

# **ASSESSMENT OF RESULT BASED MONITORING AND EVALUATION ON PERFORMANCE OF DONOR FUNDED VALUE CHAIN PROJECTS IN KENYA**

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## **Abstract**

*The purpose of the research study was to determine the effects and influences of technical capacity, project planning and baseline studies for result based M&E on donor funded value chain projects in Kenya. In the research, donor funding for value chain projects has firmly focused on poverty reduction and improved livelihoods. The research targeted 200 value chain project staff from agencies operating across more than one county for over 4 years. Stratified random sampling was used to select 67 respondents. Pre-tested, structured questionnaires were used to collect data which was analyzed using descriptive statistics and correlation analysis. The study found that implementation, training and capacity on M&E were very important, 81.7% (49). Baseline studies were vital in designing and selecting project indicators, 76.6% (46). The study recommended building M&E capacities through training, regular reviews, adequate budgeting, thorough project planning, stakeholder involvement and participation in all project phases. The positive correlations between the independent variables further indicated that result based M&E was influenced by a number of factors which are interrelated and interdependent. The study concluded that technical capacity of M&E systems, project planning and baseline studies should be given priority for effective assessment of result based M&E.*

*Keywords: Technical capacity; Monitoring; Evaluation; Baseline; Stakeholder; Value chain; Scheduling*

## INTRODUCTION

Monitoring is a continuous systematic process of collecting and analyzing information, through the use of indicators. Monitoring and evaluation of agricultural value chain projects' primary purpose is to allow project teams to run projects effectively, ensuring they have the desired results for beneficiaries (ACF, 2011). There is an increased demand for results from donor funded value chain projects in the 21st century (IIRR, 2012). Evaluation measures achievements in relation to institutional policies, donor-wide program objectives, and the goals set for each value chain project. In addition, M&E systems should provide evidence of value chain project outcomes and justify project funding allocations. A Value Chain (VC) refers to the network of different functions or stages from production to consumption of a given commodity or product, including the interrelationships among the main actors along the chain (Kaplinsky & Morris, 2001). VCs are ideally governed by market forces, but market failures, especially in developing countries, often lead to suboptimal performance of the chain and limited participation of the poor (Vorley, 2012). The first step in monitoring value chain projects is to decide on the scope to give specific M&E performance requirements e.g. donor funded project priorities and appropriate indicators must be selected.

In Kenya, the government and many NGO's have conducted project and programme M&E on value chain projects but information is generally confidential, scanty or remains unpublished. Therefore, the research study endeavored to assess result based monitoring and evaluation on performance of donor funded value chain projects in Kenya. The parameters under study were technical capacity of M&E systems; project planning and baseline studies. The projects under scrutiny focused on food security, poverty reduction and improving livelihoods for rural communities. The findings are hoped to help donors and stakeholders to track the results and the value created to the beneficiaries. It will also be replicated to other value chain projects in Africa alongside other identified M&E challenges.

### Statement of the Problem

The volume of donor funding for value chain projects in Kenya has increased over time. Since 1979, IFAD alone has invested over US\$247.5 million in Kenya. However, result based M&E measurement on these projects continues to experience significant challenges. Most of the value chain projects measure results at the enterprise level while the desired intervention may be occurring at household levels. Value chain projects encompass a wide variety of interventions. Measuring the impacts created poses methodological challenges (Creevey, 2010). This has resulted from growing attention given to qualitative and difficult to measure indicators without the input of the local project managers and implementing organizations.

Tracking the outputs and outcome indicators has been found to be a non-linear, very dynamic, iterative and complex process (Leeuwis, 2004). However, poverty alleviation impacts are unlikely to be linear given the shocks that many countries face due to climatic changes. As a result, credible M&E need to take into account the complexities of result based M&E on performance of donor funded value chain projects.

## **THEORETICAL REVIEW**

“If you do not measure results, you cannot tell success from failure”, (World Bank, 2004). Result based M&E are designed to measure results or impact to determine value chain project progress, success or failure. In theory, result based M&E is anchored on project planning, technical capacity of M&E systems, baseline studies among other factors. The study utilized a variety of M&E theoretical frameworks as a basis to develop the conceptual framework linking the independent variables and the dependent variable. To begin with, the Logical Framework Approach (LFA) is the most preferred tool for planning and M&E for value chain projects by donors. However, LFA needs to be extended to a results framework to track project results instead of producing output indicators. In this approach, all inputs can and must be foreseen and lead to a measurable outcome but does not clearly demonstrate how it aids result based M&E systems to track results. Likewise, the value chain approach helps to understand the complex, multilayered and open socio-technical value chain systems (Anandajayasekera & Gebremedhin, 2009). Value chain projects are continuously shaped and reshaped to adapt to changing climate and economic conditions. This influences result based M&E implementation to measure value chain project impacts whether quantitative or qualitative in nature. The approach shows that value chain projects are not linear.

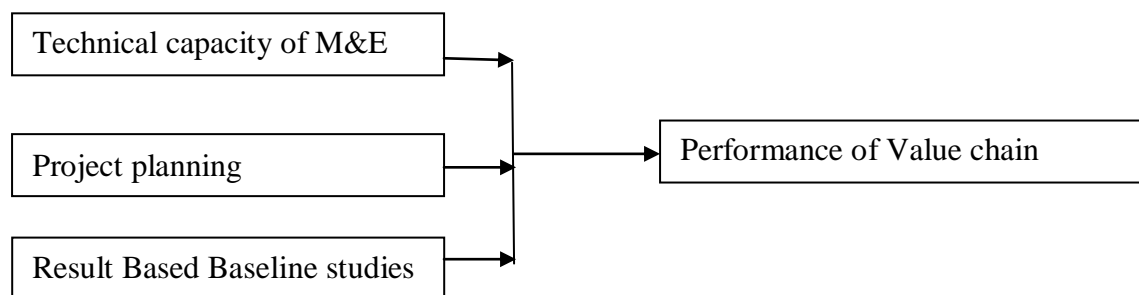
On the other hand, outcome mapping (OM) is an alternative approach to planning, monitoring and evaluating development impact. In this study, this theory helps explain the complexity and fluidity of development processes in achieving project impacts. It helps explain qualitative result indicators like behavior, relationships, activities, and action of the people the value chain projects target. Impact pathway (IP) model for result based M&E integrates elements of LFA and OM using a causal-effect chain, while taking into account how behavioral changes contribute to outputs and outcomes. In this study, the model described the sequence of processes from inputs to outputs and outcomes, and how these translate into value chain project results at the actor levels and their anticipated impact on households and communities. It takes into account the fact that interventions are not taking place in a vacuum, and that several other processes and their outputs play a role in the eventual outcomes at the various

levels. It shows that project results are produced by an integrated array of factors through result based M&E.

## EMPIRICAL REVIEW

Seeing aid as a business rather than free donations or grants can help explain some of the reasons for value chain project success and failure. Project content revolves around the principal-agent relations inherent in the aid delivery system. The focus of the World bank M&E has shifted from monitoring implementation to tracking results. This has resulted from desirable non-formal communication and technology transfer routes but which are more difficult to track. This has led to a highly decentralized decision-making and information flows; and variable levels of capacity among stakeholders involved in M&E. Svensson (2000) and Williamson (2010) identified rent-seeking behavior arising from aid dependency as one of the reasons for project failure. Underfunding of intermediary agencies and consequent lack of professional capacity and high staff turnover affects result based M&E (Godfrey, 2002). Khang and Moe (2008) found out that empirical evidence shows effective consultations are far more important in influencing the project success. The baseline is the first critical measurement of the performance indicators and is used as a starting point, or guide, by which to monitor future performance of projects or programs (Kusek and Rist, 2004). Therefore, baseline data should be collected at least for each identified outcome indicator. The success of a project will be, in part, measured by comparing target values with achieved or actual values.

Figure 1. Conceptual Framework



## Critique of the Existing Literature Relevant to the Study

Over time, M&E systems have shifted their focus from monitoring implementation to tracking of results. However, there have been unclear aid contracts and this has made M&E on value chain project performance difficult. According to World Bank experiences (2003), implementation focused approach does not provide project managers and stakeholders with an understanding

of failure or success of projects in reaching desired outcomes. This has been further necessitated by failure to extend the traditional log frame to results frame work. This has resulted to reporting production of outputs rather than tracking outcome and impact indicators. Further, it has been noted that some donors have no respect for knowledge of others and local realities. Technical assistance has not been building the capacity of M&E systems because it has been used for short term fixes. In all these scenarios, beneficiaries and stakeholders are rarely involved in decision making as empowered participants. This has been created by a clear lack of transparency in decision making about development assistance. As a result, project managers focus on having the job done rather than tracking project results (Rashid & Svensson, 2003).

## METHODOLOGY

The research study employed a cross-sectional survey research design to aid collection of a considerable amount of data quickly, efficiently and accurately (Oso & Onen, 2005). The sampling frame comprised of 200 project staff implementing value chain projects across Kenya. A sample of 67 respondents was selected through stratified random sampling and Nassiuma (2000) formula. The target population was divided into five strata and each stratum was allocated a quota depending on the number of respondents in each.

Table 1: Sampling Frame

Stratum	Target population	Sample size
M&E Managers	46	15
M&E officers	45	15
Project managers	37	13
Project Coordinators	36	12
Project field officers	36	12
Total	200	67

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

$$n = \frac{200 \cdot (0.5)^2}{(0.5)^2 + (200-1)(0.05)^2}$$

$$n = 67$$

$$n = 67$$

$$n = 67$$

**n** = sample size, **N** = population size, **C** = coefficient of variation (take 0.5)

**e** = Tolerance at desired level of confidence (take 0.05 at 95% confidence interval).

The study used a structured questionnaire to collect data. The selection was informed by the nature of data to be collected and the objectives of the research study. Such information was best collected by questionnaires (Mugenda & Mugenda, 1999); (Saunders *et al.* 2009). A pilot study was conducted to test the validity and reliability of the research instrument (questionnaire). Validity was maintained through objective questions inclusion as emphasized by (Cooper & S chandler, 2003). The researcher administered 67 questionnaires and 60 were returned. The response rate was 89.6%.

Cronbach's alpha was used to test the internal consistency estimate of reliability of the test scores. An alpha score of 0.72 was obtained and it was within the required range of 0.7 or greater. The data collected was sorted, edited, compiled, classified and tabulated for analysis using SPSS version 20. Both quantitative and qualitative methods were employed to analyze the primary data using tables, percentages, frequencies and correlation analysis between independent variables.

## EMPIRICAL RESULTS AND DISCUSSION

### Gender of the Respondents

From the Table 2 below, majority of the respondents were male constituting 66.7%, while female constituted 33.3%.

Table 2: Respondents by Gender

Gender	No. of Respondents	Percentage (%)
Male	40	66.7
Female	20	33.3
<b>Total</b>	<b>67</b>	<b>100</b>

### Age of Respondents

From the results in Table 3 below, it was evident that majority of respondents belonged to age bracket between 26 and 30 years forming 33.3% of the total respondents, followed by 31-35years and those above 35 years.

Table 3: Age of Respondents

Age Bracket (years)	Frequency	Percentage (%)	Cumulative (%)
20-25	6	10	10
26-30	20	33	43
31-35	18	30	73
35 and above	16	27	100
<b>Total</b>	<b>60</b>	<b>100</b>	

## Duration of Work

From Table 4 below, majority of the respondents had worked for 2-4 years i.e. 45%, followed by 5-9 years and less than one year respectively. 8.3% had worked for over ten years in value chain projects

Table 4: Respondents Duration of Work in the Organization/institution

Duration in years	Frequency Male	Frequency Female	Percentage (%)	Cumulative (%)
≤ 1	9	4	21.7	21.7
2-4	18	9	45	66.7
5-9	10	5	25	91.7
≥10	3	2	8.3	100
<b>Total</b>	<b>40</b>	<b>20</b>	<b>100</b>	

## Level of Education

From Table 5 below, majority of the respondents had attained college education, 58.3% while 41.7% had attained university education. Thus, the respondents were well positioned to do the work efficiently and as well furnish the researcher with the necessary information.

Table 5: Respondents Level of Education

Level of Education	Frequency	Percentage (%)	Cumulative (%)
Primary	0	0	0
Secondary	0	0	0
College	35	58.3	58.3
University	25	41.7	100
<b>Total</b>	<b>60</b>	<b>100</b>	

## Effect of Technical Capacity of M&E on Value Chain Projects

### *M&E Systems and Function Implementation*

Results from Table 6 below, 81.7% of the respondents indicated that their organizations had implemented an M&E system and function to track results for value chain projects while 18.7% did not. Williamson (2010), indicated that lack of professional capacity and high staff turnover affected result based M&E to track project results.

Table 6: Implementation of M&E System and Function

Response	Number of Respondents	Percentage
Yes	49	81.7
No	11	18.3
<b>Total</b>	<b>60</b>	<b>100</b>

**Usefulness of M&E System and Function**

From Table 7 below, 28.4% of respondents indicated M&E was useful to a very large extent, 35% to a large extent and 8.3% to a moderate extent.

Table 7: Extent to which M&amp;E System and Function was useful

Extent	Frequency	Percentage (%)	Cumulative (%)
Very large	17	28.4	28.4
Large	21	35.0	63.4
Moderate	5	8.3	71.7
Small	4	6.7	78.4
Very small	2	3.3	81.7
<b>Total</b>	<b>49</b>	<b>81.7</b>	

**Importance of Training and Capacity Building on M&E**

From the results in Table 8 below, 26.6% indicated that training and capacity building on M&E systems or frameworks was very important while 31.7% indicated it was important.

Table 8: Importance of Training and Capacity Building on M&amp;E

Level of Importance	Frequency	Percentage (%)	Cumulative (%)
Not important	3	5	5
Least important	9	15	20
Uncertain	13	21.7	41.7
Important	19	31.7	73.4
Very important	16	26.6	100
<b>Total</b>	<b>60</b>	<b>100</b>	

**Extent of Usefulness of M&E Training and Capacity Building**

From results in Table 9 below on the usefulness of training and capacity building on M&E systems/frameworks for assessing project progress and outcomes, 40% of the respondents indicated that training and capacity building was useful to a moderate extent while 28.3% indicated it was to a large extent and 8.3% to a very large extent.

Table 9: Extent of Usefulness of M&amp;E Training and Capacity Building

Extent	Frequency	Percentage (%)	Cumulative (%)
Very large extent	5	8.3	8.3
Large extent	17	28.3	36.6
Moderate extent	24	40	76.6
Small extent	11	18.3	95
Very small extent	3	5	100
<b>Total</b>	<b>60</b>	<b>100</b>	



### Effects of Reviewing M&E Systems

65% of the respondents from Table 10 below indicated that regular review of M&E systems and frameworks was done while 35% indicated it was not done.

Table 10: Effects of Regular Review of M&E Systems

Response	Number of Respondents	Percentage
Yes	39	65
No	21	35
<b>Total</b>	<b>60</b>	<b>100</b>

### Review Period for M&E Systems

From Table 11 below, 28.3% indicated that review period for M&E systems was 2-3 years. 20% indicated the review was 1-2 years while 10%, within or less than one year.

Table 11: Review Period for M&E Systems

Review Period (years)	Frequency	Percentage (%)	Cumulative (%)
≤ 1	6	10	10
1-2	12	20	30
2-3	17	28.3	58.4
3-4	2	3.3	61.7
4 years and above	2	3.3	65
<b>Total</b>	<b>39</b>	<b>65</b>	

### Effects of Organizational Budgeting on M&E

From the results in Table 12 below, 86.7% indicated that organizational budgeting for M&E systems and function was important. Godfrey et al (2002) indicated that there are glaring disparities in relating funding resources and actual impacts in the communities.

Table 12: Effect of Organizational Budgeting on M&E

Response	Number of Respondents	Percentage
Yes	52	86.7
No	8	13.3
<b>Total</b>	<b>60</b>	<b>100</b>

### Level of Organizational Budgeting Importance on M&E

Further analysis on the level of importance for organizational budgeting for M&E system and function in Table 13 below; 38.4% and 30% of the respondents indicated that the level of budgeting importance was important and very important respectively. 10%, 6.7% and 1.6% were uncertain, least important and not important in that order.

Table 13: Level of Organizational Budgeting Importance on M&amp;E

Level of importance	Frequency	Percentage (%)	Cumulative (%)
Not important	1	1.6	1.6
Least Important	4	6.7	8.3
Uncertain	6	10	18.3
Important	23	38.4	56.7
Very important	18	30	86.7
<b>Total</b>	<b>52</b>	<b>86.7</b>	

## Project Planning Activities and M&E

### *Effects of Project planning Activities on M&E*

From Table 14 below, 80% of the respondents indicated that project planning activities were conducted while 20% indicated they were not.

Table 14: Effects of Project Planning Activities on M&amp;E

Response	Number of Respondents	Percentage
Yes	48	80
No	12	20
<b>Total</b>	<b>60</b>	<b>100</b>

### *Extent of Effects of Project Planning Activities on M&E*

Out of the 80% of the respondents who indicated that project planning activities were conducted in Table 15 below; 10%, 20% and 28.3% further indicated that they were done to a very large extent, large extent and moderate extent. 18.4% and 3.3% indicated it was done to a small extent and very small extent respectively.

Table 15: Extent of Effects of Project Planning Activities on M&amp;E

Level of importance	Frequency	Percentage (%)	Cumulative (%)
Very large extent	6	10	10
Large extent	12	20	30
Moderate extent	17	28.3	58.3
Small extent	11	18.3	76.7
Very small extent	2	3.3	80
<b>Total</b>	<b>48</b>	<b>80</b>	

### *Effects of Project Scheduling as a tool to aid M&E*

From Table 16 below, 23.3%, 35% and 20% of the respondents rated the use of project scheduling as a tool to aid M&E systems in organizations to very high, high and moderate extent.

Table 16: Effects of Project Scheduling Rating as a tool to aid M&amp;E

<b>Project scheduling Rating</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Very high	14	23.3	23.3
High	21	35	58.3
Moderate	12	20	78.3
Low	8	13.4	91.7
Very low	5	8.3	100
<b>Total</b>	<b>60</b>	<b>100</b>	

### ***Importance of Setting Project Deliverables***

According to results in Table 17 below, 30%, 33.3% and 16.7% of the respondents indicated that it was very important, important and uncertain to set project deliverables.

Table 17: Level of Importance of Setting Project Deliverables

<b>Level of importance</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Not important	4	6.7	6.7
Least Important	8	13.3	20
Uncertain	10	16.7	36.7
Important	20	33.3	70
Very important	18	30	100
<b>Total</b>	<b>60</b>	<b>100</b>	

### ***Effect of Budgeting challenges in Project Planning***

According to results in Table 18 below, 78.3% of the respondents indicated that budgeting was a challenge in value chain project planning while 21.7% indicated it was not a challenge.

Table 18: Effect of Budgeting as a Challenge in Project Planning

<b>Budgeting as a challenge</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Yes	47	78.3
No	13	21.7
<b>Total</b>	<b>60</b>	<b>100</b>

### ***Extent of Budgeting Challenges in Project Planning***

The researcher sought to find out the extent of budgeting challenges in value chain projects planning and according to Table 19 below, 3.3%, 5% and 20% of the respondents indicated that budgeting was a challenge to a very small extent, small extent and moderate extents respectively.

Table 19: Extent of Budgeting Challenges in Project Planning

Extent of budgeting	Frequency	Percentage (%)	Cumulative (%)
Very large extent	8	13.3	13.3
Large extent	22	36.7	50
Moderate extent	12	20	70
Small extent	3	5	75
Very small extent	2	3.3	78.3
<b>Total</b>	<b>47</b>	<b>78.3</b>	

### ***Effects of Project Specifications on Project Planning***

From the results in Table 20 below, 16.7%, 33.3%, 40%, 6.7% and 3.3% of the respondents rated determination of project specifications to a very high, high, moderate, low and very low extents.

Table 20: Effects of Project Specifications on Project Planning

Rating of specifications	Frequency	Percentage (%)	Cumulative (%)
Very high	10	16.7	16.3
High	20	33.3	50
Moderate	24	40	90
Low	4	6.7	96.7
Very low	2	3.3	100
<b>Total</b>	<b>60</b>	<b>100</b>	

### ***Stakeholders' involvement in Project Planning***

Stakeholder involvement was very critical in planning and design of projects. According to Table 21 below, 31.7% and 60% of the respondents strongly agreed and agreed that stakeholder involvement in project planning was important. Khang and Moe (2008) indicated that effective consultations are far more important in influencing project success.

Table 21: Stakeholders' involvement in Project Planning

Level of agreement	Frequency	Percentage (%)	Cumulative (%)
Strongly agree	19	31.7	31.7
Agree	36	60	91.7
Uncertain	2	3.3	95
Disagree	1	1.7	96.7
Strongly disagree	2	3.3	100
<b>Total</b>	<b>60</b>	<b>100</b>	

### ***Effects of Project Scope Development Challenges on M&E***

From Table 22 below, 90% of the respondents indicated that project scope development was a challenge in designing M&E systems. Design and monitoring are prominent critical success factors for projects, (Diallo & Thuiller 2010).

Table 22: Effect of Project Scope Development Challenges on M&E

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Yes	54	90
No	6	10
<b>Total</b>	<b>60</b>	<b>100</b>

### ***Extent to which Project Scope Development is a Challenge in M&E***

From Table 23 below, out of 90% of the respondents, 18.3%, 41.7% and 23.3% indicated that project scope development was a challenge to a very large, large and moderate extents in that order.

Table 23: Extent to which Project Scope Development is a Challenge in M&E

<b>Extent of scope challenge</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Very large extent	11	18.3	18.3
Large extent	25	41.7	60
Moderate extent	14	23.3	83.3
Small extent	3	5	88.3
Very small extent	1	1.7	90
<b>Total</b>	<b>54</b>	<b>90</b>	

### ***Effect of Inadequate Project Planning Challenges on M&E***

From Table 24 below, 88.3% of the respondents indicated that inadequate project planning was a challenge in conducting M&E on value chain project activities.

Table 24: Effect of Inadequate Project Planning Challenges on M&E

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Yes	53	88.3
No	7	11.7
<b>Total</b>	<b>60</b>	<b>100</b>

### ***Extent of Inadequate Project planning Challenges on M&E***

From the results in Table 25 below, out of 88.3% of the respondents, 26.6%, 35% and 20% indicated that inadequate project planning was a challenge in conducting M&E on value chain project activities.

Table 25: Extent of Inadequate Project planning Challenges on M&amp;E

Extent of Inadequate Planning	Frequency	Percentage (%)	Cumulative (%)
Very large extent	16	26.6	26.6
Large extent	21	35	61.6
Moderate extent	12	20	81.6
Small extent	3	5	86.6
Very small extent	1	1.7	88.3
<b>Total</b>	<b>53</b>	<b>88.3</b>	

### Importance of Result Based Baseline Studies Influence on M&E.

#### *Importance attached to Baseline Studies*

From Table 26 below, 8.3%, 20% and 25% of the respondents indicated that the level of importance attached to baseline studies was not important, least important and uncertain in that order. 33.3% indicated it was important.

Table 26: Importance attached to Baseline Studies

Level of Importance	Frequency	Percentage (%)	Cumulative (%)
Not important	5	8.33	8.3
Least Important	12	20	28.3
Uncertain	15	25	53.3
Important	20	33.3	86.7
Very important	8	13.33	100
<b>Total</b>	<b>60</b>	<b>100</b>	

#### *Extent of Baseline Studies Contribution to Designing Project Indicators*

From the analysis results in Table 27 below, 46.7% and 26.7% of the respondents indicated that baseline study results contributed to design and development of clear indicators. Baselines are used as starting points or guide (Kusek and Rist 2004).

Table 27: Extent of Baseline Studies Contribution to Designing Project Indicators

Extent of Baseline study results	Frequency	Percentage (%)	Cumulative (%)
Very large extent	8	13.3	13.3
Large extent	16	26.7	40
Moderate extent	28	46.6	86.6
Small extent	4	6.7	93.3
Very small extent	4	6.7	100
<b>Total</b>	<b>60</b>	<b>100</b>	

### ***Role of Baseline Studies in Designing and mitigating Indicators***

From Table 28, 76.6% respondents indicated that baseline studies enabled value chain projects to foresee, manage and mitigate social impact indicators in an evolving, dynamic and changing context.

Table 28: Role of Baseline Studies in Designing and mitigating Indicators

<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Yes	46	76.7
No	14	23.3
<b>Total</b>	<b>60</b>	<b>100</b>

### ***Agreement on role of Baseline studies in Designing and Mitigating Indicators***

In Table 29 below, 46.7%, 16.7% further indicated the level of agreement on baseline studies as agreed and undecided respectively. 6.7% and 1.6% strongly agreed and strongly disagreed on role of baseline studies.

Table 29: Agreement on role of Baseline studies in Designing and Mitigating Indicators

<b>Level of agreement</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cumulative (%)</b>
Strongly agree	4	6.7	6.7
Agree	28	46.7	53.4
Uncertain	10	16.7	70.1
Disagree	3	5	75.1
Strongly disagree	1	1.6	76.7
<b>Total</b>	<b>46</b>	<b>76.7</b>	

### **Correlation Analysis of the Independent Variables**

Table 30 below, there was positive correlation between various metrics due to Pearson's coefficient ( $r$ ) of 0.764, 0.291, and 0.408. The correlation between project planning activities and technical capacity of M&E systems was 0.764 while correlation between baseline studies and technical capacity was 0.291. The positive correlations between the independent variables implied that an increase in one variable led to an increase in another.

The findings showed that result based M&E on performance of donor funded value chain projects was influenced by a number of interdependent factors. The independent variables identified were related, connected and influenced each other positively. This meant addressing issues related to the independent variables will lead to increased efficiency and effectiveness of the result based M&E systems to track value chain project impacts or results.

Table 30: Correlation Analysis

		<b>Technical Capacity Of M&amp;E Systems</b>	<b>Project Planning Activities</b>	<b>Baseline Studies</b>
<b>Technical Capacity Of M&amp;E Systems</b>	Pearson Correlation	1	.764**	.291**
	Sig. (2-tailed)		.000	.003
	N	60	60	60
<b>Project Planning Activities</b>	Pearson Correlation	.764**	1	.408**
	Sig. (2-tailed)	.000		.000
	N	60	60	60
<b>Baseline Studies</b>	Pearson Correlation	.291**	.408**	1
	Sig. (2-tailed)	.003	.000	
	N	60	60	60

\*\* . Correlation is significant at the 0.05 level (2-tailed).

## CONCLUSIONS AND RECOMMENDATIONS

In conclusion, M&E system and function were found to form the bedrock for tracking project indicators and results by a majority of the agencies. Reviewing of M&E was found to be important for performance reporting, comparing expected and actual project results. Budgeting for M&E system and function was very critical in enhancing the capacity of the project staff. Budgeting level was a challenge in value chain project planning. The determination of project specifications was found to be very important while stakeholder involvement was very critical in planning to foster ownership. Project scope development defined boundaries within which indicators were measured, tracked and assessed. The baseline as the first critical measurement of the project performance indicators was used as a starting point. Lessons learnt on M&E were used for best practices, building knowledge base, avoiding occurrence of undesirable outcomes, developing better scope and resource use plans for future projects.

Further, training and capacity building on M&E systems was found to build the knowledge, skills and capacity for project teams to monitor, evaluate and track project indicators. Disparities were found in setting project deliverables and specifications. Baseline study data and information was used to guide the designing of project outcome and impact indicators. The positive correlations between the independent variables further indicated that result based M&E was affected by a number of factors which were connected and interrelated. The study recommended that development agencies implementing value chain projects should give technical capacity of M&E systems priority by considering: training and capacity building of



project teams, regularly reviewing M&E frameworks, adequate budgeting, project planning and stakeholder participation in all project phases.

At last, a longitudinal study is recommended for future research to further analyze the factors affecting result based M&E performance on donor funded value chain projects in Kenya.

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