique requirements.

2.1.4 Indicators of Successful Project Implementation

According to Virginia Health care foundation (2000), a successfully implemented project exhibits number of characteristics. These includes:- A completed homework, a clearly defined mission and the purchase which is reasonably limited in scope, a well defined need for the program, a collected implementation, the local community has invested in the project, cash and in-kind support has been pledged from local businesses and/or the local government. The proposed service appears cost-effective, even in first few years of delivery and is supported by a business plan. Others includes: - Developed infrastructure. The protocols for quality assurance and quality improvement should have been established for the provision of services. Community outreach activities should have
been identified to connect the target population with the new services. The specific plan to communicate project highlights should have been developed to keep the community invested and involved. The proposed budget should be comprehensive (includes line items for personnel, rent, utilities, capital projects, office supplies, travels, insurance, etc) and demonstrates sound fiscal planning. Strong management capacity. PM should have demonstrated a record of success. Association with an umbrella agency, if it exists should be well defined and all involved parties understand their respective roles. Coordination with other community programs should exist, efforts to collaboratively work together should be evident and a conscious effort to avoid fragmentation and duplication of services has been made. The value of data as a management tool and a fundraising / public relations tool is recognized and data collection systems are in place. The value of public relations as a means of generating financial support and attracting new clients should be understood and media events regularly scheduled. Evaluation activities exist and should be well targeted to answer specific questions about a program. These activities monitor the quality and quantity of services provided as well as a measure of the short and long-term impacts of the program. Existence of the vision for the future. A long-terms plan to sustain the project should be developed and appears viable. While it is acceptable to include partial reliance on future grant awards, the project should also identify some steady sources of income. A strong and committed board of directors should be in place and understands its role.
2.2 Project Management

A project is a finite endeavor (having specific start and completion dates) undertaken to create a unique product or service which brings about beneficial change or added value. This finite characteristic of projects stands in sharp contrast to processes, or operations, which are permanent or semi-permanent functional work to repetitively produce the same product or service. A successful project management is the tie that binds services to results (Wayne Peal, 2000). The four phases are key to successful project management. According to PMBOK (2004), project management (PM) is the application of knowledge, skills, tools and techniques to project activities to achieve project requirements. PM is accomplished through application and integration of the project management processes of initiating, planning, executing, monitoring and controlling and closing.

The first rule of PM is that people who must do the work should help plan it. The role of the project manager is that of enabler. Her job is to help the team get the work completed, to "Run interference" for them, to get scarce resources that they need, and to buffer them from outside forces that would disrupt the work. She is not a project czar; she should be above everything, a leader in the true sense of the work (Lewis, J., 2007). According to Packard (1962), Leadership is the art of getting others to want do something that we believe should be done. The planning, scheduling and control of work is the management of administrative parts of the job. But without leadership projects tends to just satisfy bare minimum requirements. With leadership, they can exceed those bare minimums (Lewis, J., 2007). Project stakeholders are the people involved in or affected
by the project and include the project sponsor, project team, support staff, customers, users, suppliers and even opponents of the project. These stakeholders often have very different needs and expectations. Therefore there is need for good communication and coordination among the project stakeholders for the successful implementation of the project. (Schwalbe, 2007).

2.3 Empirical Literature on Project Implementation

Rono (2008) in her study on financial sustainability of NGOs projects in Nairobi revealed that dependence on donor funding was high with low utilization of internal resources, with use of the services offered to provide a descent return lacking.

Khan and Hare (2005) pointed out that for an NGO funded project to be sustainable it has to develop a sound institutional base a strong programmatic approach, and sufficient funds. At the institutional level, the NGO needs to establish the internal systems, structure, and work culture that promote strong leadership and positive organizational image, foster the belief that people are willing to support products and services they find valuable, and facilitate the development plants for sustainability. At the program level, the NGO needs to carefully analyze the market and encourage community participation at all stages from design through implementation evaluation of the program in order to offer quality service at reasonable process. At the financial level, the NGO needs to have systems and strategies for generating adequate levels of finance and managing these resources well. It requires a good grasp of the nature and level of its costs and preparedness to sustain its programs through a combination of cost reductions, cost recovery, and leveraging support from the community and donors. They noted that for the
NGO to be financially sustainable, it must have financial systems and procedures that provide clear and timely accounts of the financial position of the organization, reduce the costs of providing services, recover costs of service provision from clients and community, raise resources through institutional earnings and use assets to attract and leverage resources from the community, the government, and diverse donors.

Nturibi (2004), in his study of family programmes promotion services on integrated community care and support project in Kenya established that the level of sustainability of income generating activities often depends on perceived and actual returns to the beneficiaries i.e. orphans, grandparents giving care, project implementers, community health workers and committee members. He established that although the proceeds are primarily meant to assist the first group, all the others also expect to benefit. Unfortunately the magnitude of the projects initiated mostly does not allow for this, due to the fact that the products are sold in fairly poor neighborhoods. Kotler (2006) defined a product as anything that can be offered to satisfy a need or want. A product can consist of as many as three components; physical good(s), service(s) and idea(s).

According to Asian Development Bank (ADB, 2004), there are three aspects of financial sustainability. These are the availability of adequate funds to finance project expenditures, especially funds drawn from the government budget, the recovery of some of the project costs from the project beneficiaries, and the financial incentive necessary to ensure participation in the project. Consequently, a financial plan at constant financial prices is necessary to ensure there will be adequate funds to finance project expenditures. This applies to the implementation period to ensure capital funds are available to cover
investment and working capital requirements, and to the operating period to ensure sufficient funds to cover operating expenditures. For indirectly productive projects that do not generate sufficient funds to cover operating expenditures, the full fiscal impact of the project of each year of its life should be calculated. The financial requirement becomes a fiscal requirement, and steps should be taken to ensure that the government commits adequate funds for the operational purposes. Directly productive projects will also impact on the government budget, through tax revenues and concessions, and the net budget effect also can be calculated. The fiscal impact calculations should be linked to policy discussions over the extent and scale of user charges, operators’ fees and tax revenues. According to Amott (2003), foundations that receive funds from a single donor, especially when they are not in form of an endowment, can leave a foundation highly vulnerable. Foundations and NGOs are increasingly recognizing that earned income from sale of products, services, or intellectual property can be an additional of operational funding that compliments other fundraising tactics while helping to build organizational implementation of its projects. Having discretionary funds from earned income allows a foundation to invest in programs for which it is otherwise difficult to raise donor funds. These may activities that potential donors perceive to be higher risk. Moreover, simply earning income does not guarantee financial sustainability for an organization. It is perhaps not surprising then that few foundations around the world have significant advantage of market approaches to earning income, which provides an excellent overview of the considerations involved in practicing earned income as a fundraising strategy (Schneider and Gilson, 1997).
International donors can support capacity building by allocating part of their resources to institutional development of the foundations they’re seeking to support or channel funds through. Natasha (2003) makes a plea for this in Indonesia, arguing that donors need to support the building of both the management and delivery capacities of civil society organizations, but in a judicious and targeted manner. The result of this complex reality is that emerging and existing indigenous foundations in developing countries will have to continue exploring new paths to building financial sustainability.

In Kenya the sharp deterioration in economic performance worsened the poverty situation in the country as outlined in the Economic Recovery Strategy for wealth and Employment creation (ERSWEC) report of 2003-2007. The number of people living in poverty was estimated to have risen from 11 million or 48 per cent of the population in 1990 to 17 million or 56 per cent of the population in 2002 (GoK, 2003). This called for a concerted effort aimed at alleviating poverty. This was in form of private-public partnerships geared at improving the standard of living of the locals mainly through rural projects initiation (GoK, 2001). The need for sustaining the initiated projects is therefore inherent.

2.4 Theoretical Literature

Programme implementation is the stage at which projects integrate all its resources to concretely achieve its goals. It can also be defined as a process of integrating the resources as outlined in the baseline plan to achieve the defined goals and objectives. Success in programme implementation depends on effective employment of project management techniques. Project management is the application of knowledge, skills,
tools and techniques to project activities in order to meet stakeholders' expectations from a project (Burke, 2008). The implementation process requires the project manager to possess leadership qualities in order to mobilize all resources to meet the goals and objectives of the undertaking effectively. Poverty is the unacceptable human deprivation in terms of economic opportunities, education, health, nutrition as well as lack of empowerment and security (World Bank, 2005). Poverty involves exclusion from favorable living standards and constitutes a range of deprivations. Poverty is the source dysfunction and disorder in the world with the adverse spill over to political instability, terrorism, environmental degradation, illicit migration, epidemics, and other high magnitude international problems like piracy. Social economic inequality within nations is a key impediment to poverty alleviation. Poverty reduction is a political process which demands for political will and concerted efforts from relevant authorities of the government. Therefore poverty eradication is more than a moral and humanitarian imperative. Poverty alleviation requires clear and consistent approaches (OECD, 2001). World Bank and other development partners have increased their focus on community participation in selection, implementation, operation and maintenance of development project. This solely targets to lower poverty levels. Effective implementation of a programme, demands proper planning, motivated staff and productive programme meetings (Mwangi, 2006). Failure of a programme results from poor planning and weakness in implementation process. Conditions like poor project management discipline, bureaucratized decision-making and inadequate resources may cause failure in programme.
2.5.0 Role of Management Structures in Project Implementation

Management structures play a pivotal role in the successful implementation of donor funded projects. This is discussed in the following paragraphs below:

2.5.1 Management Structures and Local Capacity

According to Natasha (2003), programs and projects which integrate with and build on, local management structures have better prospects for promoting sustainability of benefits than those which establish new or parallel structures. The capacity of local agencies to manage or absorb new structures, systems, ideas and funds is often not adequately assessed, and over-optimistic assumptions can be made. Getting the management structure ‘right’ requires an adequate institutional analysis during the project design phase and this requires specific knowledge, skills and field time. Expatriate technical assistance (ETA) is a common input of the aid programs and projects; how expatriate TA work with their counterparts and colleagues can have major influence on the prospects of sustainability. Their departure should not presage any significant weakening of key program/project supported benefits. Practical strategies to avoid weakening include: locating counterpart and expatriate team members in the same office; emphasizing team work approaches; having specific sustainability strategies in place, including a phase-out strategy, well before the completion of donor funded assistance; clearly defining ‘advisory’ and ‘executive’ roles; limiting the number of expatriates to the necessary minimum; ensuring that short-term TA is not conducted on a ‘hit and run’ basis; if possible, identifying multiple counterparts per expatriate rather than only one or two; and working with counterparts who are in existing line positions rather
than in newly created project positions.

2.5.2 Administrative Systems

Program and project designs must take adequate account of the capacity of local administrative systems to support staff and service delivery. For example: if local staff are not getting paid regularly, are not paid a living wage, travel allowances are not available, and their performance is not rewarded in any way, then their ability and willingness to work on program/project activities must be assessed accordingly. While projects may then ‘intervene’ by providing special incentives, sustainable be outcomes are unlikely in such situations. Programs and project can only set realistic objectives in light of such practical constraints OECD (1987).

2.5.3 Awareness and Training

The provision of appropriate training for identified target groups (Government, NGOs, communities or private sector) is often a key strategy for achieving sustainable benefits. To improve the prospects for sustainability it should start at the right time i.e. not near the end, be conducted throughout the program or project, and allow for repetition. While the most appropriate type of training will depend partly on the nature of individual program and projects, experience indicates that certain approaches are more likely to achieve sustainable benefits than others. Effective training should not only ‘educate’ but also motivate; trainees must be selected on merit, include both men and women, and be of direct relevance to their work. Trainees must also be given the opportunity to apply newly acquired skills on completion of training. In-country training, such as on-the-job training mentoring and short-course competency based training are more likely to
support more sustainable benefits than overseas courses or long-term 'academic' training for a few. In cases where counterparts are transferred or leave over time, training must also be repeated and refresher courses given if the required skill base is to be sustained throughout, Natasha (2004).

2.5.4 Information Dissemination and Networking

Generating an understanding of, and support for, a program or project’s objectives among a wide group of stakeholders should be a component of any sustainability strategy. Such awareness needs to start early the design phase. During implementation it can include the use of many types of different media and group events. Workshops, seminars, newsletters, personal contacts/lobbying, community meetings and the use of electronic media (radio, TV and web-sites) can all play a role in mobilizing political, administrative and community support. Establishing more formal institutional linkages with various agencies (e.g.) medical or teacher training colleges can also form part of an effective sustainability strategy, Nturibi (2003).

2.5.5 Flexibility in, and Phasing of, Implementation

Competent managerial leadership should be encouraged to guide adaptations and achieve sustainable outcomes. Donor supported programs and projects must be designed and managed so that they permit some flexibility in implementation. Design must sometimes be phased and changing needs and priorities, and administrative or financial management procedures must not be made burdensome, OECD (1987).
2.5.6 Role of Project Financial Systems in Projects Implementation.

Project financial systems refer to accounting procedures, records and financial statements showing performance and cash flow statements, projections that determine financial sustainability of donor funded projects. Nturibi (2004) states that for a development project to be financially sustainable, it requires a sound financial base arising from reliable sources of funding, financial systems to facilitate accountability and cash flow projections and development of marketable products to generate excess income over the expenditure of the project. Services to generate excess incomes over the expenditure of the project. Project financial analysis should be undertaken in conjunction with the project economic analysis. Financial prices influence the decisions of project participants; economic prices record the consequences of those decisions for the national economy. Financial prices help determine the level of demand for project outputs and the level of supply of projects inputs. Prices or user charges, demand, and the scale of investment all need to be considered simultaneously. Financial prices provide the incentive for investment. For example, the extent to which traffic will divert to a new expressway, and the return to the expressway investor, will vary with the projected level of toll. The consequences of these responses for the economy as a whole are calculated in economic prices (Francis, 2001).

For a project to move towards sustainable approaches to service delivery, new models and prototypes need to be developed, tested, accepted and implemented. Aid therefore should be part of the process of change and donors should ensure that their assistance is not delaying progress towards implantation but actually supporting it. Financial and
economic analysis is crucial for implementation of any project. If a program or project does not deliver clear and equitable financial or economic benefits which are apparent to the stakeholders, it is most likely to be sustained after donor funding finishes. For example, health services users will not pay for government health services (either directly or through other taxes) if the services are poor or their expectations of benefits are extremely limited. Benefits are not sustainable if the net benefit arising is negative or very small when all the costs are considered. Better financial analysis is often required, particularly in the formulation of programs and projects' activities.

2.5.7 Role of Technology Adoption

Technology is the application of technical means to solve environmental problems to improve the surroundings, to ensure productions of goods or services to satisfy human needs. This involves the use of tools, knowledge, and systems to make life easier and better. Technology involves the application of knowledge, tools and skills to solve problems and extend human capacity (Johnson, 1989).

To promote sustainability the technology to be transferred must be selected on the basis of its appropriateness in terms of technical and financial criteria, plus social, gender and cultural acceptability (OECD, 1989). The quality of any asset or piece of infrastructure will have a direct bearing on its economic life. The longer it lasts, the more sustainable the resulting benefits. However, the appropriate level of quality must be against a number of criteria, including; user expectations and acceptance, costs and benefits; including how investment and maintenance costs will be financed, reliability of delivery or supply systems; and local capacity to maintain the asset including access to spare parts.
2.5.8 Role of Donor Policies in Projects Implementation.

Stakeholders' participation in the selection, testing of new technology for promoting its sustainable use. Demand responsive approaches (such as water sanitation systems) are more acceptable as being more sustainable than supply-led. Another way to enhance technical sustainability is by training the local beneficiaries. Training to support the introduction of new technology is usually an essential component of sustainability strategy. Training must be relevant and appropriate, and continuity of the training program itself (including refresher and follow up training) must also be considered in many instances, one-off externally funded training activities will be inadequate. Building on (and actively supporting), existing local capacity to deliver training, provided by either public or private sector agencies, may be part of sustainability strategy.

According to Pomeroy and Carlos (1997), one of the critical factors in promoting sustainability of any project is the role played by stakeholders and target groups are those that are clearly with the program or project; especially the partner government and the implementation of the project or in brief should be able to influence the direction and design of implementation. Allocating adequate time and resources for participatory analysis and responding to demand-led approaches are important ways to improve participation. Donor-led top-down projects generally fail to bring about sustainable benefits because they do not lead to stakeholder ownership and commitment. Genuine participation and ownership is not being adequately addressed if the main strategy (OECD 1989). Some steps to enhance effective participation include; ensuring ideas for the project are demand-driven; that the design phase is thought of as an investment in a
successful outcome and thus given ample time and resources; ensuring that the design incorporates specific activities and resources needed to implement participatory strategies; stakeholder analysis in terms of gender, age and how each will benefit; clearly defining the type and level of participation of each stakeholder; and lastly ensuring that key team members are appropriately skilled in participatory approaches.

Donor policies can be important because they influence how contracts are prepared, duration of funding, and which program or project is funded. OECD report (1989) identified important donor policies related factors that affect sustainability of projects. These include; planning horizon, delivery and contracting mechanisms, operation and maintenance cost:-

It is widely recognized that the usual three to five year planning horizons for development programs or projects is often inadequate in terms of promising sustainable benefits, particularly when individual and institutional changes are included in the objectives or if there are multiple local agencies involved or a wide geographical spread. Open-ended commitment are not desirable, however, phasing implementation over a longer period is a management strategy which can support sustainable benefits. Phasing requires that goals and objectives are clear from the beginning and that there are clear decision points at the end of each phase. Where there is uncertainty about local policy, capacity or commitment then an initial pilot phase, which may lead on to a number of subsequent phases, should be more of a rule than an exception (White, et al 2002).

A strong sense of local ownership and genuine participation in design by both men and women is critical to successful implementation and sustainable benefits. However, donor
policies on how their aid program is designed and delivered can work against this. According to Francis (2001), Key concerns include: - (i) design process; designs which are expected to result in sustainable benefits should build on local demand and initiatives. This requires that the stakeholders i.e. the beneficiary groups play a key role in identification and design process. Hence, adequate time must be given for all stakeholders to meaningfully participate. Design missions should therefore be appropriately phased over an extended time-line. More ‘up front’ time, for design is not the only answer; an extended inception phase and allowance for a “progressive design” process during implementation (using annual planning procedures to restructure the program/project scope) are practical responses to this issue (ii) Team selection; the professionalism and interpersonal skills (expatriate or locally engaged) is an important factor in project sustainability. Selection policies and criteria should therefore ensure that as broad a labor market as possible is tapped and that the best consultants are selected. Position description and team composition should not be overly restrictive and thus exclude potential candidates with other highly desirable professional or inter-personal skills (iii) contract structures; constraints that focus, on the detail of the contractors outputs and inputs rather than the purpose and outcome can impede efforts to achieve sustainability development is a dynamic and often high-risk activity, it is therefore important that the designs have flexibility and can lead to contracting approaches that allow field level managers to respond quickly to changing circumstances and which encourage them to keep sustainable benefits in mind (iv) Monitoring and reporting; monitoring and reporting frameworks based on log-frames should look beyond. The contracted activity and output levels and incorporate regular assessment of the movement
towards achieving sustainable outcomes (v) partner selection; the government –to-
government nature of bilateral aid programmes requires that high level (national), aid
coordination mechanisms be put in place. However, when programmes and projects are
being implemented on partnership with provincial or district agencies or local
communities, it is important for sustainability that donors have agreements with these
partners that documents their roles and responsibilities, and that there are appropriate
channels for delivering resources, and receiving feedback. This is particularly important
when national level agency capacity is weak and is a bottle neck to effective
communication and timely action on the ground.

Donor funding policies often focus on new capital investments to the exclusion of
supporting operation and maintenance budgets. This can have adverse effects on
sustainability, particularly in economies undergoing severe internal budget deficits
problems. New capital projects require additional operational and maintenance funds that
have to be drawn from the same limited pool that finance other ongoing projects. As a
consequence either the new investment is not maintained or existing infrastructure or
services suffer funding cuts. A longer term and more transitional approach to operation
and maintenance cost funding are required based on a vigorous and realistic assessment
of the local capacity to meet these costs. The project management need to consider
whether or not some assets should be maintained or replaced (for example computers
which rapidly become obsolete), and project- specific depreciation funds should be set
aside up-front. This would help a great deal in cost maintenance and thus would ensure
the project becomes sustainable in the long-run.
2.6 Identified Gaps

It was established that there is no study that has been carried out on the factors affecting implementation of donor funded projects in Meru County. Based on the above literature review, the following aspects were found to require attention: (I) Project management structures-The kind of management styles, training, management systems and competency of management needs to be investigated. (II) Project financial systems-preparation and presentation of financial statements and frequency of auditing books of accounts need to be assessed. The evaluation of the adequacy of information systems and computerization of projects operations is important and (IV) the effectiveness and commitment of the stakeholders to the projects implementation needs to be investigated.

2.7 Conceptual Framework

This section will discuss the conceptual framework for analyzing the factors affecting the implementation of donor funded development projects in Kenya. These factors are as follows: management structures, financial systems, technology adoption, stakeholders and target groups involvement and participation and donor policies. These will form the independent variables of the study. The conceptual model will be a conceptualization in factional form of how the independent variables affect the dependent variable which is the implementation of donor funded projects as shown in the figure 2.1.
Figure 2.1: The Conceptual Framework

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Intervening Variables</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management structures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project financial systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology adoption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donor policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful project implementation</td>
</tr>
<tr>
<td></td>
<td>Government policies and the state economy</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a descriptive research design. According to Cooper and Emory (1995), the objective of the descriptive study is to describe phenomena as it exists at present. A descriptive design is useful in cases where the study describes the characteristics of a given situation. Since donor funded projects analysis involves many projects, it fits well in cross-section subtype of descriptive survey design and its findings will interest various users (Orodho, 2005).

3.2 Target Population

Target population is the population to which a researcher intends to generate the results of the study, (Mugenda and Mugenda, 2003). Orodho, (2004) defines target population as the people or all items considered in the field of study. This study was carried in Meru County which has 54 donor funded projects in field of education, health, agriculture, social services and water and sanitation. The study targeted 270 employees, that is the five senior employees from each project who represented the opinions of other employees.
3.3 Sample and Sampling Procedure.

Meru County as a location for study is a large County made up of eight districts. Most parts of the County have poor infrastructure and lack social amenities like medical facilities. The projects are scattered over all districts. On account of these disparities stratified random sampling is the most suitable technique to be used. Mugenda & Mugenda, (2003) holds that the goal of a stratified random sampling is to achieve desired representation from various sub-groups of the population. The selection is done such that the existing sub-groups in the population are represented in sample. The donor funded projects in Meru County was stratified according to the field of the projects. The strata were the projects in the education sector, health, agriculture, water and sanitation and in the social services sector. Out of the total projects in each field 22% of the projects were sampled as indicated in the table below:-
Table 3.1: Sampling Table.

<table>
<thead>
<tr>
<th>Field</th>
<th>No of donor funded projects</th>
<th>Sampled projects</th>
<th>Sampled employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>19</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Health</td>
<td>15</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Agriculture</td>
<td>10</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td>6</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Social services</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>14</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>

Source: Researcher 2012

A sample is a part of a large population. A sample should be large enough to adequately represent the whole population. A sample of 14 projects which gives a total of 60 employees from the target population of 270 employees was selected. This formed 22.22% of the target population and it will be sufficiently large and representative since descriptive design requires a threshold of 10%, (Mugenda & Mugenda, 2003).
Table 3.2: Sampling Matrix

<table>
<thead>
<tr>
<th>Population size</th>
<th>Sample size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>60</td>
<td>22.22</td>
</tr>
</tbody>
</table>

Source: Researcher 2012.

3.4 Data Collection Procedure and Tools

Questionnaire was used as a tool for collecting data. Questionnaires were issued to the project employees who will fill them. Questionnaire is the most suitable tool because the respondents are scattered over a large geographical area and this will minimize cost and support large sample. To ensure a good response from the respondents the researcher will adopt drop and pick method. To ensure validity and reliability of the questionnaire, the researcher pretested, tested and retested it. Retesting was done three weeks after testing.

3.5 Data Analysis and Presentation

The data collected using the questionnaire was coded and edited to facilitate analysis. Data collected was summarized using descriptive statistics which enabled the researcher to describe meaningfully the distribution of scores or measurements (Mugenda & Mugenda, 2003). Inferential analysis involved factor analysis so as to extract the set of factors affecting the implementation of donor funded projects.
CHAPTER FOUR
DATA ANALYSIS AND DISCUSSION

4.1 Introduction
In this chapter, data relating to the factors influencing the implementation of donor funded projects in Meru County in Kenya has been analyzed and interpreted. The chapter is divided into two sections, the first section analyses the demographic information of the respondents in the donor funded projects. While the second section gives the descriptive analysis of the factors that influence the projects in management structures, project financial systems, and technology adoption and donor policies not forgetting an insight into the intervening variables in the conceptual framework as they relate to the dependent variable. Also summary of the major findings from the respondents are in this chapter.

The complete questionnaires were edited and coded before data input into MS Excel spreadsheets. Thereafter the data was uploaded into statistical package for social sciences (SPSS). Mean scores and standard deviations were computed where appropriate. The Likert scale was applied to questions that asked for the opinions e.g. strongly agree, agree, uncertain, disagree and strongly disagree. To aid the quantitative analysis, charts and both pie and bars were used where applicable.

4.2 Reliability
The research was found to be reliable enough since the reliability was found to be greater than 0.6. This is evidently shown by the table below.

Table 4.1 Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.893</td>
<td>46</td>
</tr>
</tbody>
</table>

36
4.3 Response Rate

Out of the targeted 60 respondents on to whom the questionnaires were distributed to as shown in the sample matrix in table 3.1 in chapter three above, only 48 responses were achieved. This represents approximately 80% of the sample; this was due to some study limitations. This was shown in table 4.2 below.

Table 4.2 Response Rate

<table>
<thead>
<tr>
<th>Target sample</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful responses</td>
<td>48</td>
</tr>
<tr>
<td>Missed responses</td>
<td>12</td>
</tr>
<tr>
<td>Response rate</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

4.4 Demographic Information

In this section, demographic information about employees who were respondents to the questionnaire is given. The information is meant to give an insight into the nature of the project staffs.

4.4.1 Gender of the Respondents

The respondents were grouped in two sexes: Male and Female. The majority of the respondents were male, constituting 60.4% of the respondents while female were only 39.6%. This is evident from the table 4.3 below
Table 4.3 Gender of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>29</td>
<td>60.4</td>
<td>60.4</td>
<td>60.4</td>
</tr>
<tr>
<td>Female</td>
<td>19</td>
<td>39.6</td>
<td>39.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Aggregated Total</td>
<td>48</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

4.4.2 Respondents Position

In the question on their positions, 43.8% of the respondents were found to be in the manager position. This can be attributed to the many units that make up the project that require close supervision by managers to ensure achievements of the objectives. Administrators and accountants made each 20.8% while the system administrators made 14.6% of those who responded. They are few because they are under the major departments that make up the project organization. This is shown below:

Figure 4.1 Respondents’ Job Position

Source: Field Data, (2012)
4.4.3 Age of Respondents

In response to the question concerning their age, the majority of the respondents, 43.8% were found to be in the age bracket of 21-30, 37.5% were between the age of 31-40, 10.4% were of between 41-50, 8.3% were aged 50 and above.

Table 4.4 Age

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30</td>
<td>21</td>
<td>43.8</td>
<td>43.8</td>
<td>43.8</td>
</tr>
<tr>
<td>31-40</td>
<td>18</td>
<td>37.5</td>
<td>37.5</td>
<td>81.3</td>
</tr>
<tr>
<td>41-50</td>
<td>5</td>
<td>10.4</td>
<td>10.4</td>
<td>91.7</td>
</tr>
<tr>
<td>above 50</td>
<td>4</td>
<td>8.3</td>
<td>8.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Aggregated Total: 48

Source: Field Data, (2012)

It is evident that the majority of the respondents were in the age bracket of 21-30 years. This consists of middle-aged people who are usually settling in their careers and are productive hence beneficial to the project successfulness. This category may have undergone training in universities and colleges after school. The categories of ages 21-30, 31-40 and as section of 41-50 can be taken for further training from time to time since this group is usually receptive to new ideas, is pursuing career advancement and is ready for challenges. The small percentage of 8.3% of those aged 50 years and above could be attributed to job mobility where employees move to other organizations due to fewer positions up the management ladder of the projects.

4.4.4 Period Respondents have Worked on the Project

On the questions concerning the period the respondents had worked onto the projects, half of the respondents 50%, had worked in the project for above 1 year but not more than three years. This may be said to be due to favorable working conditions and training
climate offered by the management. 22.9% have worked for the projects for between 6 months to a year while 20.8% had worked for more than 3 years but less than 5 years. Small percentage, 6.3% had worked in the project for less than 6 months. This could be due to the recruitment and section which may had recently taken place in which they got employed. This is represented in the table below.

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid less than 6 months</td>
<td>3</td>
<td>6.3</td>
<td>6.3</td>
<td>6.3</td>
</tr>
<tr>
<td>between 6 months-1yr</td>
<td>11</td>
<td>22.9</td>
<td>22.9</td>
<td>29.2</td>
</tr>
<tr>
<td>between 1-3 years</td>
<td>24</td>
<td>50.0</td>
<td>50.0</td>
<td>79.2</td>
</tr>
<tr>
<td>between 3-5yrs</td>
<td>10</td>
<td>20.8</td>
<td>20.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Aggregated Total</td>
<td>48</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

4.4.5 Highest Academic Level of the Respondent

When asked about their highest level of education attained, more than half (60.4%) of the respondents had a degree in various fields, 18.8% had diplomas and postgraduate diplomas, 2.1% had certificates while none had a Masters degree and above. This may be explained by the high number of operational level managers required to manage the various units found in the projects departments. It is evidently show by table 4.6 below.

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>1</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Diploma</td>
<td>9</td>
<td>18.8</td>
<td>18.8</td>
<td>20.8</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>29</td>
<td>60.4</td>
<td>60.4</td>
<td>81.3</td>
</tr>
<tr>
<td>Post graduate Diploma</td>
<td>9</td>
<td>18.8</td>
<td>18.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Aggregated Total</td>
<td>48</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)
The small percentage, 18.8%, with postgraduate diplomas could be attributed to the managers manning the various sections of the projects.

4.4.6 Major Sources of Funding

The respondents were to indicate the sources of funding of their project if it is funded locally, NGO's, self funding, government funded, or church funded.

<table>
<thead>
<tr>
<th>Source of funds</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local funding</td>
<td>17</td>
<td>35.4</td>
<td>35.4</td>
<td>35.4</td>
</tr>
<tr>
<td>NGO/CBOs funding</td>
<td>21</td>
<td>43.8</td>
<td>43.8</td>
<td>79.2</td>
</tr>
<tr>
<td>Self sustenance</td>
<td>2</td>
<td>4.2</td>
<td>4.2</td>
<td>83.3</td>
</tr>
<tr>
<td>Government funding</td>
<td>7</td>
<td>14.6</td>
<td>14.6</td>
<td>97.9</td>
</tr>
<tr>
<td>Church funding</td>
<td>1</td>
<td>2.1</td>
<td>2.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Aggregate Total</td>
<td>48</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

From the table 4.7 above, it is evident that 43.8% are funded by NGOs or CBOs, 35.4% are locally funded, 14.6% are government funded, 4.2% sustain themselves while 2.1% are church funded.

4.5 Descriptive Statistics on Factors Affecting Implementation of Donor Funded Project

To summarize the main characteristics of the responses on the variables, the study computed descriptive statistics of each of the variable. The data is presented through the means and standard deviation.
4.5.1 Management Structures

The study sought to establish how management structures in place affected the implementation of the donor funded projects. Key issues addressed included; opinion on styles used, effectiveness, project staffing and staff competency.

Table 4.8 Descriptive Statistics on Management Structures

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opinion on effectiveness of</td>
<td>48</td>
<td>2.00</td>
<td>5.00</td>
<td>3.5625</td>
<td>.94320</td>
</tr>
<tr>
<td>management systems adopted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinion on the management style</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0208</td>
<td>1.06170</td>
</tr>
<tr>
<td>adopted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The project is undertaken by</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>3.3750</td>
<td>1.17826</td>
</tr>
<tr>
<td>competent staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presence of depth chart of</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.4792</td>
<td>1.05164</td>
</tr>
<tr>
<td>individuals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinion on staff training</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0833</td>
<td>1.02798</td>
</tr>
<tr>
<td>Aggregated Scores</td>
<td></td>
<td></td>
<td></td>
<td>2.70416</td>
<td>1.0526</td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

The respondents’ results on management structure are as shown in table 4.8 above. The scale that was used was a Likert scale of five in the first statement where 1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree and 5 = strongly disagree. The aggregate mean score for price is 2.70416 while the standard deviation is 1.0526. On the basis of the scale that was used the majority generally agreed to the management structure hence a factor that influenced their choice. From the standard deviation it had a little variation between respondents’ responses on their positions.
4.5.2 Project Financial Systems

The study sought to establish to which of the existing project financial systems affected the implementation of donor funded projects. Among the issues captured in this objective included; financial reporting, auditing of books of the accounts, frequency of auditing and the effect of financial system on implementation.

Table 4.9 Descriptive Statistics on Project Financial Systems

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any experienced errors during financial reporting</td>
<td>1.00</td>
<td>5.00</td>
<td>3.1042</td>
<td>1.32472</td>
</tr>
<tr>
<td>are the books of account of this project audited</td>
<td>1.00</td>
<td>5.00</td>
<td>1.6250</td>
<td>1.00266</td>
</tr>
<tr>
<td>we audit our books often</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0000</td>
<td>1.25478</td>
</tr>
<tr>
<td>Opinion on financial systems effect</td>
<td>1.00</td>
<td>5.00</td>
<td>3.5833</td>
<td>1.06857</td>
</tr>
<tr>
<td>Aggregated Total</td>
<td></td>
<td></td>
<td>2.578125</td>
<td>1.1627</td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

The above table 4.9 shows findings on project financial response by respondent, it is evident that most of the projects are affected financially when it comes to implementation as they generally agreed. There is a mean of 2.578125 (n=48) on a Likert scale. Standard deviation had little variation but statement 2 is of high uniformity compared to the 1 and 3 statement seen to have a higher measure of dispersion since, their standard deviation is greater than the aggregated total on standard deviation.

4.5.3 Technology Adoption

The study sought to establish the effect of technology adoption on the implementation of donor funded projects in Meru County.
The respondents’ results on technology adoption are as shown in table 4.10 above. The scale that was used was a Likert scale of five in the first statement where 1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree and 5= strongly disagree. The aggregate mean score for price of 2.9011 while the standard deviation of 1.08187 is scored. On the basis of the scale that was used the respondents generally agreed to technology as a factor that influenced the implementation. From the standard deviation it had a little variation between respondents’ responses.

4.5.4 Donor Policies

The study sought to find out the extent to which donor policies affected the implementation of donor funded projects in the target region. Key issues addressed in this section included; effectiveness of various donor policies and effect of donor policies on the project implementation.
Table 4.11 Descriptive Statistics on Donor Policies

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of the stakeholders and target group involvement</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.6042</td>
<td>1.36428</td>
</tr>
<tr>
<td>Rate of involvement and participation of government, private sector and community groups</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.3125</td>
<td>1.20559</td>
</tr>
<tr>
<td>Describe the level of commitment</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2500</td>
<td>1.13924</td>
</tr>
<tr>
<td>Rate of the effectiveness of donor policies</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2500</td>
<td>1.04168</td>
</tr>
<tr>
<td>Opinion on donor policies effects on implementation</td>
<td>48</td>
<td>1.00</td>
<td>5.00</td>
<td>2.6042</td>
<td>1.28394</td>
</tr>
<tr>
<td>Aggregated Total</td>
<td></td>
<td></td>
<td></td>
<td>2.4042</td>
<td>1.2069</td>
</tr>
</tbody>
</table>

Source: Field Data, (2012)

The findings in the table 4.11 above show the respondents’ response on to donor policies. It is evident that most of the respondents agreed to the policies that happened to have influence on the implementation. Respondents (n=48) agreed since there was a mean of 2.4042 from the Likert scaling to the statements they answered. The standard deviation of 1.2069 seems the deviation was minimal according to the aggregated total of standard deviation.

4.5.5 Successful Project Implementation

The study sought to establish the opinions on successful project implementation that is affected by the independent variables that have earlier analysis. Key issues addressed the management structures, technology, policies and finance.
Table 4.12 Descriptive Statistics on Successful project implementation

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Our major project implementation factor</td>
<td>48</td>
<td>1.00</td>
<td>4.00</td>
<td>1.5833</td>
</tr>
<tr>
<td>2. Successful project implementation is affected by</td>
<td>48</td>
<td>1.00</td>
<td>4.00</td>
<td>1.9167</td>
</tr>
<tr>
<td>3. The challenge that our project faces is</td>
<td>48</td>
<td>1.00</td>
<td>4.00</td>
<td>1.9375</td>
</tr>
<tr>
<td>4. Success project implementation is influenced by</td>
<td>48</td>
<td>1.00</td>
<td>4.00</td>
<td>2.5208</td>
</tr>
</tbody>
</table>

Aggregated Total

| 2.6528 | 0.98026 |

Source: Field Data, (2012)

The respondents’ results on the dependent variables are as shown in table 4.12 above. The scale that was used was a category scale of four 1= Management structures, 2= Project financial systems, 3= Technology adoption and 4= Donor policies. The aggregate mean score is 2.6528 while the standard deviation is 0.98026. On the basis on the scale that was used the respondents generally confirmed that management structure is a factor that influenced the implementation of successful donor funded projects in Meru County. It is evident from the standard deviation there was little variation between respondents since there is no great difference with the aggregated score of the standard deviation of each statement.

4.6 Inferential Analysis

The analysis was done to extract the set of factors from the items in the independent variables (n=17) that would affect dependent variable (n=1). The results are presented in the tables 4.13 – table 4.15 below.
Communalities table 4.13 below indicates the amount of variances in each variable that is accounted for.

4.6.1 Generation of Communalities

The opinions of various respondents on how the various factors affected the variables on factors influencing donor funded projects in Meru County was sought and the weight on how each influences was extracted from the analysis and summarized in the table below:

Table 4.13 Communalities

<table>
<thead>
<tr>
<th>Items</th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Opinion on the management style adopted</td>
<td>1.000</td>
<td>.788</td>
</tr>
<tr>
<td>2. The project is undertaken by competent staff</td>
<td>1.000</td>
<td>.510</td>
</tr>
<tr>
<td>3. Presence of depth chart of individuals</td>
<td>1.000</td>
<td>.471</td>
</tr>
<tr>
<td>4. Opinion on staff training</td>
<td>1.000</td>
<td>.570</td>
</tr>
<tr>
<td>5. Any experienced errors during financial reporting</td>
<td>1.000</td>
<td>.656</td>
</tr>
<tr>
<td>6. Are the books of account of this project audited</td>
<td>1.000</td>
<td>.745</td>
</tr>
<tr>
<td>7. We audit our books often</td>
<td>1.000</td>
<td>.661</td>
</tr>
<tr>
<td>8. Opinion on financial systems effect</td>
<td>1.000</td>
<td>.629</td>
</tr>
<tr>
<td>9. Rate on the adequacy of information systems</td>
<td>1.000</td>
<td>.704</td>
</tr>
<tr>
<td>10. All operations are computerized</td>
<td>1.000</td>
<td>.613</td>
</tr>
<tr>
<td>11. Technology adoption rate</td>
<td>1.000</td>
<td>.735</td>
</tr>
<tr>
<td>12. Computerization of the project affects its implementation</td>
<td>1.000</td>
<td>.730</td>
</tr>
<tr>
<td>13. Rate of the stakeholders and target group involvement</td>
<td>1.000</td>
<td>.660</td>
</tr>
<tr>
<td>14. Rate of involvement and participation of government, private</td>
<td>1.000</td>
<td>.595</td>
</tr>
<tr>
<td>sector and community groups.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Describe the level of commitment</td>
<td>1.000</td>
<td>.738</td>
</tr>
<tr>
<td>16. Rate of the effectiveness of donor policies</td>
<td>1.000</td>
<td>.609</td>
</tr>
<tr>
<td>17. Opinion on donor policies effects on implementation</td>
<td>1.000</td>
<td>.716</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.


The table 4.13 above of initial communalities gives the estimates of the variances in each variable accounted for by all the 17 components.
4.6.2 Extraction of Factors

Table 4.14 Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>3</td>
<td>1.635</td>
<td>9.620</td>
</tr>
<tr>
<td>4</td>
<td>1.542</td>
<td>9.071</td>
</tr>
<tr>
<td>5</td>
<td>1.285</td>
<td>7.557</td>
</tr>
<tr>
<td>7</td>
<td>1.054</td>
<td>6.198</td>
</tr>
<tr>
<td>8</td>
<td>.939</td>
<td>5.524</td>
</tr>
<tr>
<td>9</td>
<td>.901</td>
<td>5.300</td>
</tr>
<tr>
<td>10</td>
<td>.750</td>
<td>4.410</td>
</tr>
<tr>
<td>11</td>
<td>.700</td>
<td>4.115</td>
</tr>
<tr>
<td>12</td>
<td>.674</td>
<td>3.962</td>
</tr>
<tr>
<td>13</td>
<td>.546</td>
<td>3.214</td>
</tr>
<tr>
<td>14</td>
<td>.476</td>
<td>2.800</td>
</tr>
<tr>
<td>15</td>
<td>.429</td>
<td>2.525</td>
</tr>
<tr>
<td>16</td>
<td>.289</td>
<td>1.703</td>
</tr>
<tr>
<td>17</td>
<td>.165</td>
<td>.970</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.


From the table 4.14 above of factor analysis on communalities its evident that the 7 components with extraction sums of squared loading of factors were extracted and accounted for a total of 65.478 variance in the dependent variable.

4.6.3 Factor Loadings and Correlations

The table below shows the variables that appeared to have extractions sums of squared loading and which have great influence on the whole research.
### Table 4.15 Component Matrix

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
<th>Factor 6</th>
<th>Factor 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Opinion on the management style adopted</td>
<td>.005</td>
<td>.833</td>
<td>.171</td>
<td>-.013</td>
<td>.004</td>
<td>-.241</td>
<td>-.077</td>
</tr>
<tr>
<td>2. The project is undertaken by competent staff</td>
<td>.496</td>
<td>-.298</td>
<td>-.204</td>
<td>-.066</td>
<td>-.326</td>
<td>-.058</td>
<td>.139</td>
</tr>
<tr>
<td>3. Presence of depth chart of individuals</td>
<td>.153</td>
<td>-.401</td>
<td>.359</td>
<td>.223</td>
<td>.290</td>
<td>-.150</td>
<td>-.038</td>
</tr>
<tr>
<td>4. Opinion on staff training</td>
<td>.687</td>
<td>-.154</td>
<td>-.077</td>
<td>-.064</td>
<td>.001</td>
<td>.081</td>
<td>.239</td>
</tr>
<tr>
<td>5. Any experienced errors during financial reporting</td>
<td>.236</td>
<td>.156</td>
<td>-.256</td>
<td>.108</td>
<td>.387</td>
<td>.031</td>
<td>.591</td>
</tr>
<tr>
<td>6. are the books of account of this project audited</td>
<td>-.232</td>
<td>-.171</td>
<td>-.714</td>
<td>.247</td>
<td>.135</td>
<td>-.139</td>
<td>-.229</td>
</tr>
<tr>
<td>7. we audit our books often</td>
<td>-.659</td>
<td>-.118</td>
<td>.269</td>
<td>.075</td>
<td>-.145</td>
<td>-.248</td>
<td>.229</td>
</tr>
<tr>
<td>8. Opinion on financial systems effect</td>
<td>.361</td>
<td>.113</td>
<td>.478</td>
<td>-.310</td>
<td>.104</td>
<td>.210</td>
<td>-.327</td>
</tr>
<tr>
<td>9. Rate on the adequacy of information systems</td>
<td>-.047</td>
<td>.228</td>
<td>-.007</td>
<td>-.045</td>
<td>.441</td>
<td>.601</td>
<td>.304</td>
</tr>
<tr>
<td>10. All operations are computerized</td>
<td>.443</td>
<td>-.571</td>
<td>.184</td>
<td>.001</td>
<td>-.014</td>
<td>-.211</td>
<td>.104</td>
</tr>
<tr>
<td>11. Technology adoption rate</td>
<td>-.214</td>
<td>-.167</td>
<td>.140</td>
<td>.599</td>
<td>.284</td>
<td>.313</td>
<td>-.324</td>
</tr>
<tr>
<td>12. computerization of the project affects its implementation</td>
<td>.167</td>
<td>.401</td>
<td>-.075</td>
<td>-.041</td>
<td>-.640</td>
<td>.351</td>
<td>.046</td>
</tr>
<tr>
<td>13. Rate of the stakeholders and target group involvement</td>
<td>.229</td>
<td>.173</td>
<td>.452</td>
<td>.514</td>
<td>-.246</td>
<td>-.075</td>
<td>.205</td>
</tr>
<tr>
<td>14. Rate of involvement and participation of government, private</td>
<td>-.312</td>
<td>-.008</td>
<td>-.308</td>
<td>.579</td>
<td>-.155</td>
<td>-.142</td>
<td>.155</td>
</tr>
<tr>
<td>sector and community groups.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Describe the level of commitment</td>
<td>-.575</td>
<td>-.329</td>
<td>.031</td>
<td>-.021</td>
<td>-.275</td>
<td>.447</td>
<td>.147</td>
</tr>
<tr>
<td>16. Rate of the effectiveness of donor policies</td>
<td>-.375</td>
<td>.268</td>
<td>.235</td>
<td>-.357</td>
<td>.193</td>
<td>-.324</td>
<td>.268</td>
</tr>
<tr>
<td>17. Opinion on donor policies effects on</td>
<td>.364</td>
<td>.400</td>
<td>-.372</td>
<td>.469</td>
<td>.111</td>
<td>-.115</td>
<td>-.200</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

a. 7 components extracted.

**Survey: Field Data, (2012)**

49
The above table 4.15 shows the set of factors extracted from presenting the ones influencing implementation of donor funded projects in Meru County. Factor analysis extracted 7 factors out of 17 that were in the questionnaire. The seven selected account for 65.478 of the variation in the implementation of donor funded projects to those not donor funded. The criterion for selecting which variable is to be considered befalls on its value falling within high margins of 0.5 – 1. Negative signs were ignored in selection but considered during interpretation. It is important that the values coincide with the values from the above prior tables in order to create uniformity. From the correlation table, it is evidently established that the factors responsible for the influencing the implementation of donor funded projects in Meru County are those from factor 1 – factor 7. The extracted factors and their composition are:

**Factor 1**

Staff training, auditing of books of account regularly, level of the commitment of the project stakeholders and the opinion on the competency of the project staff influenced implementation of the projects in factor 1.

**Factor 2**

Management styles adopted, computerization of operations, how computerization of operations affects projects and how donor policies affects implementation are the components that affects the implementation of projects under factor 2.
Factor 3

Frequency of auditing the books of account, effects of financial systems, and stakeholders and target groups involvement influenced the implementation of the projects under factor 3.

Factor 4

Adoption of technology, involvement and participation of the government, private sector and community groups and the stakeholders and target group involvement influenced the implementation of projects under factor 4.

Factor 5

Computerization of projects, adequacy of information systems and whether errors are experienced during financial reporting influenced the implementation of projects under factor 5.

Factor 6

Adequacy of the information systems and how computerization of operations affects the projects influenced the implementation of projects in factor 6.

Factor 7

Experiencing errors during financial reporting is the only variable that influences the implementation of projects under factor 7.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The purpose of this chapter is a summary of the information obtained and analyzed and the study on the factors influencing implementation of donor funded projects in Meru County in Kenya is highlighted. Among the issues contained in this chapter include also findings and conclusions, recommendations and suggestions for further research.

5.2 Summary of the Findings

This study aimed at establishing the factors influencing implementation of donor funded projects in Meru County in Kenya. The results from the study showed that most of the respondents working in the projects are male (60.4%) compared females (39.6%). This is despite the fact many projects in Kenya today are incorporating affirmative action in their recruitment policies. This ensures creative and progressive ideas are incorporated in decision making from the female gender. Most of the respondents were found to be in the age brackets of 21 – 30 (43.8%), 31-40 (37.5%) and 41-50 (10.4%). This group is greatly composed of productive young people settling in their careers after undergoing professional and academic training. This group can be taken for further training and development from time to time to keep pace with the changing business environment.

The study also revealed that most respondents had worked for the project for more than year, 1 year to 3 years (50%) and 6 months to 1 year (22.9%). This is evident that most projects are not that very old in the running and also they are good employer with
attractive terms since of low turnover of managers. Out of the 48 respondents most of them have, as high their highest education, Bachelor degree (60.4%) and both Diplomas and Postgraduate diplomas (18.6%). There were no respondents with a master's degree and above. This is in spite of the rapid technological and environmental changes taking place in the country with the globalization of trade. It is interesting to note that out of the 48 respondents, majority of them held the position of managers (43.3%) and administrators (20.8%). The study established that the major source of income for most projects was mainly NGO/CBOs funding (43.8%). This shows that most projects had strategies in place to obtain additional funding and support as well as project promotion and marketing plan for raising awareness of the project and updating and disseminating its products. This was a step forward towards enhancing donor funded projects implementation.

5.3 Answers to Research Questions

The results of the factor analysis shows that the management style adopted affected the implementation of the projects greatly as depicted by 0.833 on factor 2. The findings show that the management of the donor funded projects adopted a laisser faire management style which means that most employees worked with minimum interference from the management. In addition, the study assessed the effectiveness of the management style adopted by the project managers in the various donor funded projects. The findings showed that the management style adopted by the management was ineffective to the running of the project hence not sustainable for donor funded project. However the findings further shows that most project staff were competent in their work.
and had acquired the necessary skills needed for effective performance as shown by a score of 0.496 from the factor analysis. This is shown from the opinion given by the respondents on the variables: management style adopted, staff training, availability of depth charts of individuals and projects being undertaken by competent staff as evident from the factor analysis.

On the extent to which project financial systems influences the implementation of donor funded projects, the respondents established that most projects had proper financial system since they followed the Generally Accepted Accounting principles (GAAP) and International Financial Reporting Standards (IFRS). More than half of the respondent acknowledged that they did not encounter some errors in their financial reporting. Majority of the projects kept proper books of accounts however the frequency of the audit of these books of accounts was low since it was done annually. This is shown on factor analysis results which give a score of 0.659. The errors experienced in the project financial reporting could be attributed to the low frequency of the audit of the books of accounts of the project. On the question concerning the effects of technology adopted on the implementation of donor funded projects, the study established that most of the projects had adopted the information technology in their operations. Among the key sections that we found computerized in most projects included; accounting system, Record Management, communication, administration and technical operations among others. The existing project information system was found to be adequate. Technology adoption was therefore not a factor that affected implementation of the donor funded project in Meru County. This is confirmed from the factor analysis results which give a scores ranging from less than 0.5 to negative.
Now to the question that was on how do donor policies affected the implementation of donor funded projects, the respondents were asked to rate the effectiveness of the stated donor policies in enhancing implementation of the projects. The findings showed that contracts preparation, duration of funding, donor planning horizon and operation and maintenance costs policies were ineffective as rated by majority of the respondents which showed that most of the donor policies in place were ineffective hence not supportive to project implementation. The study established that the Government and community groups were greatly involved in the activities of the donor funded projects; the private sector was fairly involved in the project. The projects were found to be owned by Beneficiaries and stakeholders. In addition, target beneficiaries and stakeholders were directly involved in decision making processes of the projects. The stakeholder and target beneficiaries were found to be committed in the project implementation. This was a step forward toward enhancing project implementation. From the factor analysis is seen that the factors influencing the donor funded projects are seven despite having the majority having a negative influence meaning as the variable raises the factor tends to drop.

5.4 Conclusions

The purpose of this study was to establish the factors influencing implementation of donor funded projects in Meru County in Kenya. The study established that most projects had proper financial systems in place since they followed the generally accepted accounting principles (GAAP) and international Financial reporting Standards (IFRS). The projects kept proper books of accounts however the frequency of the audit of these books of accounts was low since it was done annually. The errors encountered during
reporting were however minimal. The study established that most of the projects had adopted the information technology in their operations. Key sections that were computerized in most projects included; Accounting system, Record Management, Communication, Administration and Technical Operation. However the existing project information systems were found to be adequate.

The study established that the Government and community groups were greatly involved in the activities of the donor funded projects. The private sector was however fairly involved in the project. In addition, target beneficiaries and stakeholders were directly involved in decision making processes of the projects. The study further established that the projects were owned by Beneficiaries and Stakeholders which was a step forward toward enhancing donor funded project implementation. The study established that the existing donor policies were hindrance to the project implementation. Among the donor policies that were found to affect most of the projects included; contracts preparation, duration of funding, donor planning horizon and operation maintenance costs policies. These were very ineffective in enhancing project implementation. The study further established that the major management style adopted by most of the management of the projects was laissez faire management style. This meant that employees worked with minimum interference from the management. This style was however found to be ineffective since it was prone to abuse by most of the employees hence not sustainable in the long run. Finally, the key factors that were found to affect the implementation of donor funded projects were donor policies and the management systems adopted. The existing financial systems, technology adopted and participation and involvement of
target beneficiaries and stakeholders were not key factors that affected the implementation the donor funded project in Meru County.

5.5 Recommendations

From the findings of the study, the following recommendations can be made: - There is need to educate and empower the local communities on the implementation of the projects to ensure that they are able to articulate the goals and objectives of the project and push them forward especially after withdrawal of donor funding. To this regards, the beneficiaries must be consulted during project conception, preparation and implementation processes. Succession planning is however necessary to ensure that the target beneficiaries and the stakeholders are well prepared to effectively run the project after withdrawal of donor support. The project donors need to amend the donor policies to make them user friendly and enhance project implementation. The donor should assess the target beneficiaries and stakeholders capacity to handle and continue running of the projects. The project handing over should only be done once the donor is fully convinced beyond reasonable doubt that the target beneficiaries and stakeholders have adequate capacity, knowledge and skills to effectively run the project. This will ensure effective implementation of the projects. The frequency of auditing of the projects books of account need to be increased to either monthly or quarterly. This will ensure rectification of the errors that were found inherent in the projects’ financial reports.
5.6 Limitations of the Study

The faced concealment of information from the respondents since they considered the information sought to be strictly confidential. However the introductory letter plus the permission sought from the relevant authorities helped to mitigate this constraint.

5.7 Suggestions for further Study

Further studies need to focus of the various ways in which the locally available funds such as Constituency Development Fund (CDF) and local Authority Transfer Fund (LATF) can be utilized to start sustainable projects in the region. Use of locally available funds would reduce overdependence of external donors who have very stringent policies that have to be followed by the local beneficiaries and stakeholders. The researcher also recommends that similar studies be conducted in other parts of the country to assess the factors affecting implementation of the donor funded projects and compare the results of other parts of the Country with the Meru County's results.
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Appendix 1

LETTER TO RESPONDENTS

Maithulia Mutwiri Moses
Kenyatta University
P.O. Box 43844
Nairobi.

Dear Respondents

I am a postgraduate student in Kenyatta University Pursuing master degree in Business Administration (Project management). As a requirement for the course, I am supposed to write a research project. The findings and data collected will be for examinations purposes only. All the responses will be treated with confidentiality. Kindly fill in the questionnaires for me.

Thank you.
Appendix 2: Questionnaire for Project Staff

Please answer the questions by writing a brief statement or ticking in the brackets provided where applicable.

SECTION ONE: DEMOGRAPHIC INFORMATION

1. Gender of the respondent
   - Male □
   - Female □

2. Respondents’ position
   - Project manager □
   - Administrator □
   - Accountant □
   - System administrator □

3. Indicate your age category.
   - 21-30 □
   - 31-40 □
   - 41-50 □
   - Above 50 years □

4. How long have you been working on this project?
   - Less than 6 months □
   - Between 6 months – 1 year □
   - Between 1-3 years □
   - Between 3-5 years □
   - Above 5 years □

5. What is your highest level of education?
   - Certificate □
   - Diploma □
   - Bachelors degree □
   - Postgraduate Diploma □
   - Masters Degree □

6. What are the major sources of income for this project?
   - Local fundraising □
   - NGO/CBOs funding □
   - Self sustenance □
   - Government Funding □
   - Church funding □
Section B:

Factors Affecting Implementation of Donor Funded Projects

A) Management Structures

7. What kind of management styles does the management of this project adopt?
   - Autocratic (dictatorial) □
   - Democratic □
   - Laissez-faire □
   - Open door policy □

8. To what extent would you agree or disagree with the fact that management styles adopted in this project will affect the project implementation?
   - Strongly agree □
   - Agree □
   - Neutral □
   - Disagree □
   - Strongly disagree □

9. Would rate the management systems adopted in this project as effective.
   - Strongly agree □
   - Agree □
   - Uncertain □
   - Disagree □
   - Strongly disagree □

10. Have undergone any training related to work you do in this project?
    - Yes □
    - No □

11. Do you think the training you have is adequate to effectively do your job?
    - Yes □
    - No □

12. How would rate the overall level of staff working in this project as competent
    - Strongly Agree □
    - Agree □
    - Uncertain □
    - Disagree □
    - Strongly disagree □

13. Do you have a depth chart that lists individuals who can step in and/or contingency plans for key personnel and partnership changes?
    - Yes □
    - No □

14. (a) To what extent would agree or disagree with the fact that the current levels of staff training affect the implementation of this project?
    - Strongly agree □
    - Agree □
    - Neutral □
    - Disagree □
    - Strongly disagree □
B) Project Financial Systems

15. Are the following followed during preparation and presentation of financial statements for this project?

<table>
<thead>
<tr>
<th>A</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Generally Accepted Accounting Principles (GAAP)</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>International Financial Reporting Standards (IFRS)</td>
<td></td>
</tr>
</tbody>
</table>

16. Do you experience errors during financial reporting?

Yes [ ] No [ ]

17. Are the books of account of this project audited?

Yes [ ] No [ ]

18. If yes, how often does the auditing take place?

A) Monthly ( )
B) Quarterly ( )
C) Semi-annually ( )
D) Annually ( )
E) Occasionally ( )

19. To what extent would you agree or disagree with the fact that financial systems affect the implementation of this project?

Strongly agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly disagree [ ]

C) Technology adoption

20. Would rate the adequacy of information systems in this project as adequate?

Strongly Agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly disagree [ ]
21. Which of these operations are computerized in this project?

<table>
<thead>
<tr>
<th></th>
<th>Computerized</th>
<th>Not computerized</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Accounting system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Record management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E Technical operations</td>
<td></td>
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<tr>
<td>F Others</td>
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</tbody>
</table>

22. (a) To what extent would agree or disagree technology adoption affect implementation of this project?

- Strongly agree [ ]
- Agree [ ]
- Neutral [ ]
- Disagree [ ]
- Strongly disagree [ ]

D) Donors Policies

28. Would rate the level of involvement and participation of the following in this project as great. Rate as follows; 1=Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, 5= Strongly Disagree.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Private sector</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>C Community groups</td>
<td></td>
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</table>

29. To what extent would you agree or disagree with the following statements as related to stakeholders and target groups involvement and participation in this project? Rate as follows; 1= strongly agree, 2= agree, 3= neutral, 4= disagree, 5= strongly disagree.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) This project is fully owned by the target beneficiaries of the project</td>
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<tr>
<td>b) This project is fully owned by the stakeholders of the project</td>
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<tr>
<td>c) The target beneficiaries of the project are involved in key decision-making</td>
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<tr>
<td>d) The project stakeholders are involved in key decision-making</td>
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</tbody>
</table>
30. Would describe the stakeholders and target beneficiaries to the project as committed.

Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly disagree □

31. The effect of withdrawal of donor funding to this project will affect its implementation

Strongly Agree □ Agree □ Neutral □ Disagree □ Strongly Disagree □

33. I would rate the effectiveness of the following donor policies in enhancing implementation of this project as effective. Rate as follows; 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, 5= Strongly disagree.

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<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Contracts preparation</td>
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<tr>
<td>b) Duration of funding</td>
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<tr>
<td>c) Donor planning horizon</td>
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<td></td>
<td></td>
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<tr>
<td>d) Operation and maintenance costs</td>
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</table>

34. To what extent would you agree or disagree with the fact donor policies affect the implementation of this project?

Strongly agree □ Agree □ Neutral □ Disagree □ Strongly disagree □

Thank you for your responses.
### APPENDIX 3: Work plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Month</th>
<th>Month</th>
<th>Month</th>
<th>Month</th>
<th>Month</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Literature search</td>
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<td>✔</td>
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<tr>
<td>Review</td>
<td>✔</td>
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<tr>
<td>2. Proposal writing</td>
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<td>3. Design of instruments</td>
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<tr>
<td>4. Field work</td>
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<td>✔</td>
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<tr>
<td>5. Data analysis</td>
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<td>✔</td>
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<tr>
<td>6. Report writing and Submission</td>
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</tr>
</tbody>
</table>

Chart: Bar chart of a six-month research project plan.
APPENDIX 4: Research budget.

(a) Stationery ------------------ 1 ream of typing papers-----------------------------550.00

(b) Typing and printing costs @ Kshs 20 per page-------------------------------7000.00

(c) Photocopier charges--------------------------------------------------------5000.00

(d) Report binding costs---------------------------------------------------------1200.00

(i) To meet the respondents

53 of them, 10 visited per day

6 days @ Kshs 1000-------------------------------------------------------------6000.00

(ii) Questionnaire pre-testing day

1000 x 4 officers---------------------------------------------------------------4000.00

1000 Kshs X 6 days---------------------------------------------------------------6000.00

Pre-test day lunch allowance (4 x 1000)------------------------------------------4000.00

(g) Consultation/ Traveling costs

i. Traveling – Meru to Nairobi 10 days @ 2000-----------------------------------20000.00

ii. Telephone and e-mail charges-----------------------------------------------3000.00

iii. 10% contingencies----------------------------------------------------------5675.00

Total 62425.00