FACTORS AFFECTING THE EFFECTIVE IMPLEMENTATION OF DONOR FUNDED PROJECTS IN KENYA: A CASE OF WORLD BANK FUNDED PROJECTS IN KENYA.

BY

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2012
DECLARATION

I declare that this research project report is my original work and has never been submitted anywhere for a degree or qualification of the same in any other university or institute of higher learning.

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

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I would like to very sincerely acknowledge the contribution and efforts of my supervisor, Mrs Winnie Nyamute for her valuable guidance, encouragement, patience and effort in reviewing my work to ensure successful completion of the project.

I would also like to thank Mr. Henrick Odingo for his gentle prodding and encouragement in ensuring that recommendations to improve the study are implemented.
DEDICATION

I dedicate my research project to my wife Irene and daughter Natasha for their encouragement, support and patience during the period of the study. Credit also goes to my beloved parents, Tobias and Jane, for encouraging me to pursue further education.
ABSTRACT

The purpose of the study was to establish the factors affecting effective implementation of projects in Kenya, with reference to World Bank funded projects. This is because despite the large amounts of donor funded projects aimed at facilitating development and alleviation of poverty, there is lack of effectiveness in ensuring that the objectives of the funding are achieved.

The study was carried out using descriptive survey. The target population of the study was implementing agencies of the World Bank funded projects in Kenya. The sample was 21 implementing agencies. Data collection involved use of questionnaire and interview of 2 key staff involved in project implementation of each implementing agency. Data pertaining to the profile of respondents was analyzed through descriptive statistics, and more particular, the mean, standard deviation and the range was used. To identify the factors affecting the effective implementation of donor funds, the various scores were ranked with respect to the mean and standard deviation. Data presentation was done through the use of both tables and charts and the results obtained was presented and discussed as per the objectives and research questions of the study.

The key findings of the study are as follows: factors that affect effectiveness of World Bank funded projects in Kenya include: adequacy of funding; timing of funds disbursement; adequacy of human resource capacity; lack of accountability; procurement procedures and bureaucracy; disagreements among beneficiaries and social-cultural obstacles. From the findings 80% of the respondents indicated that procurement procedures and government bureaucracy is a major factor that contributes to ineffective implementation of projects. About 60% the respondents
indicated that capacity building by the government, implementing agencies and donors is important to ensure smooth implementation of projects.

From the findings of the study, the following conclusions were drawn as possible interventions that could be used to enhance the effectiveness of World bank funded projects in Kenya: Streamlining of government procurement laws; capacity building for staff of the donor agencies; use of local staff to overcome language and other socio-cultural factors; sensitization and training of beneficiaries; timely auditing of implementing agencies to ensure accountability; timely programme reports from project officers; frequent meetings with key stakeholders; adequate collaboration and networking of all development partners.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration</td>
<td>i</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>ii</td>
</tr>
<tr>
<td>Dedication</td>
<td>iii</td>
</tr>
<tr>
<td>Abstract</td>
<td>iv</td>
</tr>
<tr>
<td>List of tables</td>
<td>vi</td>
</tr>
<tr>
<td>List of figures</td>
<td>viii</td>
</tr>
<tr>
<td>Abbreviations and acronyms</td>
<td>ix</td>
</tr>
<tr>
<td><strong>CHAPTER ONE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>INTRODUCTION</strong></td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background of the study</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Statement of the problem</td>
<td>6</td>
</tr>
<tr>
<td>1.3 Objective of the study</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Importance of the Study</td>
<td>7</td>
</tr>
<tr>
<td><strong>CHAPTER TWO</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>LITERATURE REVIEW</strong></td>
<td>10</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>10</td>
</tr>
<tr>
<td>2.2 Theoretical Framework</td>
<td>10</td>
</tr>
<tr>
<td>2.3 Evolution of donor modalities in Africa</td>
<td>20</td>
</tr>
<tr>
<td>2.4 The nature of donor funded projects</td>
<td>20</td>
</tr>
<tr>
<td>2.5 Donor aid implementation: success factors</td>
<td>22</td>
</tr>
<tr>
<td>2.6 Challenges facing effective implementation of donor funded projects</td>
<td>23</td>
</tr>
<tr>
<td>2.7 Efforts to enhance donor aid effectiveness</td>
<td>30</td>
</tr>
<tr>
<td>2.8 Empirical Review</td>
<td>31</td>
</tr>
<tr>
<td>2.9 Summary and Conclusions</td>
<td>35</td>
</tr>
<tr>
<td><strong>CHAPTER THREE</strong></td>
<td>38</td>
</tr>
<tr>
<td><strong>RESEARCH METHODOLOGY</strong></td>
<td>38</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>38</td>
</tr>
<tr>
<td>3.2 Research design</td>
<td>38</td>
</tr>
<tr>
<td>3.3 Population</td>
<td>39</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>3.4 Sample</td>
<td>39</td>
</tr>
<tr>
<td>3.5 Data Collection</td>
<td>39</td>
</tr>
<tr>
<td>3.6 Data analysis and Presentation</td>
<td>40</td>
</tr>
<tr>
<td>3.7 Validity and Reliability of Measures</td>
<td>42</td>
</tr>
<tr>
<td><strong>CHAPTER FOUR</strong></td>
<td>44</td>
</tr>
<tr>
<td>DATA ANALYSIS, RESULTS AND DISCUSSIONS</td>
<td>44</td>
</tr>
<tr>
<td>4.1 Introduction</td>
<td>44</td>
</tr>
<tr>
<td>4.2 Background information</td>
<td>44</td>
</tr>
<tr>
<td>4.3 Relationship between donor funding and effective implementation of Projects in Kenya</td>
<td>46</td>
</tr>
<tr>
<td><strong>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS</strong></td>
<td>50</td>
</tr>
<tr>
<td>5.1 Summary of findings</td>
<td>50</td>
</tr>
<tr>
<td>5.2 Conclusion and recommendations</td>
<td>51</td>
</tr>
<tr>
<td>5.3 Limitations of the study</td>
<td>53</td>
</tr>
<tr>
<td>5.4 Suggestions for future research</td>
<td>54</td>
</tr>
<tr>
<td>REFERENCES</td>
<td>55</td>
</tr>
<tr>
<td><strong>APPENDIX I: QUESTIONNAIRE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>APPENDIX II: SAMPLING FRAME</strong></td>
<td></td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 4.1: Duties and responsibilities of respondents......................................................... 45
Table 4.2: Factors that affect effectiveness of World Bank funded projects in Kenya...... 46
Table 4.3: Interventions used to enhance effectiveness of World Bank funded projects... 47
LIST OF FIGURES

Figure 4.1 Period of time respondents participated in implementation of World Bank... 44
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>BBC</td>
<td>British Broadcasting Corporation</td>
</tr>
<tr>
<td>DFPs</td>
<td>Donor Funded Projects</td>
</tr>
<tr>
<td>EADB</td>
<td>East African Development Bank</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>ICSID</td>
<td>International Center for Settlement of Investment Disputes</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPRS</td>
<td>Integrated Population Registration System</td>
</tr>
<tr>
<td>LDCs</td>
<td>Least Developed Countries</td>
</tr>
<tr>
<td>M &amp; E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non Governmental Organizations</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>SMSAVR</td>
<td>Short Messaging System Interactive Voice Response</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Donor funding is the provision of direct or indirect finance for goods or services at costs that are less than would be charged in the normal ‘open market’, and provided by an external source. Donor Aid Effectiveness remains a top priority for the international development community. According to Acharya et al., (2003), whether tackling the global Millennium Development Goals (MDGs) or working collaboratively on Poverty Reduction Strategies at the country level, donor agencies must improve their effectiveness to achieve concrete development outcomes and eliminate poverty. Easterly (2003) argued that in looking at the history of aid, one might wonder if Official Development Assistance (ODA) is truly meant to promote economic growth and reduce poverty. Mosley and Marion (2000) asserted that problems of economic governance and ineffective utilization of development assistance have ranged from poor or no consultation with the intended beneficiaries; lack of coordination between various government agencies; the failure to harmonize policies; programs and procedures harmonization and alignment; poor project design; to poor monitoring of foreign funded projects and consequently indebtedness and poverty.

The effectiveness of donor funded projects is determined by both technical and managerial capacity of the human resources of the implementing agencies. In addition, appropriate supportive infrastructure is a necessity. According to Arndt (2000), the officers in the donor funds projects chain may lack the formal training in foreign aid management, budgeting and accounting. These weak skills may lead to poor understanding of the donor expenditure protocols
resulting in ineligible expenditures, which lead to rejection for further funding by the donor. This may be affected by the quality and timeliness of the liquidation documents which complicate the donor fund release, with obvious implications on levels of donor aid effectiveness.

O'Connell and Soludo (2001) argued that accountability is a key pillar of effectiveness. Accountability refers to full transparency regarding the purpose, content, responsibility and performance of the development agency. Martens et al. (2001) observed that because of the broken natural feedback loop in foreign aid, inserting an explicit evaluation function in foreign aid programmes is necessary to eliminate performance problems. If the evaluations are well done, to the extent there is no mechanism in place to act on these evaluations i.e. no mechanism to get the evaluation results out in the public, the aid agency’s behavior would likely not be affected. An independent foreign aid evaluation agency could be a way around these problems. In addition, even if donors adopt formal evaluation as a key component in aid programs, there would still be difficulties in exercising external influence without undermining local accountability relationships (World Bank, 2003).

In all governments, resources earmarked for particular uses flow within legally defined institutional frameworks. Typically, funds pass through several layers of government bureaucracy down to service facilities, which are charged with the responsibility of spending the funds. However, in developing countries, information on actual public spending at the frontline level or by program is seldom available (Dehn, 2003).
Most donors have multiple objectives. The Swedish foreign aid agency, Sida, for example lists six goals for Swedish development cooperation: (i) economic growth; (ii) economic and social equality; (iii) economic and political independence; (iv) democratic development; (v) environmental care; and (vi) gender equality. The problem with multiple objectives is that they typically imply trade-offs, especially in the short run. When faced with multiple tasks that compete for their time, donor aid agents will tend to focus on those that are more likely to satisfy their career concerns or require less effort. Since some tasks are more easily monitored by their supervisors (such as input activities like budget, procurement, hiring of consultants), these tasks will receive a disproportionate attention at the expense of less easily monitored tasks. The study aims at providing an analytical overview of use of donor aid in Kenya.

1.1.1 World Bank Funded Projects

In the wake of World War II, the major world powers set up an international economic order composed of three main institutions: the General Agreement on Tariffs and Trade (GATT), an international trade regime now known as the World Trade Organization (WTO); the International Monetary Fund (IMF), devoted to monetary cooperation; and the World Bank, with the mission of financing post-war reconstruction and development (Gavin and Rodrik 1995). Lumsdaine (1993) observed that since the World Bank’s founding in 1944, its purpose has gradually shifted. As Europe rebuilt and the Bank’s membership expanded to include many countries from disparate parts of the world, its focus on development became more global in nature.

Today, the World Bank has 185 member countries. Originally, it was just composed of the International Bank for Reconstruction and Development (IBRD). In 1960, the IBRD was joined
by the International Development Association (IDA). The IBRD and the IDA, together with the International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), and the International Center for Settlement of Investment Disputes (ICSID), constitute the World Bank Group today. Reconstruction continues to constitute an important component of the Bank’s activities, particularly dealing with the aftermath of natural disasters and wars. But the Bank has “broadened (its) portfolio’s focus to include social sector lending projects, poverty alleviation, debt relief and good governance,” and views poverty reduction as the “overarching goal of all its work” (World Bank 2007). In addition to directing credit to developing countries, the Bank has become very influential as a source of ideas and practices in the field of international development (Gavin and Rodrik 1995). In recent years, it claims to have focused its efforts on achieving its antipoverty mission within the framework of the Millennium Development Goals.

The two main branches of the World Bank, the IBRD and the IDA, perform different functions that contribute to its broader mission. The IBRD, the historical core of the Bank’s operations, now directs credit mainly to middle-income and creditworthy poorer countries (World Bank 2007). The IDA is especially geared towards the world’s neediest countries – countries that fall below a certain income threshold, have poor credit ratings, or in some other way require special assistance. The IDA is more responsive to short-term disasters and emergencies and has the power to negotiate the income ceiling under special circumstances, although a strong norm for allocative guidelines has been around since at least 1964 (Kapur, Lewis, and Webb 1997). Since 1977, an explicit formula, the “Performance-Based Allocation System,” has been employed as the basis for distributing funds. This system now takes into account at least 16 criteria from
macroeconomic management to gender equality when determining how much credit can be distributed to recipient nations (IDA 2004).

Despite its generally respected mission, the World Bank has come under fire for its policies and management by critics of globalization, among others. While Gavin and Rodrik (1995) tout the Bank's role as a major source of ideas in the field of development – a source of ideas with money to back them up – the Bretton Woods institutions are often criticized for being too forceful in tying money to specific country policies or actions. This conditionality in World Bank and IMF projects and programs is attacked for the policies it requires, such as trade liberalization, and for its effect on the sovereignty of country governments (Mosley, Harrigan, and Toye 1995, Kovach and Lansman 2006). Some critics suggest that the Bank's lending hinders development, for example, by burdening countries with massive debts (Shah 2006). Others criticize the environmental impact of Bank projects (BBC 2003). Corruption in Bank operations has also raised serious concerns (Knight and Pound 2006). The criticisms of the World Bank peaked during the Bank and IMF's annual meetings in 1994, the institutions' 50th anniversary. Organizations like the '50 Years is Enough' network led the charge during these meetings in Madrid, greeting them with criticism and street protests.

In recent years, there has been a noticeable effort on the part of the World Bank to, at the very least, create the impression that it is interested in actively engaging national governments and segments of civil society in its operations (BBC, 2003). Among other efforts, the Bank launched the 'Poverty Reduction and Growth Strategy' to address these concerns (2003). During the 2005 G8 summit in Gleneagles, Scotland, the major industrialized countries agreed to forgive the
debts of 18 mostly African developing countries (BBC 2005). While there has been significant discussion of the World Bank, the academic discourse and literature regarding the institutional structure of the Bank, particularly political-economic literature, is relatively thin. Woods, a political scientist at Oxford University, has published a number of papers regarding the Bretton Woods institutions. She scrutinizes the structure of the World Bank, questioning its ability to address concerns regarding accountability and national sovereignty and calling for “a structure of representation which better reflects the stakes of all state members” (2001). Hexner (1964) considers the role of the Board of Executive Directors at the IMF, which is designed similarly to the World Bank. Neither of these studies provides broad-based empirical support.

1.2 Statement of the problem

Though donor funding has continued to play an important role in developing countries, especially sub-Saharan Africa, it is interesting to note that after half a century of channeling resources to the Third World, little development has taken place. In almost all of sub-Saharan Africa there is a high degree of indebtedness, high unemployment, absolute poverty and poor economic performance. The average per capita income in the region has fallen since 1970 despite the high aid flows. This scenario has prompted aid donor agencies and experts to revisit the earlier discussions on the effectiveness of foreign aid (Lancaster, 1999).

Studies on extent and impacts of foreign aid on savings and growth in developing countries, besides having made a good case for increased flow of foreign aid, raise questions on the utilization of these funds on their designated projects (White, 1992). The donor community has become increasingly concerned that part of the development assistance intended for crucial projects finances projects other than those earmarked for funding.
Kenya, like other developing countries, faces huge external debts and is crying out for debt relief. Most countries argue that given their current poverty levels, the repayment and servicing costs of external debts are too high and unmanageable. These claims have led to the reconsideration of issues related to the extent of donor funding and effectiveness of aid in developing countries. Earlier the aid-savings debate focused on the two-gap model developed by Chenery and Strout (1966) that set foreign aid as an engine of growth. Critics of this model have argued that foreign aid substitutes domestic resources through declined savings, reduced government tax revenue and increased government consumption. With the renewal of the debate, the question remains as to whether external assistance complements or substitutes available domestic resources. In Kenya, the answer to this question is complicated by the fact that aid flow has not been consistent. Given Kenya’s high dependence on foreign aid, coupled with major aid freeze episodes, there is need to analyze the extent and impact of aid flows. The purpose of this study therefore, was to establish the effectiveness of donor funding with respect to World Bank funded projects been in Kenya.

1.3 Objective of the study

The study sought to establish the relationship between the levels of donor funding and effective implementation of projects in Kenya, with reference to World Bank funded projects.

1.4 Importance of the Study

Despite the large amounts of donor funded projects aimed at facilitating development and poverty-alleviation strategies, the effectiveness of the funding remains in doubt. Against the
challenges faced by aid management and the seemingly lack of significant achievement in the
war against poverty, discussions have emerged on how best the funding could be effectively
utilized. This study aimed at shedding light on factors that lead to lack of donor funds
effectiveness despite the spirited efforts by donors.

The study seeks to raise ideas and issues in the hope that the various stakeholders and persons
directly addressing issues related to donor funded projects will continue the discussion. It does
not presume to offer a prescription for the ideal measures to be employed by the stakeholders so
as to reverse the trends. Specifically, the findings of this study, it is hoped, will be beneficial to
various key stakeholders as discussed in the subsequent sections.

The Republic of Kenya: The Republic of Kenya, by understanding some of the causes of
ineffective utilization of World Bank donor funds, will undertake a policy review and formulate
policies that address the findings of the research.

The Project Implementing Agencies: Project Implementing Agencies will use the research
findings to improve on their own performance in managing donor funded projects;

The Donor Community: The donor community, including the World Bank will understand
their role in the donor funds management and projects successes;

Academic researchers: The study will make a significant contribution to the growing body of
research on effective implementation of donor funded projects. The findings may also be used as
a source of reference for other researchers. In addition, academic researchers may need the study findings to stimulate further research in this area and as such form a basis of good background for further researches.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides literature on what had been addressed in terms of the problem at hand. This chapter also reviews secondary sources of information relating to the problem area. It looks at the information relating to challenges faced in implementation of donor funded projects, success factors and possible interventions that would enhance donor aid effectiveness.

2.2 Theoretical Framework

2.2.1 Introduction

The literature on foreign aid can be divided into three fields. These are: the effects of donor funding; the allocation of donor funding aid; and the determinants of donor funding. The first field in the literature on donor funding looks at the effects or results of donor funding. Most research in this field is done by scholars in unilateral and multilateral donor agencies. A vast literature exists (see for example Masud and Yontcheva 2005; Rajan and Subramanian 2005), but a simple answer to the question: does donor funding work? Seems hard to give. Part of the reason for this has been a severe lack of focus on development results. Governments, multilateral institutions and Non Governmental Organizations (NGOs) have failed to account for the results of their donor efforts. Much is known on inputs, but little is known on outcomes. As a result, those responsible for communication in government development agencies face huge problems when asked to communicate the results of donor policy.
Recent pressure for a more results oriented policy from donor funding opponents, civil society, donors and recipients alike has led to a formal process that resulted in the adoption of the Paris Declaration on Aid Effectiveness. Implementation of the Paris agenda is forcing both donors and recipients to look better and more systematically at the concrete results of development efforts. Although a long way has to be gone, the Paris declaration is an important step in the right direction. The second field in the literature on donor funding looks at the allocation or distribution of foreign aid budgets. Paraphrasing the title of a recent study (Alesina and Dollar 2000), the following question is asked: “who gives donor funding to whom and why?” The object of inquiry in these studies is how donors distribute their funds. “Do former colonies, the poorest countries, strategic allies or others receive the largest piece of the pie?” The independent variables in these models are aspects of recipient states. Recent studies assessed whether recipient needs (Trumbull and Wall 1994; Alesina and Dollar 2000; Berthélemy 2006; Nunnenkamp and Thiele 2006) or recipients’ respect for human rights and democracy (Alesina and Weder 2002; Neumayer 2003) are the main determinants for donor funding allocation. Other studies have compared French (Quinn and Simon 2006), or Japanese aid allocation (Hook and Zhang 1998; Tuman and Ayoub 2004). Most of these studies also seek to answer the question whether donor funding is motivated by self-interest or humanitarian concerns (see also Hook 1995; Schraeder, Taylor et al. 1998). Pratt (1989) calls this opposition “international realism versus humane internationalism”. In an international political realist perspective, states are primarily driven by the desire for military and economic power. This theoretical position leaves little room for control over foreign policy by domestic powers.
In the neo-realist framework, foreign policy is not the result of internal power struggle and policy formulation, but a reaction to systemic features of the external state system (Waltz 2001). For Morgenthau (1962) for example, much of donor funding “is in the nature of bribes”. Morgenthau considers this a highly inefficient form of buying political influence, since a pervasive system of make believe is required to feign the goal of economic development. In a pure realist perspective, there is no possibility of people in power striving for the ideal of economic development of underdeveloped states. In contrast, the liberal idealist or Wilsonian position claims that states can (or even should) make their internal philosophy the goal of their foreign policy. This is deemed utopian by early realist thinkers, who denote attempts in this domain as a misunderstanding of the underlying conflicts of interest (Carr 2001).

The liberal position sees internal forces as the main origins of foreign policy. In this tradition, explanations for variations in relative levels of donor funding are found inside the states in question, in the groups, parties and institutions of that state. The third field of literature on donor funding inherently takes this position. The third and smallest field of the foreign aid literature looks at the determinants of donor funding and compares donor aid effort. “Why do some donors give more aid than others?” The main object of inquiry in these studies is the level of donor funding measured as a percentage of GDP, although one study has also looked at the dispersion of aid (Breuning and Ishiyama 2003). These studies look at aspects of donor states rather than aspects of recipient states. Several studies have hypothesized and (partly) shown that domestic welfare state generosity correlates positively with relative levels of foreign aid (Imbeau 1989; Pratt 1989; Stokke 1989; Lumsdaine 1993; Noël and Therein 1995). However, Imbeau (1989) notes that institutional inertia is the main explanation for aid levels, a finding that is confirmed
by Braining and Ishiyama (2003) for the dispersion of aid. The most pervasive (and only) cross-sectional time-series analysis of the determinants of donor funding finds no evidence of an association between the generosity ratio and domestic pro-poor government spending, or that right-wing governments are more parsimonious than left-wing ones (Round and Odedokun 2003). These results contrast with the results found by Noël and Thérien, Lumsdaine and others. These contrasting results call for a closer look at this issue. The following section presents an examination of the rationale behind the link between welfare state generosity and ODA in more detail.

2.2.2 The influence of ideas and values on donor funding

Lumsdaine (1993) provides the most elaborate rationale for the link between domestic and international concerns for donor funding. He argues that: (i) donor funding is largely a product of humanitarian ideas and values; and that (ii) these ideas and values found support in the domestic political arrangements and religious and moral traditions of the West. These ideas and values issued an emphasis on international cooperation and a commitment to remedying poverty for humanitarian and egalitarian reasons. (1993). In Lumsdaine's theoretical framework, the level of donor funding of a country is a function of the level of concern for poverty in that country.

Lumsdaine argues that at the domestic level, the concern for alleviating and reducing poverty, combined with the social and political dynamics of society, leads to social spending. At the international level, the concern for poverty combined with the dynamics of international power and organization leads to donor funding. Lumsdaine notes that policies at the international level reflect not just root desires on the part of policy elites in donor countries, much less mass opinion.
or feeling (1993). However, he notes that organizational decisions and events that had little to do with those ideas also drew upon those ideas and values. This observation links domestic and foreign poverty alleviation programmes. Lumsdaine provides evidence that states with social-democratic traditions and strong support for domestic government assistance to poor people are more willing to provide foreign aid. Lumsdaine's data analysis shows that domestic social spending, social democratic party strength, public support and private voluntary contributions to international economic assistance all correlate with higher donor funding levels. He also links the rise of the welfare state and its roots of support in domestic movements (humanitarian, labor and social democratic) to the rise of donor funding. This effect of the welfare state on foreign aid is examined in closer detail by Noël and Thérien (1995).

2.2.3 Welfare states and their influence on donor funding

Noël and Thérien's (1995) theoretical framework is similar to Lumsdaine's. They agree that donor funding and welfare state policies express the same values (1995). They also understand these programs as expressions of social values embedded in specific political institutions (1995). They remark that welfare programs cannot be reduced to a single spending or partisan logic and instead must be seen as lasting outcomes of social and political conflicts over distributive justice (1995). This explains their focus on institutional aspects of the welfare state, where other authors mainly looked at spending and partisan orientations.

Noël and Therein compare the effect of social spending and partisan orientation and find no significant effect for partisan orientation on relative ODA levels. However, they do find a significant effect for total and social spending from 1975 and 1980 onwards respectively. They then use Esping-Andersen’s welfare state attributes (see Espying-Andersen 1990: 74) to assess
the effect of welfare state institutions. They show that socialist welfare state attributes correlate strongly with aid levels, while liberal and conservative attributes do not. The rationale for this effect is that welfare states are designed according to particular principles that were imposed through decisive conflicts over market and political processes (Noël and Therein 1995).

According to Esping-Andersen, conflicts over market and political processes were resolved into three types of welfare states; a conservative, a liberal and a social-democratic regime. Noël and Thérien find no effect for liberal and conservative welfare states, but do find that the socialist attribute correlates strongly with ODA levels. The social value embedded in the social-democratic welfare state is *universality*: social democratic welfare programs are seen less as complementary measures targeted toward selected groups than as embodiments of a shared conception of citizenship (Noël and Thérien 1995). Noël and Thérien claim that the presence of exactly this value causes higher foreign aid levels: institutionalized principles such as universality function as causal mechanisms and help explain why welfare states act predictably in the international arena. Better than partisan dynamics, or public opinion, such principles capture fundamental aspects of a country’s politics. As such, they provide useful insights to link domestic and international behavior (Noël and Thérien 1995).

When both the socialist attribute and social spending are put into a regression equation, the socialist attribute is the main explanatory factor. When left-party strength is added to the equation it has no significant effect. Noël and Thérien conclude that the best and most immediate explanation seems less partisan than institutional (1995). Noël and Thérien do not claim that institutions can explain fully a country’s evolution. They say that major changes are likely to
require partisan and collective actions aimed at transforming established values and principles (1995). But when principles such as universality prevail and become institutionalized, they function as causal mechanisms (1995). A similar argument is found in Hofstede (2001), who argues that once culture is partly institutionalized, it means that young people exposed to these institutions will embrace parts of it. Institutional effects (on elites) have also been observed by Rohrschneider (1994) in the case of East and West Germany.

In reference to Cox (1981), Noël and Thérien claim that institutional factors capture the sociological dimension of political processes because they reproduce what, in a given society, stands as the legitimate or hegemonic consensus (1995). For Noël and Thérien, this reproduction does not occur on a rational choice basis, where institutions form structures of constraints and opportunities that influence the choices and strategies of actors given their prior preference. They choose to adopt a more interpretive or reflective approach which is aimed at explaining why actors adopt certain goals and not others (1995). Scharpf (1997) argues analogously and writes that - although institutions do not determine public policy; they shape actor constellations, actor preferences and the modes of interaction between actors. For Noël and Thérien, values and principles capture fundamental aspects of a country's domestic politics (1995). They argue that the way conceptions of justice are institutionalized in welfare states influence differently internal debates and decisions about foreign policy and development assistance. As a result, public opinion is strongly mediated by the constraints and opportunities provided by institutionalized values and principles (1995).
Both Lumsdaine and Noël and Thérien argue that concerns for poverty are the root cause of foreign aid programmers. Lumsdaine sees this concern transmitted into policy through policymaker beliefs, socio-political- and international organization, and the rise of the welfare state. Noël and Thérien argue that values and principles of (distributive) justice institutionalized in the social democratic welfare state function as causal mechanisms that influence policy through public opinion.

2.2.4 The influence of welfare state institutions on public perceptions on donor funding. The influence of institutionalized values and principles on public attitudes (Noël and Therein 1995) is described above. In Noël and Therein (2002), the same authors examine more explicitly the link between welfare policies and public opinion on foreign aid. They conclude, based on their earlier article and other studies that principles institutionalized through social policies shape what political actors consider to be ‘morally defensible behavior’. This implies that in countries with social-democratic traditions the public should value equality more strongly and be more sensitive to international redistribution (2002).

2.2.5 The influence of public perceptions on foreign aid levels

As early as 1952, Berelson (1952) noted that public opinion research can help a democracy to know itself, evaluate itself and bring its practices more nearly in accord with its own fundamental ideas. Lumsdaine’s data analysis leads him to conclude that high public support (partly) causes high foreign aid levels: comparisons of aid funding levels and opinion data here suggest that the public’s concerns about poverty played a part in the link. Countries with high levels of public support for foreign aid tended to give more aid, and were more disposed to raise the level and quality of aid spending and keep it high (1993). The rationale for this effect is that the public’s preference is transformed into policy through democratic processes. By definition,
democracy implies at least some sort of relationship between public opinion and government policy (Mehrtens III 2004). Theorists disagree about the degree of influence from public opinion. Elitist democratic theory, found in the work of Schumpeter or Weber (see Held 2002), sees democracy as the election of representative officials, who are then autonomous in their decision making and not sensible to public pressures.

In this model, it is elites that influence public opinion rather than the other way around. Mosley (1985) writes: governments do not respond to public pressure (...) but rather (seek) to persuade the electorate to accept the pattern of aid which they have already decided to adopt. Transforming public opinion about development aid is an active policy of governments, leading to communication, awareness raising and development education budgets of up to $64 million per annum in some countries (Netherlands), and grossing $204 million per annum in 2004 for all DAC members combined. Comparative research on donor development communication can be found almost exclusively in publications of the OECD development centre (see for example Me Donnell, Solignac-Lecomte et al. 2003; Fransman, MacDonald et al. 2004; Mc Donnell 2004).

Olsen (2001) shows with a case study of five European countries (France, UK, Germany, Denmark and the European Union) that there is no bottom-up relationship between public opinion and aid policy. He argues that it is only possible to understand the relationship between decision-making on aid and public opinion as a 'top-down' relationship (Olsen 2001). A high degree of centralization of decision-making and the weak link between government and society in this policy area explain the 'missing link' between opinion and policy-making. Risse-Kappen (1991) argues similarly for a somewhat different set of countries (United States, France,
Germany and Japan). On the other hand, pluralist democratic theory as developed by Dahl and others (see Held 2002) takes account of intermediary groups in the democratic process, such as community associations, religious bodies, trade unions, and so forth. These groups struggle for influence and power and seek to set and change the policy agenda.

In pluralist theory, it is these groups that transform public opinion into policy. Extensive networks of NGO's, church groups and other civil organizations are active in the field of international solidarity and development. Their influence varies per country, but many are integrated in the policy process through lobbying, petitioning and consultation procedures. Many are (co)funded by government programmers. Their members are often comprised of supporters and volunteers who they represent and to whom they are accountable. Apart from electoral pressure and partisan politics, it is through these organizations that public opinion is aggregated to influence decision makers. Some authors have pointed to a middle way between these two positions. They argue that elite and mass preferences influence each other. The reciprocal causal relationship between elite and mass preferences is confirmed in the case of the United States by Hill and Hinton-Anderson (1995). These authors argue that the levels of voter mobilization and party competition accounts for the (absence of) congruence between mass preferences and policy. Mehrtens notes however that although feedback between public opinion and policy seems to be present, it is indeed public opinion which seems to cause policy more often than the reverse (Mehrtens III 2004). Erickson, Wright and McIver (1989) show for the United States that on a state level public opinion has an effect on policy. They argue that this is the case because leaders are led by the desire to be responsive to the public, or more likely, the fear of electoral sanctions. Whether the view of democracy is elitist, pluralist or a combination of the two is decisive for the
hypothesis of an effect of public opinion on policy. The literature above shows that in theory it should have an effect, but that the level of voter mobilization and centralization determine whether public opinion makes it into having influence.

2.3 Evolution of Donor Funding Modalities in Africa

According to Adedeji (2001), most western countries initiated aid programs in Africa in the 1960s in the wake of independence from former colonial states. In this period, donors encouraged African governments to plan their countries development, and urged the adoption of policies encouraging industrial growth. In the 1970s, the focus of aid shifted increasingly to poverty alleviation with a priority on projects to develop rural areas. In the 1980s, with the economic crisis in Africa and debt defaults associated with it, donors were forced to reconsider the effectiveness of project aid modality. In the 1990s, because of the limitation on the extent of reforms and the continuation of low growth rates in most of Africa, donor agencies turned to look for other causes of lagging growth. Poverty alleviation and improvements in the socio-economic welfare of vulnerable households were again emphasized as the overarching objective of development.

Donor funded projects (DFPs) are characterized by a short life span which normally ranges between one to five years and an ad hoc nature of operational set-up (especially when responding to emergencies such as disasters and relief interventions). DFPs are characterized by limited budgets, uncertainty in cash flows resulting from irregular funds flow and unfulfilled donor pledges. Quite often DFPs work in remote locations which results in the projects’ inability to attract and retain qualified and experienced IT and other professional staff. The problem is then
compounded when projects have to employ staff with limited IT capabilities in locations with limited or non-existent IT support services. It is also common in multi-DFPs for a donor to sponsor the use of a specific software application resulting in different information sources to deliver reports tailored to the needs of different donors. However, the most limiting factor for managers in DFPs to implement projects is the prescriptive nature of how proceeds from the specific loans, credits or grants must be spent in order to warrant a continued flow of funds from the donors.

The limited implementation time frame of these DFPs force managers to spend more time and resources on core activities of projects in a bid to optimize outputs which will deliver a tangible return on their efforts. The combined effect of the challenges above, impede the management’s ability to implement strategic organizational objectives and sound information management strategies. The nature of operational set-up, the uncertainty in funds flow, the remote locations and all the limitations thereof, combine to affect management’s vision and ability to plan for the overall operation of a project.

2.4 The Nature of Donor Funded Projects

In this section, emphasis has been placed on how prescriptive expenditure affects project operations. Donor funding is received as loans (repayable with or without interest) or grants (non-repayable) and comes from bilateral (between countries), financial institutions which may be; regional (such as East African Development Bank - EADB), Continental (such as African Development Bank - ADB, etc) and international institutions such as the World Bank. The World Bank group for example lends funds through two arms; the International Bank for
Reconstruction and Development (IBRD) and International Development Association (IDA). IDA provides interest free loans and grants to Least Developed Countries (LDCs) - whose per capita income is less than $1,000. IBRD provides loans to countries with a per capita income of more than $1,000 and some LDCs which are considered credit worthy (World Bank, 2008).

Donors owe a responsibility to their funders (governments or boards) of ensuring that the funds disbursed to the recipients are used for the intended purposes. To meet this objective, disbursements are preceded by a funding agreement which stipulates how the funds will be spent among other conditions. Expenditure ceilings are thus built into these agreements to prevent misuse, align the impact and outcome of these projects to the countries’ direction of development as well as to the Millennium Development Goals (MDGs). Unfortunately, it is theses very safeguards which become an impediment to the establishment of a smooth implementation of a sound reporting process. Whether the projects are implemented by governments, local Non-Governmental organizations (NGOs) or the donor’s own local management teams, these strict expenditure ceilings within which implementors have to operate in order to warrant a continued flow of funds from the donors, leave little room for the establishment of sound and effective reporting. The three examples below demonstrate the level of constraint the management of DFPs have got to contend with in this respect.

2.5 Donor Aid Implementation: Success factors

Donor coordination: When there are many independent, uncoordinated donors, responsibility for success or failure is diffused, and no single donor has much at stake in the recipient country. Aid agencies seek to maximize their aid budgets, requiring them to satisfy their various advocacy
groups. They thus need visible aid results clearly attributable to the donor’s activities, even if the
development impact of the development budget is thereby reduced. Coordination of donors’
goals, if possible, would reduce these problems, and increase the overall development impact of
aid, even if donors then act separately (Svensson, 2000).

Alignment: A series of principal-agent models have been used to analyze alignment between one
donor and a single recipient government (Azam and Laffont, 2000). According to Torsvik
(2005), the utility functions of the donors are assumed to have two elements, consumption at
home and consumption of the poor in the aid-receiving country. If one donor provides aid, it has
a positive effect on the welfare of all donors. Non-cooperation in such a situation leads to an
undersupply of aid (the common goods problem), and cooperation is thus desirable.

2.6 Challenges facing effective implementation of Donor Funded projects

2.6.1 Managerial Factors

The extent of success of donor funded projects is determined by managerial capacity of the
human resources of the implementing agencies. Arndt (2000) argued that the officers in the
donor funds projects chain may lack the formal training in foreign aid management, budgeting
and accounting. These weak skills may lead to poor understanding of the donor expenditure
protocols resulting in ineligible expenditures, which lead to rejection for further funding by the
donor. This may be affected by the quality and timeliness of the liquidation documents
complicate the donor fund release, with obvious implications on levels of donor aid
effectiveness.
From a skills development perspective, Ngwenyama, Andoh-Baidoo, Bollou, and Morawecynski, (2006) have reported on a complementary relationship between education and ICT in the analysis of the Human Development Index (HDI), particularly in Africa, and conclude that ICT and education have a positive impact on development. One worrying trend to note (Ngwenyama et al., 2006) has been the consistent low ranking of African nations. The 2003 HDI Report warned that Africa in general may be facing “an acute development crisis” with many African countries suffering serious socio-economical reversals. HEI in Africa cannot therefore afford to take a “business as usual” approach. Hawkins (2002) contends that Africa needs to have workers who learn how to learn, and are able to quickly acquire new ICT skills.

Ochilo (1999) reports on poverty and low levels of ICT capital investment in East Africa by public and private sectors and the absence of fully trained local citizens in ICTs explains the economic disparities between East African states and Southern Africa. The appropriate use of ICT does “give civil society an opportunity to formulate new forms of activism and participation in democracy” Fleming (2002). Human capacity projects in Kenya have taken various forms. At Moi University in Kenya a collaborative project with Delft University of Technology in the Netherlands helped in raising computer awareness and trained staff in management of information systems and project management (Mutula 2003).

Detailed studies by Ochilo (1999) suggest inadequate ICT skills training in eastern Africa and reveal that a total of 57.8 percent of professionals coming out of institutions of higher learning rated their institutions as being “less professionally capable of dealing fully with ICT training needs” with only “28.1 percent of the professionals rating the institutions as capable”. Of
concern here is the content and curriculum of these institutions which has been noted as inadequate to fully cater for the emerging ICT African professional in terms of robust training programmes including data processing, systems management, and advanced computer training. The situation is exacerbated by the lack of "effective dissemination of information" and an "excessive dose of theoretical courses not fully blended with the practical courses that fail to cover the contemporary ICT international issues" (Ochilo 1999).

Contrasting the above African phenomena with Wessels's (2005) account of developed countries’ shows the magnitude of seriousness placed on the ICT competency by skilled professionals in other parts of the world. This view is supported by Hostrom and Hunton (1998) who argued that professional educators and their students must either develop high levels of information technology competence or risk becoming functionally obsolete. It can be inferred from this argument that HEIs can become functionally obsolete by proxy.

2.6.2 Factors Attributed to Donor Behavior

Accountability: O'Connell and Soludo (2001) assert that that accountability is a key pillar of effectiveness. Accountability refers to full transparency regarding the purpose, content, responsibility and performance of the development agency.

Project evaluation complexities: According to Martens, Mummert, Murrell and Seabright (2002), because of the broken natural feedback loop in foreign aid, inserting an explicit evaluation function in foreign aid programmes is necessary to eliminate performance problems. If the evaluations are well done, to the extent there is no mechanism in place to act on these
evaluations i.e. no mechanism to get the evaluation results out in the public, the aid agency’s behavior would likely not be affected. An independent foreign aid evaluation agency could be a way around these problems. In addition, even if donors adopt formal evaluation as a key component in aid programs, there would still be difficulties in exercising external influence without undermining local accountability relationships (World Bank, 2003).

**Fund Disbursement Bureaucracies:** In all governments, resources earmarked for particular uses flow within legally defined institutional frameworks. Typically, funds pass through several layers of government bureaucracy down to service facilities, which are charged with the responsibility of spending the funds. However, in developing countries, information on actual public spending at the frontline level or by program is seldom available (Dehn, Reinikka, and Svensson, 2003).

**Multiple objectives and tasks:** Most donors have multiple objectives. The Swedish foreign aid agency, Sida, for example lists six goals for Swedish development cooperation: (i) economic growth; (ii) economic and social equality; (iii) economic and political independence; (iv) democratic development; (v) environmental care; and (vi) gender equality. The problem with multiple objectives is that they typically imply trade-offs, especially in the short run. When faced with multiple tasks that compete for their time, donor aid agents will tend to focus on those that are more likely to satisfy their career concerns or require less effort. Since some tasks are more easily monitored by their supervisors (such as input activities like budget, procurement, hiring of consultants), these tasks will receive a disproportionate attention at the expense of less easily monitored tasks.
With the emergence of information and communication technologies (ICTs), and e-Government, it is possible to improve efficiency and effectiveness of internal administration within government and to re-locate government service from government offices to locations closer to the citizens. Examples of such locations are cyber café', telecenters or a personal computer at home or office. While the benefits of ICT in government cannot be disputed, there are several concerns about its success as well as the strategies to be adopted in implementation of systems in various countries. This paper therefore presents the findings of a literature review, knowledge acquired from reviewed case studies from developing countries and a preliminary study grounded on Kenyan government. The paper considers the characteristic challenges that developing nation's face, which make ICT implementation in government fail to succeed. A descriptive framework for categorizing key factors in ICT implementation in government and an action for success are proposed. The action for success is presented as response to situation specific challenges.

Informatics is a bridging discipline that is fundamentally interested in the application of information, information technology and information systems within organizations. Informatics is therefore the study of information, information systems and information technology applied to various phenomena (Beynon-Davies 2002). Following this definition of informatics, government informatics can be defined as the application of information, information systems and information technology within government. This therefore includes application of e-Government which is "primarily to do with making the delivery of government services more efficient" (Bannister, 2005). In support of government informatics, Tapscott (1995) argues that ICT causes
a “paradigm shift” introducing “the age of network intelligence”, reinventing businesses, governments and individuals. Ndou (2004) quoting Kaufman (1977) observes, “the traditional bureaucratic paradigm, characterized by internal productive efficiency, functional rationality, departmentalization, hierarchical control and rule-based management is being replaced by competitive, knowledge based requirements, such as: flexibility, network organization, vertical/horizontal integration, innovative entrepreneurship, organizational learning, speed up in service delivery, and a customer driven strategy, which emphasize coordinated network building, external collaboration and customer services” all of which are supported by ICT.

According to Kaul and Odera (1991) governments around the world have been engaged in the process of implementing a wide range of (ICT) applications. Countries have been classified by the United Nations according to their Computer Industry Development Potential (CIPD) as advanced or less developed Mgaya (1999). Advanced include, for example, the United States, Canada, West European countries and Japan; less developed include for example Argentina, Brazil, India, Mexico, Kenya and Bulgaria. For all countries, use of ICTs for government reinvention is increasing not only in investment but also in terms of visibility with a number of high-profile initiatives having been launched during the 1990s. According to Heeks and Davies (2000), this reinvention has taken place especially in the advanced countries. Western countries are convinced that the information society will result in economic and social benefits (Audenhove, 2000). The author quoting Organization for Economic Cooperation and Development, notes that information infrastructures are expected to stimulate economic growth, increase productivity, create jobs, and improve on the quality of life. Heeks (2002) observes that there is a big difference between ICT implementation and use between developed and
developing countries. However, Westrup (2002) observes that similarities can also be expected. These similarities include funds which are never sufficient, bureaucracy and user needs. The difference is how problems are addressed in different countries. It can be argued that, with their adequate resources and advanced technology, the Western countries have an easier way of implementing ICT projects than DCs. Most developing countries are characterized by limited computer applications in the public sector, inadequate infrastructure and shortage of skilled manpower (Odedra 1993). Odedra (1993) notes that “this situation exists not merely due to lack of financial resources, but largely due to lack of coordination at different levels in making effective use of the technology”. This uncoordinated efforts can only result in duplication if each department implements its own ICT projects without due regard to compatibility within the government.

The factors for failure are those occurrences that constraint proper/smooth implementation of ICT projects in government. These can either be barriers or inhibitors as described by (Khaled 2003, Gakunu 2004, Aineruhanga 2004, Heeks 2003a, Ndou 2004, Bhatnagar 2003, Saul and Zulu 1994). Barriers can be considered as those occurrences that hinder ICT implementation. Some of these factors for failure are: Infrastructure; Finance; Poor data systems and lack of compatibility; Skilled personnel; Leadership styles, culture, and bureaucracy; and Attitudes

Inhibitors do not necessarily prevent the implementation of ICT projects but they do prevent advancement and restrict successful implementation and sustainability. Some of these factors for failure are: User needs; Technology; Coordination; ICT policy; Transfer of ICT idolizers; and Donor push
The ministers of developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions, meeting in Paris on 2nd March 2005, resolved to take far-reaching and monitorable actions to reform the ways aid is delivered and managed in view of the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs). While the volumes of aid and other development resources were set to increase to achieve these goals, aid effectiveness had to increase significantly as well to support partner country efforts to strengthen governance and improve development performance. The meeting reaffirmed the commitments made at Rome to harmonize and align aid delivery. It was encouraging to note that many donors and partner countries were making aid effectiveness a high priority, and reaffirmed commitment to accelerate progress in implementation, especially in the following areas: (i) Strengthening partner countries’ national development strategies and associated operational frameworks; (ii) Increasing alignment of aid with partner countries’ priorities, systems and procedures and helping to strengthen their capacities; (iii) Enhancing donors’ and partner countries’ respective accountability to their citizens and parliaments for their development policies, strategies and performance; (iv) Eliminating duplication of efforts and rationalizing donor activities to make them as cost-effective as possible; (v) Reforming and simplifying donor policies and procedures to encourage collaborative behavior and progressive alignment with partner countries’ priorities, systems and procedures; and (vi) Defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.
Empirical research on development assistance has focused on how donors allocate their foreign aid funds or the effectiveness of aid in securing specific outcomes in recipient countries. There has been relatively less attention paid to the amount of development assistance that governments provide (Tingley, 2010). What factors determine the overall size of a donor’s aid budget, and, more specifically, what causes a donor to change its level of aid effort? We draw upon prior research to identify what factors drive the provision of development assistance in general and what short-term factors, such as economic hard times, can change these aid levels.

In general, previous research on donor effort has focused on two broad categories: political factors and economic factors. In studying political factors, many authors have asserted that a country’s overall level of aid is affected by geo-strategic interests (Liska 1960; Morgenthau 1962; Hoadley 1980; Griffin 1991; White 2004; Round and Odedokun 2004), and domestic political ideology (Milner and Tingley, 2010). However, there is little consensus on how a government’s domestic political ideology affects its allocation decisions. Many studies have found that left-leaning governments are more likely to support foreign aid than conservative governments (Lumsdaine 1993; Knack and Paxton 2008; Milner and Tingley 2009; Tingley 2010). In contrast, other research on the United States suggests that Republican administrations have higher aid budgets than Democratic administrations and some cross-national time-series studies find that right-wing governments spend more on foreign aid (Round and Odedokun 2004; Bertoli, Cornia, and Manaresi 2008). To further muddy the waters, Dang, Knack, and Rogers (2009) find that political orientation has no significant effect on aid effort.
In addition to political factors, many researchers find that economic factors drive aid effort. For example, increases in trade levels, and consequent increases in economic interdependence, may increase donors’ aid effort (Haggard and Moravcsik 1993; Van der Veen 2011). Research on government fiscal balance suggests that weaker fiscal positions will constrain aid budgets. Faini (2006) concludes that the cumulative stock of public debt has negative effects on aid, particularly among European donors. Bertoli et al (2008), while primarily concerned with Italian aid performance, find similar results. In contrast, Round and Odedukun (2004) claim that fiscal balance does not have any discernable effect, but they do find that as real income per capita increases, so does aid effort.

Beyond studying general determinants of aid effort, few studies have examined the effect of economic downturns on the level of aid provision. The research that has been done examines macroeconomic indicators in donor countries to see whether they predict aid budgets. Unfortunately, most of this research has limited explanatory power due to the restricted number of donors or years examined. In an exploratory article, Frot (2009) examines the relationship between financial crises and foreign aid budgets. The six crises he studies are: the United States in 1988, Japan in 1990, Finland, Norway and Sweden in 1991, and South Korea in 1997. Frot finds that donors decrease aid by 13% following crises. Mold et al. (2009) argue that there is no clear relationship between GDP growth and aid, citing examples where the U.S. has decreased aid during recession in 1990-1991 but increased aid in 2000-2001. These articles focus on a small number of cases - neither of them provides thorough analysis or allows us to draw general conclusions about the relationship between economic downturns (or crises) and foreign aid levels. In a larger time-series cross-sectional study, Tingley (2010) finds no evidence that GDP
growth influences aid effort (though it may predict greater levels of aid to middle income recipients).

Dang, Knack, and Rogers (2009) examine banking crises as another aspect of donors' economic ability to provide foreign aid. They theorize that because these crises place high demands on the public sector, they are more likely to reduce the aid budget than other types of recessions or economic slowdowns. They argue that banking crises lead to the accumulation of public debt, which Faini and others have found to reduce aid budgets. Dang, Knack, and Rogers find that aid declines by 20 percent for over a decade after a country undergoes a banking crisis. Decreases in income per capita also have a negative effect on aid; they estimate that the current financial crisis will depress aid budgets by 20 to 30 percent over the next decade. They also find evidence that other measures of economic health, including employment, have an effect on aid budgets, but they do not pursue these findings in-depth.

Kenya, like other developing countries, faces huge external debts and is crying out for debt relief. Most countries argue that given their current poverty levels, the repayment and servicing costs of external debts are too high and unmanageable. These claims have led to the reconsideration of issues related to the effectiveness of aid in developing countries. Earlier the aid-savings debate focused on the two-gap model developed by Chenery and Strout (1966) that set foreign aid as an engine of growth. Critics of this model have argued that foreign aid substitutes domestic resources through declined savings, reduced government tax revenue and increased government consumption. With the renewal of the debate, the question remains as to whether external assistance complements or substitutes available domestic resources.
In Kenya, the answer to this question is complicated by the fact that aid flow has not been consistent. Given Kenya’s high dependence on foreign aid, coupled with major aid freeze episodes, there is need to analyze the impact of aid flows on the budget process by establishing the link between aid and public expenditure. A stronger association of aid with higher government consumption rather than with public investment would suggest both a "flypaper effect" and fungibility. This may imply that aid recipient governments view foreign aid like any other source of revenue and consequently use it for increased consumption, tax reductions or reduced fiscal deficits (future tax obligations). An interesting question would be what proportion of increased spending resulting from increased donor funds goes to either recurrent or development expenditures. The answer can shed some light on the implications of an aid freeze to recipient countries, and highlight how the Kenyan government responds to resultant fiscal deficits.

If the existing literature on aid effort demonstrates anything, it suggests that both political and economic factors influence donors’ aid effort; however, the extant literature has not been able to consistently (or convincingly) demonstrate how these factors matter or how much they matter. While we do not have a fully specified theory of aid effort in hard times, we believe that any convincing explanation of aid effort must account for both economic and political factors. Moreover, it is probably misleading to cast these as alternative explanations. Instead, economic and political factors work in tandem. Foreign aid budgeting is a political process. Therefore, the economic conditions that most directly influence aid effort are likely to be those that are most politically salient.
2.9 Summary and Conclusions

A 2005 Overseas Institute of Development (ODI) Briefing Paper sets out a useful framework for assessing aid effectiveness, constraints and identifies four areas of potential bottlenecks: (i) macroeconomic constraints, (ii) institutional and policy constraints, (iii) technical and managerial constraints, and (iv) constraints generated by donor behavior (Overseas Institute of Development, 2005). Previous studies on donor funding have concentrated on the first two constraints; governance and macroeconomic constraints; and institutional and policy constraints. These include: - (a) Platteau (2003), paper on, “Effect of Aid on Inequality”, presented at the conference on “Poverty, Inequality and Growth”; (b) Martens et al., (2002) paper on “The Institutional Economics of Foreign Aid”; and (c) Knack (2001) Paper entitled “Aid Dependence and the Quality of Governance”.

Aid assistance and donor funding have done much in the past to assist the developing nations to advance technically and economically. However much of the funding has not been applied in the most efficient or effective manner and there has been a loss of benefit as a result (Brian and Kpundeh, 2005). Regardless of where one stands on the issue, it is quite evident that foreign aid in its current form is not effective in addressing the emerging challenge of global poverty around the world (Svensson, 2000). Aid implementation, which is at the heart of better aid coordination, requires both recipient countries and donors to move from rhetoric to practice.

Aid will only be effective if its objectives are set by donors in partnership with recipients and if donors are convinced that reforming the aid system will allow less dependency and promote growth and development (Svensson, 2000). There is need to develop the managerial and
technical skills of implementing agencies’ employees. The agencies need to strengthen their capacity to manage large organizations. They have to adopt policies of hiring, training, motivating, paying and promoting personnel, of managing and controlling budgets, of decentralization and innovating management, and of avoiding or overcoming dependency on one leader.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology to be used in conducting the study by the researcher. It contains a description of the study design, target population, sample design and size, data collection instruments, data collection procedures and data analysis.

3.2 Research design

According to Brown et al. (2003), research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the project, which include the samples or groups, measures, treatments or programs, and methods of assignment that work together to try to address the central research questions.

In order to undertake the study a descriptive survey was used. Descriptive statistics is used to describe the basic features of the data in the study. According to Mugenda and Mugenda (1999) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Descriptive statistics help to simplify large amounts of data in a sensible way. Each descriptive statistic reduces lots of data into a simpler summary. Measures of central tendency give the expected score or measure from a group of scores in a study. Measures of variability, such as standard deviations inform the distribution of scores around the mean of the distribution. Frequency distributions show a record of the number of times a score or record appears.
Descriptive designs result in a description of the data, whether in words, pictures, charts, or tables, and whether the data analysis shows statistical relationships or is merely descriptive. Surveys based on a carefully selected representative sample can produce results that are broad, credible and generalisable to the whole population.

3.3 Population

The target population of study was the implementation agencies of World Bank funded projects in Kenya. There were 2 respondents from each of the organizations, the project manager and at least 1 project officer (the project implementer). The study respondents had advantages and disadvantages. The key advantages were: Potential respondents’ interest in the subject matter making it less likely for them to ask other members of staff with limited knowledge to complete the questionnaire (a common problem in survey research); and knowledge reducing the likelihood of common method variance.

3.4 Sample

Purposive sampling of judgmental nature was used to arrive at the sample size. The sample selected was 21 implementing agencies of the World Bank funded projects in Kenya. The researcher sought information from officers who have directly and actively participation in the implementation of World Bank Funded Projects in Kenya.

3.5 Data Collection

Primary data was collected from the various implementing stakeholders with the aid of semi-structured questionnaires. The data collected was collected from the Project staff who are
directly involved in project implementation in the various agencies of the government by way of
to the challenges involved in project
The closed ended questions were presented on a Lickert scale. The Likert scale, commonly used in business research was used because they allow participants to respond with degrees of agreement or disagreement.

The questionnaire was pre-tested on 6 randomly selected respondents to enhance effectiveness and hence data validity. Since all the respondents are based in Nairobi, the researcher administered the questionnaires by hand delivery. In addition, the researcher made telephone calls to the respective respondents to further explain the purpose of the study and set a time frame for the completion of the questionnaires. Once completed, the researcher personally collected the questionnaires. This provided the opportunity to clarify certain issues arising from the various responses.

3.6 Data analysis and Presentation

This section presents the methods used in analysis of primary data and presentation.

3.6.1 Data Analysis

The following is a brief description of the statistical methods that was employed for this study. According to Marshall and Rossman (1999), data analysis is the process of bringing order, structure and interpretation to the mass of collected data. The collected data from the questionnaire and secondary sources was systematically organized in a manner to facilitate analysis. Data analysis involved preparation of the collected data - coding, editing and cleaning of data so that it may be processed using Statistical Package for Social Sciences (SPSS) package.
version 19.0. The coded data was keyed into the SPSS program where it was developed into a database and hence analyzed. SPSS was preferred because it is very systematic and covers a wide range of the most common statistical and graphical data analysis.

3.6.1.1 Background Information

The data pertaining to profile of the respondents and their respective organizations was analyzed using content analysis. Cooper and Schindler (2005) states that content analysis may be used to analyze written data from experiments, observations, surveys and secondary sources.

3.6.1.2 Effectiveness of Implementation of World Bank Funded Projects in Kenya

In order to determine the effectiveness of implementation of World Bank funded projects in Kenya, descriptive statistics were used to illustrate the mean and the standard deviation of each research variable. A measure of central tendency gives the expected score or measure from a group of scores in a study. Measures of variability, such as standard deviation, informed about the distribution of scores around the mean of the distribution. Frequency distributions show a record of the number of times a score or record appears. Factor analyses will be performed by examining the pattern of correlations (or covariance’s) between the observed measures. Measures that are highly correlated (either positively or negatively) are likely influenced by the same factors, while those that are relatively uncorrelated are likely influenced by different factors.

3.6.2 Presentation
presentation of information will be done with the aid of bar charts, frequency tables, percentages, standard deviations and mean scores. The information will be presented and discussed as per the objective of the study.

3.7 Validity and Reliability of Measures

3.7.1 Validity

Validity refers to the extent to which the data collection instrument measures what it is supposed to measure. Zikmund (2003) defines validity as the ability of a measuring instrument to measure what was intended to be measured. In order to establish its validity, the questionnaire was given to experts and colleagues to determine content and face validity. According to (Sekaran, 2003), content validity is a judgmental act where experts check whether the items represent the construct which is being studied as well as the wording, formatting and scoring of the instrument. Two steps were taken to ensure validity. Firstly, wherever possible, research questions from prior studies were used to improve the validity of the research instrument, in particular (Hall, 2000). Secondly, the questionnaire was sent to selected academicians as well as randomly selected respondents for perusal and to assess the structure, length, and appropriateness of the questions used.

3.7.2 Reliability

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund, 2003). The extent to which the instrument provides the same results on subsequent administration, known as reliability, was statistically obtained. The researcher relied on the guidance of the supervisors for reliability of the data collection tool. Factor analysis will be performed for testing the validity of measures used in measuring the extent of implementation.
Reliability analysis was conducted in this study to ensure that the measures of variables had internal consistency across time and across the various items that measure the same concept or variable (Sekaran, 2003). Reliability was measured in this study using Cronbach's alpha coefficients. Reliability evaluates accuracy of the measures through assessing the internal stability and consistency of items in each variable (Hair et al., 1998).
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

The aim of this chapter is to provide a summary of the data collected through the use of questionnaires. General trends are explained using percentages, tables, figures and descriptions of data as a way to present the findings of the investigation. The primary data was collected using questionnaires. The study utilized a combination of both quantitative and qualitative techniques in the collection of data. A total of 42 questionnaires were hand delivered to respondents, out of which 42 were returned completed (71.4% return). The data collected was then analyzed using the Statistical Package for Social Science (SPSS) – version 19.0. The findings are presented as per the objectives, research questions and hypotheses of the study. The study results are presented in two sections, namely background information of the respondents and information pertaining to the specific objectives of the study. This Chapter concludes by highlighting the main findings obtained from the quantitative data. The next chapter presents the results of the empirical analysis, discusses the findings and interpretations.

4.2 Background information

This section presents findings with respect to background information of the respondents.

4.2.1 Period of time respondents participated in implementation of World Bank Funded projects

The respondents were asked to indicate the period of time they had participated in implementation of World Bank Funded projects. The longer one participated in implementation
of projects, the more experienced he/she was and the more objective the responses were expected to be. The findings are summarized and presented in figure 4.1 below.

![Bar Chart](chart.png)

**Figure 4.1 Period of time respondents participated in implementation of World Bank Funded projects**

The findings indicate that whereas on 5 respondents had been implementing World bank funded projects for less than 2 years, majority of them respondents (25) had been implementing World bank funded projects for at least 2 years. The period majority of the respondents had been implementing World Bank funded projects was long enough for the employees to have experienced the challenges in the management of donor funded projects. The responses are thus considered objective.

### 4.2.2 Duties and responsibilities of respondents

The respondents were asked to indicate their duties and responsibilities. The researcher sought to establish the extent to which the various respondents understood their duties and responsibilities. Though the responses were diverse, they were summarized and presented in table 4.1 below.
Table 4.1: Duties and responsibilities of respondents

<table>
<thead>
<tr>
<th>Area of responsibility</th>
<th>Duties performed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project management</td>
<td>Projects design, Planning, implementation, monitoring and evaluation in given time frames.</td>
</tr>
<tr>
<td></td>
<td>Projects reporting using prescribed tools and formats</td>
</tr>
<tr>
<td>Resource management</td>
<td>Management of project staff</td>
</tr>
<tr>
<td></td>
<td>Management of financial resources</td>
</tr>
<tr>
<td></td>
<td>Management of facilities, tools and equipment</td>
</tr>
<tr>
<td></td>
<td>Security management</td>
</tr>
<tr>
<td>Liaison</td>
<td>Represent the organization in stakeholders meetings</td>
</tr>
<tr>
<td></td>
<td>Networking and collaboration</td>
</tr>
<tr>
<td></td>
<td>Fundraising</td>
</tr>
</tbody>
</table>

N=30

The findings indicate that all respondents who participated in the study had a good grasp of their duties and responsibilities and would thus give objective answers.

4.3 Relationship between donor funding and effective implementation of projects in Kenya

This section presents findings related to the objective of the study.

4.3.1 Factors that affect effectiveness of World Bank funded projects in Kenya

In order to establish the factors that affect effectiveness of World Bank funded projects in Kenya, the respondents were asked to indicate the extent to which listed factors influenced effectiveness of implementation of the projects they implemented by ranking the factors on a five point. Where 1 = Not at all; 2 = Neutral; 3 = Somehow; 4 = Much; and 5 = Very much. The responses are as presented in table 4.2 below in terms of absolute numbers.
Table 4.2: Factors that affect effectiveness of World Bank funded projects in Kenya.

<table>
<thead>
<tr>
<th>Factors that affective implementation of donor funded projects</th>
<th>Not at all</th>
<th>Neutral</th>
<th>Somehow</th>
<th>Much</th>
<th>Very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate funding</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Wrong timing in funds disbursement</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Lack of/or inadequate Human Resource capacity (Knowledge and skills)</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>Lack of Accountability (Overstatement of prices and use of substandard materials)</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Procurement Procedures/bureaucracy</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Disagreements among beneficiaries</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Social-cultural obstacles.</td>
<td>-</td>
<td>3</td>
<td>11</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>N=30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The responses indicate that Procurement Procedures/bureaucracy was regarded being the factor that affected effective implementation of projects most, with 20 respondents indicating ‘very much’ and 10 of them indicating ‘much’. The findings also indicate that all the other listed factors do affect effective implementation of projects.

4.3.2 Possible interventions that could be used to enhance the effectiveness of World Bank funded projects in Kenya

In order to identify the possible interventions that could be used to enhance the effectiveness of World Bank funded projects in Kenya, the respondents were asked to indicate the extent to which the listed interventions could be used to enhance donor aid effectiveness by ranking them on a five point scale. Where 1 = Not at all; 2 = Neutral; 3 = Somehow; 4 = Much; and 5 = Very much. The findings are also summarized and presented in terms of mean scores and standard deviations in table 4.3 below in terms of absolute numbers.
Table 4.3: Interventions used to enhance effectiveness of World Bank funded projects

<table>
<thead>
<tr>
<th>Interventions used to enhance donor effectiveness</th>
<th>Not at all</th>
<th>Neutral</th>
<th>Somehow</th>
<th>Much</th>
<th>Very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity building for staff of the Donor Agencies</td>
<td>-</td>
<td>3</td>
<td>11</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Use of local staff to overcome language and other socio-cultural factors</td>
<td>-</td>
<td>5</td>
<td>8</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Sensitization and Training of beneficiaries</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Timely Auditing of implementing agencies to ensure accountability</td>
<td>-</td>
<td>3</td>
<td>11</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Timely programme reports from project officers</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Frequent meetings with key stakeholders e.g. opinion leaders</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Adequate collaboration and networking of all development partners</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>8</td>
<td>17</td>
</tr>
</tbody>
</table>

N=30

The findings in table 4.3 above indicate that all the listed interventions could be used to enhance effectiveness of donor aid implementation, though to a varying degree. Frequent meetings with key stakeholders e.g. opinion leaders; Sensitization and Training of beneficiaries; and Adequate collaboration and networking of all development partners stood out as being the most effective interventions.

Further, the respondents were asked to briefly explain any other interventions that they thought could be used to address the challenges faced in implementation of donor funded projects. The respondents listed the following as being additional interventions that could be used to enhance
the effectiveness of implementation of donor funded projects:- Increased funding envelopes for development programmes; Proper baseline data at the beginning of project interventions; realistic work plan based on log frame; monitoring and follow up mechanisms; mainstreaming gender in project planning; clear exit strategy; and involvement of all stakeholders in the various stages of the project life cycle.
SUMMARY, CONCLUSION AND RECOMMENDATIONS

This section presents a summary of the findings, conclusion and recommendations.

5.1 Summary of findings and Discussions.

The findings indicate that majority of the respondents had been implementing World bank funded projects for at least 2 years, which was long enough for the employees to have experienced the challenges in the management of donor funded projects. The responses are thus considered objective. The findings also show that all the respondents had a good grasp of their duties and responsibilities and would thus give objective answers.

Further, the findings indicate that the factors that affect effectiveness of World Bank funded projects in Kenya include: inadequate funding; wrong timing in funds disbursement; lack of/or inadequate human resource capacity (Knowledge and skills); lack of accountability (overstatement of prices and use of substandard materials); insecurity; disagreements among beneficiaries; and Social-cultural obstacles.

Both the literature review and findings from primary data indicates that the following are the possible interventions that could be used to enhance the effectiveness of World bank funded projects in Kenya: capacity building for staff of the donor agencies; use of local staff to overcome language and other socio-cultural factors; sensitization and training of beneficiaries; timely auditing of implementing agencies to ensure accountability; timely programme reports
from project officers; frequent meetings with key stakeholders e.g. opinion leaders; and adequate collaboration and networking of all development partners.

5.2 Conclusions and Recommendations.

Based on the findings of the study, the following conclusions are drawn:

Findings of the study indicate that there are various factors that affect effectiveness of World Bank funded projects. These factors include: inadequate funding; wrong timing in funds disbursement; lack of/or inadequate human resource capacity (Knowledge and skills); lack of accountability (overstatement of prices and use of substandard materials); insecurity; disagreements among beneficiaries; and Social-cultural obstacles.

The findings are in line with the arguments by Mosley and Marion (2000) that problems of economic governance and ineffective utilization of development assistance have ranged from poor or no consultation with the intended beneficiaries; lack of coordination between various government agencies; the failure to harmonize policies; programs and procedures harmonization and alignment; poor project design; to poor monitoring of foreign funded projects and consequently indebtedness and poverty. The effectiveness of donor funded projects is determined by both technical and managerial capacity of the human resources of the implementing agencies. In addition, appropriate supportive infrastructure is a necessity. According to Arndt (2000), the officers in the donor funds projects chain may lack the formal training in foreign aid management, budgeting and accounting. These weak skills may lead to poor understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor. This may be affected by the quality and timeliness of the
Liquidation documents which complicate the donor fund release, with obvious implications on levels of donor aid effectiveness. The findings are also in line with the arguments by O'Connell and Soludo (2001) that accountability is a key pillar of effectiveness. In addition, Martens et al. (2001) observed that because of the broken natural feedback loop in foreign aid, inserting an explicit evaluation function in foreign aid programmes is necessary to eliminate performance problems. Arndt (2000) argued that the officers in the donor funds projects chain may lack the formal training in foreign aid management, budgeting and accounting. These weak skills may lead to poor understanding of the donor expenditure protocols resulting in ineligible expenditures, which lead to rejection for further funding by the donor. This may be affected by the quality and timeliness of the liquidation documents complicate the donor fund release, with obvious implications on levels of donor aid effectiveness.

The findings also indicate that the possible interventions that could be used to enhance the effectiveness of World bank funded projects in Kenya include: capacity building for staff of the donor agencies; use of local staff to overcome language and other socio-cultural factors; sensitization and training of beneficiaries; timely auditing of implementing agencies to ensure accountability; timely programme reports from project officers; frequent meetings with key stakeholders e.g. opinion leaders; and adequate collaboration and networking of all development partners. The findings support the argument Svensson (2000) that coordination of donors’ goals, if possible, would reduce these problems, and increase the overall development impact of aid, even if donors then act separately (Svensson, 2000). The next section presents recommendations of the study.
Based on findings of the study, it is expected that the stakeholders, who include World Bank funded project managers, beneficiaries and donors will gain a better understanding of issues pertaining to donor projects management. Owing to the critical role played by donor funded projects, especially in poverty eradication, aid effectiveness requires a high priority and there is thus need to place emphasis on the following areas:- (i) strengthening partner countries’ national development strategies and associated operational frameworks; (ii) increasing alignment of aid with partner countries’ priorities, systems and procedures and helping to strengthen their capacities; (iii) enhancing donors’ and partner countries’ respective accountability to their citizens and parliaments for their development policies, strategies and performance; (iv) eliminating duplication of efforts and rationalizing donor activities to make them as cost-effective as possible; (v) reforming and simplifying donor policies and procedures to encourage collaborative behavior and progressive alignment with partner countries’ priorities, systems and procedures; and (vi) defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.

5.3 Limitations of the Study

Notwithstanding the researcher’s determination to undertake the study, various constraints were encountered in the process.

The time available and the duration of the study presented a constraint. Completion of the project within a given time frame meant that the researcher had to work round the clock in
getting the necessary feedback from the respondents in good time. Similarly, the period covered in the study was for 5 yrs. Indeed if the study covered 10 years rather than the 5 the researcher undertook, the results achieved could have been better.

The sample size used was also a limitation. A larger sample could have given better findings. The data collection tool was a structured questionnaire. The respondents either deliberately refused to volunteer certain information pertaining to the study or were unable to access it. In addition, considering that the respondents completed the questionnaires while at the same time carrying out their daily duties, the divided attention could have led to inaccuracy in information given.

5.4 Suggestions for Future Research

The findings of this study, it is hoped, will contribute to the existing body of knowledge and form basis for future researchers. The following areas of further researcher are thus suggested:

(1) Whereas the current study focused on research done for a period covering the last 5 yrs, future studies should focus on a much longer period which could lead to better results (2) The study Future studies should also focus on a much larger sample size so that a better results could be obtained. (3) The researcher used structured questionnaires and interviews as the main tool of data collection. Future studies should use multiple research tools and models to obtain better results and (4) the findings of the study should be replicated in other countries for comparison purposes, and within government agencies for projects funded by other organizations other than World Bank.
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APPENDIX I: QUESTIONNAIRE

This questionnaire has been designed to collect information from World Bank Funded project implementation agencies in Kenya and is meant for academic purposes only. The questionnaire is divided into two sections. Section I seeks to capture the profile of respondents while section II will capture issues pertaining to the area of study. Please complete each section as instructed. Do not write your name or any other form of identification on the questionnaire. All the information in this questionnaire will be treated in confidence.

SECTION I: BACKGROUND INFORMATION

1. Please state the organization for which you work..............................................................

2. For how long have you participated in the implementation of World Bank Funded project in Kenya? (Please tick as appropriate)
   (a) Less than 2 years  □
   (b) 2 to 4 years  □
   (c) 4 to 6 years  □
   (d.) 6 years and above  □

3. Please list and briefly explain the tasks you perform in the named World Bank funded project

   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

SECTION II: THE RELATIONSHIP BETWEEN DONOR FUNDING AND EFFECTIVE IMPLEMENTATION OF PROJECTS IN KENYA

4. Please indicate the extent to which you agree/disagree that each of the listed factors negatively affect effective implementation of World Bank project in Kenya by ranking the factors on a five point scale. (Tick as appropriate)

<table>
<thead>
<tr>
<th>Factors that negatively effective implementation of donor funded projects</th>
<th>Strongly disagree (1)</th>
<th>Disagree (2)</th>
<th>Somehow agree (3)</th>
<th>Agree (4)</th>
<th>Strongly agree (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate funding</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Wrong timing in funds disbursement</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Lack of/or inadequate Human Resource capacity (Knowledge and skills)</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
Lack of Accountability (Overstatement of prices and use of substandard materials)
Procurement Procedures and Bureaucracy
Disagreements among beneficiaries
Social-cultural obstacles.
Others (Specify)

5. Please indicate the extent to which the following interventions could be used to enhance donor aid effectiveness (Tick as appropriate)

<table>
<thead>
<tr>
<th>Interventions used to enhance donor effectiveness</th>
<th>Not at all (1)</th>
<th>Neutral (2)</th>
<th>Somehow (3)</th>
<th>Much (4)</th>
<th>Very much (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity building for staff of the Donor Agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of local staff to overcome language and other socio-cultural factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensitization and Training of beneficiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timely Auditing of implementing agencies to ensure accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timely programme reports from project officers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequent meetings with key stakeholders e.g. opinion leaders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequate collaboration and networking of all development partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Please list and briefly explain, any additional interventions that you think should be added to the list given in question number (5) above
<table>
<thead>
<tr>
<th>No.</th>
<th>Strata (Ministry/Donor Agency)</th>
<th>Project funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>Kenya Agricultural productivity project</td>
</tr>
<tr>
<td>2</td>
<td>Communication &amp; Information</td>
<td>Transparency Country Infrastructure Project</td>
</tr>
<tr>
<td>3</td>
<td>Cooperatives and Marketing</td>
<td>Market Development Improvement Project</td>
</tr>
<tr>
<td>4</td>
<td>Education</td>
<td>Free Primary Education Project</td>
</tr>
<tr>
<td>5</td>
<td>Energy</td>
<td>Lake Turkana Wind Power Project</td>
</tr>
<tr>
<td>6</td>
<td>Environment and Natural Resources</td>
<td>Environment Facility project</td>
</tr>
<tr>
<td>7</td>
<td>Finance</td>
<td>Financial and Legal Sector Technical Assistance Project</td>
</tr>
<tr>
<td>8</td>
<td>Health</td>
<td>Health Sector Support project</td>
</tr>
<tr>
<td>9</td>
<td>Housing and Settlement</td>
<td>Slum Upgrading Project</td>
</tr>
<tr>
<td>10</td>
<td>Justice &amp; Constitutional Affairs</td>
<td>Capacity Building and Governance</td>
</tr>
<tr>
<td>11</td>
<td>Lands</td>
<td>Land Information Management System</td>
</tr>
<tr>
<td>12</td>
<td>Fisheries</td>
<td>Kenya Fisheries Project</td>
</tr>
<tr>
<td>13</td>
<td>Local Authorities</td>
<td>Kenya Municipal Program</td>
</tr>
<tr>
<td>14</td>
<td>Livestock</td>
<td>Arid Lands resource management Program</td>
</tr>
<tr>
<td>15</td>
<td>Ministry of State for Special programs</td>
<td>Flood Mitigation Project</td>
</tr>
<tr>
<td>16</td>
<td>Office of the Vice President - Youth Affairs</td>
<td>Youth Fund Credit project</td>
</tr>
<tr>
<td>17</td>
<td>Regional Development</td>
<td>Small Holder Farm Improvement project</td>
</tr>
<tr>
<td>18</td>
<td>Roads and Public Works</td>
<td>Highways, Urban and Rural roads project</td>
</tr>
<tr>
<td>19</td>
<td>Water &amp; Irrigation</td>
<td>Enhancing Climate Resilience and Water Security Project</td>
</tr>
<tr>
<td>20</td>
<td>Transport</td>
<td>East Africa Trade and Transport Facilitation Project</td>
</tr>
<tr>
<td>21</td>
<td>Higher Education, Science and Technology</td>
<td>Technical &amp; Vocational Education and Training Project</td>
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