

INFLUENCE OF BUDGETARY ALLOCATION ON THE PERFORMANCE OF NG-CDF PROJECTS WITHIN NYARIBARI MASABA CONSTITUENCY

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Abstract: A project is considered successful when it achieves its objectives, adheres to established criteria, meets deadlines, and remains within the allocated budget of the organization. The utilization of monitoring and evaluation (M&E) methods has enhanced collaborative learning among stakeholders, increased productivity, and built capacity, all aimed at applying the insights gained to modify organizational policies and procedures. Therefore, this study sought to investigate the influence of budgetary allocation on the performance of NG-CDF projects within Nyaribari Masaba Constituency. The research utilized a descriptive research design. The focus population consisted of NG-CDF projects within the Nyaribari Masaba Constituency, with a total of 2,376 respondents. This group included monitoring and evaluation teams from various organizations, members of the CDF committee, the general public, elected officials, government representatives, and religious leaders. To obtain a representative sample, the researchers applied a stratified sampling method, while the selection of respondents was carried out through simple random sampling. The final sample comprised 342 individuals, and primary data was gathered using questionnaires. A pilot study was conducted with 34 respondents to evaluate the study's procedures. To ensure the validity of the research, measures of content validity, criterion validity, and face validity were employed. Reliability was determined through the Cronbach's alpha test. For data analysis, descriptive statistical methods, including mean and standard deviation, were utilized to interpret the quantitative data. Additionally, inferential analyses, such as correlation and regression analyses, were performed. The results were illustrated through tables and figures. The research indicated a positive influence of budget allocation on the performance of NG-CDF projects within the Nyaribari Masaba Constituency. The findings suggest that adequate financial resources are accessible for the monitoring and evaluation of these projects, along with a sufficient workforce committed to this endeavor. The study suggests that the budget for monitoring and evaluation should be clearly specified within the project budget to acknowledge its crucial role in ensuring successful project execution.

Keywords: Budget Allocation, Project Performance.

1. INTRODUCTION

All types of organizations engage in project activities. The successful implementation of projects requires the application of strategies, techniques, and tools to manage both the planning and execution stages, as well as to control essential factors to ensure that the client receives results or a product that meets their expectations and functions as intended. Chandra (2015) argues that every project consists of various tasks that exceed a certain scale threshold, based on project management principles that provide a framework for organizing project activities and assigning responsibilities to individuals. The long-term benefits of projects include the creation of additional job opportunities, improvement of community relations, empowerment of the community, enhancement of economic status, restoration of the environment,

and betterment of the local quality of life through environmental assessment and/or remediation (Baariu, 2015). Haiyan (2018) emphasized that inadequate project management within communities often leads to conflicts arising from competing project demands and overlapping jurisdictional authorities of agencies addressing project-related issues.

Monitoring and evaluation (M&E) practices have been implemented, resulting in a more effective shared learning framework among stakeholders, increased efficiency, and enhanced capacity building aimed at leveraging acquired knowledge to modify policies and actions within organizations (Pardev, 2016). Saiful (2018) noted that M&E employs suitable criteria, including benchmarking against relevant standards or the historical performance of similar projects. Yogarajah, Nigel, and Page (2016) underscored that M&E practices offer continuous feedback, enabling the parent organization to monitor project implementation timelines, ensure alignment with project goals, mitigate cost overruns, and assess personnel, financial, and economic outcomes while comparing planned targets with actual results. In Kenya, project performance is evaluated based on indicators such as project cost, quality, stakeholder satisfaction, timeliness, and the attainment of project objectives, which serve as effective measures of project success (Nyikal, 2017).

Projects are considered successful when they meet their goals in accordance with the defined criteria, agreed timelines, and the budget set by the organization. According to the Project Management Institute (2017), project management involves the effective application of skills, knowledge, techniques, tools, and resources in carrying out programs and project activities to meet established requirements. The achievement of project goals is supported by the use and integration of specific project management components, which contribute to the successful and efficient execution of projects. Proficient project management practices enable individuals and organizations to realize their objectives, increase the chances of project success, provide suitable services or products, and comply with established deadlines, among other advantages. Conversely, the lack of effective project management can lead to missed deadlines, budget overruns, subpar work quality, damage to the organization's reputation, dissatisfied clients, and failure to achieve the desired outcomes (Saiful, 2018).

Chaplowe and Cousins (2015) characterize monitoring as a continuous process involving the systematic collection of data pertinent to specific indicators within public projects. This process is deemed a vital element of the overall evaluation framework due to its substantial role in assessment. In a similar vein, Segura and Pedregal (2017) describe monitoring as an ongoing function that employs the systematic gathering of data on selected indicators to provide management and key stakeholders with critical insights regarding the progress of a current development initiative. Valle (2016) defines evaluation as the systematic and objective analysis of a project, program, or policy that is either underway or has been completed, taking into account its design, implementation, and outcomes. The objectives of evaluation include assessing the significance and success of goals, as well as the effectiveness, efficiency, impact, and sustainability of development efforts. An evaluation is thus an organized and impartial assessment of a project, policy, or program—regardless of its completion status—that encompasses its planning, execution, and results. Saiful (2018) underscores the importance of monitoring and evaluation (M&E) in achieving project goals and objectives, as well as in ensuring project success.

Segura and Pedregal (2017) underscored the importance of incorporating a well-defined monitoring and evaluation plan as a fundamental component of the overall project strategy. This plan should include details on the monitoring and evaluation activities, the personnel responsible for carrying them out, the frequency of these activities, adequate budget provisions, and guidelines on how the findings from monitoring and evaluation will be applied. By employing monitoring and evaluation, project managers can assess the alignment of their plans with actual progress and identify any shifts in circumstances. These mechanisms equip management with essential insights for making informed project-related decisions. Valle (2016) highlighted the critical role of monitoring and evaluation across projects of varying scales, as it facilitates the identification of areas that are progressing well and those that may need modifications or replacements. Different projects require tailored M&E systems (Manei, 2016).

Monitoring and evaluation (M&E) is an essential process for assessing the progress of government-funded initiatives and identifying the implementation status and challenges encountered during these projects, as noted by Christopher (2020). The National Government Constituencies Development Fund (NG-CDF), previously known as the Constituency Development Fund (CDF), was established in 2003 through the CDF Act, which was passed by parliament that same year and subsequently published in the Kenya Gazette supplement number 107 (Act number 11) in January 2004. The updated regulations from 2013 outline the allocation of funds across various activities. These allocations include three percent for CDFC recurrent expenses, two percent each for sports activities and Monitoring and Evaluation, two percent for

environmental initiatives, 15 percent for education bursaries, mock examinations, and assessment schemes, three percent for administrative activities, and five percent for emergency needs.

Biwott, Egesah, and Ngeyo (2017) illustrated that the success and sustainability of projects financed by the Constituency Development Fund (CDF) were greatly affected by the processes of monitoring and evaluation. The National Government - Constituency Development Fund (NG-CDF) was initiated by the Kenyan government under the premise that local authorities are more attuned to the needs of their communities. Mwangi, Nyang'wara, and Kulal (2015) revealed that factors such as political influence, budget allocations, and technical expertise play a significant role in the monitoring and evaluation activities in Laikipia. This influence can be linked to the varied skills present within the monitoring and evaluation team, which comprises accountants, engineers, surveyors, educators, and other community stakeholders.

Nyaribari Masaba has been allocated over 200 million between the years 2016 and 2020. The disbursements from the NG-CDF Board were contingent upon the absorption rate, which stood at 99%, as well as the Member of Parliament's diligence in follow-up activities. Twelve schools were provided with 10,000-liter water tanks to improve Water, Sanitation, and Hygiene (WASH) conditions in educational institutions where numerous students congregate. The schools benefiting from this initiative include the primary schools of Soseira, Nyamasibi, Bogeche, Nyamagesa, and Nyasike, along with secondary schools such as Mosisa, Chironge, Nyamesocho, Ekwere, Geteri, Moreremi, and Kiomiti special school. During the 2018/2019 and 2019/2020 periods, over 44 schools received CDF funding for various projects. However, many of these initiatives have faced stagnation due to several factors, with monitoring and evaluation practices being the primary concern.

2. STATEMENT OF THE PROBLEM

Since its establishment, the National Government Constituencies Development Fund (NG-CDF) has significantly influenced the development landscape, resulting in the initiation of various NG-CDF projects nationwide. According to the National Government Constituencies' Development Fund Act of 2015, as amended in 2022, particularly in sections 43 (1), (2), (3), and 57 (1), along with the relevant regulations, it has been observed, as noted by Ochanda (2020), that the primary challenge facing the CDF is rooted in a fragile legal framework and insufficient oversight mechanisms. These shortcomings have restricted citizen participation in both decision-making and project execution. Additionally, members of parliament, acting as the de facto overseers of the CDF, have taken advantage of legal ambiguities to manipulate it for political gain.

The responsibility for monitoring and overseeing NG-CDF projects is vital for the constituency. However, many projects within the constituencies face considerable challenges in adhering to schedules and budgets. As a result, these projects frequently do not meet their completion deadlines, leading to escalated costs. Furthermore, the expected outcomes of these initiatives are often only partially realized or entirely unachieved due to numerous failed implementations. Over the past five years, the Nyaribari Masaba Constituency has launched several government-funded projects; regrettably, the majority have fallen short of meeting the established time, cost, and client expectations.

Kihuha (2018) studied the impact of monitoring and assessment on Global Environment Facility projects in Kenya, finding a lack of focus on stakeholder analysis and feedback, with a primary emphasis on the United Nations Environment Programme, indicating a contextual gap. Wambua (2019) examined monitoring and evaluation in educational initiatives in Makueni County, revealing a significant link between stakeholder engagement, M&E training, and project performance, but introduced a methodological gap due to purposeful respondent selection. Musyimi and Ondara (2022) assessed collaborative M&E practices in Uasin Gishu County, concluding that technical expertise moderately influenced project performance, but also noted a contextual gap as the study was limited to county-funded projects in that area. Adhan and Mutuku (2023) investigated the influence of monitoring and evaluation staff competency on performance of community water projects in Mandera County, Kenya. The study found a significant influence between M&E staff competency and project performance. However, the study context was Mandera County, Kenya. Therefore, this study sought to investigate the influence of budgetary allocation on the performance of NG-CDF projects within Nyaribari Masaba Constituency.

3. LITERATURE REVIEW

Theoretical Literature Review

Resource Based Management Theory

The theory was first established by the Australian government during the mid-1980s and gained traction in the 1990s with the endorsement of the OECD. Results-Based Management (RBM) is characterized as an iterative process that depends on continuous feedback from stakeholders to foster learning and promote improvement (UNDP, 2012). Strategic plans are regularly revised based on insights derived from monitoring and evaluation activities. Outdated plans are refreshed, and new strategies are developed to incorporate contemporary knowledge. RBM underscores the significance of continuous monitoring, with the insights obtained from this process being systematically reviewed. These insights inform actions and decisions throughout the implementation phase of the project. Baseline data is generally collected at the beginning to establish a reference point for evaluating the program or project's performance at a designated time (Valadez and Bamberger, 2012). Monitoring is primarily regarded as a managerial responsibility that is essential to the functioning of a program or project, while evaluation is perceived as an external and independent function.

Key stakeholders ought to be thoroughly involved in the evaluation process to enhance the relevance and influence of the findings and recommendations (Clarke, 2011). Evaluations are essential for fostering accountability, ensuring effective utilization, and driving performance enhancement. By implementing a holistic approach, the theory supports the creation of performance-monitoring instruments that can beneficially affect project results. Through the examination of insights gained and outcomes, evaluations aid in the advancement of project performance. The theory promotes a systematic planning process and the engagement of qualified personnel to bolster project effectiveness. Results-Based Management (RBM) provides a structured framework for overseeing project performance.

Empirical Literature Review

Saiful (2018) indicated that monitoring and evaluation (M&E) employs suitable criteria, such as benchmarking against relevant standards or previous implementations of similar initiatives. A commonly referenced guideline suggests that organizations engaged in programs or projects should allocate 5-10% of their budget for M&E activities. However, this allocation can differ significantly among various organizations. A recent analysis of over 90 NGO programs revealed that the percentage dedicated to M&E ranged from 0 to 25%. Mushori (2015) noted that the financial resources earmarked for M&E are distinctly separated from the main project budget, thereby providing the M&E department with a considerable degree of autonomy in managing its resources. It is advisable for the M&E budget to ideally constitute 5 to 10% of the total project budget to ensure that the M&E unit is sufficiently resourced to maintain its efficiency and effectiveness. Nonetheless, there is no universally established percentage for M&E, with allocations generally varying between 2.5 and 10%, contingent upon the overall project budget and its specific needs.

The notion of participatory monitoring and evaluation, often termed collaborative, emerged from the need and desire to align programs and projects with the viewpoints and aspirations of local residents. Over time, this methodology has garnered considerable acceptance, fostering partnerships with communities to ensure that initiatives effectively address their needs as intended (Sulemana & Simon, 2018). Gitonga (2021) noted that the budget allocated for monitoring and evaluation tends to increase with greater levels of community involvement, although there is no established formula for determining the proportion of a project's budget designated for this purpose. Most funding bodies and organizations suggest that between 3 to 10% of the project budget should be allocated for monitoring and evaluation. To create an effective collaborative monitoring and evaluation framework, organizations must commit resources, including personnel and financial support, and develop policies that facilitate monitoring and evaluation efforts.

Mushori (2015) highlights a notable deficiency in the dedicated funding for monitoring and evaluation (M&E) activities within a study examining the factors that contribute to the effectiveness of M&E in county government projects, despite the fact that M&E is typically included in budget considerations. The overarching principle suggests that the M&E budget should be adequately sized to guarantee reliable and precise outcomes, while also being mindful not to excessively encumber other project activities (Mushori, 2015). Budgets for organizational development may encompass M&E systems that are designed to collect and analyze M&E data, whereas capital expenditures might cover essential resources such as computers or vehicles that fulfill various functions. Additionally, salaries for personnel who dedicate part of their time to M&E efforts may be drawn from project management funds, and expenses related to seminars or conferences that incorporate M&E components could be accounted for within workshop or conference budgets, as noted by Mushori

(2015). Consequently, accurately assessing the actual financial investment in M&E within a project or program can prove to be quite complex.

4. RESEARCH METHODOLOGY

The research utilized a descriptive research design. The focus population consisted of NG-CDF projects within the Nyaribari Masaba Constituency, with a total of 2,376 respondents. This group included monitoring and evaluation teams from various organizations, members of the CDF committee, the general public, elected officials, government representatives, and religious leaders. To obtain a representative sample, the researchers applied a stratified sampling method, while the selection of respondents was carried out through simple random sampling. The final sample comprised 342 individuals, and primary data was gathered using questionnaires. A pilot study was conducted with 34 respondents to evaluate the study's procedures. To ensure the validity of the research, measures of content validity, criterion validity, and face validity were employed. Reliability was determined through the Cronbach's alpha test. For data analysis, descriptive statistical methods, including mean and standard deviation, were utilized to interpret the quantitative data. Additionally, inferential analyses, such as correlation and regression analyses, were performed. The results were illustrated through tables and figures.

5. FINDINGS

The descriptive statistics results on budgetary allocation are presented in Table 1.

Table 1: Budgetary Allocation

	Mean	Standard deviations
There is adequate financial allocations for monitoring and evaluation of projects	4.52	0.476
Human resources allocated for monitoring and evaluation is adequate	4.05	0.947
Timely provision of all necessary materials for monitoring and evaluation is ensured.	3.99	1.005
Project resource allocation has enabled flexibility to assign tasks in monitoring and evaluation process.	3.84	1.159
Funding the project ensured that the necessary funds were accessible.	4.61	0.386
Aggregate scores	4.20	0.795

The average scores on mean and standard deviation is 4.20 and 0.795 respectively an indication there was agreement from the respondents on all statements describing budgetary allocation on project performance. Mushori (2015) supports the findings, stating that the financial allocations for monitoring and evaluation (M&E) are explicitly outlined within the primary project budget. This allows the M&E unit to have a significant level of independence in utilizing resources. It is recommended that the M&E budget should range from 5 to 10% of the overall project budget, ensuring that the M&E unit has ample resources to ensure its efficiency and effectiveness.

The study revealed strong agreement on the following; funding the project ensured that the necessary funds were accessible (M=4.61, SD=0.386) and that there is adequate financial allocations for monitoring and evaluation of projects (M=4.52, SD=0.476). According to Based and Estimates (2020), the discovery aligns with their observation that it is imperative to take into account the significant financial resources invested in monitoring and evaluation (M&E) during project execution. The development and execution of an M&E system are significantly influenced by the funding allotted to the M&E function.

The study revealed agreement on the following; human resources allocated for monitoring and evaluation is adequate (M=4.05, SD=0.947), timely provision of all necessary materials for monitoring and evaluation is ensured (M=3.99, SD=1.005) and that project resource allocation has enabled flexibility to assign tasks in monitoring and evaluation process (M=3.84, SD=1.159). The results align with the research conducted by Sulemana and Simon (2018), who highlight the costs associated with operating an M&E system. These costs include compensating employees for data collection, compilation, translation, and analysis, as well as providing training, support, and supervision. Additionally, expenses are incurred for the maintenance and/or updating of the system.

6. REGRESSION ANALYSIS RESULTS

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.642	.635	1.718

The adjusted R-squared value of 0.635 (63.5%) indicates that 63.5% of the variation in the performance of NG-CDF projects in the Nyaribari Masaba Constituency can be linked to the impact of budgetary allocation, with a significance level of 5%. Consequently, 36.5% of the success of NG-CDF projects is due to factors that are not addressed in this analysis.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.634	1	115.634	532.625	.000
	Residual	70.125	323	0.2171		
	Total	185.759	324			

The mean square value, assessed at a 5% level of significance, was determined to be 115.634. The calculated statistical F value surpasses the critical F value of 532.625, suggesting that the overall model is statistically significant. Furthermore, the model demonstrates a positive significance in evaluating the impact of budgetary allocation on project performance, as evidenced by a significance value of 0.000, which is below the threshold of 0.05.

Table 4: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.536	.117		4.581	.000
	Budgetary allocation	.678	.301	4.036	2.252	.001

The performance of NG-CDF projects in Nyaribari Masaba Constituency would be at 0.536 without the influence of budgetary allocation is kept constant. The regression coefficients for every variable shows that improving budgetary allocation would improve the performance of NG-CDF projects in Nyaribari Masaba Constituency by 67.8%.

The regression equation established is expressed as follows:

$$\text{Project performance} = 0.536 + 0.678(\text{budgetary allocation})$$

The beta coefficient for budgetary allocation was 4.036, indicating a strong positive relationship with the measured outcome. This suggests that a unit increase in budgetary allocation leads to an expected increase of about 4.036 units in the dependent variable, with all other factors held constant. The significance level of 0.001 confirms the reliability of this result, with less than a 0.1% chance that it is due to random chance. This finding highlight the critical role of budgetary allocation in improving performance, emphasizing that strategic increases in resources can lead to significant results. Overall, effective budgetary management is essential for achieving desired objectives.

7. CONCLUSIONS

The allocation of budgetary resources is crucial for financing both the construction and upkeep of infrastructure initiatives, including roads, educational institutions, healthcare facilities, and water supply systems. This strategic allocation enhances the accessibility and quality of vital services for the inhabitants of Nyaribari Masaba Constituency. The distribution of funds from the budget is fundamental to the effective implementation of NG-CDF projects in the region. It ensures that resources are appropriately directed to address the needs and priorities of the community, resulting in advancements in infrastructure, education, healthcare, job creation, poverty alleviation, community empowerment, agricultural productivity, and social services.

8. RECOMMENDATIONS

An effective approach to improve the performance of NG-CDF projects in Nyaribari Masaba Constituency is to refine the methods of budget allocation. This can be accomplished by establishing a more transparent and accountable framework for distributing funds across various projects. Such an approach may include conducting comprehensive needs assessments and engaging with the community to pinpoint priority investment areas. Furthermore, instituting a robust system for monitoring and evaluating the success of projects financed through NG-CDF will help ensure that resources are utilized both effectively and efficiently. By enhancing the budget allocation processes, the constituency can guarantee that NG-CDF projects significantly benefit the residents and contribute to the broader development of the region..

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