INFLUENCE OF LAPSE IN PARTNER FUNDING ON PROJECT SUSTAINABILITY AT THE INTERNATIONAL LIVESTOCK RESEARCH INSTITUTE, NAIROBI KENYA

BY

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DECLARATION

This research project report is my original work and has not been presented for award of a degree in this University or any other institution of higher learning

…… … Date……..…

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

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DEDICATION

I dedicate this research project report to my husband Edwin Mukaye Indimuli and children Alvin Waka, Michelle Kageha and John Mukaye who gave me the greatest support and encouragement, therefore igniting in me the desire to excel.

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LIST OF ABBREVIATIONS AND ACCRONYMS

AfDB: African Development Bank

BISS: Bura Irrigation and Settlement Scheme

BMGF: Bill and Melinda Gates Foundations

CSIRO: Commonwealth Scientific and Industrial Research Organization

EIB: European Investment Bank

GTZ: Germany Agency for Technical Cooperation

ILRI: International Livestock Research Institute

JBIC: Japan Bank for International Cooperation

LDC: Low Developing Countries

NEPAD: New Partnership for Africa's Development

NGO: Non-Governmental Organisations

NWSP: Nairobi Water Supply Project

TARDA: Tana & Athi Rivers Development Authority

TDIP: Tana Delta Irrigation Project

UK: United Kingdom

UNCTAD: United Nations Commission for Trade and Development.

USA: United States

WB: World Bank

ABSTRACT

Projects lapses is generally acknowledged as the most common, costly and complex problem encountered in donor funded projects and there is need to understand major delay factors and put appropriate mitigation measures that counter possible delays. This study therefore sought to investigate the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute, Nairobi Kenya. This was achieved through investigations on how budgeting, level of funding, funds availability, flow of funds and financial discipline brought about sustainability in partner funded projects. This study was important in identifying and understanding reasons for failure or operation of projects and also influencing the formulation of workable organizational policies and reforms towards enhancement of partner funded projects. This study was grounded on institutional theory, agency theory and financial systems model theory. The research design that was adopted for this study was a descriptive research design. The study targeted 20 Project Managers, 56 Project Coordinators and 15 Heads of Departments in the institution, thus a target population of 91 respondents was involved in implementation of donor funded projects at International Livestock Research Institute. From the above population, a sample of 50% was selected from within each group in proportions that each group bears to the study population. This generated a sample of 46 respondents from whom the study sought information from. The researcher used a questionnaire as the data collection tool to collect views from the respondents on the study. The questionnaire was structured in a way that all relevant information was given. The questionnaire consisted of both open and close ended questions. After data was collected, it was tabulated and analyzed for purpose of clarity, using SPSS version 20 software. Data was presented using tables to make them reader friendly. The study revealed that financial budgeting was influenced by lapses to a greater extent as represented by a 100% response rate. It was further revealed that partner conditions contributed to funds unavailability as represented by a 70% response rate. Flow of funds influenced project sustainability as represented by a 95% response rate. Further 92.5% of the respondents indicated that they involved generally accepted accounting principles and international financial reporting standards. The study found that the flow of funds contributes most to project sustainability followed by level of funding and availability of fund in that order. The study recommends that to enhance sustainability of projects, International Livestock Research Institute should diversify their funding base and avoid dependency on one source of revenue whether internal or external. A balance between internally generated and externally generated revenues is highly recommended. In addition cordial relationships with strategic partners are critical as it can translate to more funding. Finally International Livestock Research Institute should hire competent Finance Managers that are able to manage organizations finances competently and offer appropriate advice to the management on financial matters.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A project is a combination of human and non-human resources pulled together in a temporary organization to achieve a specified purpose (Cleland, 2008). Project implementation or execution is the stage where all the planned activities are put in to action, the project is produced and the performance capabilities are verified. A project is generally considered to be successfully implemented if it comes in on-schedule, comes in on-budget, and achieves basically all the goals originally set for it and is accepted and used by the clients for whom it is intended (Yankey, 2011).

Research has found that there are many factors that impede on successful completion of projects on time, budget and quality. Projects lapses is generally acknowledged as the most common, costly and complex problem encountered in donor funded projects and there is need to understand major delay factors and put appropriate mitigation measures that counter possible delays. Project time lapses are a common problem in the donor funded projects not only with an immeasurable cost to society but also with debilitating effects on the contracting parties. For instance, while evaluating the progress and reports of 28 highway projects constructed during the period 1996-1999 in Jordan, Battaineh (2006) observed that the average ratio of actual completion time to the planned contract duration is 160.5% for road works. A study by United Nations Commission for Trade and Development (UNCTAD), (2001) on African development projects and their implications for New Partnership for Africa's Development (NEPAD) identified costly project lapses as a major problem and identifies poor project time, quality and cost performance as a major issue.

Mwega (2008) studied in detail four large aid-supported infrastructure projects, looking for their institutional spillovers and potential role in transformation mechanisms beyond the economic impacts of planned physical outputs. These were Bura Irrigation and Settlement Scheme, Nairobi Water Supply Project (NWSP), Tana Delta Irrigation Project (TDIP) and the Nyeri Water Supply System

The Bura Irrigation and Settlement Scheme (BISS) was a project funded mainly by the World Bank and the European Development Bank. Bilateral finance in the form of grants and soft loans were also provided by the UK, Finland, Holland and Japan (Howells, 2008). BISS was a large project, projected to cost about US$ 98.4 million in 1977. There were however major delays from the onset of the implementation of the scheme including all administrative areas as well as major revisions on scheme design. As a result, costs soared rising to about US$ 121.7 million (Habte, 2005). According to government officials, a key reason for the failure of BISS was that it was scaled back, leading to limited exploitation of scale economies, increasing the operations and maintenance costs of the project. In addition to the severe financial problems, the project suffered from many conceptual, technical, and institutional deficiencies (Lewis, 2009).

The Nairobi Water Supply Project (NWSP) was co-financed by the Japan Bank for International Cooperation (JBIC), the World Bank, the African Development Bank (AfDB), and the European Investment Bank (EIB), with EIB and JBIC maintaining their financial autonomy. The main actor was, however, the World Bank, with the other donors taking little part in the monitoring of the project. NWSP is one of Japan's largest projects in Kenya's social sector (Japanese Yen 5.342 billion, about US$ 38.321 million) (Jordan, 2012). While Phase I of the project was successfully completed, the other phases have not been implemented since 1994. The project was expected to cost $11 billion, with Phase I costing $5 billion. The NWSP was expected to be followed by another project which was to bring more water into the Ndaka-ini Dam. This phase, however, was not implemented. Donors were discouraged by poor governance in the country. The election of a new government in December 2002 did not change the situation.

In the Tana Delta Irrigation Project (TDIP) the Japanese Government devoted one of the largest amounts of foreign aid resources in Kenya to the Tana Delta Irrigation Project I and related investments (US$ 149.710 million). However, after the project was completed in December 1997, the site sustained enormous damage in the same month from floods caused by the El Nino phenomenon resulting to flooding in the lower Tana causing the flood protection banks that had been constructed by the Kenyan government and TARDA in 1989 to the east and west of the project site to collapse at various locations. Only about 30 percent of the project has been rehabilitated so far, according to the 2006/07 Medium Term

Expenditure Framework. Lack of finances and possible financiers has limited the pace of the rehabilitation.

The Nyeri Water Supply System is the only project where the government and the donor objectives were satisfactorily achieved. In June 1996, the Nyeri Municipal Council put a request to the German Agency for Technical Cooperation (GTZ) to support the privatization of the Council's Water and Sewerage Department. The policy of GTZ since the 1980s has been to build local capacity first before investment in water projects. It is only in 2003 that KfW group from Germany agreed to fund US$10.5 million rehabilitation of the Nyeri town water system. This approach was a major success. This proofs that technical cooperation is one of the most stable components of foreign aid.

1.1.1 International Livestock Research Institute

International Livestock Research Institute (ILRI) works to improve food security and reduce poverty in developing countries through research for better and more sustainable use of livestock. The institute has been chosen as a case study in this research due to its ever increasing involvement in projects through various donor support. Time and again, new developments come up where some projects often start late thus some of the delays causing heavy negative financial implications. Some of these negative financial implications include costs associated with time extension, price variations due to inflation, and extended management time when considered in monetary terms. In addition to these losses, the relationship between contractors, consultants and the employer is not spared either. The result of these has been delay in project delivery and hence increased project cost either through contractually agreed compensations or through arbitral awards. This has equally affected projects sustainability and in most cases the institution fails to achieve its objectives. This study will help by way of enlightening on the lapses and the strategies that need to be put in place to mitigate them.

1.2 Statement of the Problem

There have been several projects funded by donors such as the Bill and Melinda Gates Foundations - BMGF, Commonwealth Scientific and Industrial Research Organization - CSIRO, World Bank to help alleviate cattle diseases in Kenya including the East Coast Fever, African swine fever, and Rift Valley Fever among others. Most of these projects have been

designed for various communities living in Kenya including North Eastern which has been the centre of focus for many donor funded projects.

An examination of various documents prepared by International Livestock Research Institute indicated that a number of donor financed projects at ILRI did not get completed within the initial set targets of time, quality and cost. The presence of a well thought out strategy that not only looks at how a donor funded project is completed, but also the means to continue with the project after donor funds have been withdrawn is critical to any project's sustainability (Young and Hampshire, 2000). Question of effectiveness or efficiency of implementation of donor funded project remains a significant policy and management concern to be investigated. Mulwa (2013) identified some of factors that might influence the sustainability of the projects. These included financial systems, technology adoption, stakeholders and target groups involvement and participation, donor policies and management structures.

Research has shown that projects implementation in sub-Saharan Africa; often demonstrate low levels of sustainability (Gebrehiwot, 2006). The key causes for this include inappropriate policy or legislation; insufficient institutional support; unsustainable financing mechanisms; ineffective management systems; and lack of technical backstopping (Niyi, 2007). Evaluation studies done by Agevi (2002), Muttagi (1998), Ashley and Barney (1999) and Cedric (1992) widely linked poor management of community projects to the increase in the cycle of poverty and failure of many donor funded projects in developing countries.

Despite, the immense importance of achieving donor funded projects objectives; no study has been conducted locally on lapses in donor funded projects. This study therefore sought to establish the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute; this was achieved through investigations on how budgeting, Level of funding, funds availability, flow of funds and financial discipline brought about projects sustainability.

1.3 Purpose of the Study

The purpose of this study was to establish the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute, Nairobi Kenya

1.4 Objectives of the Study

This study was guided by the following objectives;

1. To establish the influence of budgeting in partner funding on projects sustainability at International Livestock Research Institute
2. To assess the influence of level of funding in partner funding on projects sustainability at International Livestock Research Institute
3. To investigate the influence of funds availability in partner funding on projects sustainability at International Livestock Research Institute
4. To assess the influence of flow of funding in partner funding on projects sustainability at International Livestock Research Institute
5. To establish the influence of financial discipline in partner funding on projects sustainability at International Livestock Research Institute

1.5 Research Questions

The study sought to answer the following research questions;

(i) How does budgeting in partner funding influence projects sustainability at International Livestock Research Institute?

(ii) To what extent does the level of funding in partner funding influence projects sustainability at International Livestock Research Institute

(iii) How does funds availability in partner funding influence projects sustainability at International Livestock Research Institute

(iv) To what extent does flow of funding in partner funding influence projects sustainability at International Livestock Research Institute

(v) How does financial discipline in partner funding influence projects sustainability at International Livestock Research Institute

1.6 Significance of the Study

The study will be important in identifying and understanding reasons for failure or operation of projects below the expectation after donor support. The knowledge would therefore provide important information that can be integrated to a project lifecycle before or towards completion by the Government, Private and Non-Governmental organizations.

The findings of this study will provide important information and knowledge that will influence the formulation of workable organizational policies and reforms towards

sustainability of donor funded projects. In this case it will be important to Government institutions and Non-Governmental organizations in initiating and supporting projects to achieve their set objectives.

The study will also provide information to prospective researchers in the area of Donor funded project as well as acting as a form of knowledge base found in the library for students and researchers who want to improve their financial management on Donor funded projects

Lesson drawn from this study will be utilized by the communities, implementing partners, Donors and Non-Governmental organizations to address lapse challenges and plan on better ways of implementing the funded projects.

1.7 Limitations of the Study

In the course of the study, some challenges were encountered that limited the research in one way or another. The biggest challenge was in data collection where the respondents were hesitant to fill in the questionnaire provided to them. In some cases, there where lengthy process to be followed before the respondents would agree to fill in the questionnaire including getting permission from their supervisors. Another challenge was confidentiality. The respondents were not willing to divulge the strategies adopted by the organization and those approached were not willing despite assurances that the questionnaires were for academic purposes only.

1.8 Delimitation of the Study

The study was delimited to influence of lapse in partner funding on project sustainability at the International Livestock Research Institute. The study was delimited to International Livestock Research Institute and targeted Project Managers, Project Coordinators and Heads of Departments in Finance, Procurement, Audit and Monitoring and Evaluation

1.9 Basic Assumption of the Study

The study assumed that; the study respondents were conversant with the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute; the respondents were cooperative and honest in giving the required information.

1.10 Definition of significant terms used in the study

Lapse: A lapse defined simply means to drop in standard or fail to maintain a norm

Budgeting: A budget is a quantitative expression of a plan for a defined period of time. It may include planned activities, resource quantities, costs and expenses, assets and liabilities.

Financial discipline: Financial discipline defined simply means keeping expenses right within an organisation means, resisting extra and unnecessary costs even as they may still be within the budget and lastly, having more than enough savings to be touched only on an emergency.

Flow of funding: Order in which revenue generated by an organization is allocated or channeled through its various agencies, departments, or units.

Funds availability: These are funds that are available to an organisation from the partner for withdrawal or other use.

Level of funding: This is the resources needed to pay for a certain program operations.

Project Sustainability: The continuing ability of a project which has received funding from a donor to meet the needs of its community and embraces the concept of doing this beyond the time of donor agency involvement.

1.11 Organization of the Study

Chapter one comprised of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, and significance of the study, basic assumptions, limitations and definition of significant terms used in the study. Chapter Two covered the introduction and the body of the study where specific themes were discussed, theoretical framework, related empirical literature as well as the conceptual framework. Chapter Three contained the following: research design, target population, sampling procedure, research instruments, validity and reliability of the instruments and data analysis. In Chapter Four, the areas of focus were: data analysis techniques, findings and interpretation while Chapter Five presented the study summary of findings, conclusions, recommendations and areas for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the existing literature, information and publication on the topics related to the research problem by accredited scholars and researchers. This section examined what various scholars and authors have said about influence of lapse in partner funding on project sustainability. It covered the empirical review, theoretical review of literature, conceptualization of the literature and research gap.

2.2 Project Sustainability

On the concept of sustainability Eckman (2007) stated that sustainability has come to be regarded as both a goal in development programs and as an approach to policy and programming. It was further espoused that there are many definitions of sustainability in literature, as well as in empirical use among development workers because; the term is strongly dependent upon the context in which it is used. On this basis Brown et al. (2007) maintained that a meaningful definition must specify explicitly the context as well as the temporal and spatial scales being considered.

It was for this reason that Nikkhan and Redzuan (2010) concluded that sustainable development has emerged over the past few decades as an important paradigm for community development. However, Bradshaw and Winn (2004) assert that, sustainability has been rooted largely in an environmental approach, particularly in the industrialized countries. But, the goal of sustainable development is to find a balance between three pillars social, economic and environmental aspects of communities (Sneddon, 2006). Study done by Hibbard and Tang (2004) contended that sustainable community development is process-oriented, and it requires extensive community participation and relies on network to share resources, knowledge and expertise. The concept of sustainability in sustainable development therefore implies balancing environmental protection with the generation of increased opportunities for employment and improved livelihoods (Serageldin, 2006).

As the focus of this study was at the operational NGO project level, sustainable development projects are defined by Eckman (2007) as those with beneficial impacts enduring beyond the original time frame of the project, and that may be diffused beyond the original spatial limits

of the project. Such activities acquire a life of their own, and are independently adopted or adapted by local people without significant inputs from external sources as the official project ends.

On development initiative, Hossain (2001), initiative is considered sustainable when it is economically and financially able to maintain growth, capital maintenance, and efficient use of resources and investments. Such a program should be able to deliver appropriate level of benefits for an extended period after the exit of development assistance. From these definitions, it was realized that there is now a reorientation of sustainability as primarily an ecological concern to one that emphasizes the economic, social and political aspects of development.

2.3 Budgeting and Projects Sustainability

Budgets are a core component in the control systems for sound financial management. A budget is an estimation of costs, revenues and resources over a specified period of time reflecting a forecast of financial conditions and goals. During budget preparation, the process begins with an individual project's forecast of activities to be undertaken during the year, targets, milestones and timelines for specific deliverables by designated officers. Nkamelu (2011) in a study conducted in Botswana between 1990 and 2007, established that at inception of a project, there was considerable delay between the time of loan commitment and application for first disbursement of funds averaging to 20.1 months This trend had adverse effect on the preliminary activities such as budgeting and project launch.

Donors sometimes provide technical experts to the project, mostly foreigners at the expense of locals. This is also confirmed by Monaheng (2007) who argues that donors find expatriate technical staff as helpful in sensitive aspects of project management and control of budgets and are also knowledgeable about home office reporting requirements even when locals can competently handle the same tasks. Bagoole (2011), in a review of periodic technical and financial reports of projects alongside interviews revealed that timing of disbursement of funds was affected by funds accountability requirements by financial partners prior to disbursement of funds thereby affecting effectiveness of agricultural projects. This tends to increase chances of failure to avail funds on schedule if such reporting is not done hence adversely affect implementation activities.

Hop-wood (2012) did a study to determine the effects different budget based styles of evaluation had on project performance and sustainability. He suggested that one important dimension of budget use is the relative importance attached to the budgeted project. A rigid style of evaluation based primarily upon whether or not a manager has met his budget, was found to result in the belief that the evaluation was unjust, in wide-spread tension and worry on the job and in feelings of distract and dissatisfaction with the superior. Using the style, managers evaluated in this rigid manner were also found to manipulate accounting data to improve their reported performance and to make decisions detrimental to the long-term wellbeing of the organization. However when a more flexible style of evaluation was adopted with budget information being used in conjunction with other sources of information, concern with long-term economic performance was maintained but fewer dysfunctional side effects were observed.

However, Hopwoods (2012) emphasis was primarily on the effect budget use has on manager's beliefs and feelings and not with the overall effectiveness of operations. Though he found no significant difference in the extent to which managers evaluated under different styles met their budgets he was able to conclude that this was likely that the tensions and manipulations noted under the rigid style of evaluation caused deterioration in long-term performance. Amalokwu and Obiajulum (2008) in a thesis paper titled Budgetary and management control practices described his study based on a qualitative approach in data collection research purpose, data analysis as well as critiques to the method use. A sample of 50 respondents was used. The research conclusion was that budgets could facilitate the creating and sustaining of competitive advantages by enabling the following management functions.

Tsui, (2012) study based on China and Caucasian cultures points that the interaction effects of management accounting system and budget participation on managerial performance were different, because of the cultural background of managers more specifically, he put forward the observation that the relationship between management accounting system information and managerial performance of Chinese participation but positive for Caucasian managers past 42 studies consider organizational culture as an element of organizational structure as in Brownell technology.

According to Bagoole (2011) a weak monitoring system contributes to incidences of unprofessional conduct and disclosure of false information which translates to wide variation in quality hence poor utilization of funds disbursed. This always leads to funds disbursement being suspended by donors thereby impeding implementation activities. According to Gohou and Soumare (2009) for every $1 invested by donors in Africa, it attracts $2 more by donors or governments. A delay in commencement of implementation of projects may impact adversely on its performance in several ways including high final financial costs due to escalation of unit prices for goods especially in the infrastructure sector.

2.4 Level of Funding and Projects Sustainability

One of the key rudiments in project sustainability is the availability of resources that are required for donor- funded projects. This means, selecting resources that should be available for the projected future, minimizing the possibility of project failure once it is up and running due to inadequate essential materials. In many cases, this will mean identifying secondary sources of those materials that can be pressed into action. Inadequate funding detracts from a projects ability to be sustained (Bamberger, 2008). However, there are many ways that funding can be linked to a projects ability to be sustained.

Ditshwanelo (2012) revealed that one of the major factors impacting on the effective management of NGOs is the nature of their dependability on donor funding. The common impact of financial dependence on donor funding is that, once donors pull their financial support, NGOs collapse (Lokorwe, 2012). Ditshwanelo (2012) equally notes the major threats to NGO existence and the carrying out of their mandates is the reduced funding which may force them to scale down their activities. In many instances, NGOs go where funds are available-for HIV/AIDS, climate change or other issues that are fashionable among donors and this has led to a lack of specialization among NGOs where they either change their areas of focus or simply add on, based on areas of available funding (USAID, 2010). These emerging NGOs, which are created in response to little more than the opportunity to pursue the available resources, have a questionable agenda and integrity as they largely depend on funds from donors sources, their programs do not conform to the needs of beneficiaries as they mainly subscribe to the interests of the donors (Lokorwe and Mpabanga, 2012).

Funds management is a very important component of corporate finance because it directly affects the liquidity, profitability and growth of a business. It is important to the financial

health of businesses of all sizes as the amounts invested in working capital are often high in proportion to the total assets employed Atrill (2011). It involves the planning and controlling of current assets and liabilities in a manner that eliminates the risk of inability to meet short-term obligations and avoid excessive investments in these assets Lamberson (2013). This management of short-term assets is as important as the management of long-term financial assets, since it directly contributes to the maximization of projects‟ profitability, liquidity and total financial performance.

Consequently, projects can minimize risk and improve the overall financial performance by understanding the role and drivers of funds, Lamberson (2013). In addition, as established by several researchers Peel and Wilson (2010) efficient management of capital is pivotal to the health and performance of firms hence their view that firms should employ the use of efficient practices of fund management as a strategy of improving their value. The literature on working capital management practices identifies efficiency of cash management, efficiency of receivables management and efficiency of inventory management as determinants of financial performance model. Financial performance can be improved if efficiency levels of cash, receivables and inventory management practices are increased. The investigation on fund management practices was focused on cash management practices, receivables management practices and inventory management practices.

A study by Kwame (2010) established that the setting up of a cash balance policy ensures prudent cash budgeting and investment of surplus cash. This finding agree with the findings by Kotut (2012) who established that cash budgeting is useful in planning for shortage and surplus of cash which has a positive effect on the financial performance of the firms. By reducing the time, cash is tied up in the operating cycle thus improving a project's profitability and market value furthers the significance of efficient cash management practices in improving business performance Ross (2011)

Holder and Moore (2008) support developing local resources for enhanced sustainability emphasizing the importance of adequate local capacities to generate funds after external funding ceases. Bossert (2010) asserts that planning for future funding needs to be in place early and needs to be continually developed during the life of the project; while LaFond (2007) discusses the need for longer initial funding periods to allow time for sustainability to be nurtured. As a result, projects have constantly to re-invent themselves so that they qualify

again for set-up funding. Some projects are trapped in this cycle; this is not only time-consuming but hinders the natural development of the project. This is where generating increasing levels of income through trading may help some community projects break from this cycle of funding dependency.

2.5 Funds Availability and Projects Sustainability

There are a number of researches conducted in the field of donor funding by various scholars. The perspective and context as perceived by researchers is diverse thereby eliciting debates. There have been debates about donor funding and whether it is necessary for the developing countries.

Financing a requirement in projects includes raising and maintaining adequate funds for project which is a critical importance to project success. Insufficient financing is a major factor in poor maintenance which, in turn, is often cited as a reason for project lapse and failure. Bagoole (2011), in a review of periodic technical and financial reports of projects alongside interviews revealed that timing of disbursement of funds was affected by funds accountability requirements by financial partners prior to disbursement of funds thereby affecting effectiveness of agricultural projects. This tends to increase chances of failure to avail funds on schedule if such reporting is not done hence adversely affect implementation activities Cleland (2008).

The existence of intermediary institutions between donors and the beneficiary organisations has led to delays compounded by protocols or inadequacies between funding agency and the beneficiary organisations. Besides, some projects do not submit financial accountability reports to the Auditor General for review and subsequent expression of opinion. This prompts donors to withhold disbursement until the audit on financial statements is done Edwin (2009). Van den Brink (2009) indicates that it is in general hard to measure sustainability of project management and projects. Van den Brink (2009) analyses the three aspects People, Planet & Profit separately. In accordance with the definition of sustainability used within this research only his analysis of the measurement of performance on the Planet aspect will be reviewed. Van den Brink (2009) distinguishes two separate parts of projects that should be monitored for sustainability; project input and project output. Project input considers the use of raw materials and space. Raw materials are supposed to cover all inputs required for the execution of the project, ranging from energy from abstract inputs such as energy to tangible inputs

such as asphalt or paper. Project output considers the pollution that is caused by the project. Pollution should here be interpreted in the broadest way possible: from pollution caused during the realization of the project (for example pollution due to moving personnel and goods) to pollution caused by the end-product and by-products of the project. As indicated before, in order to be able to make projects sustainable the time horizon of projects needs to be extended. The project no longer ends with the delivery of the product. Measuring pollution caused by the end-product throughout its life is key to determining the overall sustainability performance of the project.

The donors have placed rigorous reporting requirements for beneficiary organisations in certain specific formats at different timelines for monitoring and evaluation purposes as pointed out by Monaheng (2007) .This enables control of the project and assessing whether it is on course in realizing its set targets. According to Bagoole (2011), a weak monitoring system contributes to incidences of unprofessional conduct and disclosure of false information which translates to wide variation in quality hence poor utilization of funds disbursed. This always leads to funds disbursement being suspended by donors thereby impeding implementation activities (Bartle, 2007).

Ditshwanelo (2005) equally notes the major threats to financed projects implementation is the reduced funding which may force them to scale down their activities. Viravaidya (2005) reported that lack of funds limits the quantity and quality of NGO work hence, dependence on grants and donations from donors are accepted. This donor funds were noted to carry restrictions which inhibit the autonomy of NGOs to choose which program activities to undertake and to select the most effective intervention strategies to achieve sustainable program goals.

2.6 Flow of Funding and Projects Sustainability

The flow of donor funds is usually expected to be a straight forward process. However, this is not the case. The process is much subjective and complex in nature thereby resulting in delays in receipt of funds.In most cases, donors apply the carrot and stick concept in that more aid is given where there are sound macro-economic policies in place by the recipient country and reduced aid flow to those who fail to institute and promote sound macroeconomic policies in their operations as pointed out by Kaufmann (2012). Donors are sometimes viewed as promoting their own self-interests when setting conditions for the aid recipients Conditions are imposed on unwilling recipients at the time of contract signing

where both parties know that these are only paper conditions whose outcome is determined by the fact that both parties need to maintain a sustainable normal relationship and flow of aid. A case in hand are the austerity measures introduced by World Bank in early 1990s such as Structural Adjustment Programs(SAPs),which it has admitted as having failed and hurt African economies. At the end of it all, aid flows have not helped in developing Africa, neither have they helped in development of policies they were meant to be conditioned on. According to Gohou (2009) for every $1 invested by donors in Africa, it attracts $2 more by donors or governments.

A delay in commencement of implementation may impact adversely on its performance in several ways including high final financial costs due to escalation of unit prices for goods especially in the infrastructure sector. There is loss of 3-6 months by beneficiary organisations due to communication between donors, parent ministry and beneficiary organisation before accessing funds. This is attributable to the fact that information about transfer of funds by donor is not communicated to beneficiary organisation on time so as to initiate requisition process and incomplete records on replenishment requests as pointed out by ADB (2006).

Bulir and Lane (2002) observed that project funds disbursement to low developing countries which are heavily aid-dependent is up to 7 times more volatile than domestic fiscal revenue. This view is supported by Ndaruhutse (2006) who assert that aid remains unpredictable and volatile both within year and between years thereby undermining expenditure process. This has a negative impact on spending and economic growth. In certain cases, there is over-optimism by government planners about levels of aid that can be disbursed in a given time. Besides, this leads to low absorption capacity for existing funds where projects end up utilizing only 70% of total allocated project funds at completion as pointed out by ADB (2009).

Ndaruhutse (2006) argue that there can be low absorption capacity of existing funds resulting in slower than predicted disbursement. Often, the issue of absorption capacity by beneficiary organisations is raised by donors and this may be due to weak procurement systems in the recipient country. ADB (2009) asserts that there are procurement delays partly due to application of GOK procurement procedures which are sometimes inconsistent with donor

rules and delays in responding to bank inquiries. Such inefficiencies within the system result in extended periods from initiation of procurement to actual delivery of goods, services and works. These impact negatively on timely project implementation and sometimes results in cost overruns. Ndaruhutse (2006) point out that weak procurement systems lead to delay in disbursements of funds and project schedules in East and Central Africa especially in Ethiopia and Zambia. This affects a project's absorption capacity which in turn results in slower than predicted disbursement.

Odedukun (2003) argues that among stakeholders with vested interests in this aspect of funds disbursements are suppliers of goods/services. Therefore, the higher the proportion of aid that is procurement tied, the greater the vested interest and hence the shorter the delay in translating commitments to disbursement i.e. higher disbursement to commitment ratio. Strong suppliers from developed countries influence the donors in payment of their dues resulting in double standards. As a result, a higher fraction of procurement tied aid leads to greater share of committed aid volume being disbursed.

2.7 Financial Discipline and Projects Sustainability

Bulir and Lane (2009) observed that donors are not natural, philanthropic givers of gifts as they are subject to national and international political interests that can influence their decisions on program and services support to the detriment of local needs hence donor interests override local needs. Donors do set a number of conditions that govern the entire disbursement of funds to recipients. It also sets out the accountability criteria for previously disbursed funds before additional tranches are released to beneficiary organisations (Donkor, 2011). The process is rigorous and time consuming and moreover, the borrower must abide by all rules and regulations for disbursement of funds failure to which may lead to suspension of aid. Odedekun (2013), political process and pressures those often lead to premature, as opposed to delayed disbursements of aid commitments. Political reasons have led to allocation of excessive funds even before conditionality's are met. The donor country may have vested interest in the loan disbursement process which may not be in the best of the recipient country (Moynihan, 2008).

Donor conditions can be important because they influence how contracts are prepared, the duration of funding, and what is funded. Donor funding conditions often focus on new capital

investments to the exclusion of supporting operation and maintenance budgets Moynihan (2008). This can have adverse effects on project timelines particularly in economies undergoing severe internal budget deficit problems. New capital projects require additional operation and maintenance funds that have to be drawn from the same limited pool of funds that finance other ongoing programs. As a consequence, either the new investment is not maintained or existing infrastructure or services suffer funding cuts Mwega (2009).

A longer-term and more transitional approach to operation and maintenance cost funding is required, based on a rigorous and realistic assessment of the local capacity to meet these costs. The project managements need to consider whether or not some assets should be maintained or replaced, and whether project-specific depreciation funds should be set up. This would help a great deal in cost maintenance and this would ensure the project become sustainable in the long run Ndaruhutse (2006).

2.8 Theoretical Framework

Theoretical frameworks are obviously critical in deductive, theory-testing sorts of studies. It is a foundation for the parameters, or boundaries, of a study. A theoretical framework structures the sections of the study that need to be covered. This study is grounded on institutional theory, agency theory, and financial systems model theory.

2.8.1 Financial Systems Model theory

The financial systems approach aims to achieve maximum outreach of donor services through financially sustainable institutions that focus on a financial intermediation model (Edwin, 2009). The donor institutions under this approach provide finance to the public. Donor institutions under this approach are differentiated from informal money lenders, from unregulated institutions such as NGOs and from subsidized formal micro credit where a regulated institution such as a state-owned bank channels government or donor funds to borrowers at subsidized interest rates (Edwin, 2009).

The proponents of the financial systems approach argue that donors and governments should shift the allocation of their scarce resources from direct financing of loan portfolios, to promoting the replication of this model by disseminating lessons from the best practices of fully sustainable donor institutions and financing the development of more donor institutions of this type. One challenge of the financial systems approach is that it relies on market

approaches, which may be thin and weak in marginal areas (Pandey, 2004). However, even in these areas, market solutions can be found to overcome any obstacles.

2.8.2 Agency Theory

This refers to a relationship modeled in terms of principal-agent interaction where the principal entrusts the agent with the power and responsibility to undertake certain tasks on his behalf. As demonstrated by Odedukun (2003), in this case, the donor can be referred to as the Principal whereas the recipient organization or unit is the agent. The donor determines the level of funds to be disbursed and channels the same to the borrower who acts based on aid conditions agreements thereby deciding on expenditure patterns which eventually lead to outcomes such as economic growth, infrastructure development, access to education and health care. The donor reviews these outcomes based on a structured monitoring and evaluation system and chooses the funding level to influence the choice of action by GOK and hence outcomes.

According to Walker 2003, the agency theory model anchored on the fact that information asymmetries and pursuant of self-interests, principals lack basis to trust their appointed agents and will seek to mitigate these concerns by putting in place mechanisms to align the interests of agents with principals and to reduce the scope for information asymmetries and opportunistic tendencies. This position is reinforced by the Institute of Chartered Accountants of England and Wales (2005) who analyzed it further in terms of motives of agents and information asymmetries.

2.8.3 Institutional Theory

Organizational theory considers the process by which structures including rules, norms, and routines, become established as authoritative guidelines (Cole, 2004) Cole asserts that institution are social structures that have attained a high degree of resilience, they are composed of cultural cognitive, normative and regulative element that, together with associated activities and resources, provides stability and meaning to social life. The dimension of decoupling implies that for organization to be seen to be adopting certain institutional practices will even institute formal processes aimed at implementing these practices. Thus the actual practices can be decoupled from those institutionalized practices. In terms of Donor, this decoupling can be linked to the insights from the legitimacy theory

where the operational procedures and practices can be used to construct an organizational image very different from actual organizational practices because they maintain appearance and thus confer legitimacy irrespective of whether the entity has transformed or not.

According to (Roper, Petit 2002) Institutional theory provides an explanation of mechanisms through which organization seeks to align perceptions of their practices and characteristics with social and cultural values. Such mechanisms in the case of donor institutions could include those stipulated under donor institutions regulatory frame work that prescribes the road map for the transformational from informal to formal institutions. Therefore creating a formal financial institution implies additional costs and restrictions as the donor institutions becomes regulated and supervised. Donor must have an institutional capacity to manage a number of different products and services as well as mobilizing resources and enhance information systems to adhere to regulatory reporting requirements (Edwin, 2009).

2.9 Conceptual Framework

The conceptual model is a conceptualization in functional form of how the independent variables affect the dependent variable which is Project sustainability at the International Livestock Research Institute as shown in figure 2.1.

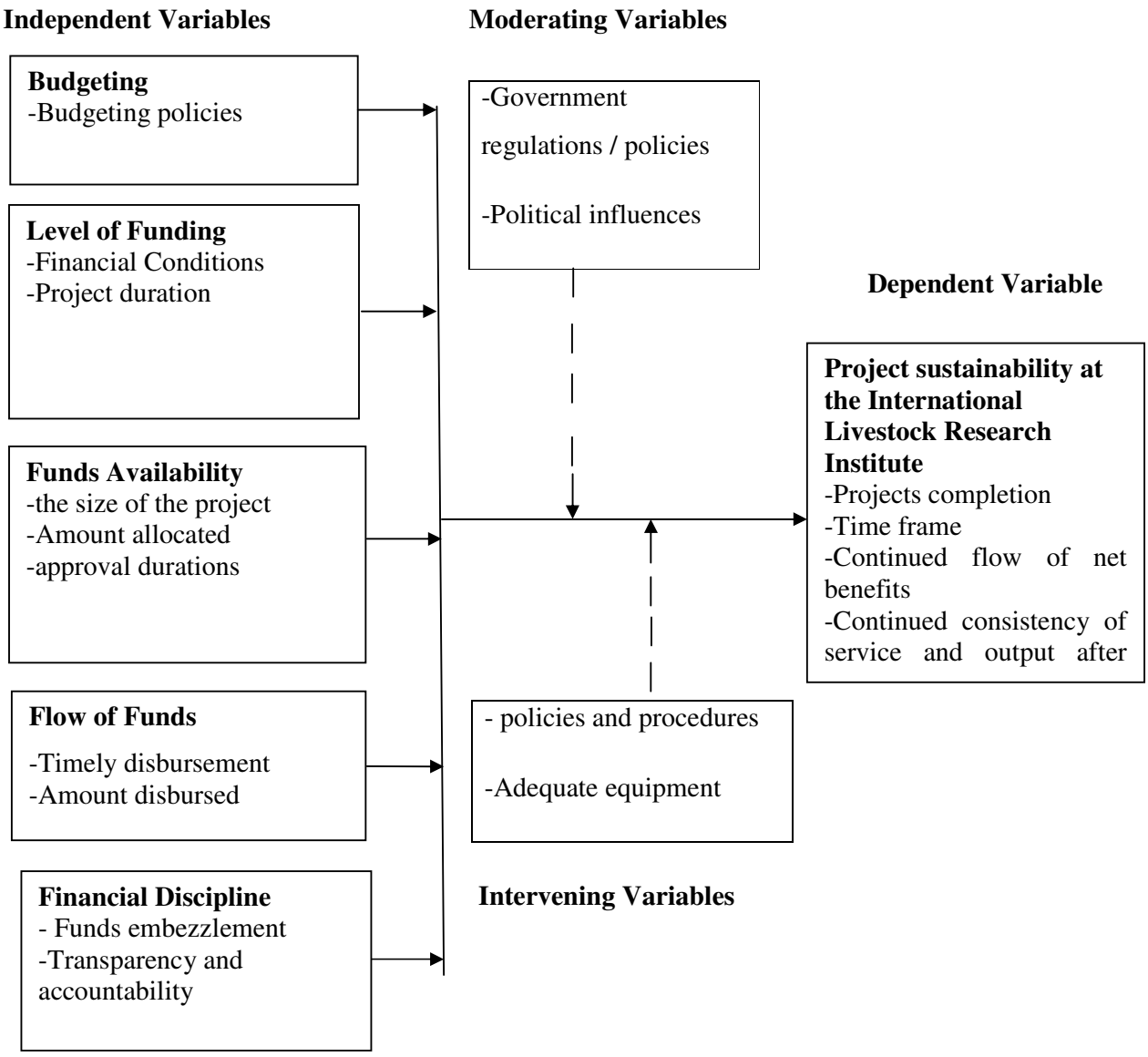

Figure 1: Conceptual Framework

The above conceptual framework shows the relationship between the dependent and the independent variables used in this study. Project sustainability at the International Livestock Research Institute is the dependent variable which is influenced by a set of independent

variables which includes: budgeting, level of funding, funds availability, flow of funds and financial discipline. Each of the variables has a set of measurable parameters which is shown in the schematic representation in figure 1.

2.10 Research Gap

From the literature review, it takes an average of 21 months from the loan approval date to meeting conditions of first disbursement. This is attributed to policy conditions, staffing/assembly of beneficiary organization and compensation to those adversely affected by project implementation due to relocation. Therefore, project aid to LDCs is up to 7 times more unpredictable than domestic fiscal revenue due to disbursement procedures. This tends to make project implementation difficult and uncertain due to numerous projects lapses. Financial systems are complex and weak in the beneficiary organisations and this is responsible for delays especially for procurement tied disbursements. Goods, works and services must be procured in a timely manner so as to achieve critical milestones during implementation within scheduled timelines thereby realizing higher funds absorption rates Odedukun (2013).

There is loss of between 15-24 months of project implementation time due to internal processes which are dominated by bureaucracies in government systems which interfere with budget implementation. Beneficiary organizations are therefore forced to request for extension of implementation time due to year-in delays. For every $1 invested by donors in Africa, it attracts $2 more by donors or governments. A delay in commencement of implementation may impact adversely on its performance in several ways including high final financial costs due to escalation of unit prices for goods and services Nkamelu (2011).

Empirical studies done in Kenya includes; Masega (2011), who did a study on the influence of disbursement of funds on implementation of projects: a case of Thika Road project. Ouma (2010) conducted a study on the factors affecting the effective implementation of Donor funded projects in Kenya: a case of World Bank Funded projects in Kenya and Jinaro (2012), who did a study on the role of communication in the disbursement of youth enterprise development fund: a case study of Nyeri Town Constituency Youth Enterprise Scheme. There is limited literature on lapses and project sustainability studies conducted in Kenya and this research aimed at addressing this problem and contributes to knowledge in the area.

2.11 Summary of Literature

From the literature reviewed it is evident that donor funded projects are faced with challenges during Initiation, Planning, Execution and Closure, and key among them is project lapses and sustainability. This leads to uncertainties in the implementation of activities and sometimes abandonment of project activities. Due to scarcity of information on lapses in partner funding in Kenya even amongst project implementers, the study sought to assess the factors influencing lapses in partner funding of projects on sustainability of International Livestock Research Institute

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the methodology that was used for collecting and analyzing the data in the study. It described the research design, population, sample and sampling techniques, instruments for data collection and procedures, pilot tests and data processing as well as data analysis methods suitable to the achievements of the stated objectives.

3.2 Research Design

The research design is the overall plan and structure which the research report was executed. The research design that was adopted for this study was descriptive research design because it allowed the researcher to study phenomena and not to allow for manipulation of variables as noted by Kombo & Tromp (2006). Borrowing from Mugenda and Mugenda (1999) descriptive research is a self-report study which requires the collection of quantifiable information from the sample, this study collected information from a sample of donor funded projects at International Livestock Research Institute which was quantified and analyzed. By using this design the researcher was able to find answers to questions by analyzing specific variable related to lapses in partner funded projects at International Livestock Research Institute.

3.3 Target Population

Target population in statistics is the specific population about which information is desired. According to Kombo and Tromp (2006) a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated to generalize the results. The study targeted 20 Project Managers, 56 Project Coordinators and 15 Heads of Departments in the institute, thus a target population of 91 respondents involved in implementation of partner funded projects at International Livestock Research Institute.

Table 3.1: Target Population

Category	Frequency	Percentage
Project Managers	20	22
Project Coordinators/officers	56	62
Heads of Departments	15	16
Total	91	100.0

Source: ILRI People and Organization Development Department (2015)

3.4 Sampling Procedure

According to Cooper and Schindler (2003) a sampling frame is a list of all population units from which the sample of a study is drawn. Stratified random sampling technique was used to select the sample. According to Kothari, (2006) the technique produce estimates of overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population. The study grouped the population into three strata i.e. project coordinators, Project Managers and Head of Departments. This in turn increased the precision of any estimation methods used. Stratified random sampling technique was used since population of interest is not homogeneous and could be subdivided into groups or strata to obtain a representative sample. The study selected a section of staff that included Projects Managers, Project Coordinators and Heads of Departments in finance, procurement, audit, monitoring and evaluation in donor funded projects since they are the ones conversant with lapse in partner funded projects and its effects on sustainability of these projects.

From the above population, a sample of 50% was selected from within each group in proportions that each group bears to the study population. According to Cooper and Schindler (2003) a representative sample is one which is at least 10% of the population. Furthermore, owing to the big number of target population and given the time and resource constraints, the sampling of at least 30 elements is recommended by Mugenda & Mugenda (1999). This generated a sample of 46 respondents from whom the research sourced information from. This made it easier to get adequate and accurate information necessary for the research. The selection was as shown in table 3.2.

Table 3.2: Sampling Size

Category	Frequency	Sample Ratio	Sample
Project Managers	20	0.5	10
Project coordinators/Officers	56	0.5	28
Heads of Departments	15	0.5	8
Total	91	0.5	46

Source: ILRI People and Organization Development Department (2015)

3.5 Data Collection Methods

According to Cooper and Schindler (2011) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collects specific data. Primary data on the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute was collected using questionnaires. . Secondary data was obtained from relevant publications and literature review from libraries, Donor Projects journals and magazines.

The researcher used questionnaire as the data collection tool to collect views from the respondents on the study. The questionnaires were structured in a way that all relevant information was given. The questionnaire consisted of both open and closed ended questions where some questions contained demographic information which enabled the researcher to know the level of understanding of funded Projects operations by respondents and also provide respondents with room to share their practical understanding on the factors influencing lapses in partner funding of projects and its effects on sustainability.

3.6 Pilot testing

A pilot study was carried out on evaluation of the questionnaires to be used during the data collection. The purpose of testing at this stage was to establish how to phrase the meaning of each question and to check whether the range of response alternatives was sufficient. The information gained from the questionnaire development was used where necessary to shorten the questionnaire, reorder questions and finalize the skip patterns. This helped to avoid dead ends in the schedule and also to ensure smooth transition from one section to the other. The pre-testing was conducted with people who resemble those to whom the questionnaire will be finally given. They were picked from the sample population. Useful feedback from key

insiders who had good knowledge of the group was used to match characteristics of the pilot and the final samples. Reliability and validity of research instruments were undertaken where correlation co-efficient was calculated.

3.7 Reliability and Validity

The reliability and validity of the research instruments were computed after pilot study was conducted.

3.7.1 Validity

According to Paton (2001) validity is quality attributed to proposition or measures of the degree to which they conform to establish knowledge or truth. It refers to the extent to which an instrument asks the right questions in terms of accuracy. Mugenda and Mugenda (1999) defines validity as the accuracy and meaningfulness of inferences which are based on research results. The content validity of the instrument was determined through piloting, where the responses of the subjects were checked against the research objectives.

3.7.2 Reliability

Reliability is the measure of the degree to which a research instrument yields consistent results or data after repeated trials. In order to test the reliability of the instrument to be used in the study, a pilot study was carried out and a reliability coefficient computed. This established the extent to which the questionnaires elicit the same responses every time it was administered Cooper (2011). The result that was obtained from the pilot study assisted the researcher in revising the questionnaire to make sure that it covers the objectives of the study.

Table 3.3: Reliability Coefficients

Scale	Cronbach's Alpha	Number of Items
Budgeting	0.734	4
Level of funding	0.767	5
Funds availability	0.834	7
Flow of funds	0.820	6
Financial discipline	0.768	5

Cooper and Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient. Table 3.3 shows that funds availability had the highest reliability (α=0.834) followed by flow of funds (α=0.820) financial discipline (α=0.768) level of funding (α=0.767) and finally budgeting (α=0.734). This illustrates that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7. Expert opinion was also requested to comment on the representativeness and suitability of questions and suggestions of corrections to be made to the structure of the research instrument were given.

3.8 Data Collection Procedures

The researcher sought departmental clearance before applying for a permit at the National commission of science, Technology and Innovation. The researcher visited the organisation to make an appointment to submit the questionnaires to the staff to fill, ready to be collected the same day.

3.9 Data Analysis and Presentation

Data obtained from the field in raw form is difficult to interpret, such data must be cleaned, coded, keyed into a computer and analyzed, Mugenda & Mugenda (2003). Data was tabulated and analyzed for purpose of clarity, using SPSS version 20 software. It is a computer program used for statistical analysis and has the ability to handle statistical presentation with array of formulas for ease of interpretation. Data was presented using tables to make them reader friendly.

3.10 Ethical Issues

This study observed the following ethical procedures: Due to sensitivity of some information collected, the researcher held a moral obligation to treat all information provided with utmost

confidentiality. Since the respondents were reluctant to disclose some information, the researcher reassured the respondents of confidentiality of the information given. The researcher was objective during the interview; data analysis, and data interpretation to avoid or minimize bias or self- deception. Respect for intellectual property was guaranteed by giving proper acknowledgement or credit for all contributions to this study and did not engage in plagiarism.

3.11 Operational Definition of Variables

This section defines variables in terms of measurable indicators with associated measures, measuring scale and data analysis

Objective	Variable	Indicators	Scales	Research approach	Data collection tool	Type of Analysis
To establish the influence of budgeting in partner funding on projects sustainability	Budgeting	-Budgeting policies	Ordinal	Qualitative and Quantitative	Questionnaire	Descriptive
To assess the influence of level of funding in partner funding on projects sustainability	Level of funding	-Financial Conditions -Project duration	Ordinal	Qualitative and Quantitative	Questionnaire	Descriptive
To find out the influence of funds availability in partner funding on projects sustainability	Funds availability	-The size of the project -Amount allocated -approval durations	Ordinal	Qualitative and Quantitative	Questionnaire	Descriptive
To assess the influence of flow of funding in partner funding on projects sustainability	Flow of funding	-Timely disbursement -Amount disbursed	Ordinal	Qualitative and Quantitative	Questionnaire	Descriptive
To establish the influence of financial discipline in partner funding on projects sustainability	financial discipline	-Funds embezzlement -Transparency and accountability	Ordinal	Qualitative and Quantitative	Questionnaire guide	Descriptive

To establish the influence of lapse in partner funding on project sustainability at the International Livestock Research Institute	Sustainability	-Projects completion level -Projects time frame -Continued flow of net benefits -Continued consistency of service and output after completion	Ordinal	Qualitative and Quantitative	Questionnaire guide	Descriptive

CHAPTER FOUR

DATA ANALYSIS TECHNIQUES, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter discusses the interpretation and presentation of the findings of the study.

4.2 The Response Rate

The sample size of this study was 46 respondents who included; Project Managers, Project Coordinators and Heads of Departments. Out of 46 respondents, 40 responses were obtained, which represents 86.96% response rate. According to Babbie (2002) any response of 50% and above is adequate for analysis thus 86.96% was adequate.

4.3 General Information

This section presents the demographic information of the respondents which include gender distribution, age of the respondent, length of service in the organization and level of education.

4.3.1 Gender Distribution

The respondents were asked to indicate their gender. The results were as shown in table 4.1.

Table 4.1: Gender Distribution

Gender	Frequency	Percentage
Male	23	57.5
Female	17	42.5
Total	**40**	**100**

According to the findings, 57.5% of the respondents were male while 42.5% of the respondents were female. This shows that gender distribution in the study was fair.

4.3.2 Age Bracket

The respondents were asked to indicate the age bracket. The results were as shown in table 4.2.

Table 4.2: Age Bracket

Age Bracket	Frequency	Percentage
Below 20 Years	2	5
21 To 29 Years	11	27.5
30 To 39 Years	20	50
40 To 49 Years	3	7.5
50 Years and Above	4	10
Total	**40**	**100**

From the findings, 50% of the respondents indicated that they were aged between 30 and 39 years, 27.5% of the respondents indicated that they were aged between 21 and 29 years, 10% of the respondents indicated that they are aged 50 years and above, 7.5% of the them indicated that they are aged between 40 and 49 years and 5% of the respondents indicated that they are aged below 20 years. This shows that most of the respondents are aged between 30 and 39 years.

4.3.3 Length of Service in the Organization

The respondents were asked to indicate the time they have offered their service in the organization. The results were as shown in table 4.3.

Table 4.3: Length of Service in the Organization

Length of Service	Frequency	Percentage
0 To 5 Years	30	75
6 To 10 Years	1	2.5
11 To 15 Years	2	5
16 To 20 Years	3	7.5
21 Years and Above	4	10
Total	**40**	**100**

From the findings, 75% of the respondents indicated that they had served in the organization for a period of 0 to 5 years, 10% indicated that they had served in the organization for a period of 21 years and above, 7.5% of the respondents indicated that they had served in the organization for a period of 16 to 20 years, 5% of the respondents indicated that they have

served the organization for a period of between 11 to 15 years and 2.5% of the respondents indicated that they had served a period of between 6 to 10 years.

4.3.4 Level of Education

The respondents were asked to indicate their level of education. The results were as shown in table 4.4.

Table 4.4: Level of Education

Level of Education	Frequency	Percentage
Secondary	1	2.5
College Diploma	2	5
Degree	11	27.5
Masters	26	65
Total	40	100

From the findings, 65% of the respondents indicated that they have masters, 27.5% of the respondents indicated they have a degree, 5% indicated that they have a college diploma and 2.5% of the respondents indicated that they had reached secondary level.

4.4 Budgeting and Projects Sustainability

The study sought to establish the influence of budgeting in partner funding on projects sustainability at International Livestock Research Institute.

4.4.1 Financial Budgeting

The respondents were requested to indicate whether they have financial budgeting before they start any funded project. The results were as shown in table 4.5.

Table 4.5: Financial Budgeting

Financial Budget	Frequency	Percentage
Yes	1	2.5
No	39	97.5
Total	**40**	**100**

From the findings, 97.5% of the respondents indicated that they had no financial budgeting before the start of any funded project but 2.5% of the respondents indicated that they have financial budgeting before the start of any funded project. This depicts that most of the respondents did not have financial budgeting before the start of any funded project.

4.4.2 Lapses Effect

The respondents were asked to indicate whether their financial budgeting was affected by lapses. The results were as shown in table 4.6.

Table 4.6: Lapses Influence

Lapses Influence	Frequency	Percent
Yes	40	100
Total	**40**	**100**

According to the findings, all the respondents 40 (100%) indicated that their financial budgeting was influenced by lapses to a greater extent.

The respondents further indicated that at the budgeting stage, the institution budgeted for a contingent fund. This fund would be used in the event a project is not done as per the stipulated timelines.

4.4.3 Factoring in unforeseen project costs

The respondents were asked to indicate whether they factor in unforeseen project costs to be incurred as result of lapse during the budgeting process; the results were as shown in the table 4.7.

Table 4.7: Factor in unforeseen project costs

Unforeseen costs	Frequency	Percent
yes	40	100
Total	**40**	**100**

According to the findings, all the respondents 40 (100%) indicated that they factored in unforeseen project costs to be incurred as result of lapse during the budgeting process. This was meant to see the continuity of the projects even if the implementation conditions were not conducive.

4.5 Level of Funding and Projects Sustainability

The study sought to assess the influence of level of funding in partner funding on projects sustainability at International Livestock Research Institute.

4.5.1 Effect of Level of Funding on Project Sustainability

The respondents were asked to indicate the whether level of funding affect project sustainability at the International Livestock Research. The results were as shown in the table 4.8.

Table 4.8: Influence of Level of Funding on Project Sustainability

Influence of Funding	Frequency	Percent
Yes	40	100%
Total	**40**	**100%**

From the findings, all the respondents 40 (100%) indicated that levels of funding affect project sustainability at the International Livestock Research. This depicts that the level of funding has an influence on project sustainability.

4.5.2 Improving Funding Level

Regarding the ways through which the organization can improve funding level at International Livestock Research Institute, the respondents indicated presentation of projects that have a promising future and also move with the current world needs and whose results and impact will be greatly felt by a larger population. They also indicated that the organization can improve funding level by diversification and looking for new donors and doing science that will attract more money. The organization should encourage scientist to collaborate in funding efforts, delivering in the on-going bilateral and creating a department that would deal with proposed developments and fund raising.

In addition, the respondents indicated a need of working with collaborators and in partnerships and avoiding providing unrealistic deliverables. The respondents also indicated that projects should at least have trickle-down effect of project deliverables to the common man and the government agencies benefiting and pragmatic targets that are sustainable and even offer project life. They also indicated that it was paramount to employ high noted scientists who know science and are able to write proposals for bilateral funding. Publication output of findings frequently would also improve funding level.

4.5.3 Level of Funding and Project Sustainability

The respondents were asked to indicate the level of agreement on various statements on level of funding. The results were as shown in the table 4.9.

Table 4.9: Level of Funding and Project Sustainability

Statements	Mean	Std. Deviation
Processes at International Livestock Research Institute are in place to improve funding level of projects so as to improve project sustainability	3.575	0.911
Good financial management practices, concepts and principles such as sustainability, accountability and transparency helps to improve the level of funding from the partners	4.225	0.651
Financial management is important and should be reviewed by the project manager, financial team, stakeholders and key project team members regularly to avoid poor financing by donors	4.400	0.210
keeping a close eye on the project budgets assures that processes are kept within the forecast set from the beginning	4.350	0.350

According to the findings, the respondents agreed with a mean of 4.400 that financial management is an important and should be reviewed by the project manager, financial team, stakeholders and key project team members regularly to avoid poor financing by donors. They also agreed with a mean of 4.350 that keeping a close eye on the project budgets assures that processes are kept within the forecast set from the beginning. The respondents further indicated with a mean of 4.225 that good financial management practices, concepts and principles such as sustainability, accountability and transparency helps to improve the level of funding from the partners. Finally, the respondents agreed with a mean of 3.575 that processes at International Livestock Research Institute are in place to improve funding level of projects so as to improve project sustainability.

4.6 Funds Availability and Projects Sustainability

The study sought to investigate the influence of funds availability in partner funding on projects sustainability at International Livestock Research Institute.

4.6.1 Adequacy of Projects Funding

The respondents were asked to indicate whether their projects were adequately funded as planned. The results were as shown in table 4.10.

Table 4.10: Adequacy of Projects Funding

Projects Funds Adequacy	Frequency	Percentage
Yes	30	75
No	10	25
Total	**40**	**100**

According to the findings, 75% of the respondents indicated that their projects were adequately funded as planned but 25% of the respondents indicated otherwise. This shows that most of the respondents projects were adequately funded.

4.6.2 Reasons Behind Inadequacy

The reasons noted included; budgetary constraints and global economic situation, lack of funds for Information and Communications Technology, space, research and cordination as they are believed to be part of overhead costs. Also, certain analysis cover project activities but not salaries.

4.6.3 Partners Conditions on Funds Availability

The respondents were asked to indicate whether the partners' condition contributes to funds unavailability in the International Livestock Research Institute. The results were as shown in table 4.11.

Table 4.11: Partners Conditions on Funds Availability

Partners Conditions	Frequency	Percentage
Yes	28	70
No	12	30
Total	**40**	**100**

According to the findings, 70% of the respondents indicated that partners conditions contributes to funds unavailability while 30% of the respondents indicated otherwise. This clearly shows that partners conditions have an influence on the availability of funds.

4.6.4 Funds Availability and Projects Sustainability

The study sought to determine the extent of agreement on various statements on funds availability. The results were as shown in the table 4.12.

Table 4.12: Funds Availability and Projects Sustainability

Statements	Mean	Std. Deviation
Funds availability can be important because they influence how contracts are prepared, the duration of funding, and what is funded.	4.425	0.112
Funds availability is a key link in the accountability chain, and stakeholders expect donor representatives to ensure that action is taken when system does not perform well.	4.125	0.667
Conditions set by Donors can influence partners' adherence to standards and accountability mechanisms at the various stages of the funding cycle.	4.205	0.435
Partner monitoring of funded projects is another way of enhancing quality and accountability.	4.325	0.345
Partner holds a key position in the accountability chain.	4.015	0.870

According to the findings, the respondents strongly agreed with a mean of 4.425 that funds availability can be important because they influence how contracts are prepared, the duration of funding, and what is funded. They also agreed with a mean of 4.325 that partners monitoring of funded projects is another way of enhancing quality and accountability. They further agreed with a mean of 4.205 that conditions set by Donors can influence partners' adherence to standards and accountability mechanisms at the various stages of the funding cycle. In addition, the respondents agreed with a mean of 4.015 that funds availability is a key link in the accountability chain, and stakeholders expect donor representatives to ensure that action is taken when system does not perform well. Also, the respondents agreed with a mean of 4.015 that partner holds a key position in the accountability chain.

4.6.5 Ways leading to Lapse through Donor Conditions

Other ways through which donor conditions may lead to lapses at the International Livestock Research Institute are when donor require project audits prior to submitting reporting and delayed advances where advance of funds is linked to project reports. Also, failure to release funds in good time. Over reporting was also noted as a major way leading to lapse as some donors request for many reports which consume project time. Donors relocating money to other projects and restriction on procurement process leads to lapse. Financial bankrupt of

the donor firms and extensive micromanagement though good could lead to lapse especially if the public relations are poor. Lack of proper guidelines during project uptake, delay in signing of agreements and delay in reviewing of proposals. Also, very little funding of projects may lead to hanging or incomplete projects and projects may not be able to employ all the personnel required for the project due to donor conditions on funding for the personnel.

4.7 Flow of Funding and Project Sustainability

The fourth objective of the study was to assess the influence of flow of funding in partner funding on projects sustainability at International Livestock Research Institute.

4.7.1 Flow of Funds on Project Sustainability

The respondents were requested to indicate whether flow of funds influence projects sustainability at International Livestock Research Institute. The results were as shown in table 4.13.

Table 4.13: Flow of Funds on Project Sustainability

Flow of Funds	Frequency	Percentage
Yes	38	95
No	2	5
Total	**40**	**100**

According to the findings, 95% of the respondents indicated that flow of funds influence project sustainability but 5% of the respondents were on contrary. This depicts that flow of funds influence project sustainability.

4.7.2 Extent of Influence on Project Sustainability

The study sought to determine the extent to which funds influence project sustainability at the International Livestock Research Institute. The results were as shown in table 4.14.

Table 4.14: Extent of Influence on Project Sustainability

Influence Extent	Frequency	Percentage
Moderate Extent	9	22.5
Great Extent	13	32.5
Very Great Extent	18	45
Total	**40**	**100**

From the findings, 45% of the respondents indicated that funds influence project sustainability to a great extent, 32.5% of the respondnets indicated that the level of influence is to a great extent and 22.5% of the respondents indicated that funds influence project sustainability to a moderate extent. This shows that funds have an influence on project sustainability.

4.7.3 Flow of Funding and Project Sustainability

The study sought to determine the level of agreement on various statements relating to project sustainability. The results were as shown in the table 4.15.

Table 4.15: Flow of Funding and Project Sustainability

Statements	Mean	Std. Deviation
Flow of funds determines the effectiveness of a development intervention.	4.150	0.287
A project partner's participation program enables those who are interested in, or affected by a decision, have an opportunity to influence the outcome.	3.675	0.829
Satisfying key project partners is central to achieving a successful flow of funds.	3.950	0.452
Project partner's involvement in formulation in financial strategic plans provides invaluable support during the implementation of the activities.	3.900	0.546

From the findings, the respondents agreed with a mean of 4.150 that flow of funds determines the effectiveness of a development intervention. They also agreed with a mean of 3.950 that satisfying key project partners is central to achieving a successful flow of funds. Further, the respondents agreed with a mean of 3.900 that project partner's involvement in formulation in financial strategic plans provides invaluable support during the implementation of the activities. They also agreed with a mean of 3.675 that a project partner's participation program enables those who are interested in, or affected by a decision, have an opportunity to influence the outcome.

4.8 Financial Discipline and Project Sustainability

The fifth objective of the study was to establish the influence of financial discipline in partner funding on projects sustainability at International Livestock Research Institute.

4.8.1 Financial Discipline and Project Sustainability

The respondents were asked to indicate whether generally accepted accounting principles and international financial reporting standards are followed during preparation and presentation of financial statements for the project. The results were as shown in table 4.16.

Table 4.16: Financial Discipline and Project Sustainability

		Frequency		Percent	
Generally Accepted Accounting Principles (GAAP)	Yes	37	Yes	92.5
	No	3	No	7.5
	Total	**40**	**Total**	**100.0**
International Financial Reporting Standards (IFRS)	Yes	37	Yes	92.5
	No	3	No	7.5
	Total	**40**	**Total**	**100.0**

From the findings, 92.5% of the respondents indicated that they involved generally accepted accounting principles and international financial reporting standards are followed during preparation and presentation of financial statements for the project in each case.

4.8.2 Financial Reporting Errors

The respondents were asked to indicate whether they experience errors during financial reporting. The results were as shown in table 4.20.

Table 4.17: Financial Reporting Errors

Financial Reporting Errors	Frequency	Percent
Yes	32	80%
No	8	20%
Total	**40**	**100%**

From the findings, 80% of the respondents indicated that they experience errors during financial reporting while 20% of the respondents indicated otherwise. In addition, the respondents indicated that the main sources of errors during financial reporting are; wrong posting due to colleagues lack of understanding of project relationships, financial reporting is done manually, inconsistent posting of financials, errors in accountability of all the funds, inflation, adhoc expenditures and system errors.

4.8.3 Auditing of Book of Accounts

The respondents were asked to indicate whether their books of accounts for the projects are audited. The results were as shown in table 4.21.

Table 4.184: Auditing of Book of Account

Auditing	Frequency	Percentage
Yes	39	97.5
No	1	2.5
Total	**40**	**100**

From the findings, 97.5% of the respondents indicated that their books of accounts for their projects are audited while 2.5% of the respondents indicated otherwise. This shows that most of the respondents audited their books of accounts.

4.8.4 Auditing Time

The respondents were asked to indicate how often the auditing takes place. The results were as shown in table 4.19.

Table 4.19: Auditing Time

Level of Education	Frequency	Percentage
Occasionally	1	2.5
Annually	25	62.5
Semi- Annually	4	10
Quarterly	10	25
Total	**40**	**100**

According to the findings, 62.5% of the respondents indicated that their books of account for their projects are audited annually, 25% of the respondents indicated that their books of accounts are audited quarterly, 10% of the respondents indicated that their books of account for their projects are audited semi-annually and 2.5% of the respondents are audited occasionally. This shows that most of the respondents' books of accounts are audited annually.

4.8.5 Statements on Financial Discipline

The respondents were asked to indicate the extent to which the respondents would agree or disagree with the fact that financial disciplines affect the sustainability of their project. The results were as shown in table 4.20.

Table 4.20: Statements on Financial Discipline

Financial Discipline	Frequency	Percentage
Great Extent	14	35
Very Great Extent	26	65
Total	**40**	**100**

From the findings, 65% of the respondents indicated that financial discipline affects project sustainability to a very great extent and 35% of the respondents affect project sustainability to great extent. This shows that financial discipline has an effect on project sustainability.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is integrated in the summary of key data findings, conclusion drawn from the findings and the recommendations that were reached at.

5.2 Summary of the Findings

5.2.1 Budgeting and Projects Sustainability

The study established that most of the respondents did not have financial budgeting before the start of any funded project and that their financial budgets were affected by lapses. Most of the respondents also indicated that they factored unforeseen project costs during the budgeting process. Bagoole (2011) argues that a weak monitoring system contributes to incidences of unprofessional conduct and disclosure of false information which translates to wide variation in quality hence poor utilization of funds disbursed.

5.2.2 Level of Funding and Projects Sustainability

The study revealed that ways through which the organization can improve funding level at International Livestock Research Institute are presentation of projects that have a promising future and also move with the current world needs and whose results and impact will be greatly felt by a larger population, diversification and looking for new donors and doing science that will attract more money, encouraging scientist to collaborate in funding efforts, delivering in the on-going bilateral and creating a department for proposed development and fund raising. In addition, the study revealed that through working with collaborators and partnerships and avoiding providing unrealistic deliverables will improve level of funding.

Holder and Moore (2008) support developing local resources for enhanced sustainability emphasizing the importance of adequate local capacities to generate funds after external funding ceases. The study also revealed that projects should at least have trickle-down effect of project deliverables to the common man and the government agencies benefiting and pragmatic targets that are sustainable and even offer project life and that publicizing output of findings frequently would also improve funding level. In addition, the study established that financial management is an important and should be reviewed by the project manager,

financial team, stakeholders and key project team members regularly to avoid poor financing by donors.

The study also found that keeping a close eye on the project budgets assures that processes are kept within the forecast set from the beginning and that good financial management practices, concepts and principles such as sustainability, accountability and transparency helps to improve the level of funding from the partners. Bossert (2010) asserts that planning for future funding needs to be in place early and needs to be continually developed during the life of the project. Finally, the study found that processes at International Livestock Research Institute are in place to improve funding level of projects so as to improve project sustainability

5.2.3 Funds Availability and Projects Sustainability

The study further established that funds availability can be important because they influence how contracts are prepared, the duration of funding, and what is funded. Bagoole (2011), indicated periodic technical and financial reports of projects alongside interviews revealed that timing of disbursement of funds was affected by funds accountability requirements by financial partners prior to disbursement of funds thereby affecting effectiveness of agricultural projects.The study also established that partners monitoring of funded projects is another way of enhancing quality and accountability and that conditions set by Donors can influence partners' adherence to standards and accountability mechanisms at the various stages of the funding cycle.

Monaheng (2007) pointed out that donors have placed rigorous reporting requirements for beneficiary organisations in certain specific formats at different timelines for monitoring and evaluation purposes. Funds availability is a key link in the accountability chain, and stakeholders expect donor representatives to ensure that action is taken when system does not perform well. It was also established that partner holds a key position in the accountability chain. In addition, the study found that project lapses may result when donor require project audits prior to submitting reporting and delayed advances where advance of funds is linked to projects reports, failure to release funds in good time, over reporting consume project time. Also, the study revealed that relocating money to other projects and restriction on procurement process financial bankruptcy of the donor firms, lack of proper guidelines during project uptakes, delay in assigning of agreements and delay in reviewing of proposals

and very little funding of projects lead to hanging or incomplete projects. According to Bagoole (2011), a weak monitoring system contributes to incidences of unprofessional conduct and disclosure of false information which translates to wide variation in quality hence poor utilization of funds disbursed.

5.2.4 Flow of Funding and Project Sustainability

The study revealed that flow of funds determines the effectiveness of a development intervention and that satisfying key project partners is central to achieving a successful flow of funds. Further, the study revealed that project partner's involvement in formulation of financial strategic plans provides invaluable support during the implementation of the activities and that a project partner's participation program enables those who are interested in, or affected by a decision, have an opportunity to influence the outcome. Ndaruhutse (2006) asserts that aid remains unpredictable and volatile both within year and between years thereby undermining expenditure process.

5.2.5 Financial Discipline and Project Sustainability

The study further revealed that organizations generally accept accounting principles and international financial reporting standards during preparation and presentation of financial statements for the project. The study also found that organizations experience errors during financial reporting which their main sources includes; wrong posting due to colleagues lack of understanding of project relationships, a manually financial reporting, inconsistent posting of financials, errors in accountability of all the funds, inflation, adhoc expenditures and system errors. The study also found that books of accounts for many organizations where the study took place are audited. Finally, the study established that financial discipline affects project sustainability to a very great extent. Moynihan, (2008) argues that donor funding conditions often focus on new capital investments to the exclusion of supporting operation and maintenance budgets.

5.3 Conclusions

The study concludes that there is a positive significant relationship between budgeting and sustainability. Financial budgeting before the start of any funded project prevents lapses. In addition, the study concludes that factoring in unforeseen project costs is key during the budgeting process.

The study concludes that there is a positive relationship between level of funding and project sustainability. Presentation of projects that have a promising future and also move with the current world needs attract more money. The study also concludes that encouraging scientist to collaborate in funding efforts, delivering in the on-going bilateral and creating a department for proposed development and fund raising improves level of funding. In addition, the study concludes that through working with collaborators and partnerships and avoiding providing unrealistic deliverables will improve level of funding.

The study also revealed that projects should at least have trickle-down effect of project deliverables to the common man and the government agencies benefiting and pragmatic targets that are sustainable and even offer project life and that publicizing output of findings frequently also improve funding level. Financial management is an important and should be reviewed by the project manager, financial team, stakeholders and key project team members regularly to avoid poor financing by donors. Keeping a close eye on the project budgets assures that processes are kept within the forecast set from the beginning and that good financial management practices, concepts and principles such as sustainability, accountability and transparency helps to improve the level of funding from the partners.

The study further concludes that there is a positive significant relationship between funds availability and project sustainability. Funds availability can be important because they influence how contracts are prepared, the duration of funding, and what is funded. Also, partners monitoring of funded projects is another way of enhancing quality and accountability and that conditions set by Donors can influence partners' adherence to standards and accountability mechanisms at the various stages of the funding cycle. Funds availability is a key link in the accountability chain, and stakeholders expect donor representatives to ensure that action is taken when system does not perform well. Further, the study revealed that relocating money to other projects and restriction on procurement process financial bankruptcy of the donor firms, lack of proper guidelines during project uptakes, delay in assigning of agreements and delay in reviewing of proposals and very little funding of projects lead to hanging or incomplete projects.

The study also concludes that there is a positive significant relationship between flow of funding and project sustainability. Flow of funds determines the effectiveness of a development intervention and that satisfying key project partners is central to achieving a

successful flow of funds. Project partner's involvement in formulation in financial strategic plans provides invaluable support during the implementation of the activities and that a project partner's participation program enables those who are interested in, or affected by a decision, have an opportunity to influence the outcome.

Further, the study revealed that there is a positive relationship between financial discipline and project sustainability. Accounting principles and international financial reporting standards are very vital during preparation and presentation of financial statements for the project. Main sources of financial errors during financial reporting includes; wrong posting due to colleagues lack of understanding of project relationships, financial reporting is done manually, inconsistent posting of financials, errors in accountability of all the funds, inflation, adhoc expenditures and system errors.

5.4 Recommendations

From the study findings it is clear that budgeting, level of funding, funds availability, flow of funding and financial discipline influence project sustainability. The researcher therefore recommends:

1. International Livestock Research Institute should adequately plan on effective budgeting. Adequate financial and human resource should be allocated to projects to ensure all areas that need remedial measures are taken care of in advance to ensure sustainability.
2. International Livestock Research Institute should ensure that it implements County Projects where there are necessary resources as this will ensure sustainability of projects.
3. International Livestock Research Institute should also diversify their funding base and should try to strike a balance between internally generated and external funding to mitigate against the uncertainty surrounding external donor funding as this will boost sustainability of the county projects.
4. International Livestock Research Institute should focus more on internally generated funds and more income generating activities should be implemented without diverting from the core business of the organization. Internally generated funding will not only supplement the donor funds but also evoke a sense of independence and enhanced sustainability.

5. International Livestock Research Institute should also involve effective evaluation and monitoring systems so to enhance flow of funds. Reliable reports will also attract many donors to fund project and this will lead to sustainability of the projects.
6. The study also recommends that some financial policies should be factored in International Livestock Research Institute. This will enhance good allocation and usage of the available finances and in turn enhance project sustainability.

5.5 Suggestion for Further Studies

Building on this study, it may be fruitful for future research to explore the area of sustainability of Public Private Partnership Funded Projects. The researcher also recommends that similar studies be conducted in other parts of the country to assess the factors influencing sustainability of donor Funded Projects. More research should be conducted on the challenges facing sustainability of donor Funded Projects in Nairobi.

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APPENDICES

Appendix I: Introductory Letter To The Respondent

Teresa Amakobe Amaya

P.O. Box 58200 - 00200

NAIROBI.

September, 2015

Dear Sir\Madam,

RE: DATA COLLECTION FOR RESEARCH STUDY

I am student at the University of Nairobi pursuing a Master Degree of Project Planning and Management. I am carrying out a research on "**Influence of lapse in partner funding on project sustainability at the International Livestock Research Institute, Nairobi, Kenya"** and you have been selected to contribute to it. Kindly answer the attached questions honestly and objectively to the best of your knowledge. The information obtained will be treated with strict confidentiality thus do not write your name on the questionnaire

Thank you for your acceptance and support

Yours faithfully,

Teresa Amakobe Amaya

Appendix II: Questionnaire for staff

Kindly tick where appropriate (✓) in the boxes provided.

Section A: Demographic information

1. Gender of the respondent :
   - Male [ ]
   - Female [ ]
2. Age of the respondent
   - Below 20 years [ ]
   - 21-29 years [ ]
   - 30-39 years [ ]
   - 40-49 years [ ]
   - 50 years and above [ ]
3. length of service in the organization
   - 0-5 years [ ]
   - 6-10 years [ ]
   - 11-15 years [ ]
   - 16-20 years [ ]
   - 21 years and above [ ]
4. level of education
   - Secondary [ ]
   - College diploma [ ]
   - Degree [ ]
   - Masters [ ]

Section B: Budgeting

5. Do you have financial budgeting before the start of any funded project?

   Yes [ ] No [ ]

6. Is this affected by lapse? And if yes kindly explain

   Yes [ ] No [ ]

……

……

……

7. Do you factor in unforeseen project costs to be incurred as result of lapse during the budgeting process?

Yes [ ] No [ ]

8. If yes to what extent has this helped in projects sustainability?

Very great extent ( )
Great extent ( )
Moderate extent ( )
Little extent ( )
No extent at all ( )

Section C: Level of Funding

9. Do levels of funding affect project sustainability at the International Livestock Research Institute?

Yes ( ) No ( )

10. Suggest ways that the organisation can improve funding level at International Livestock Research Institute

……

……

11. Please indicate your level of agreement with the following statements (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree- strongly disagree)

Statements	**1**	**2**	**3**	**4**	**5**
Processes at International Livestock Research Institute are in place to improve funding level of projects so as to improve project sustainability					
Good financial management practices, concepts and principles such as sustainability, accountability and transparency helps to improve the level of funding from the partners					
Financial management is an important and should be reviewed by the project manager, financial team, stakeholders and key project team members regularly to avoid poor financing by donors					
keeping a close eye on the project budgets assures that processes are kept within the forecast set from the beginning					

Section D: Funds Availability

12. Are your projects adequately funded as planned?

Yes ( ) No ( )

13. If no, what would be reasons behind this inadequacy?

……

……

……

14. Do the partners conditions contributes to funds unavailability the International Livestock Research Institute

Yes ( ) No ( )

15. Please indicate the extent to which you agree with the following statements (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree- strongly disagree)

Statements	**1**	**2**	**3**	**4**	**5**
Funds availability can be important because they influence how contracts are prepared, the duration of funding, and what is funded					
Funds availability are a key link in the accountability chain, and stakeholders expect donor representatives to ensure that action is taken when system does not perform well					
Conditions set by Donors can influence partners' adherence to standards and accountability mechanisms at the various stages of the funding cycle					
Partners monitoring of funded projects is another way of enhancing quality and accountability					
Partner hold a key position in the accountability chain					

16. Indicate other ways through which donor conditions may leads to project lapses at the International Livestock Research Institute.

.....

.....

Section E: Flow of Funding

17. Do flow of funds influence project sustainability at the International Livestock Research Institute?

Yes ( ) No ( )

18. To what extent do funds influence project sustainability at the International Livestock Research Institute?

Very great extent ( )
Great extent ( )
Moderate extent ( )

Little extent ( )
No extent at all ( )

19. Please indicate your level of agreement with the following statements relating to project sustainability at ILIRI (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree- strongly disagree)

Statements	**1**	**2**	**3**	**4**	**5**
Flow of funds determine the effectiveness of a development intervention					
A project partner's participation program enables those who are interested in, or affected by a decision, have an opportunity to influence the outcome.					
Satisfying key project partners is central to achieving a successful flow of funds					
Project partner's involvement in formulation in financial strategic plans provides invaluable support during the implementation of the activities.					

Section F: Financial Discipline

20. Are the following followed during preparation and presentation of financial statements for this project?

	Yes	No
Generally Accepted Accounting Principles (GAAP)	( )	( )
International Financial Reporting Standards (IFRS)	( )	( )

21. Do you experience errors during financial reporting?

……

……

22. If yes above, what are your main sources errors during financial reporting?

……

……

23. Are the books of accounts for this project audited?

Yes ( ) No ( )

24. If yes, how often does the auditing take place?

Monthly ( )

Quarterly ( )

Semi-annually ( )

Annually ( )

Occasionally ( )

25. To what extent would you agree or disagree with the fact that financial disciplines affect the sustainability of this project?

Very great extent ( )
Great extent ( )
Moderate extent ( )
Little extent ( )
No extent at all ( )

Thank you for your time

Appendix III: Research Permit

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
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Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/15/18767/8678**

Date:
9th November, 2015

Teresa Amakobe Amaya
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Influence of lapse in partner funding on project sustainability at the International Livestock Research Institute, Nairobi Kenya,"*** I am pleased to inform you that you have been authorized to undertake research in **Kiambu County** for a period ending **9th November, 2016.**

You are advised to report to **the Director General, International Livestock Research Institute, the County Commissioner and the County Director of Education, Kiambu County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

DR. S. K. LANGAT, OGW
FOR: DIRECTOR GENERAL/CEO

Copy to:

The Director General
International Livestock Research Institute.

The County Commissioner
Kiambu County.

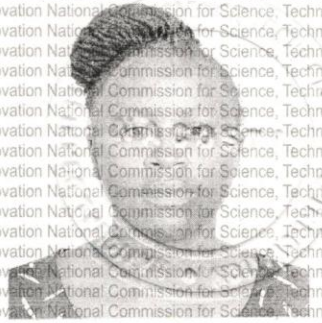
The County Director of Education
Kiambu County.

THIS IS TO CERTIFY THAT:
MS. TERESA AMAKOBE AMAYA
of THE UNIVERSITY OF NAIROBI, 0-200 NAIROBI,has been permitted to conduct research in *Kiambu County*

on the topic: *INFLUENCE OF LAPSE IN PARTNER FUNDING ON PROJECT SUSTAINABILITY AT THE INTERNATIONAL LIVESTOCK RESEARCH INSTITUTE, NAIROBI KENYA*

for the period ending:
9th November,2016

Permit No : NACOSTI/P/15/18767/8678
Date Of Issue : 9th November,2015
Fee Recieved :Ksh 1000



.....
Applicant's Signature

.....
Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

REPUBLIC OF KENYA

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No. A 7112

CONDITIONS: see back page