INFLUENCE OF PROJECT FUNDING, MONITORING AND EVALUATION ON THE IMPLEMENTATION OF CONSTITUENCY DEVELOPMENT FUND PROJECTS IN KENYA: A CASE OF JUJA CONSTITUENCY

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Abstract: The study objective was to establish whether monitoring and evaluation and project funding have any influence on the implementation of CDF projects in Juja Constituency. The study adopted agency theory, theory of project implementation, and public value theory to provide an overview discussion of the variables. A survey research design was used in this study because it is a very powerful form of qualitative analysis that involves a careful and complete observation of a social unit irrespective of what type of unit is under study. A census sampling was composed of all the 80 employees from Juja CDF offices. Data was collected using questionnaires. Data was analyzed using analytical tools such as mean as a measure of central tendency, percentages since they are very useful for showing and summarizing data when any complex models are needed. Correlations using Statistical Package for Social Sciences (SPSS) version 20.0 packages was also used to establish the level of co linearity among the independent variables. In addition multiple regressions were used to determine the effect of a set of independent variable on dependent variable. The study finding revealed that both variables were influencing strategy implementation on development funded projects in Juja constituency. The study revealed that both variables had positive and were statistically significant. The study concluded that monitoring and evaluation had a significant effect on implementation of development projects in Juja Constituency. It also concluded that project funding had a significant effect on implementation of projects. Therefore the study recommends that constituency should come up with more innovative ways of monitoring and evaluating the implementation of the proposed projects. Further the study recommended an improvement of funding criteria.

Keywords: Monitoring, Evaluation, Project Funding, Constituency Development.

1. INTRODUCTION

Lack of resource decentralization has largely contributed to social and economic inequalities among citizens of different countries within the world. This has resulted to a situation of a few millionaires and millions of poor people. A small section of the population exploits the larger population for wealth maximization. Certain areas have been known for their large resource bases while others are known for their inability to create wealth due to their lack of resources.
Project implementation is the phase where visions and plans become reality. This is the logical conclusion, after evaluating, deciding, visioning, planning, applying for funds and finding the financial resources of a project (Mwangu, 2015). Globally, According to Baskin (2010), involvement in grassroots projects and in community development has been growing in many countries such as Bhutan, Papua New Guinea, Jamaica, Pakistan, India,. One of the policy tools for community development is through the Constituency Development Funds (Alchian, 2012). This involves the use of public funds to benefit people at the grass roots though allocation decisions influenced by those representing them politically in the national assembly (Mutua & Kilika, 2014). It is the aim of any government in the world to ensure the social and economic progress of its citizens. Different countries in the world have established development and devolved funds aimed at ensuring equitable distribution of resources. These funds are utilized by different sectors of the government, local governments, county governments and NGOs to initiate development projects within different localities of countries (Wanjiru, 2008).

More than 100 world leaders came to an agreement in Copenhagen in 1995 during the World Summit for Social Development that there was need to eradicate poverty and improve social integration within citizens and put them at the center of development (Mwangu, 2015). At the turn of the millennium, world nations (with more emphasis on the developing nations), Kenya among them, adopted the millennium development goals through the millennium declaration. One of the major targets was the eradication of poverty by the year 2015. Other included goals were improved health care and increased literacy (NTPA, 2010).

Most countries in Africa opted to undertake decentralization of resources to tackle the existing challenges. Decentralization could be defined as “the transfer of political power, decision making capacity and resources from central to sub-national levels of government” (Musomba, Kerongo, Mutua, & Kilika, 2014). Unlike other development funds originating from the central government and flowing down to different parts of the country through bureaucratic systems, CDF funds usually go directly to the grass roots. The people at these levels have the ability to decide on which development projects to undertake in their constituencies and wards. This ensures that the correct projects are initiated for the benefit of the majority and thus leading to overall development of the country.

Contrary to conventional projects’ viability assessing models, contemporary techniques of assessing the viability of projects such as those funded by the CDF commonly consider the time value of money (Manas’she, 1990). This means that money-at-hand is more valuable than that which will be received in the future. Discounting techniques are usually employed to compare present and future sums. It is because of this that members of the public demand timely delivery of CDF projects so that the project funding and benefit thereafter does not lose value. Effective monitoring of such projects would ensure that projects are delivered on time.

According to Malala, Ndolo, and Njagi (2011), most government guidelines and regulations, policies and procurement reforms, (worldwide) were customized from the World Bank procurement guidelines. The Government of Kenya has not been any exception.

In Kenya, The Constituency Development Fund was created in 2003 under the CDF Act 2003, with the aim of ironing out regional imbalances brought about by patronage politics (Nyanguthii & Oyugi, 2013). Under this Act, 2.5% of the total government revenue is allocated and shared among all the constituencies. The National Assembly however passed a bill to increase the allocation to 7.5% (Nyanguthii & Oyugi, 2013). Seventy five per cent of the fund is allocated equally amongst all constituencies with the remaining 25% being allocated according to the constituency poverty levels (KIPPRRA, 2010). The impact of CDF projects is felt in the key sectors funded by the programme such as education (38% of the allocations), health (11%) and water (8%) (KIPPRRA, 2010). According to Achuora, Arasa, and Ochorri (1998), through the CDF programme, a total disbursement of Sh. 70.8 billion to the then 210 constituencies since its inception in 2003 to 2011.

According to a report by National Tax Payers Association (NTPA, 2010), members of public are nowadays enlightened and continually demand good governance and properly monitor the progress of projects funded by public funds. They seek to ensure that those entrusted with the task of managing such projects do so diligently and in accordance with the laws of the land. The public is also increasingly demanding that publicly funded projects are executed and implemented in a more efficient, accountable, transparent and effective manner in order to give the government and by extension, the members of public value for their money. According to the World Bank Procurement guidelines (World Bank, 2006), procurement and implementation of publicly funded projects should be guided by such objectives as economic growth,
efficiency, promotion of competitiveness, fair treatment of bidders, increased transparency, accountability of procedures, increased confidence by members of the public of the procedures, and above all aim at improving the welfare of the general public; after all it is their money being spent. According to Achuora (1998), despite the existence of these devolved funds, internal inefficiencies in their management have made them not to achieve the desired results. A report by Wanjiru (2008) documents that the level of poverty increased from 56% in 2002 to 60% in 2008. This suggests that these devolved funds have failed to bridge the gap and that imbalances in resource distribution continue to prevail. This could be attributed to poor management of the devolved funds and looting by the custodians of the funds. Since the amendment of Constituency development funds in the year 2007 every constituency received an annual amount of Kshs. 6,000,000 each for its development activities. Later on, the funds were increased depending on the population, size, and poverty level and graphical size of each constituency. Since then funds have been increase up to 99,394,096 allocated for the year 2015/2016 in Juja constituency (Constituency Development Fund Board, 2012).

Table 1.1: CDF amounts allocated to Juja Constituency for the past six years

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/2012</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>100,154,734</td>
<td>124,445,760</td>
<td>128,300,800</td>
<td>93,900,816.00</td>
<td>99,394,096</td>
</tr>
</tbody>
</table>

(Source: Constituency Development Fund Board, 2016 )

According to Nganga and Amuhaya (2013) projects are temporary endeavors undertaken to produce specific objectives within a given time and at a specified costs. This means that a project destined for success must have well defined scope, smart objectives, well organized team, a strategy and committed team. The success of such a project will be exhibited by its ability to deliver the requirements of the client within budget and time allocated without compromising on the quality of the project. Time, scope, and budget are thus the four main determinants of success or failure on the implementation of CDF projects (Cornelius, 2001).

2. STATEMENT OF THE PROBLEM

Many constituencies are faced with challenges of implementing their constituency development fund projects. During the financial years 2006 to 2012, the Auditor General’s and National Tax Payers’ reports revealed irregularities in project implementation and possible embezzlement of millions of shillings by skewing resource allocation, project selection and oversight in Kenya (Ngugi, 2014). The CDF projects which are managed by the members of parliament in the various constituency have been left uncompleted with very few projects been fully implemented. The audit report 2016 on CDF projects reported that about 60% of the projects initiated in the previous year were not complete while others were rendered inadequate. Among the causative factor gearing to the incompleteness were, conflicts of interest, political factors, corruption and mismanagement of funds. Kamau and Muturi (2015), argue that quite a number of factors are capable of influencing project implementation if they are not handled with care. These include inflation which has the effect of increasing the project cost, bureaucracy in government institutions, poor performance of contractors (poor qualifications and skills), increase or decrease in scope of the work, frequent change of leadership, change in pre-contract consultants, ineffective and inefficient project finance structure, variations in designs and political influence (Kamau & Muturi, 2015).

As the demand for provision of social amenities increases at the County level as well as at the constituencies, many constituencies Juja included are faced with challenges in implementing their constituency development funded projects, due to some factors emanating either internally or externally. The main purpose of launching and developing these projects is to provide essential services to the citizens such as health care and education centers. When this projects are not implemented or they are left incomplete, they end up not solving any problem in the region, further they can be termed as a waste of public funds no utility is derived from them.

Various researchers have been conducted in an attempt to provide a solution in the management of public funds and implementation of projects. However, due to technology and innovation the problem still remains steady. Kirungu (2011) in a study on factors influencing implementation of Donor Funded projects, observed that the Financial and Legal Sector Technical Assistance Project (FLSTAP) under the ministry of Finance (The Treasury) has faced challenges to do with implementation and therefore not able to achieve its goals within the stipulated timeframes.
This study also assessed whether availability of funds affect implementation of CDF projects in Juja constituency. Omanga(2010) found out that 21% of CDF projects in Kiambu County had either stalled or abandoned altogether. Therefor this study sought to find in the current dynamic environment the factors influencing implementation of constituency development funds projects in Juja Constituency.

The ultimate goal of this research project is to promote rural development and iron out the regional imbalances experienced in this country since pre-colonial days. Though quite a lot has been written about CDF projects implementation in most of the Kenyan constituencies, little has been done on projects within Juja constituency. This study would therefore create awareness, identify loop holes and improve the success rate of projects within Juja and which are funded through CDF. This was be made possible by the corrective measures which were suggested by this research.

3. LITERATURE REVIEW

Monitoring and evaluation refers to a process by which an organization's activities and performance results are inspected and actual performance compared with desired performance Pearce and Robinson (2009). It is the first objective of the study which can be measured evaluating the internal controls, auditing and assessing the performance of the independent bodies in the project implementation within the Constituencies.

Project funding refers to the financial allocation and budgeting process of the proposed projects. According to the CDF Act (2003), funds should also be set apart for emergencies though the Act does not specify the nature of such emergencies (Kimenyi, 2005). This variable was measured in terms of whether adequate funding was done to proposed projects, whether the funds allocated were disbursed on time and whether accountability of those funds was conducted. Monitoring is based on a current management practice with a focus on improving project operation, while evaluation uses research framework to evaluate the extent to which project objectives have been met or surpassed (Shepherd, 1994). Monitoring is performed while a project is being implemented with the aim of improving the project design and functioning while in action. According to Bamberger (2010) monitoring is an internal project activity designed to provide constant feedback on the progress of a project, the problems it is facing and the efficiency with which it is being implemented( Cornelius, 2001)

In a bid to improve project delivery of public projects, the Ministry of Planning and National Development established a commission whose aim was to formulate a framework for monitoring and evaluation of public projects. However, according to Nyaguthii and Oyugi (2013), this framework has not been operational since inception. Wanjiru (2008) asserted that there is need to strengthen the monitoring and reporting in all CDF projects so as to improve project implementation. As a matter of fact, the CDF Act of 2003 emphasizes on monitoring and evaluation of CDF project. However, it does not describe the means and methods of carrying out the exercise.

The CDF Act, 2003 gives technical department, DDO and CDFC authority to monitor the project (Nyaguthii & Oyugi, 2013). The Act, further allocates 2% of CDFC fund to be used for monitoring and evaluation exercise, but this money is only spent after the CDFC recommendation through minutes CDF Act (Kamau & Muturi, 2015). This makes monitoring and evaluation to be somehow difficult, as it is the CDFC to decide on the projects to be monitored and evaluated. Monitoring and evaluation from leaders and project managers enables them to determine the quality of a project required. Earlier monitoring can help in correction of any error that may have occurred during early stage. The fact that the body empowered with monitoring and evaluation is part of the team involved in the project implementation brings the question of how effectively and genuinely can the body carry out the exercise. Self-regulation has long been known to have its weaknesses and thus may not be carried out as expected. Allocation of enough or less resources of a particular project has also contributed to the success or failure of a project Most contractors, leaders and others involved in CDF projects have capitalized on this window to avoid accountability. This has resulted to poor implementation of CDF projects. Mburu and Muturi (2016), revealed that 70% of the respondents agreed that monitoring and evaluation was relevant in explaining implementation of CDF project.

While formulated legislature according to the CDF Act determines the overall CDF budget depending on the government revenue, CDF programmes allow policy decisions regarding expenditure at constituency level to be made by individual Members of Parliament. According to an UDN study, the allocated amount for CDF programme in the country was found to be insufficient (Kamau & Muturi, 2015). The study proposes an increase of 2.5% to the current allocated amount. The expenditure planning for the CDF funds at constituency level is set out in the CDF Act of 2003. The Act specifies that at least 73% of the kitty should be allocated to development projects. Such projects should not be recurrent in nature, should

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be community based and the funds allocated ought to be for the benefit of such projects. According to the CDF Act (2003), funds should also be set apart for emergencies though the Act does not specify the nature of such emergencies (Kimenyi, 2005).

Project success can be determined by assessing the four main important aspects in the implementation process; scope, cost, quality and time. A project is said to have been successful if the scope is delivered on time, on schedule and to the required quality and cost.

Lack of timely disbursement of funds has greatly contributed to the failure of most projects in different constituencies, Juja included. Several projects have remained incomplete due to lack of adequate funds (Kamau & Muturi, 2015). Okungu (2008) asserts that 70% of the constituencies in the country have reported malpractices such as theft, mismanagement, fraud and misappropriation of funds intended for development projects to other undeserving endeavors.

Mburu and Muturi (2016) revealed that failure in timely completion of the CDF projects was occasioned by challenges associated with project funding. According to their study, all elements of the project that were; fund allocation process, budgetary and funds disbursement had respondents at below 60% in agreement. Based on these findings the study concluded that shortage of funding constrained the timely completion of CDF projects.

4. RESEARCH METHODOLOGY

The study adopted agency theory, theory of project implementation, and public value theory to provide an overview discussion of the variables. A survey research design was used in this study because it is a very powerful form of qualitative analysis that involves a careful and complete observation of a social unit irrespective of what type of unit is under study. A census sampling was composed of all the 80 employees from Juja CDF offices. Data was collected using questionnaires. Data was analyzed using analytical tools such as mean as a measure of central tendency, percentages since they are very useful for showing and summarizing data when any complex models are needed. Correlations using Statistical Package for Social Sciences (SPSS) version 20.0 packages was also used to establish the level of co linearity among the independent variables. In addition multiple regressions were used to determine the effect of a set of independent variable on dependent variable.

5. FINDINGS

The study sought to examine the respondent’s level of agreement or disagreement on the various measures of monitoring and evaluation. Table 1, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly and strongly disagree=5), (mean score 4.19), (mean score 4.27), (mean score 4.26) and mean score 4.21) in extension all the variables had a standard deviation less than 1.96 which meant that all the variables are normally distributed around their means. These findings are further supported by Omolo (2014) that monitoring and evaluation in a project enhances effectiveness in project completion.

<table>
<thead>
<tr>
<th>Opinion Statement</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The projects are evaluated by independent bodies</td>
<td>4.19</td>
<td>1.314</td>
</tr>
<tr>
<td>There are well organized internal systems that monitors the progress of projects</td>
<td>4.27</td>
<td>1.330</td>
</tr>
<tr>
<td>Monitoring and evaluation in your projects is a continuous process</td>
<td>4.26</td>
<td>1.345</td>
</tr>
<tr>
<td>There are reports on monitoring and evaluation</td>
<td>4.21</td>
<td>1.333</td>
</tr>
</tbody>
</table>

The study sought to examine the respondent’s level of agreement or disagreement on the various measures of project funding. Table 2, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly and strongly disagree=5), (mean score 4.06), (mean score 4.19), (mean score 4.23) and mean score 4.23) in extension all the variables had a standard deviation less than 1.96 which means that all the variables are normally distributed around their means. These findings are supported by John (2007) that applying too few resources to any given activity slows progress and applying too many can cause crowding that reduces productivity and wastes resources that could be used more efficiently by other activities. Therefore the effective and efficient allocation of scarce resources among development phases and among activities within phases is a realistic management opportunity for improving project schedule performance.
The regression coefficient of Monitoring and evaluation was found to be 0.285. This value shows that holding other variables in the model constant, an increase in Monitoring and evaluation by one unit causes the implementation of development projects in Juja constituency to increase by 0.285 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Monitoring and evaluation and implementation of development projects in Juja constituency.

The coefficient was not just positive but also statistically significant with a t-statistic value of 3.563. A t-statistic value of 1.96 and above is normally accepted to be significant for inference analysis. The standard error was found to be 0.080 and the p-value was found to be 0.000. The variable was also found to be the second most influential variable on the implementation of development project in Juja constituency. These findings supports those of (Shepherd, 1994), Bamberger (2010), (Cornelius, 2001) and (Kamau & Muturi, 2015) who found that Monitoring and evaluation had effect on implementation of constituency development projects. The interpretation was that Monitoring and evaluation causes the implementation of development projects in Juja constituency.

The regression coefficient of Project funding was found to be 0.340. This value shows that holding other variables in the model constant, an increase in Project funding by one unit causes the implementation of development projects in Juja constituency to increase by 0.340 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Project funding and implementation of development projects in Juja constituency.

The coefficient was not just positive but also statistically significant with a t-statistic value of 4.789. A t-statistic value of 1.96 and above is normally accepted to be significant for inference analysis. The standard error was found to be 0.071 and the p-value was found to be 0.000. The variable was also found to be the most influential variable on the implementation of development project in Juja constituency. These findings supports those of (Kimenyi, 2005),(Kamau & Muturi, 2015). Okungu (2008) and Mburu and Muturi (2016) who found that Project funding had effect on implementation of constituency development projects. This shows that Project funding causes the implementation of development projects in Juja constituency.

6. CONCLUSION AND RECOMMENDATIONS

The study concluded that monitoring and evaluation had a significant effect on the implementation of development projects in Juja constituency. The findings that monitoring and evaluation had a positive effect on implementation of development projects in Juja constituency, was a good indications that increase in monitoring and evaluation of development projects motivate better implementation of development projects in the country. The influence of this variable was found to have a positive and a statistically significant effect on projects. This variable was the second most influential variable on the development of projects.

The study concluded that project funding had a significant effect on the implementation of development projects in Juja constituency. The findings that project funding had a positive effect on implementation of development projects in Juja constituency, was a good indications that increase in project funding of development projects motivate better implementation of development projects in the country. The influence of this variable was found to have a positive and a statistically significant effect on projects. This variable was the second most influential variable on the development of projects.

Since this variable was found to be a key determinant of implementation of constituency development projects, the managers of these projects should keep a keen eye on improving the project funding criteria. The constituencies are advised to come up with more innovative ways of project funding the implementation of their proposed projects. Since the results showed that project funding facilitated the tendency for the implementation of development projects to be more efficient, all constituencies should come up with ways and strategies that help by ensuring that the methods of project funding are reliable and leads to the desired results.
Since this variable was found to be a key determinant of implementation of constituency development projects, the managers of these projects should keep a keen eye on improving the monitoring and evaluation criteria. The constituencies are advised to come up with more innovative ways of monitoring and evaluating the implementation of their proposed projects. Since the results showed that monitoring and evaluation facilitated the tendency for the implementation of development projects to be more efficient, all constituencies should come up with ways and strategies that help by ensuring that the methods of monitoring and evaluation are reliable and leads to the desired results.

REFERENCES


