

**EFFECT OF DONOR FUNDING ON SUCCESS OF COMMUNITY DEVELOPMENT  
PROJECTS IN KENYA: A CASE OF DONOR FUNDED WATER PROJECTS IN  
EMBU COUNTY**

**BY**

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**KCA UNIVERSITY**

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**MARCH 2017**

### **DECLARATION**

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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Sign.....

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I do hereby confirm that I have examined the master's dissertation of

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And have certified that all revisions that the dissertation panel and examiners recommended  
have been adequately addressed

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# **EFFECT OF DONOR FUNDING ON SUCCESS OF COMMUNITY DEVELOPMENT PROJECTS IN KENYA: A CASE OF DONOR FUNDED WATER PROJECTS IN EMBU COUNTY**

## **ABSTRACT**

This study assessed the effects that donor funding has on the success of community developments in Kenya, and is based on donor funded water projects in Embu county. There are numerous donor funded projects all over the country to help eradicate poverty and improve livelihood of communities living in abject poverty. The main objective of the study was to assess the effects that donor funding has on the level of success of community development projects and it had three specific objectives: To investigate the effects of grants by donors on success of community development projects in Embu County, to determine the effects of training and development on success of community development projects in Embu County and finally to assess the effects of stakeholder involvement on success of community development projects in Embu County. The population of study was 1853 people who are members of the 20 water projects that formed the basis of this study. A sample of 330 respondents was chosen using a two stage sampling procedure. Out of the sample of 330, 290 respondents formed the final sample since 40 respondents didn't return their questionnaires. After data collection, cleaning, entry, and coding, the researcher started analysis by reporting on the analysis of demographic variables. He then carried out a multiple regression analysis to investigate the relationship between the independent factors and the dependent variable. Results of data analysis indicated that all independent variables had a positive and significant effect on the level of success of community development projects. A unit increase in donor grants would lead to a 0.324 increase in success of community development projects; a unit increase in training and development would lead to a 0.216 increase in success of community development projects and a unit increase in stakeholder involvement would lead to a 0.462 increase in success of community development projects. The ANOVA test had a p value of 0.000. This showed that the overall fitted model was significant. The r square was 0.834, indicating that 83.4% of variability in the level of success of community development projects can be explained by variations in donor grants, training and development, and stakeholder involvement.

**Keywords:** Donor Funding, Stakeholder Involvement, Training and Development, Community Development, Embu County

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## **DEDICATION**

I dedicate this work to my family who have given me support and understanding in my academic journey.



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## **OPERATIONAL DEFINITION OF TERMS**

<b>Donor funding:</b>	A loan or a grant administered with the objective of promoting sustainable social and economic development and welfare of the recipient (World Bank, 2000).
<b>Community development:</b>	This refers to increasing capacity of local cooperation and self-help of a group of individuals through use of expertise and methods drawn outside the local group in an effort to improve their social and economic wellbeing (Midgley et al 2006).
<b>Sustainability:</b>	Continuation of a project's goals, principals and efforts to achieve the desired outcomes and durability of program results after termination of the technical cooperation channel through the program (IFAD, 2002).
<b>Stakeholder:</b>	All the interested parties in a particular project (IFAD, 2002).
<b>Economic welfare:</b>	Utility gained through achievement of material goods and services (World bank, 2001).
<b>Social welfare:</b>	Improved quality of life, for example, availability of essential social services (World bank, 2000).

## **LIST OF ACRONYMS**

SAPs- Structural Adjustment Programs

NGOs- Non-Governmental Organizations

M&E- Monitoring and Evaluation

KIHBS- Kenya Integrated Household Budget survey

OECD-Organization for Economic Cooperation and Development

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

The high levels of poverty in developing countries have led to a situation where by community based projects are donor funded and according to Burnside and Dollar (2000), donor aid has different outcomes to the countries that receive it and this study seeks to assess the actual effects that donor aid has on community development. Donor funding provides the required resources to build infrastructure, improve production, provide health care and education, and facilitate, economic, political, and social processes. Mostly, the interactions between donors and recipients foster mutual learning and are themselves a benefit. This study seeks to assess the effect that donor funding has on community development given that studies on effectiveness of foreign aid on community development are not conclusive and there exists knowledge gaps that this project seek to bridge.

##### ***1.1.1 Donor Funded Water Projects in Embu County***

Embu County has 20 water projects registered with the Ministry of Gender, children, and Social Development with the sole aim of providing potable water to residents. All these projects have some level of donor funding. They have already been implemented and are currently functioning. The objective of the projects is to improve standards of living of 1853 households through provision of adequate water. All these projects are gravity water flow schemes with a total of 200km distribution lines serving the three main constituencies of Embu County, i.e. Runyenjes, Manyatta, and Mbeere constituencies. All water is drawn from the Mount Kenya catchment area (CDTF, 2016).

According to Kenya Population and Housing Census, 2009, Embu County was estimated to have 543,221 persons mostly from Embu and Mbeere ethnicities in 2009. The

county has poverty rate of 42% and the main economic activity is agriculture that employs over 70% of the population and therefore access to an all year round supply of water is key to their economic wellbeing. Provision of sustainable water for irrigation is therefore the reason donor funded water projects were commissioned. KIHBS (2006), shows that 46% of the total Kenyan population is absolutely poor (below the poverty line) while 49% of the rural population is absolutely poor (Kenya National Bureau of Statistics, 2007).

This poverty and the fact that the state has not fully meet its social responsibilities, have created a situation where donor funding have been valuable in community development. This has led to people viewing donor funding as a substitute solution to community welfare needs (Fironze Manji et al, 2002). The role played by foreign aid in post-independence period was relatively small since the government provided most of the social services. As many developing countries became indebted to the West, the neo liberal policies became the political-economic ideology by the west to the developing nations demanding minimalist role of the state in delivering social services and rather focus on providing an enabling environment for growth (Fironze Manji et al, 2002).

These neo-liberal policies were implemented by Bretton Woods institutions and led to an increase in unemployment and decline in real incomes of most citizens in developing nations. Consequently, the social basis and structure was restructured and transformed thus strengthening the forces that would be sympathetic to the situation. Internal disparities widened due to externally imposed constraints on education, health, social programs, and liberalization of price controls and dismantling of state owned enterprises. Also, SAPs were seen to be linked with deteriorating health conditions in Africa and Latin America leading to increased child malnutrition, increase in infectious diseases and infant and mortality rates. Thereafter, the bilateral and multilateral institutions set aside funds to mitigate the social dimension of the adjustments in an effort to minimize these inequalities that their policies had

perpetuated. The funds set aside went to the NGOs sector to reach recipient communities as donor aid (Fironze Manji et al, 2002).

According to United Nations Human Development report, per capita income ratio in sub Saharan Africa declined from ninth of that in OECD countries in 1960 to an eighteenth by 1998 (United Nations 2001 p.16). There has been a small recovery towards the end of 1990s, while the developed countries have increased aid, this part of the world has not shown significant improvements if we look at poverty assessment indicators (Clegg, 2010). The Kenya Integrated Household Budget survey KIHBS (2006), shows that 46% of the total Kenyan population is absolutely poor (below the poverty line) while 49% of the rural population is absolutely poor (Kenya National Bureau of Statistics, 2007). This poverty and the fact that the state has not fully meet its social responsibilities, have created a situation where donor funding have been valuable in community development. This has led to people viewing donor funding as a substitute solution to community welfare needs ( Fironze Manji et al, 2002). For this reason donor funding has increased yet poverty levels are on the increase.

### ***1.1.1 Donor funding of community Development Projects***

The World Bank poverty reduction strategy paper source book Dongier et al (2003) views community development through donor funds as a mechanism for enhancing sustainability, improving efficiency, and effectiveness, allowing poverty reduction efforts be taken to scale, making development more inclusive , and empowering the poor. According to Paulo (2003), main goal of community development work is collectively to bring about social change and justice, by working with communities to: identify their needs, opportunities, rights and responsibilities, take action, evaluate the effectiveness and effects of the action all in an effort to eliminate oppressions and tackle inequalities.

A community development approach to grant funding is about implementing the values and principles of community development in all aspects of the grant funding process: design, delivery, monitoring, evaluation and learning, and sustainability of the projects and organizations funded (Evison I. and Natasha R. 2009).

### ***1.1.2 Community development and donor funding.***

The effects of donor funding on community development has been studied and criticized in recent years. Borrowing from Burnside and Dollar, (2000), this mainly due to the fact that donor funding has not brought about the expected results of empowering communities overcome the challenges they face in an effort to improve their livelihoods. If the economic and political environment is good, donor funding can help support economic and social welfare. But if the economic and political environment is not right, donor funding will have no effect to the communities it seeks to empower (Burnside and Dollar, 2000). In the recent past, there has been an increase in the number of community based projects in many parts of the country funded by donors to improve the livelihood of community members. Borrowing from Kabanda (2011), citizens of a country continue growing poorer, especially those from countries with high scarcity of goods and lack sufficient provision of services. The interventions by donors are done in an effort to break the cycle of poverty in communities from one generation to another and also, to empower this poverty stricken communities to deal with their situation on their own.

According to the Kenya Integrated Household Survey, KIHBS (2006), 46% of the total population is absolutely poor. This means that a lot of people in Kenyan communities are born in poverty, raised in poverty and this poverty sort of depress their lives from their parents, to them and to their children until they themselves break this cycle. It is not easy getting past poverty situation that limit a person in a particular community. For this reason,



interventions by outside stakeholders be it government or donors is needed so as to empower communities deal with the problem on their own. It is not possible neither is it easy to empower each and every individual on a personal level, therefore donors analyze the few projects that have the potential to empower as many people in a community as possible.

In the other parts of the world like Latin America and Asia they have recorded a decline in poverty levels in the last forty years while the Sub Saharan Africa recorded a dismal performance, (Economist 2009). Several donor agencies such as world Food Program, Red Cross, United Nations, World Vision and Farm Africa among others have provided vital services to the population and contributed significantly to the strengthening of many communities (Vidal, 2001). This study therefore looked at the effects of donor funding and community performance with a specific reference to donor funded community water projects in Embu County that were funded in 2014 through the community development Trust Fund (CDTF), an initiative of the European Union and the government for community projects countrywide.

## **1.2 Statement of the problem**

Despite there being an increase in donor funding, poverty levels continue to increase (Njeru, J., 2003). While the developed countries have increased aid, this part of the world has not shown significant improvements as far as poverty assessment indicators are concerned (Clegg, 2010). There have been a lot of efforts by non-governmental organizations, international community and other donors to reach out and empower poverty stricken communities in Kenya. The evidence obtained from extensive studies has been mixed as well. There are those who argue on the role of economic policy in determining the effectiveness of foreign aid in aid recipient countries. Pedersen (1996) argues that it is not possible to conclude that the foreign aid has a positive effect on growth.

Morrissey (2001) claimed that aid works well conditional on other variables in the growth regression. Lavagnon, (2011) found out that project fail to achieve their goals due to a number of problems that could be termed managerial, organizational, poor stakeholders involvement as well as cost overruns and delays in fund release during implementation. These studies provide scanty information as far as effects of donor funding on community development is concerned. Therefore, this study seek to fill this literature gap by examining the relationship between donor funding and community development by answering the question: What effects does donor funding have on the development of communities in Kenya with specific reference to the 20 Water Projects in Embu County that were funded in 2014 through the community development Trust Fund (CDTF), an initiative of the European Union and the government for community projects countrywide. However, donor funding has brought different reactions in empowering communities, in management, implementation of projects and their sustainability in the long run. There seems to be little or no improvement in the livelihoods of the communities that these projects purport to empower.

Abuzeid (2009) observed that although more progress has been made in poverty eradication than during any comparable period of time in history, poverty remains a huge global challenge since over one billion people still live in conditions of absolute poverty, subsisting on less than one dollar a day. Hjertholm and White (2003) notes that less developed countries (LDCs) of the world continue to suffer from economic hardship, raising questions of whether the increasing donor funding is an effective method to boost growth and development in the recipient nations.

In Kenya there are very many donor funded community projects countrywide. These projects however are faced with many challenges which affect their completion and they fail to achieve the desired objectives and thus Chicati (2009), recognized that over the past decade, both in Africa and the world in general, most of the projects funded by donors have

failed drastically. There are many projects being undertaken in the rural areas with the aim of poverty eradication. A key challenge to local and international community is how to ensure the effective delivery of foreign aid in poverty reduction efforts around the world. Those that have been implemented fully have been of little benefit to the community given that most of them have proved to be unsustainable.

Donor funding has received radical criticism that has been driven by the perception that foreign aid has not produced the desired or expected results. In some cases, it does improve the social and economic welfare of communities, at worst, it can set development back through the potential negative economic and political effects it may have (Lancaster, 1999). Performance of donor funded projects is critical in that donors would want to be satisfied with the community project performance in order to ensure that they have played an important role in promoting the economic and social welfare communities in the country they have given the aid to (Afande,2013).

### **1.3 Objectives of the study**

#### ***1.3.1 General objective***

The main objective of the study was to assess the effects that donor funding has on success of community development projects

#### ***1.3.2 Specific objectives***

The specific objectives of the research were as follows:

- i. To assess the effect of donor grants on the success of donor funded community development projects in Embu County.
- ii. To determine the effect of training and development by donors on the success of donor funded community development projects in Embu County.
- iii. To investigate the effect of stakeholder involvement on the success of donor funded community development projects in Embu County.

## **1.4 Research Questions**

The study sought to find answers to the following Research Questions:

- i. How do donor grants impact the success of donor funded community development projects in Embu County?
- ii. What is the effect of training and development by donors on the success of donor funded community development projects in Embu County?
- iii. What is the influence of stakeholder involvement on the success of donor funded community development projects in Embu County?

## **1.5 Significance of the study**

The study will provide development agencies with the likely outcome and effects of their involvement with community before project implementation as well as know the mistakes that they should avoid. Also, the study will enable the donors and the international community to get feedback about the water project they fund. The study will also provide a clear perspective of foreign aid on community development and help remove the bottlenecks that affect negatively the effects of donor funded projects in our communities. The information gathered will aid the government in making policies related to community donor funded projects in an effort to make these initiatives more helpful in improving the social and economic welfare of the communities that these projects seek to help.

The study effects of donor funded projects on community performance will add on the existing literature on donor aid in the country. This will help us have a deeper understanding of how foreign aid affects the social and economic welfare of the communities that are recipients of the same.

## **1.6 Justification of the study**

The level of poverty amongst citizens of the developing nations is high and in other countries it is on the rise rather than decrease. Government cannot provide all the required amenities and infrastructure necessary to reduce these poverty levels and thus improve the standards of living for its citizens. Therefore, Non-governmental organizations, rich countries, corporate and high net individuals all have a role to play if poverty levels are to be brought down and this will result in socially and economically developed communities. However, the effect of all this efforts related to donor funding in community development remains debated. With questions of why up to now when development assistance is on the increase yet poverty levels are on the increase. The answers to these questions remain unanswered and studies like this continue in pursuit of a solution.

## **1.7 Scope of the study**

The study covered the 1853 members of donor funded water projects in Embu County. Data was collected using a well balanced questionnaire. Analysis was done using Stata 12 and output was presented in form of tables and graphical presentations where appropriate.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This research project is about the effects of donor funding on community development. In preparation for this study, the literature reviewed provides limited views on the effects that donor funding has on the economic and social welfare of the recipient communities. In this section therefore, we will look critically at the available literature on this subject. We will start by reviewing theoretical framework, empirical review and the conceptual framework.

#### 2.2. Theoretical Review

The section discusses the main theories that form the study's theoretical underpinning.

##### 2.2.1 *Theory of Poverty*

Donor funding of community projects is made in an effort to improve social and economic welfare and thus eradicate poverty at community level, and many researchers have put forward many theories to guide policy makers (Hirschman, 1958, Schult, 1980). The modernization theorists contend that poverty is internally created in the developing nations and can therefore be eliminated through use of internal strategies by following the footsteps of developed nations. On the other hand, the dependency theorists hold that poverty is externally created and can only be eliminated if the developed world changes the unfavorable trade relations with the developing world (Dos Santos, 1973, Bauner, 1981, Rodley, 1972).

However, neither of the grand theories that have survived intact as a viable paradigm for understanding change and transformation or processes of poverty and inequality (Gardner et al, 1996). According to Seppala, (1998), the arguments brought forward by these theories appear abstract, and this means they might fail to reflect the complexity of the real world situation and may end up with circular statements. Therefore, they might not be ideal in

explaining realistically the problems of global processes, and hence development researchers have adopted the Importance of an individual's action when faced with structural constraints. This individual oriented approach views the poor as having power and agency, although subordinate and underestimating importance of societal structures within which people operate (Seppala, 1998). According to Long (2001), it is usually hoped that the individual actor has the capacity to process societal experiences and come up with strategies to cope with situations even when under force. It does not matter whatever uncertainty or constraints an individual is faced with, social actors are knowledgeable and capable of dealing with them. This theory therefore informs us on donor funding and its effect on poverty eradication and thus community development.

### **2.2.2 Agency Theory**

This theory was first formulated by Alchian and Demsetz, (1972) and was developed further by Jensen and Meckling, (1976). It explains the relationship where in a contract one or more persons (principal) engage another person (agent) to do some service on their behalf and this involves delegating some decision making power to the agent (Jensen and Meckling, 1976). Borrowing from Odedukum (2003), the donor can be called the principal and the recipient community the agent because the donor determines the funds to be allocated, sets the conditions to be met or fulfilled for donor funding to be implemented. This theory further holds that the donor is able to put conditions in funded projects based on the recipient actions.

Walker (2003) holds that the agency theory is founded on the fact that information asymmetries and pursuant of own interests, donors (principals) lack basis to trust the agents and look to reduce this mistrust by instituting mechanisms to align their interests and that of agents and thereby minimize opportunistic behaviors (Keng'ara, 2013). This theory helps inform this study on the relationship that exists between the donors supporting a project and the recipient community.

### **2.2.3 *Big Push Theory***

This theory in development economics holds that a firm's decision whether to industrialize or not depends on its expectation of what the other firms in the industry will do and assumes that oligopolistic market structure and economies of scale and explains when industrialization will happen (Rosenstein-Rodan, 1943). The big push theory further states that underdeveloped nations would require large amounts of investments to get back on track of economic development and proposes that investment programs done bit by bit will not spur growth and that these small investments will merely lead to wastage (Abuzeid, 2009). Abuzeid (2009) further states that developing nations that have large inflows of foreign aid in social and productive sectors will lead to growth in all sectors of the community and push the economy into better position and help it take off into sustained growth. This theory aligns with the study objective of assessing effects of donor funding in Kenya and will help understand the dynamics in donor aid and development.

These theories will be used in this study to explain and probably explain the role and effects of donor funding on community development.

## **2.3 Empirical Review**

### **2.3.1 *Grants and Success of Community Development Projects***

Borrowing from a study by Steven Radelet (2006), most foreign aid is designed to meet either or all of four broad development and economic objectives. (i) Strengthen education, environmental, political, or health system. (ii) Stimulate economic growth by way of building infrastructure, technology and supporting productive sectors. (iii) Stabilize economy and cushion it from external shocks and (iv) relief and humanitarian support in crises. Despite these broad objectives, the article observes that economic growth has been the main measure of aid's effectiveness, meaning more aid will lead to faster growth. But at a very broad level there exists no simple relationship between aid and growth, given that some countries have



received minimal aid and have recorded rapid growth while others have been major recipients of foreign aid yet they continue to have a dismal economic performance (Steven Radelet, 2006).

According to Deborah Eade (2007), development aid began around the time after World war II, between 1945-1960. There was the issue of capitalistic vs. communism ideologies after the cold war (Frithjof Kuhnen, n.d). Most aid has been provided as bilateral assistance directly from one country to another historically. Donors also provide aid indirectly as multilateral assistance, which pools resources from many donors together. The appearance of success would be less if there were more thorough and careful reporting of outputs (what was spent), outcomes and effects as well as the benefits achieved (Dr Xavier et al, 2012). Several studies shows that aid expenditure has increased significantly now than before and according to William Easterly (2006 pg..45), donors have spent 2.3trillion dollars on foreign aid over the last five decades. Also, this same study suggests that on average, most African countries in the 1990s received 15% of their income from donor funding.

According to a study by Lavagnon (2011) donor funded community project fail to achieve their goals due to a number of problems that could be termed managerial, organizational, poor stakeholders involvement as well as cost overruns and delays in fund release during implementation. Also, performance of donor funded projects is critical given that donors would want to feel satisfied with the community project results and in order to ensure that they have played crucial role in improving the welfare of communities in the country they have given the aid to (Afande, 2013).

Bussinge Christopher (2010), foreign aid reduces domestic savings and channel it to consumption expenditures and it has no relationship with growth and investment in the developing countries. This work continues to state that funded projects have little or no

substantial effects in an environment with poor policies and in situations where projects are not well integrated, and donors will ignore the potential negative conditions on the recipient countries. In contrast with this, Vu Minh Duc (2002), donor funding has a positive effects in developing nations that have good policies and this seems to be effective in lower income countries. A study by William Easterly and Tobias pfutz (2008, pg.12), the problem with effectiveness of donor aided projects is that there is a lot of fragmentation of donor projects meaning each recipient is faced with many small projects from different donors which breeds duplication, takes a lot of time of government ministries in most aid intensive nations. Sustainability can be improved if resources are sufficiently invested to build organizational and management capacity of key institutions so that the needed support can be given (FAO, 2010).

USAID (2000) brings forth the main factors affecting sustainability as donor policies, government, local participation, management, external economic and political factors. According to Alan Fowler (1992), official funding to NGOs has increased in the past two decades in support to development projects to these NGOs. However, this study suggests that this official aid to NGOs have some negative aspects like; NGO autonomy and mode of funding and project aid relies on mechanical cause and effect paradigm that pundits argue may not be fully participatory.

### ***2.3.2 Capacity Building and Success of Community Development Projects***

Capacity building is the enhancement of individual and community competency to do activities in a sustainable way for positive development and involves empowering and improving performance and giving communities equal access to resources (Hope, 2009). Borrowing from Blewitt (2008) study, the sustainability of a project is dependent on the degree of self-reliance developed in the targeted communities and on the political and social commitments in the development project. Therefore, sustainability of the project can be

achieved by capacity development at individual, social, system and institutional levels. In separate studies, Pertev and King (1998); Penunia (2011), it is noted that there is an increase in people forming organizations to empower themselves and this increase in civil society organizations is encouraged by public and private institutions that seek to help people achieve self-reliance through knowledge to increase their capacity to adapt to changing environment.

In another study Rowland Atkinson et al (2008), capacity building involves local solutions to local problems and the desire to boost the capacity of disadvantaged communities deal with the problems without external resources. Communities are empowered to see the skills they have and identify the kind of challenges they want to solve using common action. DAC (2006) capacity development involves three levels, societal; which includes the environment that affect in one way or another the ability of individuals and organizations to change, organizational level is created when people have knowledge and skills and work together and this over time brings organization capacity, individual capacity development involves people's ability to acquire skills and knowledge that will empower them to make progress.

According to Neil (2003), donors should let the beneficiary communities take the lead in development projects and they themselves should take a supportive role. Horton et al (2003) states that success is influenced by partnership between the donors and the beneficiaries who are the community. UNDP, (2009), leadership and capacity building are related in that leadership protects the community, organization and the individual.

### ***2.3.3 Stakeholder Participation and Success of Community Development Projects***

According to Mto (2010), within some communities, the process of development must first handle conflicts, cooperation and indifference before development can occur. Therefore, all stakeholders within the donor funded project environment are important and should not be

neglected. Oakley (1999), viewed that while cooperation may be good and democratic, the setting of parallel structures by external agencies is not healthy development. In community development that targets farmers in rural areas, farmers' voice cannot be obtained without farmers organizations. It is observed that organized groups are very useful avenues for increasing productivity and implementing development projects (Lenis, 2012). According to Howlett and Nagu (2001), there must be consensus at national and donor levels for project sustainability, this means involvement of all beneficiaries in the project design and implementation because the most important thing is to empower those with no power who are targeted by development programs.

Cohen and Uphoff (2004) proposed a model which has three dimensions of stakeholder participation: who participates, what kind of participation takes place and how the process of participation takes place. This model addresses issues like whether people are empowered or not, whether participation is voluntary or manipulative. According to the World Bank poverty reduction strategy paper Dongier et al (2003), community development through donor funds is a mechanism for enhancing sustainability, improving efficiency, and effectiveness, allowing poverty reduction efforts be taken to scale ,making development more inclusive , and empowering the poor. According to Paulo (2003), main goal of community development work is to bring about social change and justice, by working with all participants in communities to: identify needs, opportunities, rights and responsibilities, take action in order to eliminate oppressions and handle inequalities.

When stakeholders are accorded an opportunity to participate in donor funded development projects, there is always an enhancement of creativity and capabilities and fulfillment within the communities and this will in turn help them influence the economic,

political and social operations of the society which is human development base (UNDP, 2000)

## **2.4 Summary of Literature Review**

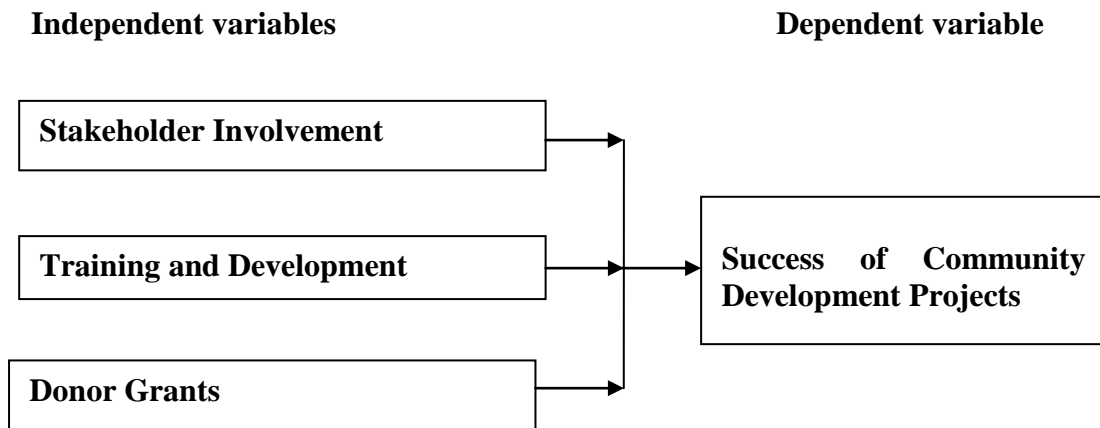
Donor funding do reduce to some extent the worst forms of poverty, donor aided programs that focused on credit and agriculture in Latin America have led to an increase in growth income, employment and production (Alan Fowler and Rick James, 1994). While these studies show modest improvements in economic status on communities served with donor aided projects, there is no sufficient evidence to suggest that the beneficiaries managed to break out of poverty cycle, meaning even those helped by successful projects remain poor Hunter, (2009), concludes that effects of donor funded projects on community development is determined by participatory monitoring and evaluation of the projects by the community. This brings the aspect of ownership of the project by the community who are beneficiaries. Majority of the literature reviewed have dealt with effects of projects in general but fail to establish effects of those projects funded by donors because of their unique nature like based on historic ties or potential trade benefits.

Also, very little attention has been taken to study why some projects perform poorly and this forms a study gap that this study seeks to fill. Conducting this study will bring to light new insight of how to increase and improve effects of donor funding on community development and thus help in poverty eradication.

## **2.5 Conceptual Framework**

According to Mugenda & Mugenda, (2003), a conceptual framework is a hypothesized model identifying the concepts under study and the relationship among them. The following is a diagrammatic illustration of possible donor funding influences on community's social and economic welfare.

**Figure 2.1 Conceptual Framework**



*Source: Author (2016)*

### 2.5.3 Operationalization of variables

The variables of this study were operationalized as per table 2.1 below:

**Table 2.1 Operationalization of Variables**

Variable	Variable Type	Indicators	Scale	Section
Donor Grants	Independent	Sufficiency of availed grants for project needs. Perceived ability to finance project without donor involvement Perceived importance of funds to project success	Interval/ Ordinal	SECTION B
Training and Development	Independent	Importance ascribed to T&D in ensuring success of Community Development Projects Appraisal of the current state of technical knowhow in management of natural resources by locals Whether projects with consistent T&D Programs are viewed as more successful. Willingness to take part in T&D programs	Interval/ Ordinal	SECTION C
Stakeholder Involvement	Independent	Perceived effect of stakeholder involvement on their ownership of the project. Role of donors in perpetuating stakeholder involvement Level of interest in development of the project. Willingness to encourage others to develop interest in project success.	Interval/ Ordinal	SECTION D
Success of Community Development Projects	Dependent	Satisfaction with current level of project success. Perceived effect of project on community welfare. Perceived link between stakeholder involvement, donor funds, and T&D and the current level of project success.	Interval/ Ordinal	SECTION E

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter of the study looks at the methodological issues of conducting this research. It covers the research design that was employed, the study's target population and the method of sampling, sampling procedures, data collection and empirical analysis methods.

#### **3.2 Research Design**

The study adopted a cross sectional design in which data was collected in one point at a time. The choice of this design was informed from the fact that it is quick and it uses resources optimally in terms of finances, time, transport and labor. Also, for descriptive purposes the design is very useful and data collected is used to identify relationships between different variables according to (Kothari, 2004).

#### **3.3 Target Population**

Target Population is defined as the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made (Malhotra, 2006). The target population for this study was the 1853 members of the 20 donor funded water projects in Embu County. Out of these 1853 people, 60 were officials while 1793 were normal members. Table 3.1 below shows the target population.

**Table 3.1 Target Population**

<b>Water Project</b>	<b>Officials</b>	<b>Members</b>
Kithunguthia Water Project	3	120
Kithimu Water Project	3	89
Muvandori – Mukomoku Irrigation Water Project	3	96
Ena JICA Water Project	3	99
Kawanjara, Gikuuri and Karurumo Water Project	3	108
Karimari Water Project	3	73
Kiga Nthagaiya Water Project	3	96
Kanthitu Irrigation Scheme Project	3	95
Rwika Gachoka Water Project	3	75
Kanothi Junction Water Project	3	62
Manyatta Main Water Project	3	92
Ndaiyo Embe Water Project	3	81
Kiambeere Borehole Water Project	3	77
Muchonoke Water Project	3	90
Don Bosco Meka Water Project	3	84
Kavari Water Project	3	84
Kirigiri Water Project	3	92
Kamukara Irrigation Water Project	3	83
Ngandori Water Project	3	111
Murinduko Water Project	3	86
<b>Total</b>	<b>60</b>	<b>1793</b>
	<b>1853</b>	

*Source: Author (2016)*

### **3.4 Sampling Procedure**

#### **3.4 Sample Size and Sampling Design**

Wiersma (2005), states that an ideal sample should be large enough so that the validity and reliability of the data is achieved. That is if the same study is conducted with different sample size same data will be collected. For Cohen & colleagues (2007), there is no exact size of the sample but these depend on the purpose of the study and the nature of the population under scrutiny. In general, though, the larger the sample the more reliable it is. Ideally, it would have been preferable to collect data from all members of the 20 donor funded water projects. However, due to several constraints such as time and resources, sampling had to be done.



This study adopted a formula by Yamane (1967) for estimating a sample size, n, from a known population size, N.

$$n = \frac{N}{1 + N(e)^2} \dots\dots\dots(1)$$

Where:

n = required sample size

N = the target population

e = level of significance (5%)

Substituting these values in the formula yielded a sample size of 330 respondents as shown below.

$$330 = \frac{1853}{1 + 1853 * (0.05)^2} \dots\dots\dots(2)$$

The researcher used a two stage sampling methodology. According to Biemer (2010) two stage sampling is appropriate where there is information asymmetry across the members of the sampling frame. Sampling is conducted in two stages. In the primary stage, the population is divided into distinct groups using a certain criteria e.g. their level of knowledge on a certain subject. In the secondary stage, an appropriate methodology is applied to sample a predetermined number of respondents from each group.

In the primary stage, the researcher divided the population into two groups: officials and members. Each project has 3 officials, i.e chairperson, secretary, and treasurer. Normally, projects officials are bound to be more knowledgeable on key aspects of the project than other members. In the secondary stage, officials were sampled using a census approach while the members were sampled using a stratified methodology. Each project was treated as a stratum and the respondents were chosen on a proportionate basis. Table 3.2 below shows the study's sample.

**Table 3.2: Study Sample**

<b>Water Project</b>	<b>Officials</b>	<b>Members</b>
Kithunguthia Water Project	3	18
Kithimu Water Project	3	13
Muvandori – Mukomoku Irrigation Water Project	3	15
Ena JICA Water Project	3	15
Kawanjara, Gikuuri and Karurumo Water Project	3	16
Karimari Water Project	3	11
Kiga Nthagaiya Water Project	3	14
Kanthitu Irrigation Scheme Project	3	14
Rwika Gachoka Water Project	3	11
Kanothi Junction Water Project	3	9
Manyatta Main Water Project	3	14
Ndaiyo Embe Water Project	3	12
Kiambeere Borehole Water Project	3	12
Muchonoke Water Project	3	14
Don Bosco Meka Water Project	3	13
Kavari Water Project	3	13
Kirigiri Water Project	3	14
Kamukara Irrigation Water Project	3	13
Ngandori Water Project	3	17
Murinduko Water Project	3	12
<b>Totals</b>	<b>60</b>	<b>270</b>
	<b>330</b>	

*Source: Author (2016)*

### **3.4 Data collection Instrument**

Data collection instrument is a device used to collect data in an objective and a systematic manner. For the purpose of the research, data collection instruments can be questionnaires, interviews, schedules and available records (Morris, 2001). This study collected data by way of using a structured questionnaire (Appendix 1).

### **3.5 Validity & Reliability**

So as to ensure the validity of the research instrument, the researcher sought the expert opinion of the supervisor when designing the research instrument. Reliability is a measure of

the degree to which a research instrument yields consistent results after repeated trials (Cooper & Schindler 2006). Reliability refers to the consistency of the research and the extent to which studies can be replicated. To enhance the reliability of the instrument, a pilot study was conducted amongst 50 members of Mitunguu water project, which is in the Neighbouring Tharaka Nithi County. According to Brotherton (2001), the size of the pilot study sample should be at least 10% of the size of the actual study's sample.

### **3.6 Data Processing and Analysis**

Data from completed questionnaires was checked for errors, edited, coded and entered into a spreadsheet ready for analysis. The data was then analyzed using Stata 12. Multiple linear regression was used to establish the relationship between donor funding and success of donor funded community development projects. In empirical analysis, the following regression equation was fitted.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon.$$

$Y$  = Level of success of donor funded community development projects

$\beta_0$  = Constant

$\beta_1$ ,  $\beta_2$ , and  $\beta_3$  = coefficients of  $X_1$ ,  $X_2$  and  $X_3$  respectively

$X_1$  = Donor Grants

$X_2$  = Training & Development

$X_3$  = Stakeholder involvement

$\varepsilon$  = Error term

## CHAPTER FOUR

### FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter discusses the interpretation and presentation of the findings. The purpose of the study was to investigate the relationship between donor funding and success of donor funded community development projects in Kenya using a case of donor funded water projects in Embu County. Data was collated and reported through tables and figures.

#### 4.2 Response Rate

The study targeted population of 330 respondents from the target donor funded water projects. Out of the 330 questionnaires 290 respondents filled in and returned the questionnaires, this represented a 88% response rate. This is a reliable response rate for data analysis as Mugenda and Mugenda (2003) pointed that for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent. However, 12% of the respondents didn't return the questionnaires that were issued to them. Nevertheless, the satisfactory response rate demonstrates enthusiasm of the respondents' to partake in the survey that the study sought.

**Table 4.1 Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Filled in questionnaires	290	88%
Un returned questionnaires	40	12%
<b>Total</b>	<b>330</b>	<b>100%</b>

*Source: Author (2016)*

### 4.3 Demographic Characteristics of the Respondents

As part of the general information, the researcher requested the respondents to indicate the project they belong to, their position in the group, duration of membership in the group, and highest level of education qualification.

#### 4.3.1 Respondent's Water Project

The 290 respondents who returned their questionnaires were distributed as per table 4.2 below.

**Table 4.2 Respondent's Water Project**

	<b>Frequency</b>	<b>Percentage (%)</b>
Kithunguthia Water Project	16	5.5%
Kithimu Water Project	14	4.8%
Muvandori – Mukomoku Irrigation Water Project	15	5.2%
Ena JICA Water Project	14	4.8%
Kawanjara, Gikuuri and Karurumo Water Project	15	5.2%
Karimari Water Project	12	4.1%
Kiga Nthagaiya Water Project	15	5.2%
Kanthitu Irrigation Scheme Project	16	5.5%
Rwika Gachoka Water Project	12	4.1%
Kanothi Junction Water Project	11	3.8%
Manyatta Main Water Project	16	5.5%
Ndaiyo Embe Water Project	15	5.2%
Kiambeere Borehole Water Project	15	5.2%
Muchonoke Water Project	14	4.8%
Don Bosco Meka Water Project	16	5.5%
Kavari Water Project	15	5.2%
Kirigiri Water Project	16	5.5%
Kamukara Irrigation Water Project	14	4.8%
Ngandori Water Project	17	5.9%
Murinduko Water Project	12	4.1%
<b>Total</b>	<b>290</b>	<b>100.0%</b>

*Source: Author (2016)*

#### ***4.3.2 Position held by the Respondents in their Respective Project***

The study aimed to investigate position held by the respondents within their project. From the findings, 82.1% of the respondents were ordinary members, 6.6% were project treasurers, and secretaries accounted for 6.9% of the respondents. Finally, 4.5% of the respondents were project chairpersons. Table 4.3 below shows the position held by the respondents in their respective projects.

**Table 4.3 Position held by the Respondents in their Respective Project**

	<b>Frequency</b>	<b>Percentage (%)</b>
Chairperson	13	4.5%
Secretary	20	6.9%
Treasurer	19	6.6%
Member	238	82.1%
<b>Total</b>	290	100.0%

*Source: Author (2016)*

#### ***4.3.3 Duration of Membership in Project***

The researcher queried the respondents on their duration of membership in their water projects. The results show that 43.8% of the respondents had been members of their respective projects for between 1 and 5 years. 29% of the respondents had been with their projects for between 6 and 20 years while 15.2% had been with their respective projects for 11 to 15 years. Only 12.1% of the respondents had been members of their project for more than 16 years.

It is evident that almost half of the respondents had belonged to their projects for between zero and one year. This could mean that majority of the projects were started recently, i.e. they have been in existence for less than five years and have drawn membership consistently from the local population since inception. Table 4.4 indicates the respondents' duration of membership in their respective projects.

**Table 4.4 Duration of Membership in Project**

	<b>Frequency</b>	<b>Percentage (%)</b>
1- 5 years	127	43.8%
6 - 10years	84	29.0%
11 - 15years	44	15.2%
above 16 years	35	12.1%
<b>Total</b>	<b>290</b>	<b>100.0%</b>

*Source: Author (2016)*

#### **4.3.4 Education Level of the Respondents**

The researcher was additionally inquisitive of the highest level of the academic achievement that the respondents held. Table 4.5 shows the results of this query. As evident, most (44.1%) of the respondents held tertiary qualifications. 27.9% had secondary level education while 24.1% held an undergraduate degree as their highest level of education. 11 respondents held postgraduate qualifications, and these account to 3.8% of the total sample.

This shows that most of the respondents had at least some post-high school training. This is an indicator of a good literacy rate and hence they are capable of implementing the various factors that could be adopted to improve the success of community development projects in their localities.

**Table 4.5 Highest level of education**

	<b>Frequency</b>	<b>Percent</b>
Secondary	81	27.9%
Tertiary	128	44.1%
Undergraduate	70	24.1%
Postgraduate	11	3.8%
<b>Total</b>	<b>290</b>	<b>100.0%</b>

*Source: Author (2016)*

#### **4.4 Response to Queries on Independent Variables**

The responses that were received with respect to the measurements of this study's independent variables are discussed in this section

##### ***4.4.1 Donor Grants and Success of Community Development Projects***

Table 4.6 illustrates the finding of the study on the respondents' level of agreement on the short statements that were used to measure the effect of Donor Grants and Success of community development. From the findings, most of the respondent strongly agreed that their donors have availed sufficient grants for their project as indicated by a mean of 4.21. As evidenced by a mean of 3.69, respondents also admitted that from their own means, they are not able to raise enough funds to sustain their respective projects. With a mean of 3.79, the respondents also appear to have a strong consensual agreement that shortfall in financing is the most common cause of failure of Community Development Projects. Finally, they agreed that from experiences of their respective projects, the ability of the project to meet its objectives is directly subject to availability of funds. This was depicted by a mean of 3.52.

**Table 4.6 Donor Grants and Success of Community Development Projects**

	<b>Mean</b>	<b>StDev</b>
The donors have availed sufficient grants for our project	4.21	0.71
On our own, we are not able to raise enough funds to sustain the project	3.69	0.90
Shortfall in financing is the most common cause of failure of Community Development Projects	3.79	0.94
The ability of the project to meet its objectives is directly subject to availability of funds	3.52	0.75

***Source: Author (2016)***

##### ***4.4.2 Training & Development and Success of Community Development Projects***

Table 4.7 illustrates the finding of the study on the respondents' level of agreement on statements pertinent to the relationship between training & development and community



development. From the findings, most of the respondent agreed that training and development of locals is key to ensuring success of community development projects as indicated by a mean of 3.90

Respondents also strongly agreed that the level of technical knowhow in management of natural resources by locals is inadequate. This query had a mean of 4.17. This result is a strong indicator of the lack of adequate knowhow of rural populations in technical aspects of community development projects. It also shoes the crucial role that training and development of intended beneficiaries plays in ensuring success of community development of community development projects. With a mean of 3.96, the respondents strongly agreed that indeed projects with consistent T&D Programs in Embu County on average are more successful than the ones in which training and development is not given a sizeable priority. Finally, the respondents expressed a strong willingness to avail themselves for participation in T&D programs rolled out by their benefactors, as illustrated by a mean of 3.85.

**Table 4.7 Training & Development and Success of Community Development Projects**

	<b>Mean</b>	<b>StDev</b>
Training and Development of locals is key to ensuring success of Community Development Projects	3.90	0.72
The level of technical knowhow in management of natural resources by locals is inadequate	4.17	0.58
Projects with consistent T&D Programs in Embu County are more successful.	3.96	0.74
Given the chance, I would take part in a T&D program for our water project	3.85	0.67

**Source: Author (2016)**

#### ***4.4.3 Stakeholder involvement and Success of Community Development Projects***

The researcher sought responses to various statements on the relationship between Stakeholder involvement and success of community development projects. The results of the analysis of these responses are as per table 4.8 below. From the findings most of the

respondents agreed that involvement of stakeholders in the affairs of their project by the donors improves their tendency to own up the project thereby increasing its probability of success. This was evidenced by a mean response of 4.31. As shown by a mean response 3.87, respondents also agreed that the donors in their project actively seek to perpetuate stakeholder involvement in management of the project. The respondents, with a mean of 4.21, made it strongly clear that they are keenly involved in several aspects of our project already. Additionally, the respondents had a strong concurrence that they usually encourage other members to develop interest in the success of their project. This was depicted by a mean of 4.31.

**Table 4.8 Stakeholder involvement and success of community development projects**

	<b>Mean</b>	<b>STDev</b>
Involvement of stakeholders improves their ownership of the project thereby increasing its probability of success	4.31	0.612
The donors in my project actively seek to perpetuate stakeholder involvement	3.87	0.864
I am keenly involved in several aspects of our project	4.21	0.667
I usually encourage other members to develop interest in the success of our project	4.31	0.579

*Source: Author (2016)*

#### **4.5 Dependent Variable: Level of Success of Community Development Projects**

Success of Community Development Projects was the dependent variable of this study. The researcher posed some queries to investigate the current state of the Community Development Projects. The results of the analysis of responses to these queries are in table 4.9 below. With a mean response of 4.27, the respondents strongly indicated that they are happy with the progress of their respective projects so far. There was a strong consensus that the welfare of the community has improved since the commencement of the project. Finally, the respondents overwhelmingly indicated that would attribute a significant proportion of the

current level of success in our project to the three factors investigated in this study, i.e. donor grants, training and development, and stakeholder involvement.

**Table 4.9 Success of Community Development Projects**

	<b>Mean</b>	<b>STDev</b>
I am happy with the progress of our project so far	4.27	0.598
The welfare of the community has improved since the commencement of the project	4.02	0.641
I would attribute a significant proportion of the current level of success in our project to Stakeholder involvement, donor funds, and T&D	4.55	0.573

*Source: Author (2016)*

#### **4.6 Validity and Reliability Analysis**

Since the study was designed carefully using the descriptive research design approach, it can be inferred that the findings can be generalized to donor funded community development projects and hence they have external validity. Construct validity can be inferred from the fact that all regressors were significant and the overall regression model, as indicated in the ANOVA table, was also significant. To measure the reliability of the data collection instruments an internal consistency technique, the Cronbach's alpha, was computed using SPSS. Table 4.10 below indicates that the research instrument was reliable since data obtained from all independent variables had a Cronbach's alpha of greater than 0.7. This means that the research data had relatively high internal consistency and could be generalized to reflect opinions of all possible respondents in the target population on the relationship between the factors investigated in this study and success of donor funded community development projects.

**Table 4.10 Reliability Analysis**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>Comments</b>
Donor Grants	0.851	Acceptable
Training and Development	0.874	Acceptable
Stakeholder involvement	0.886	Acceptable

*Source: Author (2016)*

#### **4.7 Correlation Analysis**

Pearson correlation coefficient ( $r$ ) was used to determine the magnitude and level of significance of the bivariate relationships between the independent variables the level of success of donor funded community development projects. Coopers and Schindler (2003) posit that when the correlation coefficient ( $r$ ) =  $\pm 1.00$ , there is a perfect (positive or negative) correlation between the variables. When  $r = .01$  it shows that the relationship is quite weak and  $r = .9$  indicates very strong correlation between the variables. When  $r = 0$  it shows that there is no relationship between the variables. A correlation was considered significant when the probability value was below .05 ( $p\text{-value} \leq .05$ ).

Table 4.11 shows that the correlations between the independent variables and the level of success of donor funded community development projects were all positive and significant. Donor grants had a significant positive relationship ( $p = 0.000$ ,  $r = 0.724$ ) with the level of success of donor funded community development projects. Training and development also had a significant positive relationship ( $p = 0.000$ ,  $r = 0.604$ ) with the level of success of donor funded community development projects. Finally, there was a significant and positive relationship ( $p = 0.000$ ,  $r = 0.637$ ) between stakeholder involvement and the level of success of donor funded community development projects.

**Table 4.11 Correlation between Independent Variables and Success of Community Development Projects**

	Donor Grants		Training and Development		Stakeholder involvement	
	Pearson Correlation	Sig. (2-tailed)	Pearson Correlation	Sig. (2-tailed)	Pearson Correlation	Sig. (2-tailed)
Level of Success of donor funded community development projects	.724**	.000	.604**	.000	.637**	.000

*Source: Author (2016)*

## 4.8 Empirical Analysis

This part discusses the empirical model (ordinary least squares OLS regression analysis) of the study. Auxiliary procedures that were carried out on the data, i.e. evaluation of the model's goodness of fit and analysis of variance (ANOVA) are also discussed.

### 4.8.1 Model Goodness of Fit

Table 4.12 below shows the R<sup>2</sup> of the model as 0.695. This is an indication of a strong goodness of fit of the study data to regression analysis as the empirical model. The value of the R<sup>2</sup> means that 69.5% of the variability in the dependent variable (level of Success of Community Development Projects) can be explained by variability in Donor Grants, Training and Development, and Stakeholder involvement. The remaining 30.5% of variability can be attributed to other factors that are not included in the model.

**Table 4.12 R Square**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834 <sup>a</sup>	.695	.676	.20119
a. Predictors: (Constant), Stakeholder involvement , Donor Grants , Training and Development				

*Source: Author (2016)*

#### 4.8.2 Analysis of Variance

The ANOVA Table is used to indicate whether the overall regression model is significant or not. As shown in table 4.13 below, the study had a significant F value of 36.457 and a significant p value (0.000). From this result we can therefore deduce that the overall regression model was significant.

**Table 4.13 Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.427	3	1.476	36.457	.000 <sup>b</sup>
	Residual	1.943	286	.040		
	Total	6.370	289			
a. Dependent Variable: Level of Success of donor funded community development projects						
b. Predictors: (Constant), Stakeholder involvement , Donor Grants , Training and Development						

*Source: Author (2016)*

#### 4.8.3 Regression Analysis

The researcher fitted an ordinary least squares regression model to the study data. This was done in order to further quantify the relationship between the independent variables and the dependent variable. Table 4.14 below shows the results of regression analysis.

**Table 4.14 Regression Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.845	.347		2.433	.019
Donor Grants	.324	.064	.475	5.092	.000
Training and Development	.217	.085	.242	2.564	.014
Stakeholder involvement	.448	.131	.321	3.434	.001
a. Dependent Variable: Level of Success of donor funded community development projects					

*Source: Author (2016)*

The regression equation above has established that taking all factors (Donor Grants, Training and Development and Stakeholder involvement) constant at zero, the Level of Success of donor funded community development projects will be 0.845. The findings also show that a unit change in Donor Grants will lead to a change of 0.324 in the Level of Success of donor funded community development projects; a unit change in Training and Development will lead to a 0.217 change in the Level of Success of donor funded community development projects; and a unit change in Stakeholder involvement will lead to a 0.448 change in the level of Success of donor funded community development projects;. This posits that Stakeholder involvement has the highest influence of the level of Success of donor funded community development projects. This is followed by Donor Grants, while Training and Development has the least contribution to Success of donor funded community development projects. From the results of regression analysis, equation one can be rewritten as:

$$Y = 0.845 + 0.324X_1 + 0.217X_2 + 0.448X_3 \dots\dots\dots(ii)$$

Where:

$Y$  = level of Success of donor funded community development projects

0.845 = level of Success of donor funded community development projects when the value of each of the three independent variables is zero.

0.324 = Coefficient of  $X_1$  (Donor Grants).

0.216 = Coefficient of  $X_2$  (Training and Development).

0.462 = Coefficient of  $X_3$  (Stakeholder involvement).

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter depicts the discussions of the data findings on effect of donor funding on community development in Kenya using a case of donor funded water projects in Embu County. The main findings are summarized first. Next, the conclusion is articulated. Recommendations are then stated and finally the researcher makes some recommendations for future research.

#### 5.2 Summary of Findings

##### *5.2.1: Donor Grants and Success of Donor Funded Community Development Projects*

From the study findings, the respondents endorsed the statement that donors had availed sufficient grants for our project (mean response=4.21). Additionally, there was a strong level of concurrence that on their own, the project members are not able to raise enough funds to sustain the project (mean response=3.69). the respondents went ahead to make the case for the link between donor grants and success of donor funded community development projects by noting that shortfall in financing is the most common cause of failure of Community Development Projects (mean response=3.79). Finally, the statement that the ability of the project to meet its objectives is directly subject to availability of funds received a moderately positive response, with a mean of 3.52. Regression analysis showed that the variable “Donor Grants” had a coefficient of 0.324. This implies that a unit change in donor grants will lead to a 32.4% change in the level of success of donor funded community development projects.



### ***5.2.2 Training and Development and Success of Donor Funded Community Development Projects***

On the relationship between training and development and success of donor funded community development projects, the study found evidence of good support for the notion that training and development of locals is key to ensuring success of community development projects (mean response=3.90). With a mean response of 4.17, the respondents showed strong approval of the statement that the current level of technical knowhow in management of natural resources by locals is inadequate. They also agreed with the proposition that projects with consistent T&D Programs in Embu County tend to have higher levels of success (mean response=3.96). Finally, the respondents expressed overall support for T&D by responding quite overwhelmingly well (mean response=3.85) to the statement that given the chance, they would take part in a T&D program for their water project. Pertaining regression analysis, the study concluded that a unit increase in training and development would increase the level of Success of donor funded community development projects by 21.6%.

### ***5.2.3 Stakeholder involvement and Success of Donor Funded Community Development Projects***

Pertaining the objective of stakeholder involvement and its effect on the success of donor funded community development projects, the study found that a good number of respondents agreeing that involvement of stakeholders improves their ownership of the project thereby increasing its probability of success (mean response=4.31). With a mean response of 3.87, the respondents also supported the statement that the donors in their project actively seek to perpetuate stakeholder involvement. The respondents also expressed their personal standing on aspects relating to stakeholder involvement by supporting the statement that they are

keenly involved in several aspects of their project with a strong mean response of 4.21. Finally, the respondents strongly indicated they usually encourage other members to develop interest in the success of their project (mean response=4.31). In regression analysis, the study concluded that a unit increase in stakeholder involvement would increase of level of Success of donor funded community development projects by a factor of 0.462

### **5.3 Conclusion**

This study validated the link between Donor Grants, Training & Development and Stakeholder involvement and Success of Donor Funded Community Development Projects. All the independent variables were found to have a positive and significant relationship with the level of success of Donor Funded Community Development Projects. Stakeholder involvement was found to have the largest impact on success of donor funded community development projects, followed by donor grants, and finally training and development.

### **5.4 Recommendations**

Considering the results of data analysis, the researcher made the following recommendations: The study recommends that communities should make all efforts to attract and retain donor funding since this was found to be a plausible method of funding the pertinent projects. Furthermore, they also admitted that they do not have the ability to raise enough funds to sustain the project on their own. Given the admission of respondents that they are unable to raise enough funds on their own and that the ability of the projects to meet their objectives is directly subject to availability of funds, there should be concerted efforts to look for alternative sources of financing. The study also recommends that Training and Development should be taken as a serious precursor of community development. The study makes it clear that the level of technical knowhow in management of natural resources by locals is inadequate. There should be consistent development of manpower to handle technical aspects of the projects. This recommendation is also supported by the fact that the respondents agree

that projects with consistent T&D Programs in Embu County are more successful. Majority of the respondents also stated that given a chance, they would take part in a T&D program for their water project. The study recommends that Involvement of stakeholders in community development projects should be given a serious consideration. This is especially important given the fact that stakeholder involvement is the most significant of all independent variables.

### **5.5 Recommendations for Future Research**

This study investigated the influence of donor grants, training & development and stakeholder involvement on success of donor funded community development projects. The author suggests that future researchers can consider investigating other factors that could influence the level of success of donor funded community development projects. Such factors could include demographic aspects of members, geopolitical factors, population, relative wealth of members etc. Future researchers can try to validate the study in other geographical regions so as to appraise whether the results are robust across various locations or they hold only in Embu County. Other community development projects, and not necessarily water projects, can also be probed by future authors. Such projects could be in different sectors such as agribusiness, sanitation, education and crafts.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

#### SECTION I: DEMOGRAPHIC INFORMATION

1. What is the name of your project? \_\_\_\_\_
2. What is your position in the project?  
  
Chairperson [ ]  
Secretary [ ]  
Treasurer [ ]  
Member [ ]
3. What is your duration of membership in your project?  
1- 5 years [ ]  
6 - 10years [ ]  
11 - 15years [ ]  
Above 16 years [ ]
4. What is your highest level of education?  
Secondary [ ]  
Tertiary [ ]  
Undergraduate [ ]  
Postgraduate [ ]

#### SECTION B: DONOR GRANTS AND SUCCESS OF COMMUNITY DEVELOPMENT PROJECTS

5. To what extent do you agree with the following statements with regard to relationship between donor grants and success of community development projects on a scale of 1 – 5 where 1 represents strongly disagree, 2 represents disagree, 3 represents neither agree nor disagree, 4 represents agree and 5 represents strongly agree?

	1	2	3	4	5
The donors have availed sufficient grants for our project					
On our own, we are not able to raise enough funds to sustain the project					
Shortfall in financing is the most common cause of failure of Community Development Projects					
The ability of the project to meet its objectives is directly subject to availability of funds					

## SECTION C: TRAINING & DEVELOPMENT AND SUCCESS OF COMMUNITY DEVELOPMENT PROJECTS

6. To what extent do you agree with the following statements with regard to relationship between training & development and success of community development projects on scale of 1 – 5 where 1 represents strongly disagree, 2 represents disagree, 3 represents neither agree nor disagree, 4 represents agree and 5 represents strongly agree?

	1	2	3	4	5
Training and Development of locals is key to ensuring success of Community Development Projects					
The level of technical knowhow in management of natural resources by locals is inadequate					
Projects with consistent T&D Programs in Embu County are more successful.					
Given the chance, I would take part in a T&D program for our water project					

## SECTION D: STAKEHOLDER INVOLVEMENT AND SUCCESS OF COMMUNITY DEVELOPMENT PROJECTS

7. To what extent do you agree with the following statements with regard to relationship between stakeholder involvement and success of community development projects on scale of 1 – 5 where 1 represents strongly disagree, 2 represents disagree, 3 represents neither agree nor disagree, 4 represents agree and 5 represents strongly agree?

	1	2	3	4	5
Involvement of stakeholders improves their ownership of the project thereby increasing its probability of success					
The donors in my project actively seek to perpetuate stakeholder involvement					
I am keenly involved in several aspects of our project					
I usually encourage other members to develop interest in the success of our project					



## **SECTION E: LEVEL OF SUCCESS OF COMMUNITY DEVELOPMENT PROJECTS**

8. To what extent do you agree with the following statements with regard to Success of the water project on a scale of 1 – 5 where 1 represents strongly disagree, 2 represents disagree, 3 represents neither agree nor disagree, 4 represents agree and 5 represents strongly agree?

	1	2	3	4	5
I am happy with the progress of our project so far					
The welfare of the community has improved since the commencement of the project					
I would attribute a significant proportion of the current level of success in our project to Stakeholder involvement, donor funds, and T&D					

**~ THE END ~**