MONITORING AND EVALUATION OF DEVELOPMENT PROJECTS AND ECONOMIC POLICY DEVELOPMENT IN KENYA

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In Partial Fulfillment of the Requirements for the Award of the Degree of Master of Arts in Economics

November, 2014
DECLARATION

I declare that this is my original work and that it has not been submitted in any University for any degree award.

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SIGNATURE:………………………………………………DATE…………………………

This Research Paper has been submitted for the award of a degree of Master of Arts in Economics with our Approval as University Supervisors.

DR. MARTINE ODHIAMBO OLECHE

SIGNATURE……………………………………………………………… DATE……………………
DEDICATION

First, is to my parents Mr. and Mrs. Albert Mugo for their great support towards me and teaching me the virtues of determination and hard work.

Second, is to my wife Fridah and my son Victor for their sacrifice and endurance during the time of my studies when I could not manage to spend sufficient time with them.
ACKNOWLEDGMENT

First and foremost, I would like to thank the Almighty God for the gift of life, good health and sound mind throughout my research period.

Secondly, I would like to express my deep gratitude to my supervisor: Dr. Martine Odhiambo Oleche for his great guidance and fruitful discussions when writing this research paper.

Thirdly, I would like to thank the African Development Bank and my Employer: The Ministry of Devolution and Planning for the financial and material support besides granting me study leave to pursue a degree of Master of Arts in Economics of the University of Nairobi.

Equally, I am extremely grateful to my family members particularly to my wife Fridah, my son Victor, and my parents, brothers and sisters who supported me emotionally during the period of my study. Their continuous encouragement greatly enhanced the completion of this research paper.

Special thanks to my classmates of the Year 2012 for their assistance during the period of the study. Their company and assistance towards the completion of this research paper was immense.

To my friends, I am highly indebted for their unwavering supports both emotionally as well as the many academic advices they offered during the entire study period.

Finally, am also very grateful to the staff of the Ministry of Devolution and Planning for availing the data for this research paper. Equally, I wish to thank the staff of the University of Nairobi, School of Economics for their immense support towards the completion of this study.
ABSTRACT

This study was conducted generally to find out the factors influencing the implementation of monitoring and evaluation of developments projects in Kenya. The review of literature looked at a range of international experiences in monitoring and evaluation systems including that of USA, Canada, Malaysia and Indonesia among others from which it emerged that the development of a national wide M&E system is an ambitious task best tackled incrementally over several years. The international review also revealed that the concept of monitoring and evaluation is widely used and that its economic importance and value are increasingly being accepted globally.

Data for the research was collected from survey questionnaires distributed to the personnel in the Ministry of Devolution and Planning. Binary Probit Model was instrumental in data analysis. The study sought to ascertain the association between the monitoring and evaluation system implementation status as the dependent variable and training of the personnel implementing monitoring and evaluation functions, Amount of money allocated and spent on monitoring and evaluation, stakeholders’ participation in implementation of monitoring and evaluation, institutional guidelines and political influence on implementation of monitoring and evaluation in development projects as explanatory variables.

Overall, a short run relationship between the dependent and explanatory variables was established. Training of monitoring and evaluation personnel, amount of money allocated and spent on monitoring and evaluation in development projects, institutional guidelines and stakeholders’ participation in monitoring and evaluation had a statistical significant effect on system implementation in development projects at 95% confidence level where by all of them increased the likelihood except stakeholders’ participation.

Importantly and of great value to note from this study is that institutions and all development stakeholders dealing with monitoring and evaluation systems should continue to invest in improvement of these systems by research and learning as the overarching theme geared towards their success both in implementation and overall policy development. This will enhance optimal utilization of available resources and thus spur investments for inclusive growth and long term economic development in Kenya.
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<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>APR</td>
<td>Annual Progress Report</td>
</tr>
<tr>
<td>CIDP</td>
<td>County Integrated Development Plan</td>
</tr>
<tr>
<td>CPPMU</td>
<td>Central Project Planning and Monitoring Unit</td>
</tr>
<tr>
<td>DAMER</td>
<td>District Annual Monitoring and Evaluation Report</td>
</tr>
<tr>
<td>DFRD</td>
<td>District Focus for Rural Development</td>
</tr>
<tr>
<td>e-ProMIS</td>
<td>electronic - Project Management Information System</td>
</tr>
<tr>
<td>ERSWEC</td>
<td>Economic Recovery Strategy for Wealth and Employment Creation</td>
</tr>
<tr>
<td>GoK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>GPRA</td>
<td>Government Performance and Results Act</td>
</tr>
<tr>
<td>IEA</td>
<td>Institute of Economic Affairs</td>
</tr>
<tr>
<td>IFMIS</td>
<td>Integrated Financial Management Information System</td>
</tr>
<tr>
<td>IP-ERS</td>
<td>Implementation Plan for the Economic Recovery Strategy</td>
</tr>
<tr>
<td>MAMER</td>
<td>Ministerial Annual Monitoring and Evaluation Report</td>
</tr>
<tr>
<td>MED</td>
<td>Monitoring and Evaluation Directorate</td>
</tr>
<tr>
<td>MDAs</td>
<td>Ministries, Departments and Agencies</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MTP</td>
<td>Medium Term Plan</td>
</tr>
<tr>
<td>NIMES</td>
<td>National Integrated Monitoring and Evaluation System</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
</tr>
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CHAPTER ONE

INTRODUCTION

1.1 Background:

Economic agents usually face the problem of limited resources, a wide variety of priorities and a constantly changing world. This gives rise to the basic economic problem which forces economic agents to make choices. Scarce resources have to be allocated efficiently between competing uses and every choice has an opportunity cost. As a result, institutions need to efficiently allocate resources and monitor and evaluate the performance of services vis-à-vis the input costs. Through monitoring and evaluation these institutions are able to make decisions based on the arrived evidence from both successes and failures. It can be contested, that the economic relevance of Monitoring and Evaluation (M&E) function in performance management and policy development has therefore continued to generate extensive interest to economists, planners and institutions worldwide (Mackay, 2007).

In Kenya, for instance, the fight against poverty, ignorance and disease has been a major goal of the government since independence. The policy was expressed in the first Kenya national economic blue print: The Sessional Paper No. 10 of 1965: “African Socialism and its Application to Planning in Kenya”. Over the years, Kenya has continued to prepare economic development policies to catalyst economic growth and development and to improve the welfare of her citizens. Another such economic development policy is the current Kenya Vision 2030 blue print. The last Chapter of these economic development plans and policies entails Monitoring and Evaluation (M&E) framework (GoK, 2013).

Mackay 2007 asserts that in Sub-Saharan Africa, substantial M&E achievements on the ground are rare. The Kenyan government has been trying to develop the M&E system both as a policy and managerial tool over a period of years. The effort to integrate this key exercise in the policy development process is clearly evidenced in the Kenyan’s development plans. This is outlined in the Kenya National Development Plans prepared over the years as follows:
The first National Development Plan (NDP) 1966 - 1970 aimed to raise standards of living of Kenyans. The NDP established Plan implementation machinery at National, Provincial and District Levels. The NDP emphasized on discipline and sacrifice to avoid resource wastage and ensure maximization of the returns as a control measure. The plan identified the need for continuous reciprocal flow of information on implementation of the plan so that variations of actual events from the set targets can be quickly identified and analyzed (GoK, 1966).

Information was Key for evaluation of new projects and programmes. The Statistics division in the then Ministry of Planning was charged with the responsibility of collecting and analyzing all the data. Equally, in order to effectively and promptly report on the implementation of planned programmes and projects, coordination committees were established at the Ministries, Provinces, and Districts as well as at local levels (GoK, 1966).

The second NDP (1970 - 1974) aimed at achieving economic independence with special emphasis on rural development. However, due to lack of an effective M&E system in the previous plan, only information on implementation for the period up to 1968 was available (NDP 1970-1974). As a remedy to this problem, development committees were set up both at provincial and district levels. However, weakness in the coordination of institutions was evident. In the effort to counter the vice, the planning function was decentralised to districts for some projects and from the then Ministry of Planning to Planning Units in the line ministries. Consequently, a project preparation and evaluation unit was set up to ensure that projects were prepared in great details and did evaluate benefits to develop criteria and techniques for project preparation and evaluation (GoK, 1970).

The third NDP (1974 - 1978) focused on overall economic growth making district the basic planning unit through the District Development Committees (DDCs). An Evaluation review system was initiated to overcome challenges experienced in implementing the previous National Development Plans. A Project registry was then established for purposes of recording the essential data on each project. It aimed at controlling the plan and analyse the variances to ensure efficiency (GoK, 1974).
The fourth NDP (1979 - 1983) rested on the theme of “Poverty alleviation” aimed at achieving more efficient resource utilization and enhance ownership of the development process. It emphasized on increased participation in decision making process at the district level. This was to be achieved through strengthening of DDCs across the country to ensure improved coordination. The DDCs were to play a leading role in addressing programmes and projects as well as monitor all government expenditure as a way of enhancing project implementation and efficiency. To ensure effective M&E, ministries were required to provide disaggregated information on planned and actual expenditure while identifying the outputs and outcomes for analysis of all programmes and projects at the district level (GoK, 1979).

The fifth NDP (1984 - 1988) theme was “Mobilizing domestic resources for equitable development”. It is during this NDP that a Project Evaluation Handbook was published to assist in improving the efficiency of project implementation. The DDCs were mandated to meet four times in a year in order to review the progress made. The District Focus for Rural Development (DFRD) strategy was then introduced and it gave the most comprehensive proposal for M&E of decentralized development projects. The Provincial M&E Committees and DDCs were given the responsibility to carry out M&E (GoK, 1984).

The sixth NDP (1989 - 1993) theme was “participation for progress”. The NDP adopted an integrated approach to development programmes. This involved setting up of an M&E system by the then Ministry of Planning and National Development. The Plan acknowledged that there was no effective M&E system that would provide the necessary information indicating the extent on how the development programmes met the set objectives. The issue required a quick remedy. To overcome this, ministries were required to be more efficiently coordinated and continued with the task of development of M&E system. The system was first to develop the capacity of the districts to collect and analyze data for effective decision making and then provide a channel for information flow, analysis and reporting at a national level. The system was to be done by the Ministry of Planning and National Development (MPND), (GoK, 1989).
Equally, the seventh NDP (1994 - 1996) theme was “resource mobilization for sustainable development”. It recognized that despite the much previous effort, the country still lacked a method for M&E implementation. Further, it pointed out that in the few cases where M&E existed it was not coordinated hence did not easily facilitate analysis and reporting real terms. This was a setback as far as information provision was concerned (GoK, 1993). The NDP therefore advocated for urgent need for M&E system. The M&E system was to be fully operational by the end of the plan period. To achieve this Key objective, a new Ministerial M&E management committee in the MPND was set up alongside Provincial M&E Committees. Equally, the DDCs were strengthened and Provincial Information and Documentation Centres (PIDCs) established (GoK, 1994).

The eighth NDP (1997 - 2001) theme was “rapid industrialization for sustainable development”. It recognized that despite the previous effort to make M & E operational in the country, M & E did not receive sufficient attention. To overcome the challenge, the government set up the Presidential Economic Commission (PEC) and launched the Policy Framework Paper to ensure continuous monitoring of policy implementation in both the public and private sector (GoK, 1997).

The ninth NDP (2002 - 2008) theme was “effective management for sustainable economic growth and poverty reduction”. It emphasized on strengthening the management of the development process and participatory methodologies in programmes and projects implementation. However, despite the previous initiatives on M&E management, the NDP pointed out major weaknesses mainly due to lack of an institution to coordinate an effective M&E system. There was therefore the need to have an institutional framework as well as strengthen the use of M&E system as an economic policy development and management tool. This would enhance timely feedback in decision making. As a remedy therefore, an M&E network was set up constituting of Committees of National, Ministerial, Provincial, as well as District and Community levels (GoK, 2002).
Further, the National Rainbow Coalition (NARC) government was sworn in after the 2002 general election. In a bid to fast track economic growth, the government came up with the Implementation Plan for the Economic Recovery Strategy paper for wealth and employment creation (IP-ERS) which replaced the NDP (2002 to 2008). The ERS was based on the poverty reduction strategy paper. The ERS (2003 - 2008) acknowledged that for a long period of time, M&E in Kenya has been done in an *ad hoc* manner, without a coordinated system and mostly it was due to donor demands (GoK, 2003).

There was therefore the need to improve economic governance through an integrated system for M&E that would provide a reliable mechanism for measuring the efficiency of government programmes and projects and the effectiveness of public policy in achieving its objectives, (ERS 2003 - 2008). The system was to provide the much needed economic policy implementation feedback and form the basis for a transparent process which the government and the international donor community could undertake a shared appraisal of results. Key indicators to be used in measuring efficiency were therefore identified (GoK, 2003).

Equally, Mackay (2007) points out that a growing number of governments in developing countries are working towards improving their performance by creating systems to measure and help them understand the performance of their services and policies. According to World Bank, the growing trend of institutions to measure performance of services and policies is also influenced by Organization for Economic Co-operation and Development (OECD) countries, most of which place a high priority on the four main uses of M&E findings:

i) Policy development

ii) Evidence-based policy making and budgeting

iii) Management performance and

iv) Accountability.

However it can be contested that the priority for M&E in development economics and in developing countries like Kenya in particular is intensified by the continuing fiscal and macro economic pressures affecting countries and by ever rising expectations from ordinary citizens. It
is also influenced by the need for citizens, governments and the international community to make institutional policies effective in increasing economic welfare, reducing corruption, reducing poverty and above all improving opportunities for all (Mackay, 2007). It can be argued therefore that M&E is one of the most important innovations in modern public sector geared towards economic policy development and performance management.

The Kenyans citizens expect to be informed how much has been achieved in realizing the development goals promised to them each year, particularly on public sector policies and programs they pay taxes for (GoK, 2013). Through M&E, economic performance management is assisted in making evidence based policies, and to respond swiftly to any policy implementation difficulties and counter on both anticipated risks and economic uncertainties. This is geared towards enhancing the country respond swiftly to emerging challenges in order to accelerate economic development in Kenya and improve the overall welfare of the citizens.

1.2 Monitoring and Evaluation as a Policy Development and Performance Management Tool:

Mackay 2007 and UNICEF 2009 point out that M&E has emerged as a Key economic policy development and performance management tool which is aimed at reducing economic risks and uncertainties. Both argue that economic policy makers need the information generated from M&E to improve their economic policies while donors and stakeholders need M&E results to ensure accountability of resources while at the same time improving the overall effectiveness of their policies.

In order for a nation to achieve any meaningful economic growth and development, there is need therefore for sound economic policies. To achieve this, the policy making exercise should be both participatory and evidence based. According to UNICEF 2009, evidence based policy making is an approach that people use to make decisions which are well informed about the policies, programs and projects by considering the available evidence from policy development and implementation. This is in agreement with the UN definition in the MDGs which defines evidence – based policy making as a planning process that make better informed decisions by using the best available evidence in the policy process.
Decision making is a Key area in Managerial Economics where evidence based decisions making is preferred. This approach stands in contrast to opinion based policy which relies heavily on either the selective use of evidence or on the untested views of individuals or groups often inspired by ideological stand points, prejudices, speculation or political reasoning. UNICEF, 2009 and Mackay, 2007 et al point out that many government or organizations are adopting the Evidence Based Policy as opposed to the opinion based. The process of Evidence Based Policy making is normally affected by nature of policy environment, capacity to provide quality evidence and also the political and social systems. The policy environment depends on the societies with some being open, accountable and transparent while others may be corrupt. The timing of evidence, accountability of resources, values, beliefs and ideologies affect the use of evidence in policy making (Mackay, 2007).

Lastly, evidence should be technically sound and relevant to economic policy in order to address the economic policy questions. According to (Mackay, 2007), it has been of great concern to the government, donors and evaluators to enhance the evidence-based economic policy through M&E framework. M&E therefore, provides the feedback mechanism which is the source of the evidence needed in Evidence Based Policy making to improve performance.

For instance, the successful implementation of Economic Recovery Strategy policy (2003-2007) culminated into an economic growth of 7.1% in 2007. From the 2007 economic survey, the Kenyan economy recovered from a low economic growth of 2.9% in 2003 to 7.1 in 2007. As cited in the MTP I (2008), significant economic progress had been achieved in public sector reforms resulting in Kenya winning the United Nations Public Service Award in the category “Improving Transparency, Accountability & Responsiveness in Public Service” in June 2007. This was informed by successful monitoring, evaluation and reporting on the economic progress of the implementation of ERS from 2003 – 2007 (GoK, 2008).

Implementation of ERS and effective monitoring, evaluation and reporting of its implementation ensured that the Kenyan economy remained on the projected growth trajectory during the five year period of its implementation. The ERS success motivated the government to come up with a long term economic blue print known as the Kenya Vision 2030 (GoK, 2008).
1.3 Evolution of M&E Framework in Kenya - A Situational Analysis:

A framework is a support structure established to act as a means for meeting a given need. It consists of people, entities, rules and systems. It can be said that the elements of a good framework are (i) clear roles and relationships between actors, (ii) rules of operation and adherence to the rules and (iii) accountability to a higher authority. This framework then should ultimately act as a means to achieve intended policy outcomes.

Historically, the desire for a more integrated M&E framework in Kenya spans less than a decade, although project and program based M&E has featured in Kenya since 1980s. Early attempts at government wide M&E as reported in the background 1.1, are generally associated with the Interim Poverty Reduction Strategy Paper (I-PRSP) introduced by the IMF and World Bank in year 2000, although this program was not effectively implemented. As cited by GoK, 2012 the Kenyan government that took office after the 2002 general election instead transformed the Poverty Reduction Strategy Paper (PRSP) to align it to its economic Manifesto thus coming up with the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC).

Chapter 7 of the ERS, 2003 document stipulated that the government would undertake M&E to track its policies, programmes and projects. This is how the National Integrated Monitoring and Evaluation System (NIMES), and the Monitoring and Evaluation Directorate (MED) that leads and coordinates the system was created and later adjusted to the requirements of Kenya’s Vision 2030 that replaced ERS in 2008. Centrally executed M&E across government is a relatively recent phenomenon in Kenya, although various projects and programs incorporated notions of M&E since 1980s. A good example was the District Focus for Rural Development (DFRD) which was introduced in 1983 (GoK, 2007). Besides this experiment, offices such as that of the Controller of Budget and Auditor-General that evaluate governmental use of budgetary resources have been parts of Kenyan governance before and after independence.

Formalized M&E system was introduced with the approval of Kenya’s Interim Poverty Reduction Strategy Paper (I-PRSP) in August 2000. According to the World Bank, however, I-PRSP was “not submitted formally to the Bank and the Fund on account of the December 2002 elections” (The World Bank). In other words, the anticipated M&E system for supporting
I-PRSP did not materialize. In parallel to the ERSWEC the government started to implement performance contracting. Initially utilized to revive two state corporations in the late 1990s, performance contracting was re-introduced as a pilot in 2004 comprising 16 public commercial enterprises before expanding two years later to embrace the whole of Kenya’s public service. From 2006 – 2008 performance contracting fell within the Results for Kenya Program, which was implemented through the Cabinet Office (GoK, 2012).

This program started to introduce service charters and reinforce a message of customer orientation in government. In the then, Ministry of Finance and National Treasury, Public Expenditure Management (PEM) was being reinforced by a number of reforms aimed at improving transparency and accountability. The Government Financial Management Act, 2004 supported Public Expenditure Management by providing a legal framework for managing public finances. The Act sought to improve in particular preparation, execution and monitoring of the national budget. Financial officers from the Treasury placed in central ministries were an innovation, as was the newly-created function of the National Budget Director. Existing systems to improve financial management and reporting, namely, the Integrated Financial Management Information System (IFMIS) was streamlined and re-enforced, (GoK, 2012).

The next major phase in the evolution of M&E in Kenya was the introduction of the Kenya Vision 2030 in 2008, which replaced the ERS as the country’s development blueprint. Vision 2030 became the principle driver of development in Kenya and therefore the basis for NIMES. When in 2008, Kenya Vision 2030 as the national developmental policy replaced ERS; NIMES was re-oriented to M&E of the implementation of the Vision. According to Republic of Kenya, 2012, the M&E responsibility was at this time, however, divided between MED and a new tailor-made body, within the then, Ministry of Planning responsible for flagship programs and projects in Kenya Vision 2030.

The Kenya Vision 2030 Board and its Secretariat were created for that purpose. NIMES was designed to have a three tier institutional relationship for generating M&E information. At the national level is MED, that provides leadership and coordinates the system by ensuring that two
vital sources of M&E information, namely Annual Progress Reports (APRs) on the Medium Term Plan (MTP) of Vision 2030 and Annual Public Expenditure Review (PER) are ably and timely produced. At ministerial level are the Central Project Planning and Monitoring Units (CPPMUs). The CPPMUs produce Ministerial Annual Monitoring and Evaluation Reports (MAMERs), and Ministerial Public Expenditure Reviews (MPERs) which are synthesized into the APR and PER respectively. At sub-national level, the District Development Officers, supervised by the Provincial Directors of Planning, were meant to produce the District Annual Monitoring and Evaluation Reports, (GoK, 2012).

According to Republic of Kenya, 2012 the budget process takes into account the PER which is complemented by the work that goes into preparation of Ministerial Annual Monitoring and Evaluation Reports that subsequently become Annual Progress Reports on the implementation of Vision 2030 from the NIMES system. As one of the flagship products of Kenya’s M&E information, the Public Expenditure Review is an analysis, which covers vital factors as macro-economic performance, spending trends, and implications for each of Kenya’s socioeconomic and governance sectors. More recently the PER has begun to benchmark Kenya’s economic management against selected peer middle income countries that the country aspires to emulate.

Finally, despite the numerous efforts that have been made under NIMES and through the PER and APR, Kenya’s M&E system still faces challenges (GoK, 2012). Kenya’s Constitution has fundamentally changed central and devolved governance structures and provides an opportunity for strengthening her M&E system. By underscoring timely and accurate information sharing to support policymaking, the Constitution is calling for a stronger nation-wide M&E system. This provides the greatest strength and opportunity for a national wide M&E system in Kenya for the realization of the Kenya Vision 2030 blue print which is being implemented through successive five-year Medium Term Plans that is aimed at enabling the Kenyan nation to achieve the long-term development goals. Kenya is now in the second medium term plan cycle (2013-2017) whose theme is “Transforming Kenya: Pathways to Devolution, Socio-economic Development, Equity and National Unity” (GoK, 2013).
Table 1: Stages in the Evolution of M&E System in Kenya.

<table>
<thead>
<tr>
<th>Period</th>
<th>Major Driver</th>
<th>Scope of M&amp;E</th>
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<tr>
<td>1980-2000</td>
<td>Various projects, programmes eg. DFRD 1983</td>
<td>Ad Hoc M&amp;E</td>
</tr>
<tr>
<td>2000-2002</td>
<td>PRSP</td>
<td>Initial attempt at government-wide M&amp;E associated with IMF/World Bank (although the programme did not take off)</td>
</tr>
<tr>
<td>2004</td>
<td>Improved transparency through the Public Expenditure Management Reforms</td>
<td>Introduction of reforms to improve accountability in the Budget.</td>
</tr>
<tr>
<td>2006-2008</td>
<td>Results for Kenya Programme</td>
<td>Introduction of RBM culture and Performance Contracting in the Cabinet Office</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creation of Lead Agency: Monitoring and Evaluation Directorate (MED), in Ministry of Planning and National Development.</td>
</tr>
<tr>
<td>2006</td>
<td>Ongoing emphasis on Results Orientation of government</td>
<td>Continued emphasis on a result-oriented government</td>
</tr>
<tr>
<td>2008-2030</td>
<td>Kenya Vision 2030</td>
<td>Assignment of tracking Vision 2030 to NIMES and MED MDGs Other Government projects</td>
</tr>
<tr>
<td>2010</td>
<td>Kenya’s New Constitution</td>
<td>Constitutional demand for capable, accountable and transparent public institutions.</td>
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1.4 Problem Statement:

M&E has been a key performance management tool for planning, decision making and economic policy management. Mackay, 2007 asserts that most governments in the world are working towards entrenching M&E in their economic governance system. As cited by Kibua and Mwabu, (2008), the DFRD policy did not succeed because of the absence of an appropriate legal framework to facilitate decision making and to mobilize resources. Absence of monitoring and evaluation is also cited by GoK, (2008).

Evidence from literature point out that in Sub-Saharan Africa substantial M&E achievements on the ground are rare (Bratton et al, 1998; Mackay, 2007; UNICEF, 2009; World Bank, 1999). Macharia, 1988, Nduati, 2011 and Musomba, et al 2013 argue that the M&E of decentralized development in Kenya was not systematic, failed to adopt the M&E requirements and the information generated was not timely and accurate. This points out that all real variables that influence and determine the implementation of M&E framework may not have been identified by these policy measures.

Additionally, with the new devolved structures of county governments and the rising fiscal devolution with respect to development policies, programs and projects in Kenya, there is dire need therefore for an effective national wide M&E framework in Kenya.

As revealed in the background of this study, achieving an effective national wide M&E system in Kenya has been a key target of the government for a long period of time. Most government programs have had ran into problems due to reasons that would have been averted had there been proper M&E carried out during implementation. This has continued to affect not only the level of services performance in Kenya but also the feedback and intervention mechanisms optimally required to counter wastage of available scarce resources.

Further, with decentralization of accountability in light of the new governance structure in Kenya, line managers have become more responsible for non-core functions, such as human resource development and equity. The key strategic challenge is to increase public service effectiveness, so that the entire government achieves her desired policy outcomes and strategic objectives. This makes national wide M&E in Kenya critically important. Campo, 2005
acknowledged that it takes time to build an effective M&E system, noting that strengthening of institutions and learning from mistakes plays a key role. M&E has therefore emerged as a key policy development and performance management tool in Economics which is aimed at reducing economic risks and uncertainties to enhance optimal resource utilization. The economic policy makers need the information generated from M&E functions to improve their economic policies while donors and stakeholders need M&E findings to ensure accountability of resources while at the same time improving the overall effectiveness of the policies (Mackay, 2007).

M&E system therefore provides the necessary feedback for economic development and policy interventions. This area has not received the much needed attention (Nduati, 2011 and Mackay 2007, et al). In order to accurately and timely track the development progress made in Kenya and the 47 counties in particular, there is need for an integrated national wide M&E system. The absence of this framework limits effective public service delivery thus constraining the acceleration of economic development in Kenya and therefore impacts negatively on the overall welfare of the citizens. The factors influencing the implementation of M&E of development projects in Kenya therefore need to be timely established to guide the implementation of M&E function and policy development in Kenya.

Most studies done in Kenya including Nyabuto (2010), Rogito (2010) , Mogaka (2010) and Nduati, 2011 focuses on specific projects or specific districts and therefore makes it difficult to generalize the results on the entire country. Equally, these studies do not look at a wider cross section of projects being funded by different institutions and this study attempts to fill the gap.
1.5 Objectives of the Study:

1.5.1 General Objective of the Study:

To identify the factors influencing the implementation of monitoring and evaluation of development projects in Kenya.

1.5.2 Specific Objectives of the Study:

i. To examine the factors influencing the implementation of monitoring and evaluation of development projects in Kenya.

ii. To examine the statistical significance of training of the M&E personnel on implementation of monitoring and evaluation of development projects in Kenya.

iii. To examine the statistical significance of increase in the amount of money allocated and spent on projects M&E on implementation of monitoring and evaluation of development projects in Kenya.

1.6 Justification and Significance of the Study:

Monitoring and Evaluation of development projects is important since much of the development assistance to Kenya and also a number of specific activities funded by the government, is in form of discrete projects. Further, M&E has become a key performance management and economic policy tool. Implementation of M&E therefore will not only be important in ensuring that projects are completed on time and meet the set objectives but also inform the managerial and economic policy making progress. The M&E information and data forms an essential input in evidence based decision making, particularly in development of evidence based public policies.

M&E is a vital element of the country’s transparency and accountability infrastructure. This is because it provides both government and citizens with information on effectiveness, efficiency and quality of programs and policies being implemented. Additionally, this in turn informs the policy management on the progress made, indentify gaps between the planned and the actual targets and the information is Key in economic policy development. This ensures that corrective measures are prescribed on time thus enhancing both efficiency and effectiveness in the utilization of scarce resources.
After reviewing a number of several studies done in Kenya including Nyabuto (2010), Rogito (2010), Mogaka (2010), Nduati (2011) and Musomba et al (2013) among others, it was revealed that most studies done in Kenya focuses on specific projects and specific regions making it difficult to generalize the results on the entire country. These studies do not look at a wider cross section of development projects being funded by different organizations and therefore this study attempts to bridge the gap and contribute to the available literature and build the research data base to scholars, the policy makers, planners, institutions and all development stakeholders.
CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction:

M&E of development projects is important since much of the development assistance to Kenya and also a number of specific activities funded by the government, is in form of discrete projects which are aimed at solving socioeconomic problems. The literature review in this chapter looks at the factors influencing implementation of M&E of developments projects in Kenya. It starts with the logical framework and theoretical approaches to M&E frameworks. Thereafter, theories that provide a basis for logic, process, change and impact of programmes and policies aimed at addressing the efficiency, relevance and impact of development projects, programmes and policies are also covered. The review concludes with empirical literature and its overview.

2.2 Theoretical Framework for Monitoring and Evaluation:

Firstly, Chen, 1997 describes the term theory as a frame of reference that helps human beings to understand their world and how to function within it. The first major boom in evaluation occurred in the United States in late 1960s and 1970s under the Kennedy and Johnson Administrations, when social programs were developed on a grand scale and heavily supported by federal funding under the policies of the “War on Poverty” and the “Great Society”. New M&E theories, methods and tools have continued to be developed and refined to address a much broader and diverse range of emerging M&E challenges.

Donaldson, 2001 argues that M&E theories play several important roles in M&E. Such theories and prior research can be very informative for initial needs assessment and policy design. Therefore a careful examination of available literature, including primary studies, can turn up knowledge about effective policy strategies for dealing with the problems of concern, lessons learned about what does not work which may save time and resources to planners, institutions and policy makers.
Equally, evaluation theories also guides planners and researchers on identifying key programme elements and articulating how these elements are expected to relate to each other. Data collection plans are then made within the framework in order to measure the extent and nature of each element’s occurrence. Once collected, the data are analyzed within the policy framework. Stake, 1967 presented a model that calls for describing the intended antecedents (whatever needs to be before a programme is operational) transactions (activities and outputs), and outcomes of a program. Data is then compared to what was intended and to what the standards are for that kind of policy and programme.

More so, Weiss, 2004 recommended using path diagrams to model the sequences of steps between a policy intervention and the desired outcomes. This kind of a model helps the evaluator to identify the variable to include in the evaluation, discover where in the chain of events the sequence breaks down, and stay attuned to changes in program and policy implementation that may affect the model pattern.

Rossi, 2004 describes programme theory as consisting of the organizational plan which deals with how to garner, configure, and deploy resources, and how to organize activities so that the intended system is developed and maintained. The theory also deals with the service utilization plan which looks at how the intended target population receives the intended amount of the intended policy intervention through interaction with the programmes service delivery.

On the other hand, Uitto, 2000 identifies advantages of the theory based framework to M&E to include being able to attribute policy outcomes to specific projects or activities and identify unanticipated and undesired policy outcomes. Monitoring and Evaluation are distinct but complementary. Bryce, 2003 disapprove the use of the acronym M&E as it suggests that we are looking at a single function without making a clear distinction between the two. Monitoring ensures that implementation is moving according to plans and if not, the project manager takes corrective action. Monitoring enhances project management decision making during the implementation thereby reducing risks, uncertainties and thus increasing the chances of good project performance. It also facilitates transparency and accountability of the resources to the stakeholders including donors, beneficiaries and the wider community in which the project is
implemented. Monitoring tracks and documents the use of resources throughout the implementation, Musomba et al (2013).

On the other hand, he continues to argue that evaluation assesses project, program or policy effectiveness in achieving its goals and in determining its relevance and sustainability. Evaluations are mainly of two types depending on when they take place. These are either formative or summative. Formative evaluation is concerned more with efficient use of resources to produce outputs and focuses on strengths, weakness, and challenges of the project and whether the continued project plan will be able to deliver the policy objectives or it needs redesigning.

Summative evaluations are carried out at the end of the project are aimed at determining how the project progressed, what went right or wrong and capture any lessons learned. Weiss, 2004 reveals two types of summative evaluations that are geared towards guiding future implementation of projects by facilitating organizational learning and documenting good practices and mistakes. Outcome evaluation is concerned with extent to which the set objectives were achieved and how we can relate the role of project to the outcomes, Weiss (2004).

In order to implement M&E effectively in development projects, Jones et al, 2009 asserts that there are some critical factors that must be taken into account. These should include use of relevant skills, sound frameworks, adequate resources and transparency. The resources here include skilled personnel and financial resources. Rogers, 2008 suggests the use of multi stakeholders’ dialogs in data collection, hypothesis testing and in the intervention in order to allow greater participation and recognize the differences that may arise. We therefore argue that it is of great value to note that these key variables must integrate within a supportive institutional framework while being cognizant of political influence (Rogers, 2008).
2.3 The Conceptual Frameworks:

Figure 1 below shows the relationship among the variables:

**Figure 1: Relationship among Variables:**

<table>
<thead>
<tr>
<th>EXPLANATORY VARIABLES</th>
<th>1. Increase in training of the M&amp;E personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Increase in budgetary allocation</td>
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<tr>
<td></td>
<td>3. Enhanced stakeholders participation</td>
</tr>
<tr>
<td></td>
<td>4. Clear institutional framework</td>
</tr>
<tr>
<td></td>
<td>5. Political goodwill</td>
</tr>
<tr>
<td>DEPENDENT VARIABLE</td>
<td>Implementation of M&amp;E in development projects</td>
</tr>
</tbody>
</table>

*Source: Author’s Representation*

2.3.1 Conceptual Framework:

The Conceptual Framework above gives a depiction on how the variables are related to one another. The variables defined here are the independent (explanatory) and the dependent (response) variable. An independent variable influences and determines the effect of another variable. The independent variables in this study are increase in training of the M&E personnel, increase in budgetary allocation on M&E, enhanced stakeholders’ participation, proper institutional framework and political goodwill on implementation of M&E framework in development projects.

Dependent variable is that factor which is observed and measured to determine the effect of the independent variable. The dependent variable is implementation of M&E in development projects.
2.3.2 Training and Monitoring and Evaluation:

Musomba et al, 2013 reveals that the technical capacity of the organization in conducting evaluations and the value of participation of human resources in policymaking process and motivation to impact decisions can be huge determinants of how the M&E lessons are learnt, communicated and perceived. M&E must also be independent and relevant. Rogers, 2008 reveals that independence is achieved when it is carried out by entities and persons free of the control of those responsible for the design and implementation of the policy development intervention. This shows that training is an essential factor geared towards enhancing the implementation of M&E in development projects.

2.3.3 Budgetary Allocation and Monitoring and Evaluation:

The project budget should provide a clear and adequate provision for M&E. according to Gyorkos 2003, a project M&E budget can be clearly delineated within the overall project budget to give the M&E function the due recognition it plays in policy performance, development and management. Kelly and Magongo, 2004, argue that M&E budgets should be about five to ten percent of the total projects budget.

2.3.4 Stakeholder Participation and Monitoring and Evaluation:

Engaging stakeholders in discussions about the what, how, and why, of policy and programme activities is often empowering them. It promotes inclusions and facilitates meaningful participation by diverse stakeholder groups (Donaldson, 2003). Stakeholder participation means empowering development beneficiaries in terms of resources and needs identification, policy, planning and budgeting on the use of resources and the actual implementation of policy development initiatives. He outlines that the best practice and example demonstrates that a central factor facilitating update of evaluations is stakeholder involvement. This involvement must be brought in at the early stages of the system policy design and implementation.
2.3.5 Institutional Framework and Monitoring and Evaluation:

Mackay, 1998 points out that institutionalization of the M & E system is key in establishment of an effective M&E framework. The ERS, 2003 acknowledged that for a long period of time, M&E in Kenya has been done in an *ad hoc* manner, without a coordinated system and mostly it was due to donor demands. There was therefore the need to improve governance through an integrated system that would provide a reliable mechanism for measuring the efficiency of government programs and the effectiveness of public policy (ERS, 2003). This reveals the value and importance of institutional frameworks in relation to M&E of development projects in Kenya.

2.3.6 Politics and Monitoring and Evaluation:

Musomba et al, 2013, agree that choice regarding the purpose and scope of impact evaluations are political and has important implications for the selection of appropriate methodologies, the kinds of knowledge and conclusions generated for implementation. It is crucial therefore, that adequate time is factored in for the meaningful participation of all stakeholders in defining the purpose and scope of impact evaluations. The key issue is whether the questions being posed in the impact evaluation are relevant to these needs. If they are not, then there is a high likelihood that the evaluation will not see substantial take-up. The Constituency Development Fund (CDF) for example is virtually under the control of politicians who not only propose the projects in their constituencies but also present and vote for their estimates in Parliament, (Musomba et al, 2013).

2.4 Empirical Literature on Monitoring and Evaluation:

2.4.1 Lessons from International Experience:

As part of the study, a rapid review of international experiences on M&E systems and related policies was undertaken. The review looked at a range of international experiences, from which it emerged that the development of a national wide M&E system is an ambitious task best tackled incrementally over several years.
Chikane, (2004) and Mackay, (2007) argue that the clearest lessons of M&E frameworks can be found in the United States, which passed the Government Performance and Results Act (GPRA) in 1993. The GPRA addresses a broad range of concerns about government accountability and performance. It focuses on the actual results of government activities and services, support congressional oversight and decision making, and improve the managerial and internal workings of agencies within the federal government. He acknowledges that while the GPRA followed on the heels of a number of efforts throughout the past fifty years to improve the workings of the federal government, it is unique in its requirement that agency results be integrated into the budgetary decision making process.

He continues to note that the GPRA can also be distinguished from prior reform attempts because it was taking place in a climate of increased political emphasis on downsizing and reinventing federal government, devolution of federal activities to states, and the privatization of many federal government activities. Finally, rather than other reforms that were primarily Executive Branch initiatives, the GPRA is statutory as its performance measurement requirements are all laws. All agencies of the federal government, defined as cabinet departments and other concerns of the government, including independent agencies and government corporations, are bound by the GPRA, with certain limited exclusions. Although passed in 1993, actual GPRA requirements began to be implemented in 1997, and the first full cycle was implemented in March 2000. The GPRA requires agencies to prepare three key documents: Namely: (i) Strategic plans (ii) Performance plans and (iii) Performance reports.

Another key experience is revealed by Campo, 2005. He asserts that building an effective M&E system is neither quick, nor an easy task but what is critical is the need to strengthen the institutions besides learning from mistakes. He argues that Canadian M&E system, for instance, is amongst the successful M&E systems in the world. However, it has taken the Canadian government about 30 years of M&E system development to attain the success status. Equally, Lahey, 2009 analyzed the Canadian M&E 30 years of existence and found that developing a successful M&E system in an organization is determined by times, human resources and financial resources invested in the process. The real need for M&E information should also be there, a condition achieved due to the public sector reforms in Canada.
Thirdly, from the international experience, UNDP, 2011 argue that New Zealand has more recently acknowledged that it overstated decentralization and rather created a short term outlook that over emphasized efficiency and also undervalued long term outcomes. Consequently, it has subsequently initiated processes to increase the capacity of central government to play an oversight role.

Equally, Hanik (2011) from UNDP and Shah (2007) from World Bank argue that Indonesia has continued to undertake major reforms since the 1998 economic crisis. These reforms have taken place in a highly challenging environment, where the number and type of stakeholders have become more complex triggered particularly by Indonesia’s newly decentralized government structure. Reforms in planning, budgeting, financial management and reporting systems of the central and local governments include issue of the state finance, treasury and audit laws.

They argue that the current development in Indonesia is very much influenced by those processes mainly after the enactment of Law No. 17/2003 on state finance, Law No. 25/2004 on National Development Planning and has further translated into more operational guideline through the enactment of Government Regulation No. 21/2004 revised No. 90/2010. The regulations mentioned that development planning and budgeting is based on three fundamental systems:

Namely:

i) Unified Budgeting,

ii) Medium Term Expenditure Framework; and

iii) Performance Based Budgeting.

They report that these systems shifted Indonesia to a new era of planning and budgeting system whereby, allows performance as the basis of budget decision making process. They argue that these systems have significantly affected the ways in which development is now implemented in Indonesia.

Another key experience among the middle income countries, the World Bank, 2007 reveal that Malaysia has been at the forefront of public administration reforms, especially in the area of budget and finance. These reforms were initiated in the 1960s as part of an effort by the
government to strategically develop the country. The Malaysian public sector was seen as the main vehicle of development and consequently the need to strengthen the civil service through administrative reform was emphasized. Budgetary reform focused on greater accountability and financial discipline among the key government agencies entrusted to carry out the socioeconomic development plans for Malaysia (Kusek and Rist, 2004).

In addition to greater public sector accountability and improved budgetary system performance, the government of Malaysia undertook a number of additional reforms including improved financial compliance, quality management, productivity, efficiency in governmental operations, and management of national development efforts. Kusek and Rist, 2004 argue that most recently, Malaysia’s budget reform efforts have been closely linked with the efforts at nation building and global competitiveness associated with Vision 2020, a program aimed at making Malaysia a fully developed country by the year 2020. This a good course that the Kenyan government can emulate (GoK, 2012).

With respect to budgetary reform, the World Bank, 2004 argue that Malaysia adopted the Program Performance Budgeting System (PPBS) in 1969 and continued to utilize it until 1990s. The PPBS replaced line item budgeting with an outcome based budgeting system. While agencies used the program activity structure, in practice implementation still resembled the line item budgeting and an incremental approach. In 1990, the government introduced the Modified Budgeting System (MBS) to replace the PPBS. In MBS, greater emphasis was placed on outputs and impact of programs and activities in government centrally to PPBS, where there were minimal links between outputs and inputs and policies continued to be funded even when no results were being systematically measured (Kusek and Rist, 2004).

The MBS approach was further modified in 2001, when the country embarked on another complementary reform by adopting a two year budgeting system. They argue that the effect of this system will be known in several years time. Although Malaysia has been at the forefront of public administration and budget reforms, these reform efforts have not been smooth or consistent over the years. Nonetheless, Kusek and Rist, 2004 from the Word Bank argued that the MBS was a bold initiative on the part of the Malaysian government, demonstrating foresight,
innovativeness, dynamism, and commitment to ensure value for money in the projects and policies being implemented.

As theorized in the prior conceptual framework in this study, the World Bank, 2007 concludes that technical skills in M&E, political will and sustained commitment played a major role in M&E success. It argued that it takes years not months to develop the system and it should be linked to the policy development and performance management processes. The clear distinction of M&E also affects the implementation in terms of requirement for each. The formal requirement for M&E in development projects as well as internal infrastructure affects the success of implementation too (Kusek and Rist, 2004).

Finally, other lessons from international experience include the need to adopt a realistic and practical approach. The World Bank, 2007 asserts that Australia, for example, has experienced difficulties in its efforts to implement a whole of government’ system and has made limited progress in implementing a system intended to support the development of joined up government operating as a seamless network (Kusek and Rist, 2004).

2.4.2 Lessons from Empirical Studies done in Kenya:

Macharia, 1988 as cited by Nduati, 2011 looked at M&E of decentralized development in Kenya through the DFRD lenses taking a case study of Nyanza province. He states that the responsibility of M&E was on Provincial Monitoring and Evaluation Committees (PMECs) and the District Development Committees (DCCs). However, he argues that the DFRD did not provide operational definitions of the terms M&E which led to ambiguous relationship between the provinces and districts in terms of authority and responsibility. He found out that PMECs were not executing effective M&E due to lack of operational definitions of the terms M&E and lacked clear delineation of responsibility between the province and the districts. The system failed to operate systemically and therefore did not generate timely, accurate and relevant information (Nduati, 2011).
Rogito, 2010 looked at the influence of M&E on projects performance a case study of Youth Enterprise Development Fund (YEDF) in Masani district. He assessed how training in M&E of project implementers, M&E baseline surveys, and how M&E designs affect the performance of projects. A survey of 79 youth projects was done and found that most of the youth projects implementers (85.8%) had no training on M&E, baseline are highly not done (62%) and most projects don’t have M&E plans (74%). He found out that most of the projects (63%) did not collect M&E data and the goals were not achieved (Musomba et al, 2013).

Mogaka, 2010 while assessing the influence of M&E methods on performance of Women Enterprise Fund (WEF) projects in Kisii Central district found out that the project performance was poor due to weak M&E systems. The project was done on 54 women groups and analyzed the effects of inspection, focus groups and progress reports on M&E methods on development projects. He found out that mostly, M&E was done by group members and their leaders who were ill informed due to lack of training in the subject and there was no M&E system for WEF projects from the respective Ministry (Mogaka, 2011).

Nyabuto, 2010 while assessing the factors influencing the implementation of M&E projects in NGOs, a case of East Africa Wildlife Society (EAWS) looked at subgroups of EAWS and their donor funded projects. He sought to understand how the M&E budget, level of stakeholders’ participation, M&E skills of project officers and staff availability affected the implementation of M&E. The survey was conducted on 69 respondents. He found out that 94% of the project officers had university level education, but majority had an average level of M&E skills with a small percentage having excellent M&E skills, Nyabuto, 2010.

Most of the project officers (53%) had not undertaken professional M&E courses. Further 82% of the financial allocation was not enough for M&E during implementation period, while almost all of the projects did not have the allocation for post project evaluation. Most of stakeholders (90%) were not involved in the M&E and where they were involved it was mostly during the closure of the project. Most of the project (98.5%) did not have department dedicated to M&E while 85% did not have enough M&E Officers (Nduati, 2011).
2.5 Summary of Review of Literature:

This section has differentiated monitoring from evaluation. Although monitoring is continuous, evaluation is periodic and aims at addressing efficiency, relevance, effectiveness and impact of projects, programs and policies. It has also looked at training, institutional framework, budgetary allocation, stakeholder participation and politics as factors that influence and determine the implementation of monitoring and evaluation framework on development projects.

A rapid review of international experiences was undertaken. The review looked at a range of international experiences including USA, Canada, Malaysia and Indonesia among others from which it emerged that the development of a national wide M&E system is an ambitious task best tackled incrementally over several years. The international review also shows very clearly that the concept of monitoring and evaluation is widely used globally and that its importance and value are increasingly being accepted.

However, we note that most studies done in Kenya including Nyabuto (2010), Rogito (2010), Mogaka (2010) and Musomba et al, (2013) focuses on specific projects making it difficult to generalize the results on the entire country. These studies do not look at a wider cross section of projects being funded by different organizations and therefore this study attempts to fill this gap.
CHAPTER THREE
RESEARCH METHODS AND PROCEDURES

3.1 Introduction:

This section presents the Binary Probit Model, definition of variables and the methods and procedures employed in the study. It also highlight the study area and the target population, the methods of data collection, the instruments for data collection and procedures, pre-costing of instruments quality control which includes validity, reliability and concludes with data regression, analysis and presentation.

3.2 The Binary Probit Model:

To analyze the data, a Binary Probit Model was very instrumental in the study. The study therefore adopted a Binary Probit Model. The paper observes that the dependent variable was binary in nature and thus a binary response model such probit was appropriate for data regressions. We chose a simple binary probit model after the assumption that the error term of the model observes a standard normal cumulative distribution. We adopted the Gujarati, 2004 revelation that the estimated coefficients of Probit regression are to be interpreted such that instead of the slope coefficient being rate of change in the dependent variable as the independent variables changes the slope coefficient is interpreted as the rate of change in the probit index as independent variable changes.

To illustrate, taking the dependent variable response to be binary, that is, it can have only two possible outcomes which we denote as 1 if M&E is implemented in development projects and 0 if otherwise, then we also have a vector of regressors, which are assumed to influence and determine the outcome of the dependent variable.
We therefore assume that the model takes the following specific form:

\[ Y^* = \alpha X + \epsilon \]  \hspace{1cm} (1) \hspace{1cm} 

The dependent variable will be denoted by \( Y \), which we denote as 1 if M&E is implemented in development projects and 0 if otherwise;

\[ Y_i = 1 \text{ if M&E is implemented in development projects or, } Y_i = 0 \text{ if otherwise} \] \hspace{1cm} (2) \hspace{1cm} 

Assuming that in each of the development project there is a threshold or critical level of \( I \) given as \( I^* \), if \( I_i \) exceeds \( I^*_i \) the personnel implementing M&E will then implement M&E or otherwise it will not.

This can be written as;

\[ Y_i = 1 \text{ if } I_i \geq I^*_i \]  \hspace{1cm} \[ Y_i = 0 \text{ if } I_i < I^*_i \]  \hspace{1cm} (3) \hspace{1cm} 

Just like \( I_i \), threshold \( I^*_i \) is unobservable. However if we assume that it is normally distributed with the same mean and variance, then it is possible to estimate the parameters in equation 1 and also get some information about the unobserved index itself. The only data that can be observed is \( Y_i \) and \( X_i \);

\( \alpha_i \) can therefore be estimated using the following equation;

\[ I_i = \alpha_0 + \alpha_i X_i + U_i \]  \hspace{1cm} (4) \hspace{1cm} 

Introducing the dependent variable \( (Y = 1 \text{ or } Y = 0) \) and using equation 2 and 3 we get;

\[ Y_i = \alpha_0 + \alpha_i X_i + U_i \text{ ; if } I_i \geq I^*_i \]  \hspace{1cm} (5) \hspace{1cm} \text{or} \hspace{1cm} 

\[ Y_i = 0 \text{ if otherwise.} \]

The expected mean of the error term is Zero (0). \[ E(U) = 0 \] \hspace{1cm} (6) \hspace{1cm} 

29
Using the Probit Model one can estimate the coefficient \( \alpha_i \), and the estimation model becomes;

\[
E(Y_i) = \alpha_0 + \alpha_i X_i + U
\]

The estimation of \( Y_i \) in equation (5) gives us the Probit index and the probability of implementing M&E in the development projects can be predicted as;

\[
Pr(Y=1/X) = \Phi(\alpha X)
\]

Where:

Pr denotes the Probability and \( \Phi \) is the Cumulative Distribution Function (CDF) of the standard normal distribution. The parameters \( \alpha \) are typically estimated by maximum likelihood. From the above illustration then it follows that:

M&E implementation status in development projects \( (Y) \) is a function of identified explanatory variables \( (X) \) as stated by the function (9) drawn below:

\[
Y = \alpha_0 T + \alpha_1 B + \alpha_2 S + \alpha_3 G + \alpha_4 P + \ldots + \varepsilon
\]

Where:

\( Y \) is M&E implementation status in development projects
\( T \) is the M&E training of the personnel implementing M&E activities in development projects.
\( B \) is the amount of money allocated and spent on M&E functions in development projects.
\( S \) is the participation of the stakeholders in implementation of M&E in development projects.
\( G \) is the institutional guidelines in implementation of M&E activities in development projects.
\( P \) is political influence in implementation of M&E activities in development projects.
\( \varepsilon \) is the error term.
3.3 Definition of Variables:

3.3.1 Dependent Variable:

M&E implementation status of development projects is the dependent variable and refers to whether the personnel conducting M&E function in development projects implemented the M&E function or not. In order to measure this variable, the study assigned a binary response dummy variable of 1 if implemented and 0 if otherwise.

3.3.2 Independent Variables:

A number of factors influence the implementation of M&E in development projects. These factors are assumed to determine the status of implementation of the M&E in development projects. The factors identified include the following:

1. **Training of the Personnel on Monitoring and Evaluation:**

   The level of M&E skills of the personnel conducting the M&E implementation is key. These skills are assumed to be obtained through training. The skills can be measured on aggregate number of months on M&E training. An increase in training on M&E is assumed to positively influence the M&E implementation status and vice versa.

2. **Amount of Money Allocated on Monitoring and Evaluation:**

   For the system to be an integrated one there should be a budgetary allocation on M&E for every specific development project. M&E budgetary Allocation is assumed to refer to the amount of money in Kenya Shillings (Kshs) budgeted, allocated and spent on the M&E functions in a specific project. An increase in the amount allocated on M&E in projects is assumed to
positively influence the system implementation. A decrease is assumed to negatively affect the implementation of the M&E system.

3. **Stakeholders’ Involvement in Monitoring and Evaluation:**

This refers to whether external stakeholders were involved in implementation of the M&E activities. Stakeholders’ participation is an important aspect of an M&E system implementation and development. The study assumes that enhanced participation of the stakeholders who are not part of the project management in the system implementation will positively affect implementation by enhancing transparency, accountability and system sustainability. To measure this, the study assigned a dummy variable of 1 if stakeholders were involved and 0 if otherwise.

4. **Institutional Guidelines on Monitoring and Evaluation:**

This refers to whether the personnel conducting the M&E function in development projects followed any guidelines or not when implementing the M&E function. To measure this moderating variable, the paper assigns a dummy variable of 1 if institutional guidelines were followed and 0 if otherwise.

5. **Political Influence on Monitoring and Evaluation:**

The study assumes that the process of building an M&E system is as political as it is technical. The various actors have interests that need accommodating. This is particularly because the political leaders get elected based on their campaign promises and this forms their social contract with the people. They will therefore endeavor to ensure that their promises to those who elected them are fulfilled. For instance, in the county government framework, the CIDP is the mechanism to ensure that those promises are fulfilled. It thus becomes a negotiated document that seeks to balance the county executive (governor) and the county assembly member’s expectations. This can be a daunting task and can cause delays as politicians may have unrealistic demands based on the constituencies they represent (IEA, 2014).
The key issue here is whether the questions being posed in the M&E system are relevant to needs of the users. If they are not, then the study assumes that there is likelihood that the evaluation will not see substantial take-up and implementation in development projects and vice versa. In order to measure this moderating variable, the paper assigns a dummy variable of 1 if they consider political input relevant in system implementation and 0 if otherwise.

3.4 Data Collection Instruments:

A questionnaire was used to gather primary data. A questionnaire is a formal set of questions or statements designed to gather information from respondents that accomplish research objectives. Sixty self administered questionnaires were distributed to the personnel of the Ministry of Devolution and Planning based on the role they play in coordination of M&E function on development projects in Kenya.

3.4.1 Validity of Research Instruments:

The validity of research in question indicates the degree to which an instrument correctly measures the intended outputs. Internal validity was achieved by ensuring questions posed in the questionnaire counterchecked one another. This was based on both the objectives of the study and the research questions.

3.4.2 Reliability of Research Instruments:

Reliability refers to the degree to which a research instrument yields consistent results or data after repeated trials. The questionnaire was pilot tested to some selected subjects with the outcome being used to improve it by ensuring the data obtained was sufficient to the subjects.

3.5 Pilot Test, Diagnostic Tests and Normality Test:

3.5.1 Pilot Test:
For the purposes of determining the effectiveness and validity of the instruments, it was necessary to conduct a participating pre-testing. After respondents were asked to fill about five questionnaires the errors noted were corrected. This greatly improved the questionnaire on the intended subjects.

3.5.2 Diagnostic Tests:

It is worthy to conduct a correlation matrix and Variance Inflation Factors (VIF) which are used to determine if any pair of independent variables is highly collinear. The VIF test measures how much variance of an estimated coefficient increases due to collinearity.

3.5.3 Normality Test:

The paper used Shappiro – Wilk “W” test of normality to establish the nature of distribution of data around the mean before regression. Wooldridge (2000) and Green (2000) assert that only continuous variables require assessment of this test since their range of alternative outcomes is considered to be wide. Therefore, assuming the study variables are continuous, the study therefore adopts Shappiro – Wilk “W” test of normality.

3.6 Data Analysis and Presentation:

The data was edited to eliminate mistakes and ensure consistency. It was cleaned and coded using Stata and Ms Excel software and classified into meaningful categories for analysis. The data analysis included both quantitative and qualitative methods. Data was tabulated to capture salient details of the questionnaire. The researcher chose a simple Binary Probit Model to analyze the model data for empirical results.
CHAPTER FOUR

EMPIRICAL FINDINGS

4.1 Introduction:

This chapter presents an analysis seeking to identify the factors influencing the implementation of monitoring and evaluation of development projects in Kenya. The study focused on Ministry of Devolution and Planning in Kenya. The study was cross-sectional on developments projects which included education, water, heath, youth and CDF projects implemented by various line departments in Kenya. We have utilized descriptive statistics to assess characteristics of training of the personnel on monitoring and evaluation, stakeholders’ participation, institutional guidelines, budgetary allocation and political influence with respect to implementation of monitoring and evaluation in development projects in Kenya. Finally, we have employed Binary Probit Regression Model to appreciate the specified objectives of the study.

4.2 Descriptive Statistics:

We considered the mean, standard deviation, skewness, kurtosis, minimum and maximum value to assess the characteristics of the study variables. The standard deviation is a measure of dispersion which indicates how variables are spread out. Large values indicate greater dispersion while small values show less dispersion. From Table 2, 43 officers responded on the implementation status of their M&E projects whereby we found that 60.5% had implemented monitoring and evaluation in their projects while 39.5% of the respondents had not implemented. The question on Training of personnel was responded to by 42 government officials who reported the duration of training on of personnel implementing monitoring and evaluation where it was revealed that the highest trained personnel took a total of 24 months with the average duration of training for the respondents being approximately four months.
The study assessed the amount of budgetary allocation on monitoring and evaluation activities on the project implemented. We managed to get a total of 33 responses where it was found that on average, the allocations were Kshs 436,363.60 and the highest amount was Ksh 1,000,000. However, the variation in budgetary allocation was Kshs 358,876.90.

It also found whether implementers of monitoring and evaluation function in development projects followed institutional guidelines or not when executing this function. From the 41 responses collected on institutional guidelines, it was found on average that 61.4% of sampled projects followed institutional guidelines while implementing monitoring and evaluation activities, and consequently there was variation 48.8% around the mean.

Stakeholders in any organization contribute to the issues of transparency and accountability in implementation of projects and at times they enhance ownership and sustainability issues with regard to projects. Table 2 below, shows that on average 47.6% of the sample size was involved where as 52.4% were not involved in implementation of monitoring and evaluation in the 42 sampled development projects. Further, political influence was considered a contributing factor to monitoring and evaluation system implementation whereby a total of 39 responses was collected with 79.5% of the government officers who were sampled on average reported that it contributed to system implementation.
Table 2: Summary Statistics:

<table>
<thead>
<tr>
<th>Stats</th>
<th>M&amp;E Implementation</th>
<th>Training in Months on M&amp;E</th>
<th>Amount of Money Allocated to M&amp;E</th>
<th>Institutional Guidelines on M&amp;E</th>
<th>Stakeholders Involvement in M&amp;E</th>
<th>Political Influence on M&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>43</td>
<td>42</td>
<td>33</td>
<td>41</td>
<td>42</td>
<td>39</td>
</tr>
<tr>
<td>Mean</td>
<td>0.6047</td>
<td>3.8095</td>
<td>436, 363.6</td>
<td>0.6341</td>
<td>0.4762</td>
<td>0.7945</td>
</tr>
<tr>
<td>SD</td>
<td>0.4947</td>
<td>4.7639</td>
<td>358, 876.9</td>
<td>0.4877</td>
<td>0.5055</td>
<td>0.4091</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.4281</td>
<td>2.6733</td>
<td>0.4003</td>
<td>-0.55701</td>
<td>0.0953</td>
<td>-1.4605</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.1833</td>
<td>10.5553</td>
<td>1.7768</td>
<td>1.3103</td>
<td>1.0091</td>
<td>3.1331</td>
</tr>
<tr>
<td>Min</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Max</td>
<td>1</td>
<td>24</td>
<td>1000000</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Author’s Computation.

We also conducted both skewness and kurtosis to assess the asymmetry of the distribution of series around its mean and also to determine their peakness or flatness of the distribution respectively. Most of the study variables had skewness which was close to zero implying that they were normally distributed. However, variables like monitoring and evaluation implementation status, institutional guidelines and political influence were negatively skewed meaning they were on the left tail.
Also on the same distribution of variables around their means, the statistic for skewness for training of personnel, amount of budgetary allocation and the stakeholders’ participation were positively skewed, implying that their distributions had long right tails. Kurtosis in this case was conducted to determine the flatness of the distribution. Table 2 above indicated that monitoring and evaluation implementation status, amount of budgetary allocation, institutional guidelines and stakeholders’ involvement in monitoring and evaluation had a kurtosis which was less than three implying that the distribution was flat relative to the normal. Also, training of the personnel had a kurtosis which was greater than three implying that the distribution was peaked relative to the normal while political influence had a kurtosis of approximately three which means that the distribution was normal.

4.3 Diagnostic Tests:

4.3.1 Multicollinearity:

We considered Multicollinearity to exist when there is perfect linear relationship between one or more pairs of independent variables and are perfectly correlated to each other. We conducted both correlation matrix and Variance Inflation Factors (VIF) which are used to determine if any pair of independent variables is highly collinear as revealed in table 3. The VIF test measures how much variance of an estimated coefficient increases due to collinearity (O’Brien, 2007). In other words, the variance inflation factors were used to determine if any pair of independent variables becomes highly collinear. This is highlighted in table 3 as follows:

Table 3: Variance Inflation Factors:

<table>
<thead>
<tr>
<th>Variable</th>
<th>VIF</th>
<th>1/VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Influence on M&amp;E</td>
<td>3.77</td>
<td>0.265317</td>
</tr>
<tr>
<td>Institutional Guidelines on M&amp;E</td>
<td>3.47</td>
<td>0.287928</td>
</tr>
<tr>
<td>Amount of Money Allocated to M&amp;E</td>
<td>3.05</td>
<td>0.327380</td>
</tr>
<tr>
<td>Stakeholders Involvement in M&amp;E</td>
<td>2.16</td>
<td>0.463724</td>
</tr>
<tr>
<td>Training in Months on M&amp;E</td>
<td>1.73</td>
<td>0.578739</td>
</tr>
<tr>
<td>Mean VIF</td>
<td>2.84</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s Computation.
From Table 3, we confirm and reveal the absence of Multicollinearity since the findings show that all VIF values are less than 10 and their tolerance values are greater than 0.10 as suggested by Nachtsheim, et al., (2004) and therefore assert that Multicollinearity does not exist.

From the spearman’s rank correlation matrix in Table 4, it is shown that most of pairs of relationships were positively related except monitoring and evaluation system implementation status and institutional guidelines, training of the personnel and institutional guidelines, and training of the personnel and political influence which had a negative relationship of 0.0886, 0.0741 and 0.0029 respectively as highlighted by the correlation matrix in table 4 below.

**Table 4: Correlation Matrix:**

<table>
<thead>
<tr>
<th></th>
<th>M&amp;E Implementation</th>
<th>Training in Months on M&amp;E</th>
<th>Amount of Money Allocated to M&amp;E</th>
<th>Institutional Guidelines on M&amp;E</th>
<th>Stakeholders Involvement on M&amp;E</th>
<th>Political Influence on M&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;E Implementation</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training in on M&amp;E</td>
<td>0.1502 0.0425</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount of Money Allocated to M&amp;E</td>
<td>0.2164 0.0265</td>
<td>0.2577 0.0476</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Guidelines on M&amp;E</td>
<td>-0.0886 0.5017</td>
<td>-0.0741 0.0052</td>
<td>0.4803 0.0054</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder Involvement</td>
<td>0.0608 0.0122</td>
<td>0.2100 0.0819</td>
<td>0.0737 0.0335</td>
<td>0.0321 0.3220</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>Political Influence on M&amp;E</td>
<td>0.1205 0.0050</td>
<td>-0.0029 0.1862</td>
<td>0.3323 0.0728</td>
<td>0.1409 0.0289</td>
<td>0.2411 0.0393</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

**Source:** Author’s Computation. **Bold figure represent the significance of the variables.**

Equally, on the magnitude of the coefficients from table 4, we found that all correlation coefficients were less than 0.5 which implies that pairs of variables were not highly correlated. The strength of the association among these variables was explored whereby strongly and weakly correlated variables are measured by the coefficients close to absolute value of one and zero respectively. On the other hand, we explored the significance levels of the various pairs of
correlation coefficients and found out that majority of variables were significant except M&E implementation status and institutional guidelines, training of the personnel and political influence, training of the personnel and stakeholder participation and amount of budgetary allocation and political influence at 0.5017, 0.1862, 0.0819 and 0.0728 respectively as indicated in table 4. Note that the correlation coefficient of the variable and itself is unit for all variables as revealed in the table 4.

4.3.2 Normality Test:

We conducted normality test in order to test for normal distribution of the random error terms. The null hypothesis in this case is that the error terms are normally distributed. We employed the Shapiro Wilk “W” test and tested the value for each of the variable used in the study to explore which variable has normal data. The results are as revealed by table 5 below.

Table 5: Shapiro Wilk test for Normality of the Data:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observations</th>
<th>Prob &gt; z</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;E Implementation status</td>
<td>43</td>
<td>0.98438</td>
</tr>
<tr>
<td>Training in Months of Personnel on M&amp;E</td>
<td>42</td>
<td>0.00000</td>
</tr>
<tr>
<td>Amount of Money Allocated to M&amp;E</td>
<td>33</td>
<td>0.26013</td>
</tr>
<tr>
<td>Institutional Guidelines on M&amp;E</td>
<td>41</td>
<td>0.83372</td>
</tr>
<tr>
<td>Stakeholders’ Involvement in M&amp;E</td>
<td>42</td>
<td>1.00000</td>
</tr>
<tr>
<td>Political Influence on M&amp;E</td>
<td>39</td>
<td>0.00072</td>
</tr>
<tr>
<td>Residuals</td>
<td>29</td>
<td>0.09867</td>
</tr>
</tbody>
</table>

**Source:** Author’s Computation.

From Table 5, it is revealed that most of the study variables are normally distributed. Utilizing the p values of the used variables, we found out that training of personnel and political influence were the only variables which were not significant as their p values were less than the significance level of 0.05 Wooldridge (2000) and Green (2000). Also, the residuals of all variables are normally distributed with a p value of 0.09867 despite the fact that some of the variables are not normally distributed.
4.4 Econometric Results:

Monitoring and Evaluation of development projects as described in the literature is important since much of the development assistance to Kenya and also a number of specific activities funded by the government, is in form of discrete projects. We conducted the probit regressions and the results are as indicated in Table 6.

Table 6: Probit Regression Results for M&E Implementation Status:

<table>
<thead>
<tr>
<th>M&amp;E Implementation Status</th>
<th>Coefficients</th>
<th>Std. Error.</th>
<th>Z-statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training in Months of Personnel on M&amp;E</td>
<td>0.1440491</td>
<td>0.03540</td>
<td>4.07</td>
</tr>
<tr>
<td>Amount of Money Allocated to M&amp;E</td>
<td>0.656939</td>
<td>0.133412</td>
<td>4.92</td>
</tr>
<tr>
<td>Institutional Guidelines on M&amp;E</td>
<td>0.4175257</td>
<td>0.165532</td>
<td>2.52</td>
</tr>
<tr>
<td>Stakeholders’ Involvement in M&amp;E</td>
<td>-0.1951079</td>
<td>0.0734576</td>
<td>-2.66</td>
</tr>
<tr>
<td>Political Influence on M&amp;E</td>
<td>0.7580368</td>
<td>0.740852</td>
<td>1.02</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.159467</td>
<td>0.8722683</td>
<td>-2.48</td>
</tr>
<tr>
<td>Number of Observations</td>
<td>= 29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LR chi2(11)</td>
<td>= 3.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob&gt; chi2</td>
<td>= 0.0022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pseudo R2</td>
<td>= 0.1896</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Log likelihood: -17.906196

Source: Author’s Computation.

In order to determine whether the slope coefficients were simultaneously equal to zero, we utilized the log-likelihood chi square test whereby it was revealed from Table 6 that the test statistic of 3.33 with a p-value of 0.000 implied that training of the personnel, stakeholders’ involvement, institutional guidelines, amount of budgetary allocation and political influence significantly explained the status of the implementation of monitoring and evaluation system in development projects in Kenya.

We also estimated the marginal effects and average effects for dummy and continuous variables where the marginal effects computed for training of the personnel, stakeholders’ participation, institutional guidelines, budgetary allocation and political influence shows the change in the probability of implementing M&E in development projects. The interpretation of the estimation results depends on the marginal effects of the independent variables on the probability.

Table 7 below indicates the results which reveal the probability of implementing monitoring and evaluation in a development project is function of the identified independent variables. We have interpreted the significant variables as shown in table 7.

**Table 7: Average Marginal Effects of the Probability of Implementing M&E in Development Projects:**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Marginal Effects</th>
<th>Std. Err.</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training in Months of Personnel on M&amp;E</td>
<td>0.0140436</td>
<td>0.0042413*</td>
<td>3.31</td>
</tr>
<tr>
<td>Amount of Money Allocated to M&amp;E</td>
<td>0.1312997</td>
<td>0.0241479*</td>
<td>5.44</td>
</tr>
<tr>
<td>Institutional Guidelines on M&amp;E</td>
<td>0.0834492</td>
<td>0.0324259*</td>
<td>2.57</td>
</tr>
<tr>
<td>Stakeholders’ Involvement in M&amp;E</td>
<td>-0.0389954</td>
<td>0.014302*</td>
<td>-2.73</td>
</tr>
</tbody>
</table>
The study identified training of the personnel on monitoring and evaluation, stakeholders’ participation, institutional guidelines and amount of budgetary allocation as significant factors determining the implementation of monitoring and evaluation system in development projects in Kenya. It was revealed that only political influence was insignificant in the relationship as clearly indicated in Table 7.

4.5 Interpretation and Discussion of the Results:

The study found out that there is a positive significant relationship between training of personnel and monitoring and evaluation system implementation in development projects. The probability of implementing monitoring and evaluation in development projects is likely to increase with an additional months of monitoring and evaluation training of the personnel. This implies that for an additional month of M&E training, the probability of implementing monitoring and evaluation in development projects increases significantly by 1.4% holding other factors constant. This was in agreement with the intended theorized outcome of the study.

The amount of budgetary allocation for monitoring and evaluation was also found to be a positively significant determinant of M&E system implementation in development projects. An additional amount of budgetary allocation on monitoring and evaluation in development project is likely to increase the probability of M&E system implementation significantly by 13.13% holding other factors constant. This implies that an extra amount of money allocated for project M&E leads to an increase in the likelihood of M&E system implementation in development projects. This was in line with the objectives of the study.

Institutional guidelines was found to raise the probability of M&E system implementation in development projects. It was revealed that presence of institutional guidelines is likely to increase the probability of implementing M&E significantly by 8.34% holding other factors
constant. In other words, as institution possess set guidelines, the likelihood of M&E system implementation in development projects increases as well.

On the other hand, political influence as suggested by the literature increases the probability of implementing M&E in development projects by 26.7% holding other factors constant. However, from this study it is revealed that this positive relationship was statistically insignificant. This was contrary to the study expectation. This implies that the probability of implementing monitoring and evaluation function in development projects may be insensitive to small changes in the explanatory variables.

Lastly, unlike other factors which significantly raised the probability of implementing monitoring and evaluation function in development projects, this study revealed that stakeholders’ involvement in monitoring and evaluation reduces the probability of M&E system implementation in development projects. Involving stakeholders in M&E is likely to decrease this probability significantly by 3.89% holding other factors constant. This was contrary to the expectation of the study. However, this could imply that engagement of stakeholders require to be managed with care, both from stakeholders’ analysis, selection and actual engagement. Too much stakeholders’ involvement could lead to undue influence on M&E functions and thus reduce the likelihood of M&E system implementation. Equally, there could also be issues regarding to measuring objectively their active participation and involvement roles with regard to M&E tasks implementation within the set of the team of personnel executing monitoring and evaluation functions.

4.6 The Overall Fitness of the Model:

To determine whether the slope coefficients were simultaneously equal to zero, we utilized the log-likelihood chi square test whereby it was revealed from Table 6 that the test statistic of 3.33 with a p-value of 0.000 implied that training of the personnel, stakeholders’ involvement, institutional guidelines, amount of budgetary allocation and political influence significantly explained the status of the monitoring and evaluation system implementation in development projects in Kenya.
CHAPTER FIVE

CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1 Introduction:
This chapter summarizes the findings of the study in relation to the objectives, literature review and key variables in our study. It later makes substantive conclusions and policy implications based on explored factors contributing to the implementation of M&E in development projects in Kenya and thereafter major recommendations are made. Finally, it outlines suggestions for further areas of research to fill the gaps identified in the course of the study.

5.2 Summary and Conclusions:
The study used Binary Probit Model to appreciate the data enabling the study to avoid violating the assumptions of the Ordinary Least Squares (OLS). The research findings presented in Chapter Four outlines the factors influencing the implementation of M&E of development projects that can be used to explain the predicted probability of development projects implementing M&E activities in Kenya. Training of M&E personnel, Amount of money allocated to M&E in projects, Institutional guidelines and Stakeholders’ participation in M&E had a statistical significant effect on M&E implementation at 95% confidence level where by all of them increased the likelihood except stakeholders’ participation.

Training of the personnel charged with the responsibility of conducting M&E in development projects had a positive relation with probability of implementing M&E. Training is part of skills development and the higher the level of skills in M&E the higher the probability of implementing M&E function in development projects.
Amount allocated to M&E functions was found to be directly related to the probability of implementing M&E in development projects. This implies that projects which have allocated M&E budget have higher probability of implementing M&E functions. Availability of M&E finances therefore implies that project management will be able to carry out the M&E functions.

Institutional guidelines revealed a positive relation with the likelihood of implementing M&E functions implying that availability of the NIMES guidelines in Kenya increases the probability of implementing the M&E functions in development projects in Ministries, Departments and Agencies (MDAs) as well as other government institutions.

The results indicated that stakeholders’ participation in implementation of M&E in development projects had a negative effect in the short run. This was in contrast with the study expectation. This could imply that engagement of stakeholders require to be managed with care, both from stakeholders’ analysis, selection and involvement. Too much stakeholders’ involvement could lead to undue influence on M&E functions and thus reduce the likelihood of M&E system implementation. This could be established through conducting further research in M&E and specifically targeting the associations and significance of a diverse range of M&E stakeholders in implementation of M&E in development projects.

Finally, the results showed that the relation between political influences on probability of implementing M&E in development projects was insignificant. This was contrary to the study expectation. This implies that the probability of M&E may be insensitive to small changes in the explanatory variables.

5.3 Policy Recommendations:

From the conclusions drawn above, some policy recommendations can be suggested. The policies recommended in this paper are aimed at improving M&E functions for the development projects in Kenya with respect to economic policy development and management to ensure optimal utilization of the available scarce resources. The following recommendations are therefore suggested:
Firstly, government investment in human capital and especially personnel training on M&E functions in development projects will enhance the skills development which will result in higher level of M&E functions in MDAs and other institutions. It will also ease on the integration of the M&E system both at the National level and the 47 Counties in Kenya. The paper therefore recommends the government and institutions to maximize on this valuable course.

Secondly, there is need also for the government and institutions to address M&E budgetary allocation in development projects. This is based on the importance and value of M&E budget and probability of implementing M&E functions in development projects. This can be done by ensuring that every project is allocated funds for M&E activities. It is therefore instrumental to factor sufficient M&E budgetary allocation in MDAs budgets to enhance implementation of M&E functions in Kenya. Funds for M&E functions including pre feasibility and feasibility studies, midterm evaluation, ex post evaluation, ex ante evaluation, terminal (summative) evaluation as well as impact evaluation should be adequately factored in the budgets of development projects with the aim of enhancing efficiency and success in the implementation of development projects in Kenya.

Thirdly, there is great need for promotion of programmes geared towards dissemination of institutional guidelines including NIMES by both government and institutions. Sensitization and publicity programmes need to be rolled appropriately on the ground to maximize on this critical factor in enhancing capacity in implementation of M&E functions in development projects. Particularly, the study revealed the need to cascade the NIMES guidelines beyond economists to other professionals and non professionals within the government structure. This will enhance their capacities with regard to M&E appreciation and subsequent implementation.

Fourthly, there is need for promotion of programmes geared towards identifying high level political champions to lend political weight for national wide M&E system uptake and increase funding to support M&E operations particularly in the context of the constitution of Kenya 2010. Further, appropriate programmes aimed at fast tracking the enactment of a legal policy framework to guide the M&E framework in Kenya will be instrumental.
5.4 Recommendations for Further Research:

First, there is need for more economic research with specific references to the impacts of monitoring and evaluation as a both performance management and policy development tool on economic growth in Kenya.

Secondly, there is need for a more detailed research with regard to a critical examination of the relationship between participation of stakeholders and monitoring and evaluation system implementation in Kenya. This will offer an opportunity for a comparison of results besides adding on the research data base on this field.

Equally, it would also be appropriate to cascade the same research in other specific counties in Kenya for specific development projects to guide on both county specific and project specific economic policies in order to spur investment and for the realization of economic growth and development both at the county and at the national level. It will also enable a comparison of the results and also build on the research data base.

Lastly, considering that the reporting on progress of development policies in Kenya and specifically the Vision 2030 is based on monitoring and evaluation framework as provided by National Integrated Monitoring and Evaluation System, there is need to ensure full establishment and development of national wide M&E framework that integrates both the national government and the 47 counties governments with regard to development projects. To do this, the paper recommends further quantitative and qualitative economic research on the areas of integrated M&E frameworks in the context of the new system of governance in Kenya and the projected economic growth trajectory. This will be of great value in adding knowledge to the areas that contributes to efficiency of M&E systems and success in their implementation as well as economic policy development.
REFERENCES:


APPENDIX 1

SURVEY QUESTIONNAIRE:

1.0 BACKGROUND INFORMATION:

1.1 Questionnaire Number {   }

1.2 Gender:
   i) Male {   }
   ii) Female {   }

1.3 Age in Years:
   i) Below 20 {   }
   ii) 21-30 {   }
   iii) 31-40 {   }
   iv) 41-50 {   }
   v) 51-60 {   }
   vi) Above 60 {   }

1.4 Organization / Ministry:

1.6 Years in Current Organization: {   }

1.7 Date of Interview:

2.0 PROJECT / PROGRAMME DETAILS:

2.1 Have you been involved in conducting monitoring and evaluation of any development project in Kenya?
   i) Yes {   }
   ii) No {   }

2.2 If YES, Name of the project/ programme type………………………………………………………e.g.
   i. Education
   ii. Roads
   iii. Youth
   iv. Water   v. Health   vi. Other please specify
2.3 Which year was the project started?

2.4 What is (was) the project main source of funding?
   i) GOK
   ii) CDF
   iii) Community
   iv) Donor/ Sponsor
   v) Other (specify)

2.5 What was the total amount in Kenya shillings allocated specifically for M&E activities in the project that you were involved in?
Kshs.................................................................................................................................

3.0 DETAILS ON MONITORING AND EVALUATION

3.1 How well do you understand the term Monitoring and Evaluation?
   i) Excellent {   }
   ii) Average {   }

3.2 How would you assess the M&E skills of the staff conducting M&E in government Ministries, Departments and Agencies in Kenya?
   i) Good
   ii) Fair

3.3 In financial year 2013/2014 were you involved in conducting M&E in development projects?
   i) Yes {   }
   ii) No {   } If No please explain the main reason
3.4 If YES, Where did you submit your M&E reports?
   
i) Donor / Sponsor { }

   ii) Community { }

   iii) NIMES { }

   iv) Ministry { }

   v) Other (specify)

3.5 During your M&E field work, did you follow any institutional guidelines?
   
i) Yes { }

   ii) No { }

3.6 If YES please Tick appropriately:
   
i) NIMES { }

   ii) Ministry { }

   iii) Donor / Sponsor { }

   iv) Other (Specify) { }

3.7 Other than the GOK officers and the project management committees, did you involve other (External) stakeholders in the M&E activities?
   
i) Yes { }

   ii) No { }

3.8 Is there any M&E committee for projects and programmes?
   
i) Yes { }

   ii) No { }
3.9 What level of M&E skills do you have?

   i) None {   }
   ii) Trained in seminars & workshops {   }
   iii) Certificate {   }
   iv) Diploma{   }
   v) Degree {   }
   vi) Other (specify)

4.0 On aggregate how many months of training on monitoring and evaluation have you undergone………………………………………………………………………………………………

4.1 Does your programme / project have a component or unit specifically for M&E?

   i) Yes {   }
   ii) No {   }

4.2 How can you rate the performance of the project in terms M&E level of achievement of the project objectives?

   i) Fully Achieved {   }
   ii) Partially Achieved {   }

4.3 Are you aware of National Integrated Monitoring and Evaluation System (NIMES) in Kenya?

   i) Yes {   }
   ii) No {   }

If yes, please explain

4.4 Do you consider the Kenyan political influence (input) positive in the implementation of M&E in development projects in Kenya?

   i) Yes {   }
   ii) No {   }