

**INFLUENCE OF SOURCES AND COMPOSITION OF
FINANCE ON SUCCESSFUL IMPLEMENTATION OF
COMMUNITY DEVELOPMENT PROJECTS: A CASE OF
PROJECTS FUNDED THROUGH LEWA WILDLIFE
CONSERVANCY**

BY

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER
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NAIROBI**

2010

DECLARATION

This research project is my original report and has not been presented for an award of a degree in any other university.

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DEDICATION

This research work is dedicated to my employer, Lewa Wildlife Conservancy, whose data and support made it possible to complete this project. To my brother Dennis Kasoo and Veryl A. Obodi who gave me unwavering support in undertaking this research project. I will be indebted if I don't mention my late mother Joyce Kasoo who inculcated the spirit of hard-work and determination.

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ACRONYMS AND ABBREVIATIONS

DF	Development Funds
GOK	Government of Kenya
IRD	Integrated Rural Development
JICA	Japan International Cooperation Agency
FAO	Food and Agriculture Organization
WFP	World Food Program
CBD	Community Based Development
CDD	Community Driven Development
KEPI	Kenya Expanded Programme of Immunization
KIHBS	Kenya Integrated Household Budget Survey
LWC	Lewa Wildlife Conservancy
LWMCP	Lewa Women Micro-Credit Program
NRDP	National Rural Development Program
SPSS	Statistical Program for Social Sciences
ODA	Official Development Assistance
RD	Rural Development
WB	World Bank
TI	Transparency International Kenya

ABSTRACT

Successful project implementation is influenced by numerous factors. The sources and composition of project finance is among the key factors that may influence the project implementation. This study sought to establish the extent to which sources, composition of finance and the role of the community have on successful implementation of community development projects. This was achieved through collection, analysis and interpretation of data from community development projects funded through LWC for the last five years (2005-2009).

Previous studies have demonstrated that effectiveness of development aid is affected by numerous factors (Carlsson, 1999). Others have highlighted the factors that have hindered successful implementation of development projects. In Kenya for example (Jerker, 1997) shows how donors influence have influenced successful implementation of the health projects. The absence of specific research on the influence of the sources, composition of project finance and the role of the community in project implementation presents a gap that this research sought to fill.

The study used closed questionnaires and interviews to collect the data. Combinations of two sampling techniques were used; cluster sampling and stratified sampling in order to enhance the representation by the sample. The collected data was then coded and analyzed using statistical method; SPSS. The findings showed that, sources of and the composition of project finance has an influence on successful project implementation. Community participation also has influence on successful implementation of development projects. Most donors provide reliable flow of funds while monitoring the implementation of the projects.

The analysis of the data collected showed that sources of finance have a positive influence on successful project implementation. Despite some sources attaching conditions, the reliability of most sources have made it possible for projects to succeed. Some of the conditions attached have a positive influence because they require the community members to actively participate in the project and they also appoint lead individuals or organization to monitor the project hence their success. Community members are not aware of the different sources of donors and their proportion contribution to development projects. The community only knows the lead organization, LWC. Communities only contributed manual labor to the development projects with little financial contribution. This demonstrates that communities almost entirely depend on donor funding to jumpstart any development project.

It is important for development stakeholders to know that sources of finance, the composition of project finance and community participation is crucial in successful project implementation. With this study capturing only three variables it's recommended that research should be done to evaluate the influence of other factors on the success of development projects.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Financial aid has traditionally been seen as something temporary, something that can only complement existing national resources and efforts. After almost forty years in existence, aid has become something permanent. Furthermore, in some countries, aid has become a considerable force in the national economy, making those countries more or less completely dependent on it (Devarajan, 1998). Without doubt there has been growing disillusionment with the performance of aid. Fighting poverty by supporting economic growth and development in the least-developed countries has been and continues to be a major objective of aid. However, in many countries it has been difficult to see any positive connection between aid, growth and development (Lancaster, 1999).

Africa is a particularly sad case in this respect. The region has fallen behind the rest of the developing world by virtually any measure. The gap between Africa and the rest of the developing world continues to grow. Is aid a major cause of this development? Or has it prevented an even worse decline in living standards? Or has it had no effect at all? As long as aid agencies and host countries are unable to provide clear answers to these questions, aid will be under fire. Aid effectiveness will therefore continue to occupy a central position in the debate on development in Africa.

The developed economies' efforts to aid the developing economies have done so much ill and so little good; aid has been doing wrong rather than good. None of the plans to reduce poverty have succeeded. After 60 years of reform models, dozens of different plans, and \$ 2.3 trillion spent, the aid industry has not been able to achieve its goals. It is necessary to ban 'planners' from development policies and to employ 'searchers'. Such searchers would be able to find effective ways by asking the poor themselves as well as accountable professionals what they think is necessary (Easterly, 2006).

Development projects play a critical role in poverty alleviation and economic growth. The establishment of these projects is either driven by community or a country's needs in line with the government policies. It is important to note that successful implementation of development projects is dependent on numerous factors. Though the influencing factors do occur simultaneously other factors indirectly influence the implementation of projects. It is therefore inconclusive to say that a particle factor alone influences successful implementation of a project.

The Lewa Wildlife Conservancy (LWC) is a non profit organization that is championing community development projects through wildlife and environmental protection. LWC was incorporated in 1995 to safeguard the protection of the endangered species; Black rhinos and the grevy zebra. LWC aims to work as a catalyst for the conservation of wildlife and its habitat through the protection and management of species, the initiation and support of community conservation and development programmes, and the education of neighboring communities in the value of wildlife. One of Lewa's fundamental objectives is to conserve threatened species within its area of operation by providing protected habitat for these species under pressure and also acts as a breeding ground for wildlife. The conservancy has been a pioneer for conservation and community development for many years in Kenya.

1.1.1 The origin of LWC

In 1983, a handful of conservationists, hoping to reverse the rampant poaching of the region's rhino, established a small sanctuary in the northern rangelands of Kenya. Over the years, the sanctuary has evolved into the Lewa Wildlife Conservancy, a globally significant wildlife reserve credited with bringing black rhino from the brink of extinction and proving that conservation can be a positive force for economic development and poverty alleviation for communities.

Originally a 5,000-acre reserve located on the edge of a private cattle ranch, Lewa today is made up of 62,000 acres of grasslands, acacia groves and wetlands situated in the foothills of Mount Kenya. The reserve protects a host of wildlife, including endangered black rhino, the world's single largest population of Grevy's zebra – 20% and one of the three last remaining habitats of

the sitatunga, a swamp-dwelling antelope. Through conservation sensitization, Lewa has helped local communities manage more than two million acres of wildlife resources and developed ecotourism enterprises, which in turn fund education, conservation and social welfare projects through partnership with Northern Rangeland Trust.

Lewa is actively involved in promoting conservation both within its boundaries and in the ecologically important community-owned areas to its north and some parts of Lamu. Lewa has been instrumental in the creation of community conservation area in the northern region; this has helped increase the amount of land under conservation management in northern Kenya to over 3,000 square Kilometers since the mid 1990s. Lewa's work is creating a sustainable ecosystem approach to conservation through the protection of large areas of land, allowing for the continued migration of wildlife throughout their natural range. Lewa has recently opened up an elephant corridor to facilitate free movement of elephants from Mt. Kenya to the Northern dry areas.

1.2 LWC influence on community development

Lewa has influenced incredible changes in seven of the communities directly surrounding the Conservancy. It focuses on seven core components to create a sustainable and conservation-friendly economic growth with mutual benefit to the communities;

With the support of donors, Lewa operates three clinics to meet the medical needs of its staff and its neighbors. This is strategic since the nearest health facility is 25km away. The clinics offer diagnosis and treatment in reproductive, preventative, and mental health; including education for HIV/AIDS, family planning, and hygiene. The Lewa Health Care Programme is a vital part of the Community Development outreach.

The year 2009 witnessed a growth of the Lewa Health Care Programme. The number of clinics under Lewa's operation increased from two to three with the re-opening of the Ngare Ndare clinic on the western side of the Conservancy. The Lewa, Leparua and Ngare Ndare clinics served the staff and communities under the guidance of Dr. Abid Butt, the Lewa consulting

doctor from Nanyuki cottage hospital. The benefitting communities provided feedback in the study to ascertain whether they are benefitting from the medical services.

Through the support of donors, LWC has helped start water projects that includes springs conservation and water distribution for agriculture, domestic and livestock use. Lewa has implemented irrigation programmes in five communities, improving living standards for over 15,000 people. Every year, Lewa engages in Community water development projects which are extensive and make a positive contribution to the communities. In 2007, the Lewa Community Water Development project completed two major water projects which led to the provision of clean water to over 6000 people who have been experiencing perennial water shortages. These were the Mkuu Springs Water Project and the TM Borehole Domestic Water Project. Water has remained a scarce resource in all our communities yet vital for survival.

There are eight women's groups in Lewa's communities, boasting over 400 participants in the programme. Local women access funds as small as US \$65 which help them start their own businesses and lift their families out of poverty. Women constitute nearly 60 percent of the world's 2 billion people living in poverty. Despite all the community development programmes around the world, the feminization of poverty seems to be a growing phenomenon, especially in the developing world. Over the last two decades, the number of rural women living in absolute poverty has risen by 50 percent (compared to 30 percent for men). In Kenya, despite significant progress in the field of women's empowerment, some major challenges still need to be faced. Women bear the brunt of rural poverty with literacy rates in some areas being as low as 4 percent. Women's economic empowerment is an essential element in any strategy for poverty alleviation. It is this belief that led to the creation of the Lewa Women's Micro-Credit Programme in 2003 (LWMCP).

More specifically, Lewa Women's Micro-Credit Programme was started as result of a close evaluation of the level of poverty within rural women in the communities surrounding Lewa. Culturally, the women are in most cases left out of the decision-making process, yet they play the key role of holding their families and the entire society together. Micro-credit is the extension of micro-loans to the unemployed, to poor entrepreneurs and to others living in poverty. These

individuals lack collateral, steady employment and a verifiable credit history and therefore cannot meet even the most minimal qualifications to gain access to traditional credit sources. The LWMCP supports rural women living in the communities surrounding the Conservancy. The program provide them with small loans, so they can initiate micro-enterprises – such as tailoring, homestead retail shops, poultry and agricultural-based activities – to enhance their livelihoods and improve their socio-economic activities.

The threats of global warming even individual efforts counts, Lewa has established a greening initiative among communities around its borders. This has been championed by tree nurseries in five communities around Lewa to encourage them to plant trees. Sensitization of local communities on environmental issues also takes place. Alternative energy saving technologies has been introduced to reduce the pressure on the scarce forests. For example Jikos that use minimum firewood have been introduced.

The climate change has affected rainfall patterns, this has consequently affected farmers. Through arrangement with Lewa, these farmers are sensitized on the suitable crops to plant and proper handling of such crops. Through hands-on training, local farmers share techniques that preserve soil quality and biodiversity. Communities participate in agricultural projects for more efficient farming and grazing methods.

1.3 Statement of the problem

Though foreign aid 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 (Devarajan *et al* 1998). 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 discussions on the effectiveness of foreign aid (Lancaster, 1999).

Studies on impacts of foreign aid on growth in developing countries, besides having made a good case for increased flow of foreign aid, raises 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, finance projects other than those earmarked for funding. For example, a study by Uganda Debt Relief Network (2000) revealed that only 35% of the external funds reached the designated targets, underscoring the notion that aid to developing countries is fungible. Whereas the question of fungibility is important, empirical analysis of the linkage between aid and total expenditure is necessary when assessing the impact of aid in developing countries. Several studies on the question of fungibility; Heller (1975); Khilji and Zampelli (1991, 1994); Pack and Pack (1993) - concluded that aid to developing countries is fungible.

The absence of a link between financing projects and the success of these projects presents unanswered questions on whether the failure of finance aid to spearhead development is dependent on the donors themselves or composition of finance or if the role of the community has any influence. These studies have then left a gap on whether the sources of these funds and their composition have any influence on successful implementation of development projects. This study therefore sought to establish the influence of sources and composition of funds to successful implementation of community development projects around the LWC.

1.4 Purpose of the study

The study aimed to establish the influence of sources and composition of finance on successful implementation of projects funded through Lewa Wildlife Conservancy.

1.5 Objectives of the study

1. To determine the extent to which different donor sources of project finance influence successful implementation of community development projects funded through Lewa Wildlife Conservancy.
2. To determine the extent to which the composition of finance influence successful implementation of community development projects funded through Lewa Wildlife Conservancy.

3. To establish the extent to which the role of the community contribution have on successful project implementation of projects funded through Lewa Wildlife Conservancy.

1.6 Research questions

The study sought information to answer the following questions;

1. Do donor sources of project finance influence successful implementation of development projects funded through Lewa Wildlife Conservancy?
2. What is the influence of the composition of project finance on successful implementation of development projects funded through Lewa Wildlife Conservancy?
3. Do the contributions of the community influence successful implementation of development projects funded through Lewa Wildlife Conservancy?

1.7 Significance of the study

The results of the research study will have different benefits to different stakeholders in project development;

The lead organization (LWC) will be able to establish the importance of the key role they play in administering development projects on behalf of donors.

The community will be able to know the impact of their contribution on successful implementation of development projects in their locality. This knowledge will encourage the community members to participate development initiatives.

Governments continuously implement development programs to better the lives of its citizenry. Many projects have faced numerous challenges and have either stalled or fallen short to meet the desired needs. This study will help governments understand the significance of sources and composition of project finance on successful implementation of development projects in order to ensure that development projects are successful.

Different donors may have different influences on the projects they support. With different conditionality and some with no conditions at all, this is likely to have different bearings on the success of these developments projects. The study provided answers to the influence of these conditions to successful project implementation. Donors will therefore be able to know the impact of their financial contribution on development projects.

1.8 Delimitations of the study

The accessibility of respondents and experience with the Lewa wildlife conservancy provided invaluable benefit in undertaking the study. The annual company newsletter, annual reports, and the company website materials provided literature for review. The established development committees for all development projects provided the right contact respondents. Most of the members of the committee could also read and write. This made it possible to collect unbiased information from respondents.

1.9 Limitations of the study

The numerous development projects funded through LWC required individual analysis to establish their status of implementation. The sources and composition of funds to these development projects were also numerous. The study focused on all development projects while emphasizing on the contribution made by major donors/individuals and the benefitting community. The large area that the research focused was a challenge but a representative sample selected to enhance the collection of data. With the large population being unable to read and write, administering questionnaires was a challenge since individual interviews had to be conducted. This consumed a lot of time however some questionnaires were translated into local dialect to enhance quick responses.

1.10 Assumption of the study

The questionnaire and the interviews collected reliable information from respondents and provides ease of analysis of such information.

The respondent provided honest information about their knowledge of the development projects in their area.

1.11 Definition of significant terms

Sources of project finance: this refers to those who contribute the funds for the development project and the terms (conditionality) of those funds. In the case of this study, it included the corporate donors, individuals, charity organizations, government and the community.

Composition of project finance: this refers to the amount of contribution given by each stakeholder in the project. The composition represents the percentage of how much each stakeholder has made to a particular project.

Successful project implementation: this refers to the completion of the project within the stipulated; time, within budget and meeting the intended needs (reach).

Project finance: refers to funds for a particular project, such as water project, road, health facility and education. In other cases the project is financed intended to make significant positive impact to the community.

Development project: refers to an initiative established by either internal or external influence of a society to better utilize the available or imported resources to better the lives of the locals while protecting the prosperity of the society.

Lewa Wildlife Conservancy: is a non profit organization incorporated in 1995 to safeguard the protection of the endangered species; Black rhinos and the grevy zebra in Northern Kenya. The organization has championed conservation efforts far beyond the Nation borders. The communities have benefitted from these conservation efforts.

1.12 Organization of the study

The study focused on the influence of the sources of, composition of finance and the influence of the community contribution on successful project implementation on projects funded through Lewa Wildlife Conservancy. The study was organized in five chapters. Chapter one provided the background of the study showing the gap that the study sought to fill. Chapter two focused on the literature on previous studies on the topic of financing projects and development. The third chapter focused on research methodology used. Descriptive research design was used with SPSS being applied to analyse the data. Chapter four presents the analysis and interpretation of data by use of tables and figures. Chapter five explains the findings, conclusions, recommendations for further research based on the scope and the findings of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter sites relevant literatures on sources of and composition of project finance, community development projects, community participation and project implementation. These are then related to the research problem under review. The development of communities is pegged on sustainable utilization of available natural resources (Binswanger, 1994). Development projects provide an avenue for implementing collective efforts to better the life of the community. Financing of these projects could either be from within the community or from donors (states, corporate or individuals) or a mix of the two. The sources of these finances may have a bearing on the successful implementation of development projects.

2.2 Effectiveness of donor aid

For more than a decade, the international development community has increased its focus on measuring and improving results (Lancaster, 1999). Donors and developing countries alike want to know that aid is being used as effectively as possible, and they want to be able to measure results. The aim is to ensure that development work leads to tangible and sustained improvements in the lives of people in developing countries. This is implicit in the Millennium Development Goals (MDGs), which were adopted by 189 countries in 2000, and the Monterrey Consensus of 2002, which stressed the need to mobilize financial resources more efficiently. The Joint Marrakesh Memorandum in 2004 signaled a renewed emphasis on making aid effective. This was reinforced by the Paris Declaration of 2005 and is being emphasized in the work already underway for the Accra 2008 meeting. IFAD is working in many ways to improve its development effectiveness.

The Strategic Framework 2007 to 2010 charts IFAD's new directions and new ways of working in response to the needs of poor rural people in a rapidly changing world. It reflects its response to the evolving international development agenda and the need for increased and more effective

investment in reducing rural poverty and hunger. Its purpose is to ensure that IFAD's operations have the greatest possible impact for poor rural people.

This commitment by donors to ensure that their assistance is effective has prompted the establishment of monitoring mechanisms and vetting of projects to ensure that these projects are able to meet the needs of development in a sustainable way (Lancaster, 1999). The results of this study showing that these conditions attached by donors to their funds and the reliability of most sources of finance affirm the efforts made by donors to ensure that their contribution to development projects must be effective.

2.3 Sources and composition of finance

2.3.1 Introduction

The financing of community development projects has continued to make a huge contribution to the living standards of the rural communities. The various community projects are financed by different donors with different varied contributions (LWC annual report, 2009). With the success of most projects funded through Lewa Wildlife Conservancy, the review of related literature on sources of, composition of finance and the influence of community contribution was aimed at providing deeper understanding of the topic.

2.3.2 Donor sources of finance for project development

There are a number of concerns that need to be expressed about likely trends in the various sources of finance. A number of studies suggest that without any dramatic change in current approaches to the financing of investments and other expenditures in Africa, the current volumes and sources will shrink even further (Geda, 2000). With respect to domestic financial resources, it may be noted that rising rates of poverty would mean that the growth of financial assets among households will be far slower than it is presently and also than is required. The situation is worsened by the fact that structural and institutional factors also play a major role in keeping households from liquidating their assets.

Though foreign aid 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 (Devarajan *et al* 1998). 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 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. For example, a study by Uganda Debt Relief Network, 2000, revealed that only 35% of the external funds reached the designated targets, underscoring the notion that aid to developing countries is fungible. Whereas the question of fungibility is important, empirical analysis of the linkage between aid and total expenditure is necessary when assessing the impact of aid in developing countries. Several studies on the question of fungibility; among them (Heller, 1975); (Khilji and Zampelli, 1994); (Pack and Pack, 1993) - conclude that aid to developing countries is fungible. Others, like Levy (1987), McGuire (1987), Gang and Khan (1990), Pack and Pack (1990), and Nathi and Sobhee (1999), using time series data in individual countries, found no significant diversion of funds, and all concur with the argument that foreign aid funds are spent on the designated purposes. Further, recent studies by Feyzioglu *et al.* (1998) and Devarajan *et al.* (1998) that have combined both aggregated and disaggregated data found aid to be non-fungible at national levels but fungible across sectors.

Despite the issue of fungibility and aid shrinking to Africa, the influence of these projects to the lives of the people is evident (White, 1992). Development agenda of different donors have ensured that the projects are successful. The donors have provided guidelines while involving the beneficiaries on the best way to successfully implement the development projects. Most of these donors have seen their projects meet their objectives.

The global development response is financed by funding from different sources and implemented through a wide variety of agencies. The characteristics of funding sources and the terms and conditions dictating the way money can be spent vary and this affects the implementation of development projects (Jerker 1997).

NGO funds raised from the public are considered to be one of the quickest ways of getting finance. The money often arrives within a short period – much more quickly than money from official sources. However, like other agencies, NGOs regard internal reserves as crucial to the speed of their initial response, enabling them to have immediate access to unrestricted income before official funding or appeal money arrives. Save the Children for instance has the Children's Emergency Fund, funded from both institutional and voluntary donations. This acts as a float that enables Save the Children to respond from day one. These resources are generally replenished as new funds come in. This ensures that the funding by NGOs is dependable and has resulted to improved development.

The degree of flexibility attached to funding varies within the various channels, as well as between them. While some funding from bilateral donors or UN agencies to NGOs may be supporting the NGO's own programme, other funding takes the form of a contract, where an NGO delivers a donor's priorities and programme. While voluntary contributions from the public are usually directed to a specific crisis, NGOs normally have a lot of freedom to spend this money in whatever way they consider best. Reporting back to the public is often less onerous than reporting requirements attached to specific contracts and grants.

Multilateral funding is un-earmarked and spent at the discretion of the international organization. But a significant amount of the bilateral funding allocated to international organizations is earmarked to specific activities in specific places – often this earmarking is the result of dialogue and agreements between donors and agencies according to the prevailing priorities and is not necessarily something that is imposed externally. This makes it possible for the NGO to effectively implement its development agenda.

Voluntary funding from the general public is generally seen to be free of conditions, although some large individual donors like to earmark their donations and receive reports on the same basis as institutional donors. Voluntary funding from joint appeals is restricted by the terms of both the appeal and the timeframe of the appeal – for example, in the UK, the NGO members of the Disasters Emergency Committee (DEC) will be bound by the terms of the joint appeal in question (Carlsson, 1997). NGOs have reported that, like official donors, some corporate donors and foundations are attaching conditions to their funding. Indeed, one NGO commented that earmarking of private donations had increased enormously over the past few years and that some corporate donors ask specifically for visibility for their specific contributions. Some official donors set very detailed requirements for visibility associated with humanitarian contributions to NGOs, while others do not and may regard attention to visibility for specific contributions as a distraction from delivering effective assistance. Most however are concerned to ensure that funding is properly acknowledged and publicized in order to maintain public and political support at home.

In order to respond to the consistent challenge of poverty and inequality, the Government of Kenya (GoK) introduced decentralized development planning and finance through “Devolved Funds (DF)” targeting communities at district and constituency levels. Through these DFs the government directly transfers resources to constituencies in order to finance community identified priority projects socio-economic development projects. These are resources over and above sector ministry budgetary allocations and are aimed at giving communities ownership of resources for effective local development. Their importance is recognized in the GoK’s long term development blue print, “Vision 2030”, which puts strong emphasis on enhancing equity, improving governance and social justice through the allocation of increased resources to DFs (Vision 2030 Secretariat).

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However, various stakeholders have raised concerns over institutional problems, community capacity weakness and poor governance as undermining the effectiveness and impact of the DFs. As a result, the WB (2006) commissioned an Institutional and Capacity Building Needs Assessment Study which found that the lack of coherent policy framework to coordinate and

harmonize operations, limited awareness and low community participation due to knowledge gaps and capacity limitations, inadequate mechanism for transparency and accountability and poor monitoring and evaluation for results are some of the challenges that ultimately compromise the impact of DFs. The implementation of devolved funds has met challenges;

Weak Institutional Capacity: Implementation experiences to date revealed gaps in effectiveness with which DFs have performed, including weak capacities at the national level to manage and coordinate development and at community level to identify, prioritize, successfully implement and sustain projects. Increasing resource flows to finance programs/projects at district/constituency levels have come without corresponding investment in capacity building. The additional project case work created by DFs puts heavy pressure on the limited technical staff at District level and below.

Lack of Community participation: Even though the governing principle of the DF is to encourage community participation, an institutional framework for community involvement is missing. The overall characteristic of the DFs therefore is that: Local councils as well as parliament retain control of resources and Local communities lack awareness about the objective, rules and procedures governing their access to DFs, and their roles and mandates. Appropriate community participation tools and approaches such as Participatory Rural Appraisal (PRA) have not been adequately utilized for entrenching community participation.

Inadequate Transparency and Accountability: Within the highly contested political environment in Kenya, DFs have also been a locus for intense political competition due to the over involvement of political leadership which has caused prejudice to the planning, participation and implementation processes. Many projects are being used to leverage political support. Accountability mechanisms also appear weak as a result of inadequate mechanisms for communities to exact public accountability.

Poor Monitoring and Evaluation Mechanisms: In general, since capacities for districts and constituencies to monitor and evaluate projects are inadequate, M&E mechanisms are not well developed. At the community level, there is a lacuna in terms of who and how projects should be monitored. In addition, there is a glaring lack of computers and modern data storage and retrieval systems for enhancing financial management.

The government has made efforts to channel funds to needs of the community through the DF, though the concept has gained support from donors institutional support for the initiative is inadequate (T1, 2005)

2.3.3 Composition of donor finance and its influence on successful project implementation

The financing of development projects is guided by various factors. The amount required for the project and the targeted donors. Certain projects are funded by either individual donors, corporate or a group of donors. This is usually done in phases. Such a mix influences the success of the project especially if the mix provides complimentary influence among donors (Geda, 2000). The projects implemented by the LWC are financed by different donors, this mix of donors present different challenges in project implementation (LWC annual report, 2009) because of conflicting conditions.

In recent years, as politicians and other stakeholders have been debating over the level of foreign development aid, a little known group has elevated itself to the position of the world's greatest donor: individuals who are not living in their home countries (Diaspora) and regularly sending part of their wages to their families back home in Africa, Asia, Latin America or Eastern Europe. The annual transfers - so called remittances - have been estimated at US\$250 billion (Kooiman, 1999).

Philanthropy has also contributed to development in Africa. Individuals support development projects that target the needs of different communities. These are wealthy but generous individuals who feel that bettering people's life is critical. Foundations and charitable

organizations run by a group or individuals have also contributed to establishment of community development projects (Muthuri, 2007).

Community development projects have been financed by individual donors to a tune of Ksh 22 million in 2009 alone (LWC annual report, 2009). These individuals regularly visit these development projects to continuously monitor their success. They also require periodic reporting from the lead organization (LWC) to ensure they are aware of the impact the project continuous to have. This has enhanced the effectiveness of these projects.

2.3.4 Community contribution and its influence on successful project implementation

Community Driven Development (CDD) is a term that was coined a few years ago by World Bank. There is, however, a much longer history of community based forms of development. In the context of developing countries, the cooperative movement and Gandhian (Gandhi, 1962) notions of village self reliance and small-scale development were clearly significant. Gandhi saw the cooperative movement as an antidote to what he regarded as the corrosive effects of modernization and colonial rule. Another influential perspective was Freire's (1970) *Pedagogy of the Oppressed* which offered a similar critique, but from a radical leftist perspective. His notions of "dialogical action" and "theory of revolutionary action" argued that the "oppressed" needed to unite to find a way to improve their own destinies.

This thinking led to a "first-wave" of participatory development in the 1950's, that had spread through the efforts of USAID to over sixty countries in Africa, Asia and Latin America by 1960 (White, 1999). In the early 1960's the funding for these programs dried up and within a decade they were mostly shut-down. White (1999), notes than one important lesson to learn from the end of the first-wave was "fadism among development agencies. These agencies built up an approach that virtually required that a country needs a program in order to receive aid – and then loose interest, leaving the program to collapse." Both this and the fate of the cooperative movement, which was transformed from a set of small scale movements run by highly dedicated

groups to a set of large bureaucratized government-led institutions, have instructive lessons for CBD/CDD in its current form.

While increased community participation has been advocated as a way to improve the quality of public projects and services, evidence from randomized evaluations provides very mixed results about its effectiveness. While it is clear that the details and context matter for this type of program, some common themes about what works are beginning to emerge. Programs where the community had more direct control over service providers tended to work better. Community involvement is more effective when people are given specific tasks and training: in Kenya for example, training of school committees improved how these committees handled teachers accountable to them.

Government programs have long incorporated mechanisms for local oversight, but there is little evidence on the effectiveness of these programs. Banerjee, *et al*, 2009 found that 92% of villagers in rural Uttar Pradesh India were not even aware of the existing Village Education Committee (VEC), which supposedly monitored teachers and administrators. Working with the community on monitoring tools that revealed just how little children were learning at school, and informing the community of their rights to push for change prompted no increase activity by the community, no increased teacher effort and no improvement in education outcomes.

In contrast to this, Bjorkman and Svensson (2009) found that informing Ugandan citizens of the dismal state of local health service delivery and holding meetings between citizens and health workers to agree on "action plans" significantly reduced provider absenteeism, increased utilization, and improved health. One possible reason for the striking difference between the results from these two similar projects is that in Uganda specific action plans were agreed upon, while in India the community was encouraged to develop their own approach to addressing the problem. Indeed, when the program in India gave a subset of communities training in how to hold remedial tutoring sessions for local children, many volunteered and reading scores in the communities rose. Not only were concerned individuals in the community given something

specific they could do to make a difference, the solution (remedial reading camps) did not rely on cooperation from the government teachers.

In Kenya community oversight went even further—communities were given money to hire additional teachers on short term contracts. In some ways these local teachers looked similar to the para-teachers for which VECs in India are nominally responsible. But in the Kenya program, power over the contract and money for the teachers clearly rested with the school committees and the NGO behind the program. These additional teachers performed much better than regular teachers—showing up more and achieving higher test scores. Training of the school committees improved results further.

Only one study compared additional community participation with the alternative of strengthened centralized oversight and monitoring. To address the possibility of elite capture and corruption in local road projects in Indonesia some communities were told that their project would be externally audited while in others community monitoring was enhanced. The threat of central audit was more effective in reducing corruption—although it was also more expensive—than community monitoring. However, the details matter: when community monitoring was organized through schools it was more effective than when organized through village leaders.

The Lewa community program has enlisted the support of different community members to participate in development projects in their respective areas. This has had positive influence on successful implementation of development projects (LWC annual report, 2009). The success is enhanced by the contribution by the community and ownership of the project.

Table 2.1 Donor Contribution in 2009

The analysis of the Lewa Wildlife Conservancy annual donor contributions helped generate the table.

DONOR	ANNUAL CONTRIBUTION	PROJECT FUNDED
	(In Ksh 'million')	
America Association of Zoo Keepers	9	Security
Lewa Canada	7	Education
Tusk Trust	6	Water
World Bank	4	Infrastructure
European Union	3	Infrastructure
Government (CDF)	2	Education, Water
Lewa UK	8	Health
Individuals	13	Education, Health, Security
	66 million	

Source: LWC Annual Report, 2009

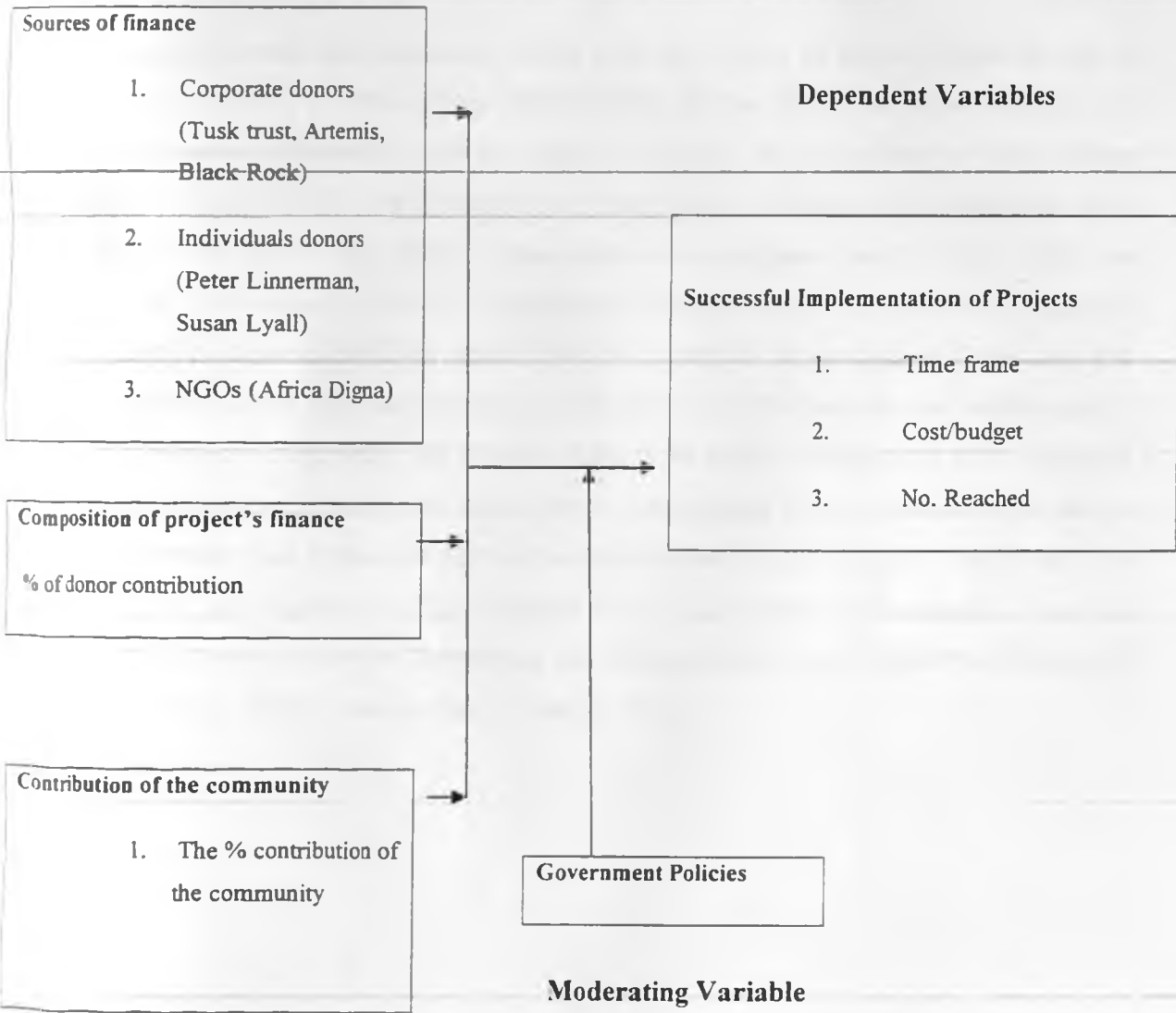
The table shows that support of development projects comes from different donors. The individual donors gave the largest portion of the finance and to various projects representing 20% of the total contribution, while the government contributed 3%. The commitment of donors is achieved through proper governance of already existing projects. The major focus is in education where donors attribute their support to future empowerment of the community through education (LWC annual report, 2009).

2.4 Conceptual framework

The relationship of the variables in the study is clearly illustrated in the conceptual framework.

Fig: 2.1 Conceptual Framework

Independent variable



The dependent variable considered in the study was successful implementation of development projects. To measure the dependent variable we considered the completion time of the project against the planned time, budget variance and reach of the development project.

Independent variables considered are sources of finance; corporate donors, individual donors, government agencies and community contribution and the composition of these funds; this considered the percentage distribution of these sources.

Though moderating variables influence the relationship between dependent and independent variables, the scope this project was not able to cover them.

2.5 Summary

Literature review reveals that numerous studies have been done on project financing and its impact on development in Africa. Others have highlighted the factors that have influenced or hindered successful implementation of development projects. In his analysis of eight African countries with Kenya included on Effectiveness of foreign aid, Carlsson, 1997, establishes three sets of interrelated factors that influence the impact of development aid in Africa. First, the macroeconomic environment in which development efforts take place has a powerful impact on their likelihood of success. Aid is far less likely to be successful in a context of fiscal crisis and economic instability. Second, the recipient country must have the capacity and willingness to harness aid resources effectively. Aid is more likely to be effective when it is fully integrated into a sound development strategy established by the government. Third, the nature of the donor-recipient relationship has a critical impact on the effectiveness of aid utilization. Particularly, the sustainability of aid requires that the recipient have a full sense of "ownership" over the programmes and projects that are formulated and implemented. Each of these three factors is related and tends to reinforce one another (Carlsson, 1997).

Table 2.2 Operational Definition of Variables

OBJECTIVES	VARIABLES	INDICATORS	MEASURES	TOOLS OF ANALYSIS	LEVEL OF SCALE	APPROACH OF ANALYSIS
<p>What is influence of sources of project finance on successful implementation of development projects?</p>	<p>Independent Variables;</p> <p>Sources of finance :- Corporate donors, NGOs & Individual donors</p> <p>Dependent Variables;</p> <p>Successful implementation:- completion time, budget, and reach/impact</p>	<p>- Conditions</p> <p>-Amount contributed by each source</p> <p>Projects completed within stipulated time, budget, and intended reach</p>	<p>Influence each donor's conditions have on development projects</p> <p>-Time completion,</p> <p>-Budget variances</p> <p>-Impact/reach</p>	<p>Mean, CC,</p> <p>Mean, CC,</p>	<p>Ordinal</p>	<p>Quantitative</p>
<p>What is the influence of the composition of project finance on successful implementation of successful projects?</p>	<p>Independent Variables;</p> <p>Composition of project finance :-</p> <p>-% contribution of different donors</p> <p>Dependent Variables;</p> <p>Successful</p>	<p>- Conditions</p> <p>-Amount contributed by each source</p> <p>Projects</p>	<p>Influence each donor's conditions have on development projects</p>	<p>Mean, CC,</p>	<p>Ordinal</p>	<p>Quantitative</p>

	implementation:- completion time. budget, and reach/impact	completed within stipulated time, budget, and intended reach	-Time completion. -Budget variances -Impact/reach	Mean, CC,		
What is the influence of community participation on successful implementation of development projects?	<p>Independent Variables;</p> <p>Role of the community:</p> <p>- % contribution of community members</p> <p>-other contributions community members (labor and materials)</p> <p>Dependent Variables;</p> <p>Successful implementation:- completion time, budget, and reach/impact</p>	<p>- Participation by community members</p> <p>Projects completed within stipulated time, budget, and intended reach</p>	<p>Contributions of community members</p> <p>-Time completion, -Budget variances -Impact/reach</p>	Mean, CC,	Ordinal	Quantitative

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the overall methodology used in the study. This includes the research design, population of the study, sample size, sample frame, data collection methods, research procedures and data analysis and presentation.

3.2 Research Design

The study used descriptive research survey design to investigate the influence of sources and composition of project finance on successful implementation of development projects. The study looked at projects funded through the LWC. This type of design is appropriate for gathering information, summarizing, presenting and interpreting it for the purpose of clarification (Orodho, 2004). The design enables researchers to gather qualitative data from relatively large number of cases at a particular time (Mugenda, 1999). With the large population, the design was appropriate for this study.

3.3 Target Population

The target population of interest in this study consisted of all the community members who benefit from development projects funded through LWC. These projects were funded by different corporate and charity organizations as well as individuals. The total population under review was about 26,300 people (LWC annual report, 2004). It is important to note that these development projects are in line with government policies to better the life of Kenyans. It was therefore important to understand the factors that influence the successful implementation of development projects.

3.4 Sample size and sampling procedure

The study used a sample size of 79 as a representative group for the 8 communities around LWC. The sample size had all the sample units that represent the sample. Two sampling procedures

were used in this study. Cluster sampling was used since the population was divided into clusters along geographical boundaries (communities). Each geographic area was then divided into stratum (development committee, women, and development managers) with target of different homogeneous groups. From each stratum a specified number of elements was identified and then combine to form an overall sample. Stratified sampling was used because it produced greater representation of the population. Stratified sampling ensured that at least some members of each community had a chance to be in the sample. In addition, simple random sampling in each stratum helped to eliminate biasness.

With the confidence level of 95% and a margin of error of 11, the sample of 79 was established. The sample was established by the use of the survey system package formula of the following form;

$$SS = \frac{Z^2 * (p) * (1-p)}{c^2}$$

Where:

Z = Z value (1.96 for 95% confidence level)

p = percentage picking a choice, expressed as decimal (.5 used for sample size needed)

c = confidence interval, expressed as decimal (± 11)

Table 3.1: Sampling Design Table

The table shows the total population of each community and the proportionate sample used from each community for the study.

Area	Total population	Proportionate (0.003)
Ntumburi	2800	8
Leparua	1300	4
Manyangalo	5300	16
Sanga	1300	4
Ethi	3000	9
Mutunyi	4300	13
Matunda	3000	9
Ngaradare	5300	16
Total	26, 300	79

Source: LWC Community Development Report, 2005

$$N = 26,300 \quad n = 79$$

$$F = n/N$$

$$= 79/26300$$

$$= 0.003$$

The element of 0.003 was used to calculate the number of respondents that were targeted in each community and their sum made the sample used in the study. The table shows the proportions used and respective populations in each community. The Ngarendare and Manyangalo communities had the highest sample each with 20% of the total sample, while Leparua and Sanga each had the lowest sample representing 5% of the sample.

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3.5 Data collection method

The study used a combination of personal interviews and closed ended questionnaires to collect data. Questionnaires were administered in two ways; some were administered by the researcher while others were left with literate but busy respondents and picked after 4 days. The researcher

was able to obtain 98% of all questionnaires. Convenient points and times of the respondents were considered while administering the questionnaires. The secondary data used in the study was obtained from relevant journals, books, newsletters, magazines and the internet.

3.6 Research Instruments

The application of closed ended questionnaires was appropriate because they are easier to administer, analyze and are economical. Personal interviews helped collect data from illiterate respondents.

3.7 Instrument Validity

This is the degree to which a test measures what it is supposed to measure. To prove validity of the instrument, a pre testing was in a pilot study. The instrument was administered to 10 respondents. The responses obtained were used to guide the researcher to ascertain if the questions in the instruments were able to collect the required data. In order to validate the instrument, the researcher also used personal interviews to gauge if the answers correspond with the responses in the questionnaire. This refers to as triangulation.

3.8 Instrument Reliability

The reliability of a research instrument measures the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines, 1979). The researcher tested reliability through retest method. This involved administering the same test to the same group of respondent but after a period of one week. The relationship of the first and the second test were determined using the Pearson

Correlation Coefficient. The results obtained (0.91) shown a strong relationship hence the instrument was reliable to collect the data.

3.9 Summary

The collected data was crucial to answer the research questions. With the vast area to cover and with a large population the selection of a proper sampling method was key. Cluster sampling and stratified sampling were used in the study. The collection of reliable data was made possible by the validity and reliability of the data collection instruments that were able to reach the intended sample. The selected sample was representative because the sampling techniques used ensured that each unit of the population was represented.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF THE STUDY

4.1 Introduction

The purpose of this chapter is to present analysis of the findings of the study, and give the interpretation of the result. The study has utilized both quantitative and qualitative methods of data analysis to get an in-depth understanding of the findings of the study. The results of the questionnaires have been integrated with findings of interviews that were used to supplement and gain a deeper understanding of variables that have been examined.

4.2 Response Rate

The sampled community members were able to return the questionnaires 98%. To achieve this response rate, the researcher with the convenience of the respondent left behind the questionnaire for between 3-5 days to provide enough time to respond. In the case where respondent could not read or write, personal interview was conducted with the local dialect.

Table 4.1: Sample Distribution Table

The table shows sample distribution of all the community members sampled in the study. Each community had a representative sample based on the population each particular community. The proportionate of 0.003 was used to generate the sample.

Area	Sample	Cumulative frequency	Percent (%)
Ntumburi	8	8	10.13
Leparua	4	12	5.063
Manyangalo	16	28	20.25
Sanga	4	32	5.063
Ethi	9	41	11.39
Muonyi	13	54	16.46
Matunda	9	63	11.39
Ngaradare	16	79	20.25
Totals	79		100%

From the sample the highest respondents are from Manyangalo and Ngarendare recording 20.25% each, while the lowest numbers of respondents were from Sanga and Leparua with 5.06% each. This signifies that data collected has a higher standard deviation hence a high degree of variability of respondents. This also demonstrates that some communities show high degree of responsiveness in regard to development initiatives than others.

4.3 Development projects undertaken

From the respondents most of the community development projects are funded by Lewa Wildlife Conservancy. Lewa was therefore perceived to provide all the funds for development. Statistical analysis showed that the respondents do not know the proportion contribution of funds by each donor.

Table 4.2: Project Analysis Table

The analysis of the questionnaires presented different responses in regard to projects funded in different community projects. The table shows the development projects financed and the projects whose presence was being felt by the community members.

Community	Water project	Education	Health	Infrastructure	Micro credit
Numburi	7	8	6	5	5
Leparua	3	4	4	3	3
Manyangalo	15	16	15	13	12
Sanga	3	4	4	2	3
Ethi	6	9	8	7	4
Mutunyi	11	13	10	10	13
Matunda	8	9	9	9	9
Ngaradare	16	16	15	14	16
Total	69	79	71	63	65
Percentages	87%	100%	90%	80%	84%

From the sample collected, 100% of respondents believed that education project is the key development project that has had a great success in their respective communities, while infrastructure was the least recorded project with 80%. It is justifiable therefore to say that education project is the most successful project in the communities surrounding Lewa wildlife conservancy with 100% approval of the respondents, Infrastructure being the least implemented project in the community with 80%. The communities highlighted keys issues like; scholarships, feeding programs, construction of classes, and salaries for teachers as the major assistance that has contributed to improvement in the education projects.

The analysis of the questionnaires gives the following benefits that different communities are getting from different development projects in their region;

The availability of water has enabled communities to engage in irrigation activities. This has enhanced their living standards because of the reliable supply of water, which has intern enabled reliable production of food for both domestic and commercial use. With various water development projects implemented, communities can now easily access water for both domestic and livestock use.

Key benefits from the education projects includes; Building of class rooms to accommodate increased numbers of students due to increased enrolment as a result of free primary education. Needy children got sponsorship to pursue education in secondary and even university. The school feeding program has positively improved the nutrition for the children and helped increase the enrolment and retention of children in schools. The literacy levels in the communities have been reversed; this has helped create awareness on effective ways to improve living standards.

Improved health standards have been realized due to easy access to affordable health facilities. This has helped reduce infant mortality rates in the region. The community members are also able to have periodic medical services, for example Polio Vaccination, VCT and Dental checks. With the improved road network through regular repairs and bridges construction, this has boosted transport for both goods and services.

The establishment of the Micro credit program has helped boost business and farming activities in the communities. This is due to low interest charged on the borrowed funds. This has resulted to creation of self employment hence alleviation of poverty. Besides the development projects mentioned, some communities have also benefitted from electricity project that provides lighting for their homes. Employment opportunities have also been made available with the establishment of development projects.

4.4 Successful implementation of Projects within stipulated time and budget

From the survey of the 79 respondents, 72 agreed (97%) that the community development projects are successfully implemented within the stipulated time and budget. This was attributed to more experienced personnel being deployed to carry out the work. On the other hand only 3% of the respondents believed that successful implementation of projects were not possible since some climatic conditions and human conflicts affect these projects. 98% of the community members participate in implementing the developments projects in each region respectively.

To determine the extent to which the composition of the project finance influence successful implementation of community development projects, the research looked at whether donors attached conditions to funds for development projects.

Table 4.3: Response for the sources of funds

The respondents gave different feedback in response to whether sources of finance have any influence on successful implementation of development projects.

Respondents	%
Agree	97
Disagree	3
Don't agree	6
Total	100%

The 91% of the respondent agrees that sources of funds contribute to successful completion of the project; they attribute this to monitoring by the donors as the influencing factor. 3% disagree that source of fund contribute to successful completion of the project while 6% don't know whether source contribute to successful completion of the project.

Table 4.4 Conditions attached by donor for successful implementation

The respondents gave varied responses in regard to whether conditions that donors give have any influence on successful implementation of development projects.

Respondents	%
Agree	62%
Undefined	22%
Disagree	16%
Total	100%

From the statistics of the respondent, 62% said that donors attach conditions, whereas 16% disagreed, while 22% were undecided. The respondents believed that donor attached conditions have an influence on successful project implementation. With certain conditions requiring that continuous feedback is provided and that experience lead organization is appointed, this influences the community development project to focus on its key objectives.

Table 4.5 Mean Comparison Table

The analysis of the data from the questionnaires using SPSS presents the following results.

Successful Implemented Projects		Sources of finance	Composition of finance	Role of the community or contribution by the community
implemented within the projected time and budget	Mean	4.8947	4.8289	4.7237
	N	76	76	76
	Std. Deviation	.34944	.44387	.62394
not completed within the stipulated time and budget	Mean	5.0000	5.0000	5.0000
	N	3	3	3
	Std. Deviation	.00000	.00000	.00000
Total	Mean	4.8987	4.8354	4.7342
	N	79	79	79
	Std. Deviation	.34325	.43649	.61413

Source: SPSS

The study used the following scale; 1-5 with 1 score meaning strongly disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 strongly agree.

The mean values of 4.8987 for sources of finance shows a strong influence by the sources of finance on successful implementation of development projects. A 4.8354 mean for the composition of finance indicates that the composition of project finance influence successful implementation of projects. The role of the communities with a mean of 4.7342 shows a strong influence on successful implementation of projects.

Table 4.6 Summary of the Central Tendency

The result of the analysis from SPSS using the data from questionnaires presents the information as shown in the table.

		Descriptives^{a,b,c}			
		Successful Implemented Projects		Statistic	Std. Error
Sources of finance	implemented within the projected time and budget	Mean		4.8947	.04008
		95%	Lower	4.8149	
		Confidence	Bound		
		Interval for	Upper	4.9746	
		Mean	Bound		
		5% Trimmed Mean		4.9532	
		Median		5.0000	
		Variance		.122	
		Std. Deviation		.34944	
		Minimum		3.00	
		Maximum		5.00	
		Range		2.00	
		Interquartile Range		.00	
		Skewness		-3.537	.276
Kurtosis		13.095	.545		
Composition of finance	implemented within the projected time and budget	Mean		4.8289	.05091
		95%	Lower	4.7275	
		Confidence	Bound		
		Interval for	Upper	4.9304	
		Mean	Bound		
		5% Trimmed Mean		4.8947	
		Median		5.0000	
		Variance		.197	
		Std. Deviation		.44387	
		Minimum		3.00	
		Maximum		5.00	
		Range		2.00	
		Interquartile Range		.00	
		Skewness		-2.668	.276
Kurtosis		6.806	.545		

Role of the community or contribution by the community implemented within the projected time and budget	Mean	4.7237	.07157
	95% Lower Bound	4.5811	
	Confidence Interval for Upper Bound	4.8663	
	Mean		
	5% Trimmed Mean	4.8041	
	Median	5.0000	
	Variance	.389	
	Std. Deviation	.62394	
	Minimum	3.00	
	Maximum	5.00	
	Range	2.00	
	Interquartile Range	.00	
	Skewness	-2.097	.276
	Kurtosis	2.983	.545

From the statistical analysis as shown in the table above, the sources of finance shows a higher mean and a lower Standard deviation indicating that the sources of finance influence successful implementation of development projects. The same applies to the composition of project finance. In the case of the role of community contribution, the community themselves did not believe that their contribution have a great influence on successful project implementation hence the high Standard deviation.

Table 4.7 Descriptive Statistics

The analysis of data presents different mean and standard deviation values. This was achieved through the application of SPSS

	N	Minimum	Maximum	Mean	Std. Deviation
Composition of finance	79	3.00	5.00	4.8354	.43649
Sources of finance	79	3.00	5.00	4.8987	.34325
Role of the community or contribution by the community	79	3.00	5.00	4.7342	.61413
Successful implemented projects	79	1.00	2.00	1.0380	.19236
Valid N (listwise)	79				

The standard deviation shows the variability in responses by respondents on the influence of various factors on successful implementation of development projects. In the case of sources of finance 0.34325 standard deviation shows that most community members agree that sources of finance have an influence on successful implementation of development projects. For the composition of sources of finance a standard deviation of 0.43649 shows that community members agree that the composition of project finance influences successful implementation of projects. However, the role of the community 0.61413 shows that the community themselves don't all agree that their contribution have an influence on successful implementation of development projects.

Table 4.8 Coefficient Table

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.700	.375		1.867	.066
	Sources of finance	.019	.079	.034	.245	.807
	Composition of finance	.024	.062	.053	.381	.704
	Role of the community or contribution by the community	.027	.036	.088	.759	.450

Dependent Variable: successful implemented projects

$$s/Implementation = \alpha + \beta_1 sources\ of\ funds + \beta_2 composition\ of\ finance + \beta_3 community\ contribution + \epsilon$$

Where α , β and ϵ are constants;

$$S = 0.7 + 0.19\beta_1 + 0.024\beta_2 + 0.027\beta_3 + .375$$

This model can be used to measure the success implementation of development projects in relation to the independent variables; sources of finance, composition of finance and community contribution.

4.5 Summary of data analysis

From the study the following observations are noted in the analysis of both the qualitative and quantitative data. The study involved 79 respondents from the eight development projects funded through the LWC. The results of the analysis showed that 91% of respondents believe that sources of finance have an influence on successful implementation of development projects. This is also reinforced by a strong standard deviation of 0.34325 for the sources of finance. The composition of project finance has been established to influence the successful implementation of development projects. Community participation is also significant for project sustainability.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the research study. The results are then compared with previous studies in related areas to provide an in-depth understanding of the research problem. Since the research study only focused on only three variables: sources, composition of project finance and the role of the community on successful project implementation, the researcher also makes recommendations for further research.

5.2 Summary of findings

Following statistical analysis to establish the influence of the sources, composition of funds and the role of the beneficiaries on successful project implementation, the study established the following;

The sources of funds have a positive influence on successful project implementation. Despite some sources attaching conditions, the reliability of most sources have made it possible for projects to succeed. Some of the conditions attached have a positive influence because they require the community members to actively participate in the project and they also appoint lead individuals or organization to monitor the project hence its success. The influence of the sources is also attributed to the flexibility of most of these sources, i.e. they incorporate the interests of the beneficiaries. This ensures that the community supports the projects hence ease of implementation.

Community members are not aware of the different sources or donors and their proportion contribution to development projects. The community only knows the lead organization, LWC. Most donors channel their funding through established organizations with elaborate mechanisms for monitoring the projects. Such organizations should also show a high degree of expertise to guarantee proper governance of the development projects. The beneficiaries' belief that knowing

where the support comes from doesn't matter, what matters is the reliability of the source to complete the project.

Communities only contributed manual labour to the development projects with little financial contribution. This demonstrates that communities almost entirely depend on donor funding to jumpstart any development project. Some communities provide building materials for the development projects to make good use of the local materials and to enhance their ownership of the development project. Most donors also require that community participation is involved before they can commit their support. Community participation has demonstrated that project sustainability is achieved if it's engaged from the start. This was achieved through sensitization; workshops, seminars and discussions with community leaders.

5.3 Discussion of findings

The result of the study provided answers to research questions. With the questions seeking to identify the influence of the sources, composition of project finances on successful implementation of development projects, the findings demonstrated that sources and composition of funds matter. The role of the community is also critical in project successful implementation since this enhances sustainability of the project. These findings concur with similar studies on community participation and successful project implementation, Muthuri, 2007.

The effectiveness of development assistance is realized if the environment in which development project being implemented is conducive in regard to fiscal factors and if the participation of the beneficiaries is achieved (Carlsson, 1997). In the case of projects funded through LWC, the establishment of a community development department to coordinate and enlist community participation has made greater contribution to successful implementation of development projects.

5.4 Conclusions

The study sought to establish the influence of the sources and composition of finance to successful project implementation. The study found out that sources of finance have an influence on successful project implementation. This is mainly because different donors continue to monitor or appoint lead organizations that have the expertise and experience to implement the development projects. Participation by the communities is critical in achieving project success. Therefore, the awareness by the community on the sources of funds does not matter since such awareness will not influence their contribution to the development project.

Development projects have created dependency syndrome on the communities. Community initiatives are not seen even to compliment the already established projects, but always look out for donors to initiate the development projects

5.5 Recommendations

With numerous projects being run by LWC, the success of these projects is varied; LWC should have parameters to measure the success with set targets for each project in order to avoid an assumption that all projects are successful.

Continuous monitoring and evaluation of projects should be done comprehensively and feedback provided to both community members and the donors concerned. This will help inform them of the impact of their contribution.

LWC should also strive to ensure the projects they spearhead are environmentally sustainable and involve efficient utilization of resources, for example construction of water intakes should take into consideration the continuous flow of the river to avoid affecting the ecosystem and other communities downstream.

Ensure the materials for development projects meet certain standards are to avoid quick breakdown of projects. This will also ensure that the medical equipments and drugs safe for administering health services.

5.6 Suggestion for further research

1. The study recommends that a study of this nature be done on specific projects like education with a focus on factors that may influence successful implementation of the project. This is important because this study focused only on sources, composition of funds and role of community as the only factors influencing successful implementation of development projects without considering other factors like government policy, political stability, cultural orientation and climatic conditions.
2. Research should be undertaken to establish why donors target certain projects and give more to other projects than others.
3. Research should be undertaken to establish the extent of impact the numerous development projects have on communities living around the LWC.

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APPENDICES

1: QUESTIONNAIRE

In partial fulfillment of the award of an MA degree in Project Planning and Management in the University of Nairobi, I am required to undertake a research project. My topic of interest is Project Financing and Successful Project Implementation. With your assistance, this questionnaire will help me collect pertinent information in relation to the area of study. The information collected in this study will be used for academic purpose alone and respondents' confidentiality will be observed.

Please take time and answer the questions below.

SECTION A: INTRODUCTION

- i. What is the name of your region (community)?
 1. Ntumburi/Matunda
 2. Mutunyi
 3. Leparua
 4. San'ga
 5. Ngarendare
 6. Ethi
 7. Manyangalo
 8. Lewa Wildlife Conservancy

1. (i) What development projects have been initiated in your area in the last five years?
 1. Water project
 2. Education project
 3. Health
 4. Infrastructure

5. Micro credit

6. Others

ii) Specify the (6) above.....

2. State how your community has benefited from the project (s) above?

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3. What is your contribution in the development projects specified above?

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SECTION B: SOURCES OF FUNDS

1. Who funded the development project (s)?

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2. Are you aware of proportion contribution of each donor?

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3. i) Do you think the source (s) of funds influence the successful implementation of development projects?

- Yes
- No

ii) Give reason (s) for your answer above

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SECTION C: SUCCESSFUL PROJECT IMPLEMENTATION

1. i) Was the project (s) completed within the stipulated time?

- Yes
- No

ii) Give reason (s) for your answer above

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2. i) Were the projects completed within the stimulated budget?

- Yes
- No

ii) Reasons for your answer above

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3. (i) Are there conditions attached by different donors to their support?

- Yes

- No

(ii) Do these conditions have any influence on the project success?

- Yes
- No

(iii) Explain (i) above

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