

**INFLUENCE OF DONOR REQUIREMENTS ON IMPLEMENTATION
OF COMMUNITY PROJECTS IN INFORMAL SETTLEMENTS: A
CASE OF OUTPUT BASED AID (OBA) FUNDS PROJECTS IN
KAYOLE SOWETO, NAIROBI COUNTY, KENYA**

BARBARA AOKO OGUTU

**A Research Project Report Submitted in Partial Fulfillment of the Requirements for
the Award of the Degree of Master of Arts in Project Planning and Management of
the University of Nairobi**

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DECLARATION

This research project report is my own work and has not been submitted for any other degree at any other institution.

Signature.....

Date.....

BARBARA AOKO OGUTU

L50/82689/2015

This research project report has been submitted for examination with my approval as the university Supervisor.

Signature.....

Date.....

PROF. HARRIET KIDOMBO

School of Open and Distance Learning

University of Nairobi

DEDICATION

This research project report is dedicated to my father Mr. Allan Ogutu and my mother Mrs. Mary Ogutu for instilling the value of education in me and to my son, Roman Allan, may you go beyond this!

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It has been a long journey and the completion of this research project proposal has been invaluable. I am fortunate to have had the support of various institutions and individuals without whom I would not have made it this far.

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LIST OF ABBREVIATIONS AND ACRONYMS

CBO	- Community Based Organizations
CIDA	- Canadian International Development Agency
DDA	- Donor Driven Approach
DFPs	- Donor Funded Projects
GOK	- Government of Kenya
IMF	- International Monetary Fund's
NCWSC	- Nairobi City Water and Sewerage Company
NGOs	- Non – Governmental Organizations
OBA	- Output Based Aid
PIU	- Project Implementation Unit

ABSTRACT

Implementation of OBA donor funded projects is an ongoing project and therefore concerns on the extent of influence donor requirements on its success in Kayole Soweto in Nairobi County should be studied. The purpose of the study was investigating influence of donor requirements on implementation of community projects in informal settlements in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto. The objective of the study was to establish the influence of financial management requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto, to establish the influence of regulatory framework on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto, to establish the influence of risk management requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto and to establish the influence of stakeholder involvement requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. The study adopted a descriptive survey design. A descriptive survey research design helps in collecting quantitative data to answer to study research questions or testing of study hypothesis which aimed at carrying out an assessment of factors influencing implementation of Donor Funded Water and Sanitation Projects in Kayole Soweto, Nairobi County, Kenya focusing on a case of Kayole, Soweto OBA Projects. The target population was 654 respondents. A sample size of 350 officers was selected using Krejcie and Morgan method. The study adopted stratified sampling and simple random sampling techniques to be used in selection of respondents. The primary data for this study was collected using the questionnaires. Descriptive analysis includes percentage, frequencies, means, and standard deviations. Qualitative data was analysed in relation to the study themes based on the objectives and reported in narrative form. Inferential analysis; correlation and regression were deployed to determine the correlation between variables while regression analysis was executed to determine relationship between factors and implementation of Kayole Soweto OBA Projects. The study established that donor requirements contributed to implementation of OBA project to a varying extent. The results revealed that there exist a strong, negative and significant correlation between financial management requirements and implementation of OBA projects in Kayole Informal settlement ($r = -0.817$). Correlation results indicated that there exist a strong, negative and significant correlation between regulatory framework requirements and implementation of OBA project in Kayole Informal settlement in Nairobi ($r = -0.785$). The study revealed there exist a strong, positive and significant correlation between risk management requirements and implementation of OBA projects in Kayole informal ($r = 0.753$). The correlation results revealed there exist a strong, positive and significant relationship between stakeholders involvement requirements and implementation of OBA projects in Kayole Soweto ($r = 0.802$). The study concluded that stringent financial management requirements and unfavorable regulatory framework requirements have a negative influence on implementation of donor funded OBA projects in Kayole Soweto. The study concluded that risk management and effective stakeholder involvement requirements contributed to successful implementation of donor funded OBA projects in Kayole Soweto.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Globally, implementation of donor funded projects continue to complement the government's role in the provision of societal developmental needs such as access to social economic services like education, health, water, agriculture, environment among others (Akotia, 2014). Implementation of donor funded projects is characterized by conditions that have to be met. Many donor development projects are the beginning of an entire community renewal. In developing countries donor requirements contribute to success of donor funded projects (Limo, 2013). According to Chandurkar and Sen, (2014) donor conditions play a significant role in project execution. The implementation of donor funded projects is determined by numerous determinants including donor requirements, both technical and managerial capacity of the implementing agencies and involvement of the stakeholders. According to Bartholomew (2011), donors who encourage strong local commitment, participation, capacity development and ownership of the project activities achieve project success. Successful community donor funded projects is based upon adequate financing, information and dialogue among the stakeholders (Afande, 2013). Donors or funders are usually international multilateral organizations who focus on promoting accountability, good governance, stakeholder participation, budgeting and monitoring and evaluation of project progress (Meyers, Madeeha, & Naqvi, 2014). There are requirements that are put in place by donors and that determine the extent to which they influence implementation.

World-wide, donor funded projects continue to complement the government's role in the provision of societal developmental needs which include creation of employment opportunities and economic empowerment of local communities. However, community project funded by donors failed to achieve intended goals as community remained in poverty. In all donor funded project there is a procedure on donor fund disbursement of the project meant to determine the viability and contributions to development (Busiinge, 2013). Involvement of community in management of Donor Funded Projects (DFPs) as a

donor requirement plays critical roles in resource mobilization that influence project performance. Chess and Purcell (2009), observed lessons from successful community projects in Western Canada suggest and concluded that a sustainable community development must be demand driven. In the USA, only a small portion of projects succeed, 44% were challenged and 24% of projects failed due to conditions attached by donors (Ekanayakage & Halwatura, 2013).

In Africa, most donors fund development projects in an effort to fight poverty. According to Chinulwa (2004), the flow of funds into developing countries plays in enhancing budget process and services delivery in most African countries. The donor funds are brought in with requirement on capacity building, skills development programs and lately, infrastructural development like roads, bridges, water and sanitation, and schools among others (Action Aid Report, 2011). In 2005, Mozambique's total health expenditure was \$356m while foreign assistance accounted for US\$243m (Martinez, 2006). Similarly, Zambia's entire Ministry of Health budget for 2006 was a paltry sum of US\$136m from its own local sources while the President's Emergency Plan for AIDS Relief (PEPFAR) providing the country with a budget of US\$150m for tackling HIV/AIDS (Bernstein & Sessions, 2007). The funding of African projects failed to achieve success due to tighten requirements attached to it. In Zambia, Mukuni and Price (2014) noted that despite the huge volume of international aid supporting development projects, there is a chronic litany of challenges threatening the effectiveness of development projects. Most donor funded projects require project teams to produce and disseminate monitoring and valuation reports for purposes of informing stakeholders of project achievements and challenges. Ayoki (2008) reported that experience with donor funded projects in Uganda, identifying the counter-part funding requirement; conditions for aid effectiveness; deficiencies in procurement planning and failure to follow the conditionality and funding guidelines on procurement procedures weaken project implementation capacity.

Most donors consider stakeholders' participation requirements in projects as an essential ingredient of development and eventually their sustainability after the project cycle from the donor perspective (Keng'ara, 2014). Similar, the tension between accountability to

donors and accountability to beneficiaries can be satisfied project by involving the project beneficiaries. It is also observed that donor nations exert influence over the powerful international institutions such as the UN, World Bank and IMF allowing them undue influence in shaping the global policy environment (Campbell, 2008). Lundsgaarde, Breunigand Prakash (2010) found that countries tend to trade with and give aid to the same partners most likely because they know how to align their goals to the donor requirement. Strict donor procedures have been one of the conditions that contribute to the extent to which projects achieve their objectives. Effective fund disbursement procedures and financial management practices are essential in improving transparency, efficiency, accuracy and accountability influence implementation of donor funded projects (Hendrickse, 2008).

Kenya has faced main standoffs with the donor community, which has on occasion brought about resource freezes (Wawire, 2006). As a result, donor funding disbursements were shortlived due to the continued uneasiness amongst the donors with Kenya's implementation of aid conditionality's. Donors Organizations have requirement demands on management of the implementing firms on some of the programs they finance. For example, Kephher et al., (2017) study on Donor Driven Approach (DDA) to planning in Donor Fund Organizations within Kisumu County, Kenya established that the DDA allowed donors to exert much influence over the Donor Fund Organizations projects to the extent of monitoring their implementation. Donor demand beyond organization capacity was found to significantly influence the performance of the Donor Fund Organizations individually. Keng'ara (2014) found that donor requirements may include provision technical experts to the project, mostly foreigners at the expense of locals as an administrative imperative. Monaheng (2007) who argued that donors find expatriate technical staff as helpful in sensitive aspects of project management and control of budgets and are also knowledgeable about home office reporting requirements even when locals can competently handle the same tasks. Funding programs form external sources is a risky business and, therefore, donor organizations should need to carefully navigate the risks attached no matter what funding regime they use (Rezakhan, 2012). Risk management requirements is a multi-faceted concept required by donors for successful

implementation of donor funded projects (Narayan & Ebbe, 2007). Risk can be effectively managed to mitigate its adverse impacts on project objectives. Limo (2013) carried out a study on influence of donor regulations on effective utilization of funds on the health sector in the former Nyanza Province and revealed that donor regulations hinder provision of health services in the community. A study by In donor funded projects, financing risks as well as other risks such as political risks, technological risks, legal risks, economic risks are inevitable in the life of the project and, therefore, need to be well mitigated (Aven, 2015). In many instances, the administration system and accounting procedures in budget implementation are not well understood by the relevant authorities (Iratni, Djasuli, & Hayati, 2012). Bagoole (2011), in a review of periodic technical and financial reports of projects alongside interviews revealed that timing of disbursement of funds was affected by funds accountability requirements by financial partners prior to disbursement of funds thereby affecting effectiveness of donor funded projects.

1.1.1 Output Based Aid (OBA) project

The World Bank working with Nairobi city water and Sewerage Company is supporting an OBA sanitation project. The development objective of the project is to increase access to sanitation and water services in selected low-income communities in Nairobi. The project provides subsidies to connect households to trunk infrastructure put in place in low-income areas of Nairobi through the International Development Association (IDA) financed water and sanitation services improvement project (WaSSIP- P09637) and the Kenya informal settlements improvement project (KISIP – P113542). It also helps implementation of Nairobi city water and Sewerage Company's social connection policy, which was supported by the water and sanitation program, financed technical assistance "innovation in scaling- up access to water and sanitation services for the urban poor" (P132105). The World Bank has provided a grant of US\$4.33 million to the Government of Kenya for the NCWSC to implement the project. The project provides subsidies to connect households (including compound households in informal settlements) to trunk infrastructure put in place in low-income areas of Nairobi. The project will pay an output based subsidy to NCWSC to partially reimburse the costs incurred in achieving specific

water and sanitation services related outputs. The outputs under the project are water supply connections to low-income households/compounds, sewer connections and associated internal plumbing, including toilets, hand washing basins and storage tanks as necessary, to low-income households/compounds.

The implementation of donor funded projects continue to complement the government's role in the provision of societal developmental needs such as access to social economic services such as education, health, water, agriculture, environment among others (Theuri, 2014). Similarly, communities who benefit from donor funded projects enjoy material and professional privileges not found in institutions owned and managed by the government. There is however uncertainty on success of implementation of donor funded projects (Tott, 2013). Delays in donor projects gestation has always been identified as a recurrent bottleneck constraining the performance of most projects.

Donors have consistently given funding requirements for their developmental aid and even explored different program financing models. Ehigiator (2013) indicates that poor countries frequently abstain from implementing the power that donors have set as a requirement for granting foreign aid. Still, it is found that the aid is disbursed irrespective of the recipient's implementation record. A number of studies done on absorption of donor funds have found that the actual annual absorption of these funds in many countries has been below fifty percent. The World Bank concluded that even though the rate of compliance with the World Bank Regulations was only 50%, the release rate of loans was nearly 100% (Busiinge, 2013).

Nairobi City Water and Sewerage Company uses a social connections policy to achieve this. This policy champions the right of access to affordable water services on a non-discriminatory basis, especially for disadvantaged and marginalized groups. Social connection is a term used to refer to subsidized private first-time connections of residential dwellings to public utility networks, primarily intended to benefit the low income areas. The policy provides for subsidizing first time connection fees but not consumption (Ostrom, 2010). Kayole Soweto is one of the 12 informal settlements currently targeted by the OBA project on sanitation in Nairobi. It is situated in the

Eastern part of the city of Nairobi, the settlement houses some of the most marginalized and poor communities from all parts of the country. The inhabitants (tenants) of this area are mainly unskilled casual laborers, petty traders/ hawkers and jobless youths in daily hustle for survival. The populations here are high and highly dynamic that frequent movement of tenancy, at the same time less organized and usually not cohesive enough for any joint venture. Donors provide funds in an effort to instantiate development projects in the informal settlement. Donor funds disbursement procedures in development projects in Kenya influence implementation of donor funded projects in Nairobi County, Kenya, which all stakeholders such as suppliers, consultants, contractors and Project Implementation Units (PIUs) need to be aware of in advance in order to implement projects with least levels of interruption. This research seeks to assess the influence of donor requirement on implementation of OBA project in Kayole Soweto.

1.2 Statement of the problem

The success of donor funded project implementation depends on the funding, resource mobilization and stakeholders' involvement in project designing undertaken and project ownership requirements. The Republic of Kenya gets huge donor aid from diverse resources to fund a number of packages in the public sector. However, despite this fact, most projects experience erratic disbursement of funds from donors thereby leading to confusion and uncertainty in implementation of project activities. According to Keng'ara (2004) donors' requirements such as funds disbursement procedures has effect on implementation of donor funded development projects in Kenya.

Implementation of OBA project by NCWSC is characterized by donor requirements. Donors have consistently given conditions to the management of NCWSC in the implementations of OBA projects. However, empirical studies on the extent to which donor requirements influence implementation of donor funded project in developing countries such as Kenya remain elusive. NCWSC through OB experienced poor accessibility of water and sanitation services as most of the community members could not afford the high cost of water. However, there are demands and requirements such as

stakeholder's involvement, donor fund disbursement and procurements governing the implementation of the projects.

Locally, studies have focused on involvement of community participation in donor funded projects in Kenya. For instance, Mogaka (2017) revealed that funds protocol agreement, resource allocation, organizational structure and culture had a positive and significant effect in the implementation of donor funded health projects. Implementation of community donor funded projects remains partly successful in informal settlements in urban areas in Nairobi. This study therefore seeks to fill the existing research and knowledge gap by examining influence of donor requirements on implementation of community projects in informal settlements, a case of OBA project in Kayole Soweto, Nairobi County, Kenya.

1.3 Purpose of the study

The purpose of this research was to investigate influence of donor requirements on implementation of community projects in informal settlement in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto.

1.4 Objectives of the study

The objectives of this study were:

- i. To explore the influence of financial management requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto
- ii. To determine the influence of regulatory framework on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto
- iii. To assess the influence of risk management requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto
- iv. To examine the influence of stakeholder involvement requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

1.5 Research Questions

The study sought to answer the following questions:

- i. How does financial management requirements influence implementation of Output Based Aid (OBA) funded projects in Kayole Soweto?
- ii. How does regulatory framework requirement influence implementation of Output Based Aid (OBA) funded projects in Kayole Soweto?
- iii. To what extent does risk management requirements influence implementation of Output Based Aid (OBA) funded projects in Kayole Soweto?
- iv. How does stakeholder involvement requirements influence implementation of Output Based Aid (OBA) funded projects in Kayole Soweto?

1.6 Significance of the Study

The study may be invaluable to the management board of donor funded projects in that it will provide an insight on factors that can influence the implementation of the donor funded Output Based Aid (OBA) project in Kayole Soweto.

The study may be significant to donor funded project managers who would get to know the influence of donor requirements for instance funds disbursement procedures on implementation of donor projects and use the research findings to enhance on their personal performance in handling donor funded projects. Donor community may understand their role in the donor funded projects successes. The study would bring to the fore risk management issues concerning the link between donor funded requirement and projects implementation and would probably facilitate a new development perspective towards donor aided projects in informal settlement in Kenya.

The policy makers would gain insight on influence of donor requirements on successful implementation of donor funded projects. This enabled the policy makers to make informed policies that will foster funding, project ownership, stakeholder's involvement and achieve success in the implementation of donor funded projects and development programs. This will enable the policy makers to formulate and develop measures that may promote implementation in management of donor funded projects to achieve expected project outcomes. The government policy makers, who include planners, would

gain an understanding of donor conditions and how they affect donor funded projects implementation in Kenya, and would therefore adopt a policy assessment and formulate regulations that deal with the findings of the study. This would enhance the chances of not only meeting the Sustainable Development Goals (SDGs), but also the Vision 2030.

Scholars and researchers may find the study valuable as it may add onto existing literature. The scholars may gain knowledge on influence of donor requirements on performance of Donor Funded Projects. The findings may be significant to researchers who will use the findings to carry out further research on influence of donor requirements on implementation of community projects.

1.7 Delimitation of the Study

The study sought to investigate the influence of donor requirements on implementation of community projects in informal settlements in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto. The study was done in Nairobi focusing on OBA projects in Kayole Soweto. The independent variable was financial management requirements, regulatory framework requirements, risk management requirements and stakeholder involvement requirements while dependent variable was implementation of OBA projects. The study was carried out in informal settlement of Kayole Soweto. The respondents in the research work were management officers from Nairobi City Water and Sewerage Company, project team members and community leaders working at OBA projects.

1.8 Limitation of the Study

Fear of victimization was a key limitation to this research work. Respondents at OBA projects were afraid to provide factual information on the basis that information they will provide will be used to victimize them. The researcher informed the respondents that the information they provided will be held in confidence and used for academic purposes only.

The respondents were unwilling to respond to some questions in the research exercise. This problem was mitigated by assuring the respondents that the study was done for

academic purposes only. The researcher also pointed out that no names nor identification numbers be included in any of the research instruments and therefore no chances of linking any information to particular respondents. This influenced respondents in providing true, factual and adequate information.

1.9 Assumptions of the Study

It was assumed that the selected respondents in OBA funded projects in Kayole Soweto were truthful in providing information required by the study. The researcher also assumed that the respondents that were selected to participate in the study were willing to cooperate and share information to answer research questions. The researcher also assumed that there will be adequate availability of reference material regarding the study. The researcher further assumed that the research will be completed within schedule. In sampling, the study assumed that the sample possesses the same characteristics as the population and therefore represents the population.

The study also assumed that the factors identified are most critical involving donor funded community project management in informal settlement. The study also assumed that the sample selected will be representative of entire population under study. The sample cut across all cadres of project management and stakeholders in OBA projects.

1.10 Definition of Significant Terms

Community projects - A community project is a term applied to any community-based project. This covers a wide variety of different areas within a community or a group of networking entities.

Donor requirements – this refers to the array of conditions set by the donors on use of funds, implementation of projects and reporting. These conditions are necessary for accountability and projects monitoring and evaluation but if not checked, they can slow down the progress of the project considerably.

Financial management - Financial Management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the

enterprise. It means applying general management principles to financial resources of the enterprise.

Informal settlements- are residential areas where 1) inhabitants have no security of tenure vis-à-vis the land or dwellings they inhabit, with modalities ranging from squatting to informal rental housing, 2) the neighborhoods usually lack, or are cut off from, basic services and city infrastructure and 3) the housing may not comply with current planning and building regulations, and is often situated in geographically and environmentally hazardous areas.

Project implementation – implementation means carrying out the activities described in the work plan. It is the overall quality of a project in terms of its impact value to its beneficiaries, implementation effectiveness, efficiency and sustainability.

Regulatory framework - a regulatory framework is the macro-level steps that a regulator must complete in order to bring forward regulations. It can also be defined as the high-level questions that a conscientious regulator would ask of themselves throughout the process of regulations development.

Risk management - is the structured process used to identify potential threats to an organization and to define the strategy for eliminating or minimizing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate this strategy.

Stakeholder involvement - is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions. They may support or oppose the decisions, be influential in the organization or within the community in which it operates, hold relevant official positions or be affected in the long term.

1.11 Organization of the Study

Chapter one represented background of the study, statement of the problem, purpose of the study, research objectives, significance of the study, research questions, scope of the study and limitation of the study, definition of operational terms in the context of the study and research organization. Chapter two reviewed related literature. Chapter three described research methodology of the study. This methodology comprised of research design, target population, sample size and sampling techniques, research instruments reliability and validity of research instruments, pilot testing and data collection procedures. Chapter four gave detailed analysis, interpretations and discussions of the study findings. Chapter five presented review of the whole study in summary, and gave conclusions of the study and finally recommendations of the study based on the objectives of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of past studies in relation to influence of donor requirements on implementation of community projects in informal settlements. This chapter presents the theoretical review and gaps identified in the literature reviewed. The conceptual framework was also presented to demonstrate the relationship between the variables. Finally, research and knowledge gaps are presented.

2.2 Implementation of Community Projects in Informal Settlements

Community projects are conceived as developmental projects meant to complement government developmental initiatives to its populace. The projects may be funded by a small budget and sometimes set up in a much disorganized structure especially in emergency cases and relief needs (IFAD, 2007). Most donors consider community participation in projects as an essential ingredient of development and eventually their sustainability after the project cycle from the donor perspective (Cheboi, 2014). Similar, the tension between accountability to donors and accountability to beneficiaries can be satisfied through community ownership and empowerment (Igweonu, 2011). Over the years, community ownership influence participation in project implementation and development has become significant and its variants have taken on particular prominence in the policies of bilateral and multilateral development agencies.

Studies also show that participatory approaches to project development and implementation where those affected by the project take part throughout the entire process of the project cycle is important. This was in contrast to a conventional approach, where people who are not part of the community such as donor representatives or external consultants are primarily responsible for identifying needs, developing a general project concept, providing money and other resources, then monitoring and evaluating project activities (UNFPA, 2000). In study done by Daniel (2015), it was contended that although Donor Funded projects in any community play a big role by initiating and implementing development projects that would otherwise take the government directly or

through its agencies some time to implement, the projects are short-lived therefore the question that arises is how the community influence sustainability and ownership of projects when the donors eventually leave. In this regard, community involvement was singled out as being critical.

According to Arnstein's ladder, community involvement was pointed out as an important ingredient likely to provide better results of any donor funded project in terms of sustainability (Willy & Jackline, 2015). Bell identified three key ingredients necessary for community involvement in donor funded projects. These include empowerment of local communities to take command of the projects, the practice of co-opting community members to take part in existing programs, and finally as a masquerading public relations exercise, justifying a predetermined donor project. This is a pointer that community mobilization and empowerment are important in donor funded projects. According to the Society of Public Health Education (2010), community mobilization is a process through which the communities, individuals or groups implement and evaluate donor funded projects influences ownership in that actions regarding the project are organized around specific community issues of concern. Community empowerment on the other hand involves a goal in itself since the community takes responsibility of the actions related to any project and that empowerment gives the community opportunity to demand transparency and accountability of all the parties involved in the donor funded project (OECD (2005a)).

2.3 Financial Management Requirements and Implementation Community Projects in Informal Settlements

Developing countries receive financial support which includes the transfer of financial aid to partner countries from Multi-Donor agencies, countries and some financial institutions like the World Bank and African Development Bank (ADB). According to Chinulwa (2004), the flow of project finances into developing countries plays an increasing role towards the budget process and services delivery in most African countries. These project funds are provided with requirements attached including purpose for capacity building, skills development programs and lately, infrastructural

development like roads, bridges, water and sanitation, and schools among others (Action Aid Report, 2015). Consequently, there has been a shift in partnering agencies where donors now prefer to work with non-governmental organizations (NGOs) instead of the governments.

Recent years have seen a rising involvement of Donor Fund Organizations in the development process and demand transparency and accountability in project fund management (Wathome, 2013). Donors do set a number of financial regulations that govern the entire project funds disbursement to recipients. It also sets out the accountability criteria for previously project released funds before additional more fund is disbursed. The process is rigorous and time consuming and moreover, the borrower must abide by all project financial rules and regulations for disbursement of funds failure to which may lead to suspension of aid. Roque and Carvalho (2013), found that political process and pressures often lead to premature, as opposed to delayed disbursements of aid commitments.

The donor country may have stake in the project financial management process which may not be in the best of the recipient country. Nikkhah and Redzuan, (2016) argue that there can be low absorption capacity of existing funds resulting in slower than predicted fund disbursement. Financial terms and regulations consist of precedent and subsequent project finance Regulations, terms for repayment of the loans and penalties. The special Regulations of effectiveness are also referred to as Precedent Regulations to first loan disbursements. The first fund disbursement can only be released to the project account after all the required Regulations have been met by the borrower.

The challenges posed by financial restrictions include inflexible scheduling of payments into multiple tranches; delayed payments; the requirement to return unspent balances; very short expenditure eligibility windows, particularly for budgetary surpluses allocated at the end of donor fiscal years; and limited flexibility to negotiate no-cost extensions or re-allocations of funds to adapt to changed humanitarian requirements and operational circumstances. Conditional funding allows organizations to internally prioritize funding to urgent life-saving activities in countries that are critically underfunded and receive

little donor support or media attention. Amount of fund disbursed during project implementation determines implementation success rate. According to Nthenge (2014), cost management and managing a project budget contribute to successful implementation of the project.

Donor reporting requirements can divert critical time, resources and focus away from humanitarian implementation. In some cases they can be fragmented, duplicative and excessive, with organizations describing examples of spending disproportionate amounts of time customizing reports to multiple donor formats and content requirements. Rondinelli (2013) proposes that the efficiency of operations and the financial stability of the organization are the most important factors used by donors faced with a giving decision. Thonetth, (2014) infer that the quantity of information available to donors influences donations.

Community projects in developing countries remain underfunded and unpredictable. Fund requirement on schedule results to poor project implementation funding pattern leading to ineffective implementation of project. Usadolo and Caldwell (2016) points out that donor funded financial management should include: keeping an accurate record of all financial transactions; linking the budget to the organization's strategic and operational plans; producing management accounts so that managers can compare the organization's progress against the budget and then make decisions about the future; producing financial statements for outside scrutiny to demonstrate how funds have been applied in the past; having internal controls or checks and balances in place to safeguard the organization's assets, and to manage risk and having an audit committee or auditor to assist in the quality and reliability of financial and other performance information used. Rondinelli (2013) indicated that donor funded community project implementation delays due to strict financial requirements posing as a challenge that create delays and cost overruns, inadequate funding and ineffective fund disbursement schedules. Achieving success in implementation of project was indicated to correlate to effective project financial management with minimal requirements that foster accountability, transparency,

and high financial management requirement may cause unsuccessful implementation of the designed project (Ofori, 2013).

The empirical study carried out by Mogaka (2017) assessed the impact of financial management in donor funded project. The study adopted a descriptive survey research. The study revealed that funds protocol agreement, resource allocation, organizational structure and culture had a positive and significant effect in the implementation of donor funded health projects. Implementation of community donor funded projects remains partly successful in informal settlements in urban areas in Nairobi.

2.4 Donor Regulatory framework Requirements and Implementation of Community Projects in Informal Settlements

The flow of funds into developing countries plays an increasing role towards the budget process and services delivery in most African countries. These funds are brought in purposely for capacity building, skills development programs and lately, infrastructural development like roads, bridges, water and sanitation, and schools among others (Ouma, 2012). These are the conditions or terms imposed by the donors who fund community projects. When Donor attaches so many conditions on the project grants agreement, the disbursement of funds for the projects may end up being delayed and it can culminate into cost overrun of the project or the project stalling or abandoned by the funder.

Program Donor funds are channeled to countries which are assumed to be performing better hence encouraging good governance, this comes from the widespread view that donors use aid to encourage recipients to improve policies and governance. Creating rules for allocating aid to countries that are likely to use it will enhance selectivity and help donors fund projects that are unlikely to experience loss of funds. Aid conditionality, in which aid is linked to particular programs and projects, prevents the government from making decisions about which programs are a priority.

Effective financial management practices are essential in improving transparency, efficiency, accuracy and accountability resulting in the implementing organizations achieving their objectives according to the donor Regulations (Mir & Pinnington, 2014).

With increasing levels of donor interest and funding, the implementing organizations need to be more accountable and improve in their financial management practices so as to make them more flexible, less bureaucratic, more responsive, and closer to the people. Financial control practices such as budgeting, accurate reporting is essential in not only meeting the donor objectives but also building their confidence. Whether the regulations donor funds impose on fund utilization actually translates to efficient management of resources, and project implementation as desired is not always clear. Lemma, (2014) observe that donor funded projects in the country are experiencing a myriad of problems that include ineffective boards, absence of strategic planning activities, poor recording practices, lack of necessary policies and procedures, high turnover of employees and volunteers and dependence on a limited number of funding sources. Kagendo (2013) found that international donors have shifted their funding regime from a traditional model to a new Challenge fund concept which has been widely used in medical and academic research, as well as the social sectors.

Before expenditure is incurred especially in World Bank funded project a 'no objection' has to be sought from the World Bank office and this delays the process and sometime collapse of the process especially when it is not approved. This therefore means there is no flexibility on the side of the recipient of the aid as well as lack of confidence by the donor on the proper use of the funds (Keng'ara, 2014). Donors usually disburse loan proceeds to the borrower, using four common disbursement methods. These are; direct payment, reimbursement, Reimbursement guarantee, and Special account. In Kenya, the most commonly applied methods are Direct Payment and Special Account. For Direct Payment the arrangement is such that, the donor makes payments, at the borrower's request directly to a third party e.g. supplier, contractor, and consultant for eligible expenditures (Chandra, 2009).

Donors also impose administrative Regulations on some of the programs they fund. For example, Kepher et al., (2017) study on Donor Driven Approach (DDA) to planning in Donor Fund Organizations within Kisumu County, Kenya established that the DDA allowed donors to exert much influence over the Donor Fund Organizations projects to

the extent of controlling their performance substantially. Donor demand beyond organization capacity was found to significantly influence the performance of the Donor Fund Organizations individually. Keng'ara (2014) found that donors sometimes provide technical experts to the project, mostly foreigners at the expense of locals as an administrative imperative. Kimei (2014), argued that donors find expatriate technical staff as helpful in sensitive aspects of project management and control of budgets and are also knowledgeable about home office reporting requirements even when locals can competently handle the same tasks.

Many explanations for the success or failure of the donor funded projects can therefore be said to be coming from the donors themselves (Haroun & Adam, 2015). Each of them imposes some terms to the funds they give as development assistance depending on their individual interest. As a result, there is lack of transparency in decision making about development assistance which influence levels of success. Donor rankings based on how they allocate aid across countries are common, with income, population and policy as the most commonly used criteria (Gitau, 2015).

Keng'ara (2014) in his study of Disbursement Performance in Kenya recommends that to reduce the delay between signing the loan agreement and first disbursement the Program implementation unit must be constituted. Dorcas (2015), also supports that approval of project at later stage of the procurement process including adequate capacity assessment before board approval of the loan would help reduce delays in loan effectiveness. This implies that precedent loan Regulations will be fulfilled at much earlier stage before approval or signing of the project loan thus eliminating unnecessary delays in loan effectiveness. Obwoye, (2015) found that donor reporting requirements can divert critical time, resources and focus away from humanitarian implementation. In some cases, they can be fragmented, duplicative and excessive, with organizations describing examples of spending disproportionate amounts of time customizing reports to multiple donor formats and content requirements.

Oganyo (2015) investigated the factors influencing implementation of donor funded projects. From the findings it was established that donor conditions, inadequate skills and

procurement process negatively affect the project implementation. Donor funded projects are not completed on time and donor funded projects objectives are not always achieved. Project cost escalates during the procurement process. Project commencement date always experience delays hence affecting the implementation of the donor funded projects. This is due to insufficient skills from the implementing unit, delay in delivery of materials, bulky paper work, delay in disbursement of project funds and long tendering process. Absorptions rate for donor funded project are found to be low.

2.5 Risk management Regulations and Implementation of Community Projects in Informal Settlements

Risk management requirements adversely or favorably affect project objectives as a consequence of uncertainty. The source of risk includes inherent uncertainties and issues related to the organization's fluctuating project fund mobilizations, competitive bidding process, job site productivity and the political situation, inflation, contractual rights, and market competition (Aimable, 2015). Donor risk assessment constitutes process used by an organization (management) to decide how it will deal with the risks that pose a threat to achieving its objectives (Oganyo, 2015). It entails the identification and prioritization of objectives, the identification of risks and assessment of their likelihood and impact. Consequently, Jones (2008), looks at risk assessment as the identification, evaluation and management of risks. He further notes that risks can relate, to financial statement fraud or to the misappropriation of assets. Aimable (2015) opined that, it is important for organizations carrying out intervention projects to face uncertain risks by assessing their effects on the project objectives because a risk quantitative method enables them to decide which of the projects is riskier, planning for the potential sources of risks in each project, and managing each source during construction.

It is important that risk is distinguished from uncertainty. The one is measurable uncertainty, the other is immeasurable risk. Therefore, methods for managing risks involve Risk avoidance or prevention, Risk control (loss control or risk mitigation) Risk transfer and Risk retention. Risk monitoring and control is the processes of keeping track of the identified risks, monitoring the residual risks and identifying new risks. This

process should also ensure the execution of the risk plan and continually evaluate the plan's effectiveness in reducing risk (Gwaya, Masu, & Wanyona, 2014). Resource allocations can also be monitored as these too will have been pre-planned and, where appropriate, allocated to the agreed actions. According to time value of money concept, individual investors prefer possession of a given amount of cash now rather than the same amount at some time in future. This is mainly attributable to uncertainty of cash flows (risk), preference for consumption, and availability of investment opportunities ((Mujabi, et al 2015)).

The GOK requires timely receipt of funds by Project Implementation Units (PIUs) in order to implement projects as scheduled in the annual work plans and budget lest the purchasing power is eroded with passage of time leading to overall cost escalation hence implementation bottlenecks. Following much disillusionment with previous top-down approaches, most donor agencies, including governments from developed countries and international organizations, are rushing to adopt with a lot of enthusiasm the so called participatory, or community-driven approach to development. Such an approach, which has long been on the agenda of Non-Governmental Organizations (NGOs) working in or with developing countries, seems to hold much promise for reducing poverty and increasing aid effectiveness (European Commission, 2017).

In order to persuade their constituencies or supporters that the new strategy works well, donor agencies need rapid and visible results and, since they have sizeable financial resources at their command, they typically want to disburse them within a short period of time. This approach carries with it obvious risks. The natural tendency is then to spread them widely so as to reach as large a number of village communities as possible. Such a rush is problematic in so far as communities need to evolve and be institutionally strengthened if they are to achieve the objectives of the participatory approach: economic growth, democratic governance, sustainability, equity and protection of the poor (Barasa & Jelagat, 2013). Lack of capacity building especially the building of organizational skills at community level and lack of 'ownership' of the projects by the beneficiary groups have been recognized to be among the main limitations of the World Bank's

social funds program. According to this assessment, the program remains too much driven by a supply-led approach rather than being responsive to the needs of rural people as a participatory approach should be (Anderson & McFarlane, 2010). As pointed out by Adan (2013) in a broader context, it too often happens that the requirement of a rapid and effective implementation of aid programs drives the donors to adopt policies that are detrimental to the development of local capacities.

Jun, Qiuzhen and Qingguo (2010) investigated the effects of project risk planning on construction donor project performance focusing on a case of China construction firms. The study sought to test the hypothesis; Project risk planning and risk control makes a greater significant positive contribution to project performance at low levels of inherent uncertainty than at high levels.

2.6 Stakeholder Involvement in Project and implementation of Community Projects in Informal Settlements

Stakeholders in this study have been identified as funding entity or donors who fund the organizations and clients that benefit from the activities of the OBA project. Stakeholders in away have a direct impact on the success of a project. They include the beneficiaries who benefit from project directly, the implementers and those that are partners in the project. In various reports of projects, it has been noted that implementation and sustainability of the project is dependent on the level of stakeholder involvement and adherence to the project objectives and conditionality agreed upon (Kusters, et al., 2011). According to Chandurkar and Sen (2014), implementing managers must comprehend and work with various players while monitoring and controlling projects. In particular, they need to address how they will identify and resolve issues. Stakeholder participation in project implementation is crucial, but in practice it is a concept that has been misused or ignored. Goldfrank, (2012) posits that although involvement increases the sense of ownership and project implementation and sustainability, it is not a guarantee or an indicator of project success. Achieving full participation is not easy. It can also take a lot of time, and conflict of interest is bound to come to the surface.

Requirement in engagement of stakeholders becomes more in-depth in collaboration. This approach requires project proponents and stakeholders to work together; however, stakeholders have limited control over decision making and resources. The extent of collaborative arrangements largely depends on the scope and characteristics of the project. Projects that entail engagements of civil society to facilitate acceptance, social mobilization, and capacity building inevitably involve communication processes that link stakeholders vertically and horizontally. Each direction requires appropriate communication media to achieve desired results. Engaging community, for instance, requires facilitation of beneficiary dialogue and stakeholder capacity building (Heravi, Coffey and Trigunaryah, 2015).

Stakeholder's involvement is also important for validity of any donor funded project which brings in the ownership aspect. Similarly, for any donor funded project to succeed, it must link not only planning with action but also the aspect that community stakeholders must demonstrate their ownership in the in the plan. According to Goldfrank (2012), the fundamental goal of any community ownership program should be to foster community confidence and self-reliance achieved through the development of self-sustaining projects, effective mechanisms for community decision making and leadership renewal. According to Gofin and Gofin (2010) the major factor that influence community ownership of donor funded projects is participation which varies depending on the context of the projects. Community involvement is a key factor which is the art of getting people involved in the active roles of the projects; the community should be seen as a unit of identity through building of strengths and resources within the community (Kizlik, 2010).

Stakeholders' requirements play a critical role in the life of donor funded organizations projects. Due to their skills and knowledge, these organizations can keep the cost of providing vital services lower than they might have been. When community members are treated with respect, shown appreciation and assigned meaningful work to do, they become an invaluable resource to the organization. Kerzner, (2017) states that community identification and recruitment training are time consuming, too frequently

donor organizations staff find it easier to do the job themselves than to recruit community members to complete the task. This is a very short sighted point of view. Once a community member has been recruited, there is a good chance that he or she will be available on a regular basis (Makori, &Wanyoike, 2015). Therefore, many responsibilities related to community members' recruitment and orientation are time consuming only the first time. The more an organization engages community members the more cost effective they become (Mujabi, et al 2015).

Ramabodu and Verster, 2010) determined influence of stakeholder's participation in risk management and project performance. A mixture of research designs was adopted and questionnaires used for data collection. The study results revealed that stakeholders participation in risk management and project performance. The study failed to link stakeholder involvement in planning project to implementation of development projects funded by the various donors. In an empirical study by Gichoya (2005) assessed influence of stakeholder involvement in relationship role influence achievement of solutions for successful implementation. The study adopted descriptive survey research design. Analysis of data was done using descriptive statistic and inferential analysis. The results indicated that stakeholder involvement in relationship role influence achievement of solutions for successful implementation. The study failed linked stakeholder involvement regulations role influence achievement of solutions for successful implementation development project.

2.7 Theoretical Framework

Donor requirements in the implementation of community projects play a significant role in achieving its success. These views are anchored on program theory and agency theory that support the inter-relationship among donor requirements and implementation of Output Based Aid projects

2.7.1 Program Theory

The program theory as developed by Leonard Bickman (1990), refers to a variety of ways of developing a causal model linking program inputs and activities to a chain of intended or observed outcomes, and then using this model to guide the evaluation. The theory assume that there are external conditions , political factor, donor influence, risks and legal framework beyond the control of the project that must exist for the intermediate project outcome to be achieved The theory assume that significant project interventions such as financial management, management of risks , project policy and strategy contribute to achieving the intended project goals. Goldratt (2007) argues that donor procedures requirement do matter because in each case the impact on the lead time in project implementation is affected. Chilton (2015) identify donor conditions in running project on project scheduling and project resource management. They argue that the above type of reasoning invites the reader to become trapped in the crucial misconception that looking for the best procedure for resolving resource conflicts does not pay off in practice and has a negligible impact on planned proposal duration. The project involves requirements from funding organizations on issues such as scheduling of project activities subject to precedence and/or resource constraints (Herroelen, 2015).

Donor funded projects have requirements to be met. Blasinky and Unutzer (2016) indicated that project implementation is influenced by factors that include donor conditions. Donor funded development projects consider several factors to determine the appropriate engagement approach, such as the engagement goals, styles of stakeholders, and existing engagement mechanisms and commitments. The projects use a diversity of commitment channels, including one-on-one interviews, meetings, briefings, forums, site visits, consultations, focus groups, surveys as well as online media. This study identified government and regulatory authorities, this may result in rescheduling the project which

may lead to delays on the project completion date. In relation to this study, project requirements from donors has relation with regard to completion of donor funded projects in Kenya and may prove to be a difficult accomplishment regardless of organization type or sector implementing these projects. Thus, the study seeks to explore whether the donor requirements have influence on completion of the projects.

2.7.2 Agency Theory

The Agency theory was developed by Jensen and Meckling (1976) and it focuses on the relationship in which one or more person, referred to the principal, contracts another person, named the agent, to executive some work on their behalf. The underlying basis of agency theory is that both principals and agents are assumed to be rational economic-maximizing individuals. In addition, the principal and agent are bound by contracts that specify the rights of the agent and the performance criteria on which agents are evaluated. Under such agency situation there is bound to be conflict of interest in the discharge of duties by the agent. Hence the principal puts in place measures to monitor the agent's behavior and to determine whether the agents have lived up to the provisions of the contract and to prevent the agent's misuse of assets due to conflicts of interest. It also includes efforts to control the behavior of the agent through budget restrictions, operating rules (Lanstrom, 1993).

The agency theory model is anchored on the fact that information has two sides that are not the same and is pursuant of self-interests. Principals lack basis to trust their appointed agents and will seek to mitigate these concerns by putting in place mechanisms to align the interests of agents with principals and to reduce the scope for information asymmetries and opportunistic tendencies. In this study, the World Bank is seen as the principals whereas NCWSC is the agent. The donor enters into grants agreement with the implementing agent to define the requirements of engagement and accountability modalities. Thus a requirement is attached to ensure that funds given to the agency firms are not misappropriated and accountability mechanisms such as project assessment reports, financial reports, project audit reports and evaluation reports are submitted to donors for review on periodic intervals. As resources channeled through the non-profit

sector increase, implementing agency are under greater scrutiny and pressure to demonstrate that they are using their resources in an efficient, accountable and transparent manner and can be held accountable for their effectiveness, organizational reliability and legitimacy (Chene, 2013). The agency relationship support utilization of donor requirements ensures mutual benefit through project goal achievement hence successful project implementation

2.8 Conceptual Framework

The research relates to influence of donor requirements on implementation of community projects in informal settlement in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto. Influence of donor requirements are independent variables while implementation of the OBA project is dependent variable.

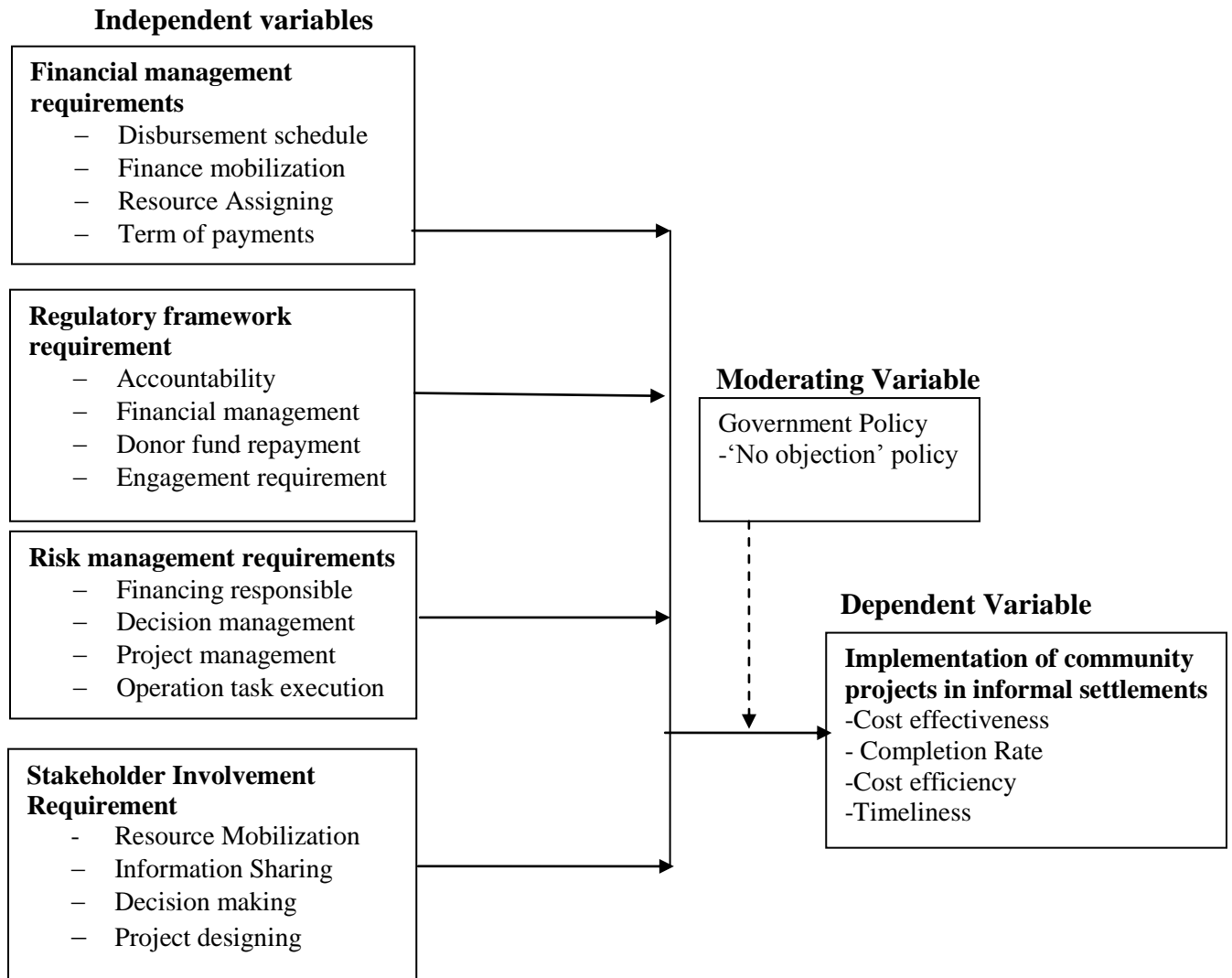


Figure 1: Conceptual framework showing relationships among variables

In figure 1, the conceptual framework links variables exhibiting a relationship model. The model denotes that there exists a linear relationship between influence of donor requirements and implementation of donor funded community projects. According the conceptual model, the study sought to establish whether financial management requirements, regulatory framework requirements, risk management requirements and stakeholder involvement requirements have an influence on implementation of community projects in informal settlements.

2.9: Knowledge Gap

Table 2.1: Knowledge gap matrix

Variable	Author	Title of the study	Findings	Knowledge Gap	Focus of Current Study
Financial management requirements	Kanbur, (2013)	Influence of Funding on Implementation of Donor Funded Project in Cape Town, South Africa—a recipe for failure.	The results revealed that a delay in disbursement of project funds due to set conditions affected success in execution of the project	The study failed to identify influence of funding on implementation of community development projects in informal settlements	The current study focus on influence of funding on implementation of community OBA projects in Kayole Soweto, Nairobi County
Regulatory Framework Requirement	Kepher et al., (2017)	Donor Driven Planning Approach and Performance of Non - Governmental Organizations (Ngos) In Kenya.	Donor demand beyond organization capacity was found to significantly influence the performance of the Donor Fund Organizations individually	The study only focus on donor requirement and health project performance	The current study focuses on influence of donor conditions on implementation of community OBA projects in Kayole Soweto, Nairobi county
	Keng'ara (2014)	Effect of Funds Disbursement Procedures on Implementation of Donor Projects in Homabay County, Kenya.	The results found that donor funded project failed to achieve success due to long fund disbursement procedure	The study failed to determine success or failure of the donor funded projects at the community level	The current study focuses on influence of donor fund disbursement procedure on implementation of community OBA projects in Kayole Soweto, Nairobi county

Risk management requirements	S Aimable, (2015)	Effects Of Risk Management Methods On Project Performance In Rwandan Construction Industry A Case Study Of Multi-Storey Buildings Construction Project Of RSSB.	The study revealed that risk management methods applied throughout the life of the project will affect the overall outcome of the project and its eventual sustainability.	The study focused on risk management in the construction sector focusing on RSSB multi storied buildings in Rwanda.	To assess influence of risk management on donor OBA funded project in informal settlement and focusing on water supply and sanitation projects.
Stakeholder Involvement requirements	Lelegwe L. S. and Timothy C. Okech (2016)	Community Participation in Donor Funded Projects Among Pastoral community of Northern Kenya.	The study found that perennial drought, inadequate access to social services, poor infrastructure, insecurity, conflict, cultural issues, to mention a few	The study focused on challenges facing community involvement in donor funded community projects in Northern, Kenya	The current study focus on extent stakeholders involvement condition influence implementation of OBA donor funded project in Kayole Soweto Nairobi County, Kenya
	Madeeha and Naqvi, (2014)	Impact of External Stakeholder's Engagement on Project Portfolio Management Success in Pakistan.	The study revealed that stakeholder engagement has a positive impact on success of project portfolio management	The study failed to link the relationship between stakeholder engagement and performance of learning program	The current study focuses on influence of stakeholder involvement in implementation of OBA projects in Kayole, Soweto Nairobi County

2.10 Summary of Literature Review

The foregoing literature review indicates donor requirements are critical in determining the success implementation of donor funded community projects. However, most of the studies done have focus on influence of project management on project performance such as Naqvil, Aziz1 and Rehman (2011), in development of donor conditions on project performance. Further studies have been done in other developing countries such as Brazil as Roque Rabechini and de Carvalho (2013) investigated impact of donor requirement on risk management influence project performance in Brazilian companies and in Australia by Heravi Coffey, Trigunarsyah (2015) who examined the donor requirements on the level of stakeholder involvement during project's planning process and revealed that community involvement in resource mobilization influence construction project implementation

Previous local studies such as Gitau (2015) aimed to examine the extent of the donor requirements at the implementation on project cost and schedule performance and revealed that donor requirement in project risk management improve project cost and scope performance. In Kenya there has been increase in initiation and implementation of donor requirements in development projects in efforts to improve living standard and alleviate poverty in Kenya. This has led to increase in stakeholder's involvement in project life cycle process. However, empirical studies on the extent to which involvement of the community influence implementation of donor funded projects in Kenya remain scanty. This lead to investigation into the influence of donor requirements on implementation performance of Donor Funded Water and Sanitation Projects in Nairobi County, Kenya focusing on a case of OBA Projects.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the research methodology of the study. It provides the specific procedures that were followed in undertaking the study. The research design, sampling design, sampling methods and procedures, data collection procedures and instruments and data analysis are described in this chapter.

3.2 Research Design

The study adopted a descriptive survey design. A descriptive survey research design helps in collecting quantitative data to answer to study research questions or testing of study hypothesis which aimed at carrying out an assessment of influence of donor requirements on implementation of community projects in informal settlements in Nairobi County, Kenya focusing on a case of Kayole Soweto OBA Projects.

The descriptive survey design involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data. Descriptive studies portray the variables by answering who, what, and how questions (Mugenda, 2008). According to Cooper and Schindler (2011), descriptive design is a process of collecting data in order to test hypothesis or to answer the questions of the current status on influence of donor requirements on implementation of community projects in informal settlement in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto.

3.3 Target Population

A population refers to the entire group of subjects that conform to a given specification that can be used as a data for research purposes. A population also refers to the total collection of elements about which the researcher wishes to make some inferences (Saunders, Lewis & Thornhill, 2009). OBA projects are managed by officers in different level of management who constitute the target population of the study the population comprising of 55 officers from Nairobi Water and Sewerage company, 4 officers from

donor agencies , 35 Contractors, 54 community leaders, Administration officers 5 and 500 community members representatives making a total study population of 654.

Table 3.1: Target Population

Management Level	Population
Project official from Nairobi Water and Sewerage Company	55
Officers from Donor agencies	4
Contractors	35
Project communities leaders	54
Administration officers	5
Community representatives	500
Total	654

Source: Nairobi Water and Sewerage Company (NCWSC) Report (2019)

3.4 Sample Size and Sampling Procedure

Sampling is a selection of a few items (a sample) from a bigger group (population) to become the basis for estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group (Cooper & Schindler, 2013). The study used Krejcie and Morgan Table for determining Sample size (Appendix V) to select a sample size of 350 officers.

The study adopted stratified sampling and simple random sampling techniques to be used in selection of respondents. First, the project officers are in different level of management which form basis for stratification. This is because the population is structured into various non-homogenous units, hence requires comparisons between various sub-groups. Since the respondents are classified according to their management levels, stratified random sampling method was deemed the best to use for this study. A simple random sampling was then used to select respondent from each of the sub group in determining number of respondents from each management level in the study population.

Table 3.2: Sample Size

Categories	Target Population	Sample Size
Project official from Nairobi Water and Sewerage Company	55	48
Officers from Donor agencies	4	4
Contractors	35	32
Project communities leaders	54	44
Administration officers	5	5
Community representatives	500	217
Total	654	350

3.5 Research Instruments

The primary data for this study was collected using the questionnaires. Questionnaires were used in collecting data and consisted of a mixture of open ended and close ended questions and according to Mugenda and Mugenda (2003) this allowed for intensity and richness of individual perceptions in respondent responses. The study used questionnaires because it is flexible and facilitates the capture of in-depth knowledge of the respondents, promotes respondent cooperation. As a method of data collection questionnaires are appropriate because they are easy to analyze, and are cost effective.

The questionnaires which mainly contained closed and open ended questions was administered through drop and pick method approach to the sample respondents and according to (Kothari, 2004). This allowed for intensity and richness of individual perceptions in respondent responses. Each respondent received the same set of questions in exactly the same way. A letter requesting for information accompanied the questionnaire explaining the purpose of study to the respondents.

3.5.1 Pilot- Testing of Research Instrument

Before using a questionnaire, it is always advisable to conduct a pilot study (Kothari, 2004). A pilot investigation was first conducted in order to assess the adequacy of the research design and of the questionnaire to be used such as to determine whether the anticipated respondents understands the questions asked in the instrument and provide information with ease. Furthermore, a pilot survey brings to light the weaknesses of the

questionnaires and of the survey techniques. The pilot study was carried out in donor funded project in Kiambu County. The study selected a pilot group of 35 based on Mugenda and Mugenda (2003) 10% of the sample size.

3.5.2 Validity of the Research Instrument

The important criterion of research is validity. Validity is the degree to which an instrument measures what it purports to measure. It estimates how accurately the data in the study represents a given variable or construct in the study (Saunders, Lewis, & Thornhill, 2009). During questionnaire construction, validity of the instrument was determined by verifying the content of the questionnaire through study supervisor. Construct validity was assessed by restricting the questions to the conceptualization of the variables and ensuring that the indicators of each variable fell within the same construct. Furthermore, Mugenda (2008) indicates that the quality of a research study depends to a large extent on the accuracy of the data collection procedure.

3.5.3 Reliability of the Research Instrument

Reliability is the tendency toward consistency and therefore, different measures of the same concept or the same measurements repeated over time should produce the same results. The index alpha is the most important index of internal consistency and is attributed as the mean of correlations of all the variables, and it does not depend on their arrangement (Ngechu, 2006). Equivalent-Forms Reliability was adopted to test for reliability of the instrument. The coefficient of stability method of assessing the reliability of the questionnaire involved administering the same instrument twice to the same pilot group of subjects. There was a two-week lapse between the first test and the second one. From the two administrations, spearman rank order correlation was employed to compute the correlation coefficient in order to establish the extent to which the contents of the questionnaires are consistent in eliciting the same responses. A correlation coefficient of [r] of 0.75 was considered high enough to judge the reliability of the instrument. Reliability was ascertained by use of the Karl Pearson's coefficient of correlation formula (Kothari, 2014).

3.6 Data Collection Procedure

Data collection procedures are critical as it enhance validity of the research process. The questionnaire package sent to potential respondents comprised of an introduction letter to the respondents, detailing the purpose of the study, an introductory letter from the University of Nairobi to be assisted in collection of data. The researcher made an appointment with management of the OBA project to be permitted to collect data and be assisted where the researcher needed help.

The questionnaires had a letter of transmittal indicating the sole purpose of the collection of the data and how the data was utilized. A drop and pick later method was used in some cases while in some instances researcher administered the instrument. Further efforts were done to increase response rate through follow up and developing support system with the respondents.

The questionnaire was administered using the drop and pick later method to the respondents because the respondents are in a position of answer the questions without must assistance. According to Saunders, Lewis and Thornhill (2009) drop and pick later method is suitable to respondents who are educated and can easily answer the questionnaire with ease. The study adopted drop and pick administration method to promote achievement of high response rate as data was collected from a large sample of pre-determined population. Data was collected in a standardized form using same questions to all respondents and no control or manipulation of variables was exercised.

3.7 Data Analysis Technique

Before processing the responses, the questionnaires were processed through editing for completeness and consistency. Coding was done on the basis of the locale of the respondents. Quantitative data was analysed using descriptive analysis and inferential analysis techniques with the help of Statistical Packages for Social Sciences (SPSS Version 21). Descriptive analysis included percentage, frequencies, means, and standard deviations. Qualitative data was analysed in relation to the study themes based on the objectives and reported in narrative form. Pearson correlation analysis was done to determine strength of association between donor requirements and implementation of

OBA project in Kayole Soweto, Nairobi County. Correlation analysis was executed to determine whether there exists a relationship between donor requirements and implementation of OBA projects in Kayole Soweto, Kenya. The research correlation result also tested at 95% level of confidence in order to provide for drawing conclusions about the population from the study sample.

3.8 Ethical Considerations

Ethical consideration is paramount for every study. Ethical issues apply to all research approaches and to every stage of research that is, in the identification of the research problem, data collection, data analysis and interpretation, and lastly in the writing and dissemination of the research (Ngechu, 2006). Ethical issues involve matters of access, confidentiality and anonymity of the participants, the participants' consent as well as legal issues like intellectual ownership, confidentiality, privacy, access and acceptance and deception (Saunders, Lewis & Thornhill, 2009).

This involved application for research permit, informed consents, acknowledge cited sources, authenticate reporting and confidentiality and anonymity of the respondents. Introduction letter to respondent, transmittal letter and research permit was used in an effort to observe research ethics. The respondents were assured of their confidentiality that no one was victimized for information he or she will provide since the study were only used for academic purpose.

3.9 Operationalization of Variables.

The independent variables were posed as statements of facts that sought to establish their relationship with the dependent variable, the respondents agreed or disagreed based on a measurement scale ranging from one to five for each of the statements. The results from the measurement scale were weighted and analyzed statistically in order to come to a conclusion on how valid they are and hence derive a conclusion on the relationship between the independent variables, donor requirements and implementation of OBA projects.

Table 3.3: Operationalization of Variables

Objective					
	Variable	Measurement	Measurement scale	Tools of analysis	Type of data analysis
To establish the influence of financial management requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto	Financial management requirements	-Adequate funds -Finance mobilization -Disbursement schedule - Resource Assigning - Terms of payment	Ordinal Interval	Percentages Frequencies, Means and standard Deviation Correlation	Descriptive data analysis
To establish the influence of regulatory framework on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto	Regulatory Framework Requirement	-Accountability -Regulatory support -Donor fund repayment - Engagement requirement	Nominal	Percentages Frequencies, Means and standard Deviation Correlation	Descriptive data analysis
To establish the influence of risk management requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto	Risk management requirements	- Financing responsibility - Decision management - Project management -Operation task execution	interval Nominal	Percentages Frequencies, Means and standard Deviation Correlation	Descriptive data analysis

<p>To establish the influence of stakeholder involvement requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto</p>	<p>Stakeholder Involvement requirements</p>	<ul style="list-style-type: none"> - Resource Mobilization -Information Sharing - Decision making -Remuneration -Project designing 	<p>Ordinal Nominal</p>	<p>Percentages Frequencies, Means and standard Deviation Correlation</p>	<p>Descriptive data analysis</p>
<p>Purpose of this research is to investigate influence of donor requirements on implementation of community projects in informal settlement in Nairobi County, Kenya focusing on a case OBA projects in Kayole Soweto.</p>	<p>Implementation of OBA Projects</p>	<ul style="list-style-type: none"> -Timeliness in project completion -Cost effectiveness -Efficient Service Provision 	<p>Ordinal Nominal</p>	<p>Percentages Frequencies, Means and standard Deviation Correlation and regression</p>	<p>Descriptive data analysis</p>

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents the finding and discussion of findings based on study variables drawn from the objectives. The thematic areas include introduction, background of the respondents, donor requirements operationalized by Financial management requirements, Regulatory Framework Requirement, Risk management requirements, Stakeholder Involvement requirements and dependent theme on Implementation of OBA Fund community Projects. Descriptive and correlation analysis techniques were used to analyze the data.

4.2: Questionnaire Return Rate

The researcher administered 350 questionnaires to respondents to fill and they were collected for analysis after two weeks, and the results presented in table 4.1 From a sample of 350 questionnaires administered to respondents, 283 questionnaires were filled, returned and were adequate for analysis. This constituted 81% response and was adequate to derive the inferences regarding the objectives of the research. This return rate was supported by Mugenda (2009) that a response rate of 50%, 60% or 70% was adequate for inferences to be drawn regarding the phenomenon under the study and presented in table 4.1.

Table 4.1: Questionnaire Return Rate

Respondents Category	Frequency	Percent
Questionnaire filled and returned	283	81
Questionnaires not returned	67	19
Questionnaire administered	350	100

4.3 Reliability Test Results

In this study, reliability was ensured through a piloted questionnaire that was subjected to a sample of 35 respondents from the target population for this test and they were not included in the actual data collection. The results obtained are presented in Table 4.2.

Table 4.2: Reliability Results

Variable	Cronbach's Alpha	No. Of Items
Financial management requirements	0.8011	5
Regulatory Framework Requirement	0.7438	6
Risk management requirements	0.7567	5
Stakeholder Involvement requirements	0.8371	6
Implementation of OBA Projects	0.7945	5
Overall	0.7866	5

From the results in Table 4.2, Cronbach's Alpha coefficient of financial management requirement was 0.8011 making question items reliable. The Cronbach Alpha coefficient for regulatory framework was 0.7438 making question items reliable. The reliability results on risk management requirement coefficient was 0.7567, stakeholder involvement requirements was 0.8371 while that of implementation of OBA project was 0.7945 making question item reliable. Overall, Cronbach's Alpha coefficients for the items were found to 0.7866. This demonstrated that questionnaire was reliable and in a position of collecting reliable data. The results were supported by Nachmias and Nachmias, 2006; Kothari (2014) that where the overall Cronbach Alpha coefficient was closer to 1 and greater than 0.7 the instrument was regarded reliable and consistent

4.4 Background Information of Respondents

The study sought the background information of the respondents. Specifically, the study assessed the highest level of education attained, the period long they have been involved in OBA Projects and the period respondents have had OBA Projects being implemented in their community. These are further discussed in the following subsequent themes.

4.4.1 Highest Level of Education

The level of Education was important in this study because implementation of donor funded projects at community level require learned and competent project team members. The respondents were requested to indicate the highest level of education attained and results presented in Table 4.2

Table 4.3: Highest Education Level

	Frequency	Percent
Primary Level	42	15
Secondary Level	94	33
College	93	32
University	36	14
Postgraduate	18	6
Total	283	100

The results in Table 4.3 indicated that 94(33%) of the respondents had attained secondary as the highest level of education, 93(32%) had attained college as the highest level of education attained, 42(15%) of the respondents indicated they had attained primary level as the highest level of education attained, 36(14%) of the respondents indicated that they had attained university level of education while 18(6%) indicated that they had attained post graduate as the highest level of education attained. This implied that the information was collected from respondents who were in a position to provide the relevant information on influence of donor requirements on implementation of donor funded project, OBA in Kayole Soweto

4.4.2 Distribution of Respondents based on Period involved in OBA projects

The respondents experience in working in OBA project was critical as it would determine the reliability of the data. The respondents were requested to indicate the period they had been involved in OBA projects and results presented in Table 4.4.

Table 4.4: Distribution of Respondents based on Period Involved in OBA projects

	Frequency	Percent
4 to 6 years	131	46
Above 6 years	152	54
Total	283	100

From results presented in Table 4.4, 152 (54%) of the respondents had been involved in OBA project for more than 6 years while 131 (46%) of the respondents had been involved in the OBA projects for 4 to 6 years. This implied that respondents had accumulated adequate experience to provide data on influence of donor requirements on implementation of OBA projects in Kayole, County of Nairobi.

4.4.3 Period respondents have worked in the OBA Projects

The longevity of service in a position is often associated with extensive skill and knowledge of the goings project on and operations of an entity. Based on this view, respondents were requested to include the period OBA Projects have been implemented in Kayole Soweto and results presented in Table 4.5

Table 4.5: Period OBA Projects have been implemented in Kayole

Responses	Frequency	Percent
4 to 6 years	102	36
Above 6 years	181	64
Total	283	100

The respondents were requested to indicate the length of time in which OBA project had been implemented. From the finding, majority, 181 (64%) of the respondents indicated that the project had been implemented for over 6 years while 102 (36%) indicated that

OBA projects had been implemented for 4 to 6 years. This implied that OBA project had been in the implementation stage for more than 6 years and contribution of donor requirements could be linked to level of project implementation success in Kayole Soweto area.

4.5 Financial management requirements and implementation of OBA Fund Community projects

The first objective of the study was to explore the influence of financial management requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. The respondents were requested to indicate the extent donor regulations influence OBA projects in Kayole Soweto and results presented in table 4.6.

Table 4.6: Donor Funds Regulations Influence Implementation of OBA projects

Respondents Category	Frequency	Percent
Yes	205	88
No	78	12
Total	283	100

The respondents were requested to indicate whether Donor Funds regulations influence implementation of OBA projects. The results, 205(88%) of the respondents indicated that donor funds regulations influence implementation of OBA projects in Kayole Soweto, in Nairobi County while 12% indicated otherwise. The respondents explained that donor fund disbursement have many conditions attached that may impede the success in implementing donor funded projects. The findings demonstrate that donor financial management regulations and need for accountability, transparency and schedule disbursement of the results influence implementation of donor funded community projects.

4.5.1 Extent financial management requirements influence implementation of OBA project in Kayole Soweto

The objective of the study was to determine the influence of financial management requirements on implementation of OBA projects in Kayole Soweto. The respondents were requested to indicate the extent they agree that financial management regulations influence the implementation of OBA Projects in Kayole Soweto. A Likert scale of 1 to 5 where 1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree was used and results presented in Table 4.7

Table 4.7: Extent to which financial management requirements influence implementation of OBA project in Kayole Soweto

	5	4	3	2	1	Mean	Std Dev
1.Availing funds follow specific time schedule	92(32%)	107(37%)	85(31%)	0	0	4.028	.789
2.Term of repayments are stringent	131(46%)	152(54%)	0	0	0	4.462	.499
3.Disbursement of project funds are on schedule	85(30%)	169(60%)	29(10%)	0	0	4.497	.604
4.Disbursement of fund has long procedures	122(43%)	161(57%)	0	0	0	4.431	.496
5.The frequency of donor fund disbursement is restricted	176(62%)	70(25%)	37(13%)	0	0	4.491	.716
6.Project cost management require transparency	130(46%)	153(54%)	0	0	0	4.459	.499
7.Donors disbursements require accountability	146(51%)	107(38%)	30(11%)	1	0	4.406	.684
8.Donor fund has commitment fee charged causing delays in funding the project	118(41%)	165(59%)	0	0	0	4.399	.497
9.Accurate estimation release of fund for project implementation	187(66%)	94(33%)	2(1%)	0	0	4.653	.491
Composite Mean and standard deviation						4.402	0.586

In item 1, the study focus on the extent availing funds follow specific time schedule. Out of 283 respondents, 107(37%) agreed that availing funds follow specific time schedule in the implementation of in OBA project in Kayole Soweto, 92(32%) of the respondents strongly agreed while 85(31%) were neutral. Further descriptive analysis indicated that respondents agreed that availing funds follow specific time schedule in the implementation of in OBA project in Kayole Soweto as indicated by a mean score of 4.028 and a standard deviation of 0.789 which is lower than the composite mean of 4.402 and a standard deviation of 0.586. This implies that availing funds follow specific time schedule in the implementation of in OBA project in Kayole Soweto contribute to a less extent to implementation of the OBA project implementations.

In item 2, the study assessed the extent respondents agreed that term of repayments are stringent. Out of 283 respondents, 152(54%) agreed that term of repayments are stringent in implementation of OBA project in Kayole Soweto, 131(46%) of the respondents strongly agreed while 29(10%) were neutral. Further descriptive analysis indicated that respondents agreed that term of repayments are stringent in implementation of OBA project in Kayole Soweto as indicated by a mean score of 4.462 and a standard deviation of 0.499 which is higher than the composite mean of 4.402 and a standard deviation of 0.586. This implies that term of repayments being stringent hinder successful implementation of in OBA project in Kayole Soweto to a great extent.

In item 3, the study focused on disbursement of project funds and if they were on schedule. Out of 283 respondents, 169(60%) agreed that disbursement of project funds were on schedule during execution of OBA project in Kayole Soweto, 85(30%) of the respondents strongly agreed while 29(10%) were neutral. Further descriptive analysis indicated that respondents agreed that disbursement of project funds were done on schedule in the execution of OBA project in Kayole Soweto as indicated by a mean score of 4.497 and a standard deviation of 0.604 which is higher than the composite mean of 4.402 and a standard deviation of 0.586. This demonstrated that disbursement of project funds on schedule influences implementation of OBA project in Kayole Soweto to a great extent.

In item 4, the study focused on disbursement of fund has long procedures. Out of 283 respondents, 161(57%) agreed that disbursement of fund has long procedures during execution of OBA project in Kayole Soweto and 122(43%) of the respondents strongly agreed. Further descriptive analysis indicated that disbursement of fund has long procedures affecting execution of OBA project in Kayole Soweto as indicated by a mean score of 4.431 and a standard deviation of 0.496 which is higher than the composite mean of 4.402 and a standard deviation of 0.586. This demonstrated that disbursement of fund has long procedures and influence implementation of in OBA project in Kayole Soweto to a great extent.

In item 5, the study focused on the frequency of donor fund disbursement being restricted. Out of 283 respondents, 176(62%) strongly agreed that frequency of donor fund disbursement as being restricted in the execution of OBA project in Kayole Soweto and 70(25%) of the respondents agreed while 37(13%) were neutral. Further descriptive analysis indicated that disbursement frequency of donor fund disbursement being restricted affect execution of OBA project in Kayole Soweto as indicated by a mean score of 4.459 and a standard deviation of 0.499 which is higher than the composite mean of 4.402 and a standard deviation of 0.586. This demonstrated that frequency of donor fund disbursement being restricted affected implementation of in OBA project in Kayole Soweto to a great extent.

In item 6, the study focused on the project cost management requirement on transparency. Out of 283 respondents, 153 (54%) agreed that study focused on the project cost management requirement on transparency in the execution of OBA project in Kayole Soweto and 130(46%) of the respondents agreed while 37(13%) were neutral. Further descriptive analysis indicated that the project cost management requirement on transparency in execution of OBA project in Kayole Soweto as indicated by a mean score of 4.459 and a standard deviation of 0.499 which is higher than the composite mean of 4.402 and a standard deviation of 0.586. This demonstrated that project cost management requirement on transparency affects implementation of in OBA project in Kayole Soweto to a great extent.

In item 7, the study focused on donors disbursements require accountability. Out of 283 respondents, 146(51%) strongly agreed that donors disbursements require accountability in the execution of OBA project in Kayole Soweto and 107(38%) of the respondents agreed, while 107(138%) agreed while 30(11%) while 1(1%) indicated that they disagree. Further descriptive analysis indicated that the donor's disbursements require accountability in execution of OBA project in Kayole Soweto as indicated by a mean score of 4.406 and a standard deviation of 0.499 which is higher than the composite mean of 4.402 and a standard deviation of 0.684. This demonstrated that donor's disbursements requirements on accountability and transparency affect implementation of in OBA project in Kayole Soweto to a great extent.

In item 8, the study focused on donor fund has commitment fee charged causing delays in funding the project. Out of 283 respondents, 167(59%) agreed that donor fund has commitment fee charged causing delays in funding execution of OBA project in Kayole Soweto and 118(41%) of the respondents agreed. Further descriptive analysis indicated that donor fund has commitment fee charged causing delays in funding the project execution of OBA project in Kayole Soweto as indicated by a mean score of 4.399 and a standard deviation of 0.497 which is lower than the composite mean of 4.402 and a standard deviation of 0.684. This demonstrated that donor fund has commitment fee charged causing delays in funding the project implementation of in OBA project in Kayole Soweto to a great extent.

In item 9, the study focused on accurate estimation of release of funds for project implementation. Out of 283 respondents, 187(66%) agreed that accurate estimation release of fund for OBA project implementation funding. Further descriptive analysis respondents agreed accuracy in estimation release of fund affect project implementation Kayole Soweto as indicated by a mean score of 4.633 and a standard deviation of 0.491 which is higher than the composite mean of 4.402 and a standard deviation of 0.684. This demonstrated that accurate estimation release of fund for project implementation project implementation of in OBA project in Kayole Soweto to a great extent. The respondents further indicated that budgeting requirement, demand for accountability before fund disbursement, long and tedious procedures for funds disbursement result in delays in

funding the projects activities and affect implementation of OBA projects in Kayole Soweto.

4.6 Influence of Regulatory framework requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

The second objective of the study was to explore the influence of regulatory framework requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. The respondents were requested to indicate the extent donor regulations influence OBA projects in Kayole Soweto and results presented in table 4.8.

Table 4.8: Donor regulatory framework and their influence on implementation of OBA project

Respondents Category	Frequency	Percent
Yes	273	96
No	10	4
Total	283	100

From the Results in Table 4.8, 96% indicate donor regulations influence implementation OBA project for the community while 4% indicated otherwise. This implied donor regulations contribute to an extent the successful implementation of OBA projects in Kayole Soweto. The respondents explained that numerous policies governing management funds, limited funding regimes, long procedures and bureaucracy in disbursing donor funds have negative impact on implementation of donor community projects in Kayole Soweto.

4.7 Influence of regulatory framework on implementation of OBA Projects in Kayole Soweto

The respondents were requested to indicate the extent they agree with the statements on regulatory framework influencing implementation of OBA Projects in Kayole Soweto. A Likert scale of 1 to 5 where 1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree was used and results presented in Table 4.9

Table 4.9: Influence of regulatory framework on implementation of OBA Projects in Kayole Soweto

Statement	5	4	3	2	1	Mean	Std Dev
1.Disbursements are usually done following scheduled tranches	46(16%)	200(71%)	17(6%)	20(7%)	0	3.964	.708
2.Donor agencies require implementing partners to have consultants	160(57%)	83(29%)	32(11%)	8(3%)	0	4.395	.798
3.There is training requirement for project	66(23%)	132(47%)	85(30%)	0	0	3.862	.853
4.There is requirement for financial	94(34%)	134(48%)	47(16%)	8(2%)	0	4.116	.905
5.The existing donor expenditure protocols by administrators results in	99(35%)	131(46%)	53(19%)	0	0	4.124	.777
6.Labor provision and remuneration contribute to project success	88(31%)	132(47%)	54(19%)	9(3%)	0	4.082	.790
7.The donor agencies require that the implementing partner uses a particular auditing system	110(39%)	129(46%)	21(7%)	23(8%)	0	3.9435	1.050
8.The donor reporting requirements are cumbersome and time consuming	95(34%)	115(41%)	50(17%)	8(3%)	15(5%)	4.8375	.826
Composite Mean and standard deviation						3.726	0.731

In item 1, the study focused on the extent respondents agreed that donor disbursements were usually done following specific scheduled tranches. Out of 283 respondents, 201(71%) agreed that donor disbursements were usually done following specific scheduled tranches in OBA project in Kayole Soweto, 46(16%) of the respondents strongly agreed, 17(6%) were neutral while 20(7%) disagreed. Further descriptive analysis indicated that respondents agreed that donor disbursements were usually done

following specific scheduled tranches OBA project as indicated by a mean score of 3.964 and a standard deviation of 0.708 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor fund disbursements following specific scheduled tranches in OBA project in Kayole Soweto contribute to implementation of the OBA project implementations.

In item 2, the study focus on the extent respondents agreed that donor agencies required implementing partners to have consultants. Out of 283 respondents, 160(56%) strongly agreed that donor agencies required implementing partners to have consultants in OBA project in Kayole Soweto, 83(29%) of the respondents agreed, 32(11%) were neutral while 20(7%) disagreed. Further descriptive analysis indicated that respondents agreed that donor agencies required implementing partners to have consultants in the execution of OBA project as indicated by a mean score of 4.395 and a standard deviation of 0.798 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor agencies required implementing partners to have consultants in the implementation of the OBA project in Kayole Soweto.

In item 3, the study focused on the extent of training requirement for project teams. Out of 283 respondents, 132(47%) agreed that there is training requirement for project teams in OBA project in Kayole Soweto, 85(30%) of the respondents were neutral, 66(23%) were strongly agreed. Further descriptive analysis indicated requirement for having training for project teams in the execution of OBA project influence project implementation as indicated by a mean score of 3.862 and a standard deviation of 0.853 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor requirement on having training requirement for project teams contribute to a great extent to implementation of the OBA project in Kayole Soweto.

In item 4, the study focus on the extent there is requirement for financial management systems. Out of 283 respondents, 134(48%) agreed that there was requirement for financial management systems in the implementation of OBA project in Kayole Soweto, 94(34%) of the respondents strongly agreed, 47(16%) were neutral while 8(2%) disagreed. Further descriptive analysis respondents agreed that there was requirement for

financial management systems in the execution of OBA project influence project implementation as indicated by a mean score of 4.116 and a standard deviation of 0.905 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor requirement on having financial management systems contribute to a great extent to implementation of the OBA project in Kayole Soweto.

In item 5, the study focused on how the existing donor expenditure protocols by administrators results in delay in funds. Out of 283 respondents, 131(46%) agreed that existence of donor expenditure protocols by administrators results in delay in fund in the implementation of OBA project in Kayole Soweto, 99(35%) of the respondents strongly agreed, 54(19%) were neutral while 8(2%) disagreed. Further descriptive analysis respondents agreed that the existence of donor expenditure protocols by administrators results in delay in fund in the execution of OBA project influence project implementation as indicated by a mean score of 4.124 and a standard deviation of 0.777 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor requirement on the existence of donor expenditure protocols by administrator's results in delays in fund to a great extent to implementation of the OBA project in Kayole Soweto.

In item 6, the study focus on labor provision and remuneration contribute to project success. Out of 283 respondents, 130(47%) agreed that existence of labor provision and remuneration contribute to success rate in implementation of OBA project in Kayole Soweto, 85(31%) of the respondents strongly agreed, 51(19%) were neutral while 9(3%) disagreed. Further descriptive analysis respondents agreed that the existence of labor provision and remuneration contribute to execution of OBA project as indicated by a mean score of 4.082 and a standard deviation of 0.790 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that labor provision and remuneration requirement contribute to OBA project success in Kayole Soweto.

In item 7, the study focus on the donor agencies requires that the implementing partner uses a particular auditing system. Out of 283 respondents, 129(45%) agreed that the donor agencies enforced requirements on implementing partner use of a particular

auditing system in implementation of OBA project in Kayole Soweto, 110(39%) of the respondents strongly agreed, 21(7%) were neutral while 23(8%) disagreed. Further descriptive analysis respondents agreed that donor agencies enforced requirements on implementing partner use of a particular auditing system in implementation of OBA project in Kayole Soweto as indicated by a mean score of 3.9435 and a standard deviation of 1.050 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that donor agencies enforced requirements on implementing partner use of a particular auditing system in implementation of OBA project in Kayole Soweto to a great extent.

In item 8, the study focus on the donor reporting requirements are cumbersome and time consuming. Out of 283 respondents, 115(41%) agreed that the donor reporting requirements were cumbersome and time consuming affecting implementation of OBA project in Kayole Soweto, 95 (39%) of the respondents strongly agreed, 50(7%) were neutral while 8(3%) disagreed. Further descriptive analysis respondents strongly agreed that the donor reporting requirements were cumbersome and time consuming affecting implementation of OBA project in Kayole Soweto as indicated by a mean score of 4.8375 and a standard deviation of 0.826 which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that the donor reporting requirements were cumbersome and time consuming in implementation of OBA project in Kayole Soweto to a great extent. The respondents further explained that to some extent controlled projects operations, need for elaborated planning procured, need for labor policies and contracts and agreements influence implementation of the donor funded OBA projects in Kayole Soweto.

4.8 Risk management requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

The third objective of the study was to determine influence of risk management requirements on implementation of OBA projects in Kayole Soweto. The respondents were requested to indicate whether community were involved in decision making in the implementation of OBA projects.

Table 4.10: Community involvement in decision making in implementation of OBA project

Respondents Category	Frequency	Percent
Yes	227	80
No	56	20
Total	283	100

The results indicate 227 (80%) of the respondents were positive that community get involved decision making in implementation of OBA project while 20% indicated otherwise. This demonstrated that community involvement in decision making on project activities, resource mobilization, information, and idea sharing to foster implementation of the OBA projects to improve access to water, increase water supplies and improved sanitation.

Table 4.11: Involvement of community resources by donors in implementation of OBA projects

Respondents Category	Frequency	Percent
Yes	235	83
No	48	17
Total	283	100

The results in Table 4.11 indicate that 235 (83%) of the respondents indicated that donor involved available community resources towards implementation of OBA project while 48(17%) of the respondents indicated otherwise. The respondents explained that involvement of the stakeholders in donor funded projects contributed significantly toward OBA projects. The respondents further explained that involvement of the stakeholders increase the sense ownership, improve relationship among the stakeholders and influence implementation of donor funded projects in Kayole Soweto.

4.8.1 Extent to which risk management requirements influence implementation of OBA Projects

The respondents were requested to indicate the extent risk management requirements on implementation of OBA projects in Kayole Soweto. The respondents were requested to indicate the extent they agree with the statements on a Likert scale of 1 to 5 where 1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree. The results are presented in Table 4.12

Table 4.12: Extent to which risk management requirements influence implementation of OBA Projects

Statements	5	4	3	2	1	Mean	Std Dev
1.Donor agencies are involved in identification of project risks	126(44%)	93(34%)	49(17%)	15(5%)	0	4.011	.657
2.There is enhanced involvement of project risk planning	151(53%)	100(35%)	24(9%)	8(3%)	0	4.280	.501
3.Donor agency requires that internal controls instituted in the implementing organization	141(50%)	131(46%)	3(1%)	8(3%)	0	4.037	.976
4. Donor require reduction in information gap and risks	168(59%)	84(30%)	24(9%)	7(2%)	0	4.424	.633
5.There is requirement for adequate information	170(60%)	96(34%)	17(6%)	0	0	4.537	.553
6.Donor requires effective coordination of project activities	147(52%)	136(48%)	0	0	0	4.428	.690
7.The donor agency requirement are involved in monitoring and evaluation of project progress	128(45%)	118(42%)	37(13%)	0	0	4.321	.657
8.The donor agency identify problems and offer priorities based on the pressing needs	132(47%)	62(22%)	89(31%)	0	0	4.480	.560
Composite Mean and standard deviation						4.265	0.653

In item 1, the study focus on the extent donor agencies were involved in identification of project risks. Out of 283 respondents, 126 (44%) strongly agreed that donor agencies were involved in identification of project risks in OBA project in Kayole Soweto, 93(34%) of the respondents strongly agreed, 49(17%) were neutral while 15(5%) disagreed. Further descriptive analysis indicated that respondents agreed that donor agencies being involved in identification of project risks in OBA project as indicated by a mean score of 4.011 and a standard deviation of 0.657 which is lower than the composite mean of 4.265 and a standard deviation of 0.653. This implies that donor agencies being involved in identification of project risks in OBA project in Kayole Soweto contribute to a less extent to implementation of the OBA project implementations.

In item 2, focused on extent to which there was enhanced involvement of project risk planning. Out of 283 respondents, 151 (53%) strongly agreed that there was enhanced involvement of project risk planning in OBA project in Kayole Soweto, 100(35%) of the respondents agreed, 24(9%) were neutral while 8(3%) disagreed. Further descriptive analysis respondents agreed that existence of enhanced involvement of project risk planning in OBA project as indicated by a mean score of 4.280 and a standard deviation of 0.501 which is higher than the composite mean of 4.265 and a standard deviation of 0.653. This implies that enhanced involvement of project risk planning in OBA project in Kayole Soweto contribute to a larger extent to implementation of the OBA project implementations.

In item 3, donor agency requires that internal controls instituted in the implementing organization be adequate to minimize. Out of 283 respondents, 141 (50%) strongly agreed that donor agency required internal controls instituted in the implementing organization and adequate to minimize in OBA project in Kayole Soweto, 131(46%) of the respondents agreed, 2(1%) were neutral while 8(3%) disagreed. Further descriptive analysis respondents agreed that donor agency requirement in internal controls instituted in the implementing organization to minimize risks in OBA project as indicated by a mean score of 4.037 and a standard deviation of 0.501 which is lower than the composite mean of 4.265 and a standard deviation of 0.653. This demonstrate that donor agency requirements that internal controls instituted in the implementing organization minimize

risks in OBA project in Kayole Soweto contribute to a less extent to implementation of the OBA project implementations.

In item 4, donor requirements on reduction in information gap and risks in the implementing organization should adequate to minimize. Out of 283 respondents, 168 (59%) strongly agreed that donor requirements on reduction in information gap and risks in the implementing organization should be adequate to minimize in OBA project in Kayole Soweto, 84(30%) of the respondents agreed, 24(9%) were neutral while 7(2%) disagreed. Further descriptive analysis respondents agreed that donor requirements on reduction in information gap and risks in the implementing organization being adequate to minimize risks in OBA project as indicated by a mean score of 4.424 and The second objective of the study was to explore the influence of regulatory framework requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. The respondents were requested to indicate the extent donor regulations influence OBA projects in Kayole Soweto and results presented in table 4.8. a standard deviation of 0.633 which is higher than the composite mean of 4.265 and a standard deviation of 0.653. This demonstrate that donor requirements on reduction in information gap and risks in the implementing organization be adequate to minimize in OBA project in Kayole Soweto contribute to a larger extent to implementation of the OBA projects

In item 5, the study focused on the existence of adequate information sharing in risk management. Out of 283 respondents, 170(60%) strongly agreed that there should exist of adequate information sharing in risk management.in OBA project in Kayole Soweto, 96(34%) of the respondents agreed while 76% were neutral. Further descriptive analysis respondents strongly agreed that existence of adequate information sharing in risk management minimize risks in OBA project as indicated by a mean score of 4.537 and a standard deviation of 0.553 which is higher than the composite mean of 4.265 and a standard deviation of 0.653.This demonstrate that donor requirements on there should exist of adequate information sharing in risk management minimize risks in OBA project in Kayole Soweto contribute to a larger extent to implementation of the OBA project.

In item 6, the study focused on donor requirements for effective coordination of project activities. Out of 283 respondents, 147(52%) strongly agreed that there is donor requirements for effective coordination of project activities in Kayole Soweto while 136(34%) of the respondents agreed. Further descriptive analysis respondents agreed that existence of donor requirement on effective coordination of project activities in OBA project as indicated by a mean score of 4.428 and a standard deviation of 0.690 which is higher than the composite mean of 4.265 and a standard deviation of 0.653. This demonstrate that donor requirements on effective coordination of project activities in OBA project in Kayole Soweto contributed to implementation of the OBA project to a larger extent.

In item 7, the study focused on the donor agency requirement on being involved in monitoring and evaluation of project progress. Out of 283 respondents, 128(45%) strongly agreed that there existed donor agency requirement on being involved in monitoring and evaluation of project progress in Kayole Soweto, 118(42%) of the respondents agreed while 37(13%) were neutral. Further descriptive analysis respondents agreed that existence of donor agency requirement on being involved in monitoring and evaluation of project progress in OBA project as indicated by a mean score of 4.321 and a standard deviation of 0.690 which is higher than the composite mean of 4.265 and a standard deviation of 0.653. This demonstrate that donor agency requirement on being involved in monitoring and evaluation of project progress contributed to implementation of the OBA project in Kayole Soweto to a great extent.

In item 8, the study focused on the donor agency identify problems and offer priorities based on the pressing needs. Out of 283 respondents, 132(47%) strongly agreed that donor agency identification of problems and offer priorities based on the pressing needs in Kayole Soweto, 62(22%) of the respondents agreed while 89(31%) were neutral. Further descriptive analysis respondents agreed that donor agency identification of problems and offer priorities based on the pressing needs in OBA project as indicated by a mean score of 4.480 and a standard deviation of 0.0.560 which is higher than the composite mean of 4.265 and a standard deviation of 0.653. This demonstrate that donor

agency identification of problems and offer priorities based on the pressing needs contributed to implementation of the OBA project in Kayole Soweto to a great extent.

4.9 Stakeholder involvement requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

The fourth objective of the study was to determine influence of stakeholder involvement requirements on implementation of OBA projects in Kayole Soweto. The respondents were requested to indicate whether the donor agency required stakeholder involvement in the implementation of OBA projects.

Table 4.13: Donor requirement for stakeholder involvement in OBA projects

Respondents Category	Frequency	Percent
Yes	205	88
No	29	12
Total	283	100

4.9.1 Extent to which stakeholder’s involvement requirement influence implementation of OBA funded project in Kayole Soweto

The respondents were requested to indicate the extent of stakeholder involvement on implementation of OBA projects in Kayole Soweto. The respondents were requested to indicate the extent they agree with the statements on a Likert scale of 1 to 5 where 1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree. The results are presented in Table 4.14

Table 4.14 Extent to which stakeholder’s involvement requirements influence implementation of OBA funded project in Kayole Soweto

Responses Statement	5	4	3	2	1	Mean	Std Dev
1.Stakeholders are required to be involved in resource mobilization	121(43%)	132(47%)	30(10%)	0	0	3.756	1.048
2.There is requirement for involvement of stakeholders in risk auditing	145(51%)	129(46%)	9(3%)	0	0	3.922	.989
3.Donor agency require stakeholders involvement in project designing and planning	161(57%)	112(39%)	10(4%)	0	0	3.897	1.038
4.Donor agency requires for stakeholder project ownership	142(50%)	119(42%)	22(8%)	0	0	3.830	1.024
5.The donor agency requires involvement in of stakeholders in decision is done with ease	160(56%)	115(42%)	8(2%)	0	0	4.038	.908
6.There is require for stakeholders responsibility	122(44%)	139(49%)	15(5%)	7(2%)	0	3.693	0.948
Composite Mean and standard deviation						3.867	0.836

In item 1, the study focus on the extent to which stakeholders were required to be involved in resource mobilization. Out of 283 respondents, 132 (47%) agreed that stakeholders were required to be involved in resource mobilization in OBA project in Kayole Soweto, 121(43%) of the respondents strongly agreed while 30(10%) were neutral. More descriptive analysis indicated that respondents agreed that stakeholders were required to be involved in resource mobilization in OBA project as indicated by a mean score of 3.756 and a standard deviation of 1.048 which is lower than the composite mean of 3.867 and a standard deviation of 0.836. This implies that stakeholders being required to be involved in resource mobilization in OBA project in Kayole Soweto is not as expected and Impeded OBA project implementations.

In item 2, the study focus on what extent there was on requirement for involvement of stakeholders in risk auditing. Out of 283 respondents, 145 (51%) strongly agreed that

there was requirement for involvement of stakeholders in risk auditing in OBA project in Kayole Soweto, 129(46%) of the respondents agreed while 9(3%) were neutral. More descriptive analysis indicated that respondents agreed that there was requirement for involvement of stakeholders in risk auditing in OBA project as indicated by a mean score of 3.922 and a standard deviation of 0.989 which is higher than the composite mean of 3.867 and a standard deviation of 0.836. This implies that there was requirement for involvement of stakeholders in risk auditing in OBA project in Kayole Soweto that influence implementation of OBA project implementations in Kayole Soweto.

In item 3, the study sought the extent donor agency require stakeholders' involvement in project designing and planning. Out of 283 respondents, 161 (50%) strongly agreed that there was donor agency required stakeholders involvement in project designing and planning in OBA project in Kayole Soweto, 112(39%) of the respondents agreed while 10(4%) were neutral. More descriptive analysis indicated that respondents agreed that donor agency required stakeholders involvement in project designing and planning in OBA project as indicated by a mean score of 3.897 and a standard deviation of 1.039 which is higher than the composite mean of 3.867 and a standard deviation of 0.836. This implies that donor agency required stakeholders involvement in project designing and planning in OBA project in Kayole Soweto that influence implementation of OBA project implementations in Kayole Soweto .

In item 4, the study focused on donor agency requirements for stakeholder project ownership. Out of 283 respondents, 142 (50%) strongly agreed that donor agency requires for stakeholder project ownership in OBA project in Kayole Soweto, 119(42%) of the respondents agreed while 22(4%) were neutral. Further descriptive analysis indicated that respondents agreed that donor agency requires for stakeholder project ownership in OBA project as indicated by a mean score of 3.830 and a standard deviation of 1.039 which is higher than the composite mean of 3.867 and a standard deviation of 0.836. This implies that donor agency requires for stakeholder project ownership influence implementation of OBA project implementations in Kayole Soweto though not to the expected level.

In item 5, the study there is require for stakeholders' responsibility requirement. Out of 283 respondents, 160 (56%) strongly agreed that the donor agency requires involvement in of stakeholders in OBA project in Kayole Soweto, 115(42%) of the respondents agreed while 8(2%) were neutral. Further descriptive analysis respondents agreed that the donor agency requires involvement of stakeholders in OBA project as indicated by a mean score of 4.038 and a standard deviation of 0.908 which is higher than the composite mean of 3.867 and a standard deviation of 0.836. This implies that the donor agency requires involvement stakeholders in influence implementation of OBA project implementations in Kayole Soweto though not to the expected level.

In item 6, the study focused on whether there was requirement for stakeholder's responsibility. Out of 283 respondents, 139 (49%) agreed that there is requirement for stakeholders responsibility in OBA project in Kayole Soweto, 122(44%) of the respondents strongly agreed, 15(5%) were neutral while 7(2%) agreed. Further descriptive analysis show that respondents agreed that there was requirement for stakeholders' responsibility in OBA project as indicated by a mean score of 3.693 and a standard deviation of 0.948 which is lower than the composite mean of 3.867 and a standard deviation of 0.836. This implies that the existence of requirement for stakeholders responsibility in influence implementation of OBA project implementations in Kayole Soweto though not to the expected level which could be attributed to stringent stakeholder requirements by donors.

4.10 Implementation of OBA Projects in Kayole Soweto

The dependent variable of the study was to study implementation of Output Based Aid (OBA) projects in Kayole Soweto. The respondents were requested to indicate whether there has been an improvement in water and sanitation services since the inception on OBA.

Table 4.15: Extent of implementation of OBA projects in Kayole Soweto

Statement	5	4	3	2	1	Mean	Std Dev
1. There is increase accessibility of water among community in Kayole Soweto	75(26%)	115(41%)	45(16%)	45(16%)	3(1%)	3.752	.487
2. There were reports increase in number of sanitation programs	91(32%)	116(41%)	39(14%)	37(13%)	0	3.922	.989
3. There is increase supply of waters among Kayole Soweto residents	97(35%)	96(34%)	60(21%)	24(8%)	6(2%)	3.897	.538
4. The cost of water supply is low	86(30%)	104(36%)	59(21%)	31(12%)	3(1%)	3.830	.424
5. The number of sewer connection has increased	101(37%)	113(40%)	48(17%)	21(6%)	0	4.038	.908
Composite Mean and standard deviation						3.886	.669

In item 1, respondents were requested to indicate the extent they agreed that there is increase in accessibility of water among the community. Out of 283 respondents, 115 (41%) agreed that there is increase in accessibility of water among the community in Kayole Soweto, 75 (26%) of the respondents agreed, 45(16%) were neutral while 3(1%) disagreed. More descriptive analysis indicated that respondents agreed that there is increase in accessibility of water among the community as indicated by a mean score of 3.752 and a standard deviation of 0.487 which is lower than the composite mean of 3.886 and a standard deviation of 0.669. This implies that the increase in accessibility of water among the community in Kayole Soweto is not as expected and this could be impeded by donor requirements on OBA project implementations.

In item 2, the study focused on extent respondents agreed that there were reports on increase in number of sanitation programs. Out of 283 respondents, 116 (41%) agreed that there were reports on increase in number of sanitation programs in Kayole Soweto, 91 (32%) of the respondents strongly agreed, 39(13%) were neutral. Further descriptive

analysis indicated that respondents agreed that there were reports on increase in number of sanitation programs as indicated by a mean score of 3.922 and a standard deviation of 0.989 which is higher than the composite mean of 3.886 and a standard deviation of 0.669. This implies that there were increase in number of sanitation programs in Kayole Soweto as expected.

In item 3, the study assessed whether there is increase supply of waters among Kayole Residents in Kayole Soweto. Out of 283 respondents, 97(35%) strongly agreed that there is increase supply of waters among residents in Kayole Soweto, 96(34%) agreed, 60(21%) were neutral, 24(8%) disagreed while 6(2%) strongly disagreed. Further descriptive analysis indicated that respondents agreed that there is increase supply of water among Kayole Soweto residents as indicated by a mean score of 3.897 and a standard deviation of 0.538 which is higher than the composite mean of 3.886 and a standard deviation of 0.669. This implies that there is increased supply of water among Kayole Soweto residents as expected again attributable to donor requirements governing the implementation of the OBA projects in Kayole Soweto informal settlements.

In item 4, the study focused on extent respondents agreed that the cost of water supply is low among the community in Kayole Soweto. Out of 283 respondents, 104(36%) agreed that the cost of water supply is low in Kayole Soweto, 86(30%) strongly agreed, 59(21%) were neutral, 31(12%) disagreed while 3(1%) strongly disagreed that the cost of water supply is low. Further descriptive analysis indicated that respondents agreed that the cost of water supply is low as indicated by a mean score of 3.830 and a standard deviation of 0.424 which is lower than the composite mean of 3.886 and a standard deviation of 0.669. This implies that the cost of water supply was not as low as expected again attributable to donor requirements that affect implementation of the OBA projects in Kayole Soweto informal settlements.

In item 5, the study sought to find out the extent to which respondents agreed that the number of sewer connection increased in Kayole Soweto. Out of 283 respondents, 113 (40%) agreed that the number of sewer connections increase in Kayole Soweto, 101(37%) strongly agreed, 48 (17%) were neutral and 21 (7%) disagreed. Further

descriptive analysis indicated that respondents agreed that the number of sewer connections increase as indicated by a mean score of 4.038 and a standard deviation of 0.908 which is higher than the composite mean of 3.886 and a standard deviation of 0.669. This implies that there the number of sewer connections increase as expected in Kayole Soweto informal settlements.

4.11 Correlation Analysis

The study conducted a Pearson Correlation analysis for all the study variables at 95% level of confidence level as presented Table 4.14.

Table 4.16: Correlation of the study variables

Factors		Implementation of OBA Projects
Financial management requirements	Pearson Correlation	-0.817(*)
N	Sig. (2-tailed)	0.012
Regulatory Framework Requirement	Pearson Correlation	-0.785(*)
N	Sig. (2-tailed)	.001
Risk management requirements	Pearson Correlation	0.753(*)
N	Sig. (2-tailed)	.001
Stakeholder Involvement requirements	Pearson Correlation	0.802(*)
N	Sig. (2-tailed)	.014
N	283	

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

From the correlation results, the study established that there exist a strong, negative and significant correlation between financial management requirements and implementation of OBA projects in Kayole Soweto informal settlement as $r = -0.817$. This implied that there exist a significant negative relationship between financial management requirements and implementations of OBA projects in Kayole Soweto informal settlements. The finding concurred with Rondinelli (2013) that donor funded community project implementation delays due to strict financial requirements posing as a challenge

that create delays and cost overruns, inadequate funding and ineffective fund disbursement schedules also affect implementation of the project. The results were consistent with Nthenge (2014) finding that financial and cost management and long budgetary procedure contribute affected implementation of the project.

The correlation findings presented in Table 4.16 indicates there exist a strong, negative and significant correlation between regulatory framework requirements and implementation of OBA project in Kayole Soweto Informal settlement in Nairobi as $r = -0.785$. This implied that regulatory framework requirements impacts negatively on the implementation of donor funded, OBA project in Kayole informal settlements in Nairobi. The results predict a negative and significant relationship between donor regulatory framework and implementation of donor funded projects in informal settlements in developing countries like Kenya. The findings were in consistent with Lemma, (2014) that donor funded projects in the country experience a myriad of problems that include ineffective boards, absence of strategic planning activities, poor recording practices, lack of necessary policies and procedures, high turnover of employees and volunteers and dependence limiting funding sources and impeding donor funded implementation in developing countries.

From correlation results, the study found that there exist a strong, positive and significant association between risk management requirements and implementation of OBA projects in Kayole Soweto informal settlements in Nairobi County as $r = 0.753$. This demonstrated that donor requirements on risk management contribute positively toward implementation of donor funded OBA projects in Kayole Soweto informal settlement. The results further predict that donor requirement on risk management requirements have significant contribution to implementation of Donor funded community projects. Further, Keng'ara (2014) indicated that regulatory framework on fund disbursement performance in Kenya recommends that to reduce the delay between signing the loan agreement and first disbursement the Program implementation unit must be constituted.

Correlation results presented in Table 4.16 established that there exist a strong, positive and significant relationship between stakeholders involvement requirements and

implementation of OBA projects in Kayole Soweto informal settlements in Nairobi County as $r = 0.802$. This demonstrated that donor requirements on involvement of stakeholders contribute positively toward implementation of donor funded OBA projects in Kayole Soweto informal settlement. The results further predict that donor requirement on stakeholder's involvement have significant contribution to implementation of Donor funded community projects. The results concurred Willy and Jacklin (2015) that community involvement in donor funded projects as a critical and important tool that influence successful implementations of projects and foster project sustainability.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter describes the summary of findings from the study, conclusions, and recommendations of the study.

5.2 Summary of Findings

The study revealed that donor requirements contributed to implementation of OBA project to a varying extent. From the findings, the study revealed that donor requirements led to increment in accessibility of water among the community in Kayole Soweto though not as expected and this could be impeded by donor requirements on OBA project implementations. There was increase in number of sanitation programs to a great extent (M= 3.922, SD= 0.989) and increased supply of water among Kayole Soweto residents to a great extent (M=3.897, SD= 0.538) which is higher than the composite mean of 3.886 and a standard deviation of 0.669. The results demonstrated that implementation of OBA project failed to lower cost of water supply as expected again attributable to donor requirements that affect implementation of the OBA projects in Kayole Soweto informal settlements.

The study established that financial management requirements have negative influence on the implementation of OBA projects in Kayole Soweto Area. Correlation findings revealed that there exist a strong, negative and significant correlation between financial management requirements and implementation of OBA projects in Kayole Soweto Informal settlement ($r = -0.817$). The findings were consistent with descriptive results that established that financial management requirements such as availing funds follow a specific time schedule that contributed to less implementation of in OBA project in Kayole Soweto (M= 4.028, SD= 0.789) . Further descriptive findings revealed that term of repayments being stringent affected implementation of OBA project in Kayole Soweto to a great extent (M=4.462, SD= 0.499). Disbursement of project funds not being done on schedule affected execution of OBA project in Kayole Soweto to a great extent (M= 4.497, SD= 0.604) which is higher than the composite mean of 4.402 and a

standard deviation of 0.586. This demonstrated that term of disbursement of project funds on schedules influence implementation of OBA project in Kayole Soweto to a great extent. The results further revealed that donor's disbursements requirements on accountability and transparency affect implementation of in OBA project in Kayole Soweto to a great extent.

The study revealed that regulatory framework requirements has a negative influence on implementation of donor funded OBA projects in Kayole Soweto. Correlation results indicated that there exist a strong, negative and significant correlation between regulatory framework requirements and implementation of OBA project in Kayole Soweto informal settlement in Nairobi ($r = -0.785$). It was clear that regulatory framework requirements have a negative impact on implementation of donor funded projects in informal settlements in developing countries like Kenya. The findings were consistent with descriptive results that regulatory requirements that donor fund disbursements executed following specific scheduled tranches affected implementation of OBA project to a great extent (M=3.964, SD=0.708). Regulatory requirement on the need for the implementing partners to have consultants in the execution of OBA project affected implementation of the OBA project to a great extent (M= 3.964, SD=0.708) which is higher than the composite mean of 4.395 and a standard deviation of 0.798 and that requirement for financial management systems in the execution of OBA project influence project implementation to a great extent (SD= 4.116, SD=0.905). Further descriptive analysis revealed that existence of donor expenditure protocols by administrators results in delay in fund in the execution of OBA project to a great extent (M= 4.124, SD=0.777), existence of labor provision and remuneration contribute to execution of OBA project to a great extent (M= 4.082, SD= 0.790) which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This implies that labor provision and remuneration requirement contribute to OBA project success in Kayole Soweto and that donor reporting requirements being cumbersome and time consuming affected implementation of OBA project in Kayole Soweto to a great extent (M= 3.9435, SD=1.050) which is higher than the composite mean of 3.726 and a standard deviation of 0.731. This demonstrated that ineffective regulatory framework requirements to an extent

controlled projects operations, need for elaborated procurement planning, need for labor policies, contracts, and agreements influence implementation of the donor funded OBA projects in Kayole Soweto.

The findings revealed that donor requirements on risk management have a positive influence on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. From correlation results, the study revealed that there exist a strong, positive and significant correlation between risk management requirements and implementation of OBA projects in Kayole informal settlements in Nairobi County ($r= 0.753$). Requirements on project risk planning, risk auditing, risk assessment and risk annual planning contribute positively toward implementation of donor funded OBA projects in Kayole Soweto informal settlement. Further descriptive results revealed that donor agencies being involved in identification of project risks contributed to a less extent to implementation of the OBA project implementations. Existence of enhanced involvement of project risk planning in OBA project contributed to a larger extent to implementation of the OBA project implementations to a great extent ($M=4.280$, $SD= 0.501$). Also donor agency requirement that internal controls to be instituted, donor requirements on reduction in information gap and risks in the implementing organization, and adequate information sharing in risk management minimizes project risks contributed to implementation of the OBA project to a larger extent.

The study also established that stakeholders involvement requirements contributed to successful implementation of donor funded OBA projects in Kayole Soweto. The correlation results presented exhibited that there exists a strong, positive and significant relationship between stakeholders involvement requirements and implementation of OBA projects in Kayole Soweto informal settlements in Nairobi County ($r= 0.802$). This clearly demonstrated stakeholders involvements results into positive effect on implementation of donor funded OBA projects in Kayole Soweto informal settlement. The finding supported the descriptive results that revealed stakeholders involvement in resource mobilization in OBA project contributed to successful implementation of the OBA projects ($M= 3.756$, $SD= 1.048$), involvement of stakeholders in risk auditing in OBA project and donor agency requirements of stakeholders involvement in project

designing and planning in OBA project influence implementation of OBA project implementations in Kayole Soweto. Further results indicated that requirements on promoting stakeholder project ownership, ensuring stakeholders involvement in decision making and assigned responsibilities in the project undertaking contributed to implementation of the OBA project to a great extent.

5.3 Conclusions

The study concluded that stringent financial management requirements have negative influence on the implementation of OBA projects in Kayole Soweto Area. There exist a strong, negative and significant correlation between financial management requirements and implementation of OBA projects in Kayole Soweto informal settlement. Existence of financial management requirements such as availing funds following a specific time schedule, ineffective term of repayments and disbursement of project funds on schedules influence implementation of in OBA project in Kayole Soweto to a great extent.

The study concluded that unfavourable regulatory framework requirements have a negative influence on implementation of donor funded OBA projects in Kayole Soweto. The finding demonstrated that there exist a strong, negative and significant association between regulatory framework requirements and implementation of OBA project in Kayole Soweto informal settlement in Nairobi. Ineffective regulatory framework requirements such as ineffective agreement requirements and contractual policies, policy framework on donor fund disbursements executed following specific scheduled tranches, need for the implementing partners to have consultants in the execution of OBA project, requirement for financial management systems and existence of donor expenditure protocols by administrators results in delay in the execution of projects thus affecting implementation of donor funded projects in informal settlements

Also the study concluded that donor requirements on risk management have a positive influence on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto. The results demonstrated that there exist a strong, positive and significant correlation between risk management requirements and implementation of OBA projects in Kayole informal settlements in Nairobi County. Effective requirements on project risk

planning, risk auditing, risk assessment and risk annual planning contribute positively toward implementation of donor funded OBA projects in Kayole Soweto informal settlement. The involvement of all the stakeholders in identification of project risks, project risk planning, internal controls instituted, reduction in information gap and risks in the implementing organization being adequate to minimize risks and existence of adequate information sharing in risk management minimize project risks contributed to implementation of the OBA project to a larger extent

Finally, the study concluded that effective stakeholders involvement requirements contributed to success implementation of donor funded OBA projects in Kayole Soweto. This was demonstrated by the findings, that exist a strong, positive and significant relationship between stakeholders involvement requirements and implementation of OBA projects in Kayole informal settlements in Nairobi. The study concluded that stakeholders involvement in resource mobilization , involvement of stakeholders in risk auditing in OBA and stakeholders involvement in project designing and planning in OBA project influence implementation of OBA project implementations in Kayole Soweto. This has led to increase in water supply and increase sanitations programs in Kayole Soweto Area.

5.4 Recommendations

From the findings and conclusions, the study made the following recommendation for management and policy framework

- 1) That measures should be instituted to ensure that only effective financial management requirements are deployed in management of funds in donor funded projects. The management of the donor funded projects should focus on achieving accountability and transparency in financial management for efficiency operations of the project. Further, project management and financing donors should develop policies that should foster effectiveness in disbursement of project funds; foster effective fund disbursement patterns that coincidence with the work base structure and project activity schedules and instituting favorable terms of repayment to as to achieve success in the implementation of donor funded projects.

- 2) That project management and donors should develop effective regulatory framework that foster execution of project and removal of unfavourable regulatory requirements that impede donor funded projects. Effective constructive policies and agreements that hasten the execution of donor funded project should be formulated and institutionalized. The project management should ensure effective policies on fund disbursements, elimination of need for the implementing consultants, implementation of financial management systems and removal of donor expenditure protocols by administrators to achieve success in implementation of donor funded projects in informal settlements
- 3) Risk management is critical in achieving expected goals for donor funded projects. The project management and donors in should ensure measures are put in place for effective project risk management. Effective requirements on project risk planning, risk auditing, risk assessment, involvement of stakeholders, and risk annual planning should be used as tools to manage risks and achieve success in implementation of donor funded OBA projects. Effective risk identification measures, internal controls measures being instituted, measures to achieve reduction in information gap and adequacy in information sharing in risk management to minimize project risks contributed to implementation of the OBA project to a larger extent
- 4) Enhance stakeholder involvement contribute to success in implementation of donor funded projects. The study recommends that effective policies should be developed such as stakeholder plans to foster stakeholder involvement in resource mobilization, risk auditing in OBA and in project designing and planning in donor funded projects to achieve implementation of OBA projects as expected.

5.5 Suggestion for Further Studies

The study focused on establishing influence of donor requirements on implementation of community projects in informal settlement, Nairobi County, Kenya focusing on Output

Based Aid (OBA) funds projects in Kayole Soweto. The study focused on community based projects.

Further study should be done to determine the influence of donor requirements on the implementation of government projects in Kenya and other developing countries

Further study could be done to determines influence of donor requirements on performance of donor funded projects in different areas such as urban and rural to have a broad based understanding on influence of the requirements on different projects

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APPENDICES

Appendix i: Introductory Letter

P.O .Box 30656 – 00100,

Nairobi.

Dear Respondent,

RE: COLLECTION OF DATA

I am a Masters student in the Department of Extra Mural Studies at the University of Nairobi. As part of the requirement for the award of the degree, I am expected to undertake a research study on **“INFLUENECE OF DONOR REQUIREMENTS ON IMPLEMENTATION OF COMMUNITY PROJECTS IN INFORMAL SETTLEMENTS, NAIROBI COUNTY, KENYA: A CASE OF OUTPUT BASED AID (OBA) FUNDS PROJECTS IN KAYOLE SOWETO.”**

I'm therefore seeking your assistance to fill the questionnaires attached. The attached questionnaire will take about ten minutes to complete.

Your co-operation will be appreciated.

Yours faithfully,

Barbara Ogutu

STUDENT

Appendix ii: Questionnaire For all Respondents

Section A: General Information

1. Kindly indicate the highest level of education attained

Primary level []

Secondary level []

College []

University []

Postgraduate []

2. For how long have you been involved in OBA Projects?

Less than 1 years []

1 to 3 years []

4 to 6 years []

Above 6 years []

3. For how long have OBA Projects have been implemented in your community?

Less than 1 years []

1 to 3 years []

4 to 6 years []

Above 6 years []

SECTION B: Implementation of OBA Projects

Part A: Financial management requirements influence on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

5. Are donor funds regulated by donors for implementation of OBA Projects?

Yes []

No []

Give reason for your answer

.....

4. To what extent do you agree with the following statement concerning influence of financial management requirements influence implementation of OBA project in Kayole

(1= Strongly Disagree, 2= Disagree, 3 = does not Affect, 4= Agree, 5 = Strongly Agree.)

	5	4	3	2	1
Availing funds follow specific time schedule					
Term of repayments are stringent					
Disbursement of project funds are on schedule					
Disbursement of fund has long procedures					
The frequency of donor fund disbursement is restricted					
Project cost management require transparency					
Donors disbursements require accountability					
Donor fund has commitment fee charged causing delays in funding the project					
Accurate estimation release of fund for project implementation					

7. In your own opinion, how does financial management requirements influence implementation of OBA projects?

I.

.....

II.

.....

Part II: Influence of Regulatory framework requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

8. Are there donor regulations that influence implementation OBA project for the community?

Yes []

No []

Give reason for your answer.....

.....

9. To what extent do you agree with the following statement concerning regulatory framework influencing implementation of OBA Projects in Kayole Soweto?

(1= Strongly Disagree, 2= Disagree, 3 = does not Affect, 4= Agree, 5 = Strongly Agree.)

	5	4	3	2	1
Disbursements are usually done following scheduled tranches					
Donor agencies require implementing partners to have consultants					
There is training requirement for project teams					
There is requirement for financial management systems					
The existing donor expenditure protocols by administrators results in delay in fund disbursement					
There is a requirement for assessment of project risks					
Labor provision and remuneration contribute to project success					
The donor agencies require that the project is audited annually					
The donor agencies require that the implementing partner uses a particular auditing system					
The donor reporting requirements are cumbersome and time consuming					

10. In your own opinion, indicate other way through which Regulatory framework influence implementation of OBA Project in Kayole

I.

.....

II.

.....

Part III: Risk management requirement on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

11. Does the community get involved decision making in implementation of OBA project?

Yes []

No []

Give reason for your answer.....

12. Does the donor involve available community resources towards implementation of OBA project?

Yes []

No []

Give reason for your Answer

.....

13. To what extent do you agree with the following statement concerning risk management requirement on implementation of OBA donor funded project?

(1= Strongly Disagree, 2= Disagree, 3 = does not Affect, 4= Agree, 5 = Strongly Agree.)

	5	4	3	2	1
Donor agencies are involved in identification of project risks					
There is enhanced involvement of project risk planning					
Donor agency requires that internal controls instituted in the implementing organization be adequate to minimize risk project implementation					
Donor require reduction in information gap and risks					
There is requirement for adequate information sharing					
Donor requires effective coordination of project activities					
The donor agency requirement are involved in monitoring and evaluation of project progress					
The donor agency indentify problems and offer priorities based on the pressing need					

Part IV: Stakeholder involvement requirements on implementation of Output Based Aid (OBA) funded projects in Kayole Soweto

14. Does donor agency require stakeholder involvement in OBA project implementation?

Yes []

No []

16. To what extent do you agree with the following statement concerning stakeholder's involvement requirement on the implementation of OBA funded project in Kayole Soweto?

(1= Strongly Disagree, 2= Disagree, 3 = does not Affect, 4= Agree, 5 = Strongly Agree.)

	5	4	3	2	1
Stakeholders are required to be involved in resource mobilization					
There is requirement for involvement of stakeholders in risk auditing					
Donor agency require stakeholders involvement in project designing and planning					
Donor agency requires for stakeholder project ownership					
The donor agency requires involvement in of stakeholders in decision is done with ease					
There is require for stakeholders responsibility requirement					

Part V: Implementation of OBA Projects in Kayole Soweto

20. To what extent do you agree with the following statement on implementation of OBA projects in Kayole Soweto? (Where 1-Not at all, 2-Less extent, 3-Moderate Extent, 4 – Great extent and 5 -Very Great extent)

Statement	5	4	3	2	1
There is increase accessibility of water among community in Kayole oweto					
There is an increased number of sanitation programs					
There is increase supply of water among Kayole Soweto Residents					
The cost of water supply is low					
The number of sewer connection has increased					

Appendix iii: Table for determining sample size for a given population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970