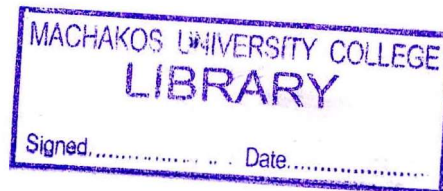


**FACTORS AFFECTING IMPLEMENTATION OF THE ECONOMIC  
STIMULUS IMPROVEMENT PROJECTS IN KENYA**  
(A Survey of Selected Projects in Nairobi)

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*A research project submitted to the School for Human Resource Development in partial fulfilment of the requirement for the award of the degree of Executive Masters of Business Administration Jomo Kenyatta University of Agriculture and Technology.*

*JUNE 2011*

**DECLARATION**

*This research project is my original work and has not been presented for a degree in any other University*

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Date



## **DEDICATION**

I dedicate this research project report to all those Kenyans who in the twilight of their years still believe that their best years are ahead. May the spirit that inspired the late Kimani Maruge continue to burn in them.

## **ACKNOWLEDGEMENT**

I acknowledge the Almighty God for making it possible for me to undertake this course. My family who have stood by me for the period in school. My employer Ministry of Public Works through the Permanent Secretary for facilitating my studies. My tutors Dr. Charles Ombuki and Dr. Willy Muturi who have given me invaluable advice in the research process. My colleagues in Cohort 8 for the comradeship and the joy shared challenges. Finally all members of Kiserian Pentecostal Church who have been a source of support to me in this course.



## ABSTRACT

The Economic Stimulus Programme (ESP) in Kenya was introduced to boost the country's economic recovery and return the economy back to the envisioned medium term growth path, invest in long term solutions to the challenges of food security and expand economic opportunities in rural areas for employment creation. The programme was also meant to promote equitable regional development for social stability

This study tried to identify the factors affecting the successful implementation of the Economic Stimulus Programme and propose possible solutions to problems arising from those factors. The specific objectives of this research were to establish the effects of procurement process in the implementation of the ESP projects, to determine the effects of the contractor's capacity to carry out the construction work on the implementation of the ESP projects, to find out the effect of the Government's project management capacity on the implementation of the ESP Projects and to identify the effect of funding on the implementation of the ESP projects.

The study used descriptive research design where 23 out of 62 projects being undertaken in Nairobi County were used as a sample representative of the entire population under study. A combination of cluster and simple random sampling procedures were used to select the sample projects. The data was collected by use of a questionnaire with structured and semi structured questions with open and closed ended questions also being used. The study utilized both qualitative and quantitative methods of data analysis after which the data was be presented using statistical tools.

The study concluded that procurement process affects implementation of ESP project, as it was found that the process of procurement was tedious, was flawed, with corruption and political interferences. It also concluded that the Government's supervisory management affects the implementation of the ESP projects, as there were low levels of supervision staff for effective supervision thus affecting the smooth performance of the contracts.

From the findings and conclusion the study recommends that in order for the government to effectively implement the ESP project there is need to reduce political interference in project implementation, project procurement process and selection of contractors. This

will help in the implementation of ESP project through appointment of well qualified contractors. To achieve this government needs to prepare and circulate procurement and contract supervision manuals to the grassroots levels to ensure that similar standards are applied.

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## ABBREVIATIONS

- MDG's-** Millennium Development Goals
- MTP's-** Medium Term Plans
- ESP-** Economic Stimulus Programme
- ICT-** Information Communication Technology
- PPDA-** Public Procurement and Disposal Act
- PPOA-** Public Procurement Oversight Authority
- STDs-** Standard Tender Documents
- PEs-** Procurement Entities
- MoPW-** Ministry of Public Works
- PMR-** Performance Monitoring Report
- MCC-** Millennium Challenge Corporation
- GOK-** Government of Kenya
- OECD-** Organisation for Economic Cooperation and Development

## CHAPTER ONE

### INTRODUCTION

#### **1.1 Background Information**

Kenya's Vision 2030 is the country's development blueprint covering the twenty three year period between 2008 and 2030. It aims to transform Kenya into a newly industrializing, middle income country providing a high quality life to all citizens by the year 2030.

The adoption of the Vision by Kenya came after the implementation of the Economic Recovery Strategy for Wealth and Employment creation which enabled the country's economy to grow from 0.6% in 2002 to 6.1% in 2006. It also came after the 2008 post election violence which had a severe effect on economic growth momentum and also dampened the Kenyan peoples heightened optimism developed through accelerated social and economic development towards the end of 2000. According to the Republic of Kenya 2008, the Vision's objective was therefore to reinstate the country to the path of growth experienced prior to 2007 and to sustain that growth for the Vision period of 22 years.

The vision is based on three pillars: the economic, the social and the political. The economic pillar aimed to improve prosperity of all Kenyans through an economic development programme, covering all the regions of Kenya and aiming to achieve an average growth rate of 10% per year beginning 2012. The social pillar aimed to build a just and cohesive society with social equity in a clean and secure environment. The political pillar aimed at realising a democratic system of issue-based politics that respects the rule of law, and protects the rights of every individual in the Kenyan society.

The execution of this vision was also intended to assist the country to meet its Millennium Development Goals (MDGs) whose deadline is 2015. These goals for socio-economic development emphasised the following; elimination of extreme poverty and hunger, universal primary education, gender equality, reduction in child mortality, improvement in maternal health, lower HIV/AIDS and disease incidence, environmental sustainability and better relationships with international development partners.

The vision 2030 was to be implemented in successive five year Medium Term Plans (MTPs) with the first MTP covering the period 2008-2012. According to the Republic of Kenya 2009, the 2009/2010 budget was prepared during a period of global and national economic challenges.

These manifested the reality of the global economic downturn characterised by the shrinking demand for Kenyan exports, the decline of remittances from the Kenyans in the diaspora and the serious effects on the economy of the disturbances following the 2007 General Elections.

The slowing down of the economy to a paltry 1.7% compared to the 7.1% at the end of 2007, massive decline of agriculture production and the slowing down of economic activity in the key growth sectors of tourism and construction necessitated deliberate action by the government to salvage the situation.

It is for this reason that the Economic Stimulus Programme (ESP) was drawn up as a short term, high intensity, high impact programme, aimed at investing resources in the short term, in projects of both short and long term benefits.

#### **1.1.1 Objectives of the Economic Stimulus Programme**

This programme was meant to boost the country's economic recovery and return the economy back to the envisioned medium term growth path, invest in long term solutions to the challenges of food security and expand economic opportunities in rural areas for employment creation. The programme was also meant to promote equitable regional development for social stability, improve infrastructure and the quality of education and healthcare for all Kenyans, invest in the conservation of the environment and expand the access to, and build ICT capacity in order to expand and accelerate economic growth.

#### **1.1.2. Specific objectives of the ESP: schedule of construction projects**

The programme had a significant component of expenditure for building construction projects. These comprised about 1450 projects which included; upgrading of 420 primary and 210 secondary schools, construction of 210 health centres, 180 fresh produce markets, 210 jua kali sheds and 70 District Headquarters with a total budget of about Kshs.16.105 billion. The schedule of projects in each sector and constituency spread with the funding for the ESP programme is detailed in Table 1.1

**Table 1.1: ESP Projects**

Ministry	Activity	Unit cost kshs. millions	No of units per constituencies	Constituency coverage	Total cost kshs. millions
Education	Reconstruct /upgrade 2 primary schools	7	1	210	1,470
	Upgrade Secondary school to centre of excellence	30	1	200	6,000
Public Health and Sanitation	Construct 1 Maternity/ Children's Ward	20	1	200	4,000
Local Government	Construct prototype fresh produce market	10	1	180	1,800
Industrialisation	Construct Jua Kali Sheds	2.5	1	210	525
	Purchase welding and fabrication of equipment	1	1	210	210
Public Works	District Headquarters	30	1	70	2,100
Total for Construction projects under E.S.P.					16,i05

Source (Republic of Kenya, 2009)

### 1.2 Statement of the problem

The 2009/2010 Budget tabled on 11<sup>th</sup> June, 2009 by the Minister of Finance, was premised on the need to urgently overcome the socio- economic challenges faced by the country at the time.



It was expected that the implementation of the budget would not only restore the confidence of Kenyans in the country and its institutions but would also jump- start the return of the economy to a long term growth path, while at the same time providing the impetus for building a cohesive, equitable and prosperous Kenya. (Republic of Kenya 2009)

Towards achieving this the Government proposed an Economics Stimulus Programme as a short to medium term, high intensity, high impact programme to secure the livelihoods of Kenyans and address the challenges of regional and intergenerational inequity. This programme was multi-sectoral, implemented by the ministries responsible for Provincial Administration, Education, Public Health and Sanitation, Local Government and Industrialisation sectors while the Ministry of Public Works, as part of its mandate in the Government, was the design, documentation and supervision agency for the programme.

The implementation period for the initial programme was six months commencing 1<sup>st</sup> July 2009 with an expected completion date of 31<sup>st</sup> December 2009. This target completion date was not attained. Programme Review report issued by the Ministry of Public Works in June 2011, indicated completion of projects as in table 1.2

Primary schools	15%,	None complete
Secondary schools	25%,	None complete
Markets	40%,	None complete
Jua Kali sheds	17%,	None complete
District Headquarters	55%	Six complete
Health Centres	45%.	None complete

The objective of this study was therefore to identify the factors affecting the successful implementation of the Economic Stimulus Programme, study their effects and propose possible solutions to problems arising from those factors.

### **1.3 Research Objectives**

#### **1.3.1 General Objectives**

The broad objective of this research was to establish the factors affecting implementation of the Economic Stimulus Programme project in Kenya.

### **1.3.2 Specific objectives**

The specific objectives of this research were:

- i. To determine the effect of procurement process in the implementation of the ESP projects.
- ii. To establish how contractors category of registration affects the implementation of the ESP projects
- iii. To find out how the Governments supervisory management affects the implementation of the ESP projects.
- iv. To identify the effect of project funding on the implementation of the ESP projects.

### **1.4 Research Questions**

- i. How does procurement process affect the implementation of the ESP projects?
- ii. How does the contractor's category of registration affect the implementation of ESP projects?
- iii. How does the Government supervisory management affect the implementation of ESP projects?
- iv. How does funding affect the implementation of ESP projects?

### **1.5 Justification of the study**

The study will be useful to several institutions including

#### **1.5.1. The Government**

This findings of this research will inform the Government and other Public Service bodies to realign their procedures to facilitate effective implementation of not only the micro-scale ESP projects but also to enable carrying out macro-scale flagship projects central to the Vision 2030.

#### **1.5.2. Government projects stakeholders**

The state corporations, contactors and other stakeholders in the construction industry will benefit from this project because it will highlight some of the factors which are influencing the performance of these projects and hence they will institute measures to mitigate these constraining factors.

#### **1.5.3. Other researchers and professionals**

The research will add knowledge to the professions and academia as it can be a reference for any researcher interested in carrying out a study in this field.

### **1.6 Limitations of the study**

The researcher was concerned with about 40 projects executed by contractors in the Nairobi County. Given the critical stage where the ESP projects are most of these contractors were very busy and finding time with them was a challenge. As the researcher had to traverse across the county to get the questionnaires filled and collect them for data analysis, covering the vast project area was a challenge. In addition some of the contractors being semi illiterate and considering the technical nature of this study they were challenged in giving clear and considered answers to the research questions and some were unanswered.

All of the above constraints translated to possible high time and financial outlays to effectively carry out the research. However the researcher was optimistic and he was able to overcome these challenges and managed to come up with the final document within the time period.

### **1.7 Scope of the study**

There are about 1450 building projects under the Economic Stimulus Improvement Programme in Kenya. This study however concentrated on a population of 23 out of 62 projects being undertaken in Nairobi County. The study investigated the effect of various factors on the performance of building contractors in the implementation of the ESP projects. The study took a period of three months.

### **1.8 Justification of the study**

Construction is one of the three critical growth sectors of the economy together with tourism and manufacturing. According to Republic of Kenya 2010 while the Economy grew by 2.6 % in 2009; the manufacturing sector grew by 2.0%, tourism by 16.3% and construction by 14.1%.

Furthermore, according to Republic of Kenya 2008, the pillars supporting the vision 2030 are founded on infrastructure development as a driver and enabler to realize the success of the vision in each of the pillars. For this reason it is necessary for the construction sector to work efficiently and effectively for accelerated economic development envisaged within this vision period.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

This chapter concentrates on reviewing literature to help the researcher understand more on the topic under research and also to have an expository understanding of the contribution of other researchers in the subject or related fields.

#### 2.2 Review of Past Studies

##### 2.2.1 Economic Stimulus Programme in Kenya.

As the economic systems in many countries were affected by the recession of 2008/ 2009, many governments instituted a variety of economic stimulus packages to mitigate the effects of this recession and to accelerate their economies towards a growth path. Many countries tailored these rescue packages in specific sectors such as banking, consumer spending, housing mortgages, education, health and transport infrastructure development. The ESP's key dual objective worldwide was to boost economic activity from the grass-root levels and to inject a positive attitude in society. The Kenyan economy was affected not only by the global recession, but also by a combination of other events from 2007 namely; the post election disturbances, deficient or failed rains over successive years, rampant inflation leading to high food prices and rising hunger. (Republic of Kenya, 2009)

The ESP was therefore a short-term project with a six-month timeline largely aimed at giving the giving the economy a jump-starting effect with an objective to empower communities in all constituencies in the country by focusing on creating employment opportunities, promoting and spurring entrepreneurial activities, supporting health, education, sanitation, fisheries development, local government, industrialization and multipurpose regional development activities. The ESP is a strategic and exciting innovation which despite facing major logistical challenges has potential of high success in achieving it's set objectives. In the ESP workshop dated 4<sup>th</sup> February 2011, the Minister for Public Works stated that "the ESP had made tremendous impact and had jump-started economic recovery with great developments in the retail and wholesale sector". In the same workshop the Deputy Prime Minister and Minister for Finance stated that the programme "provided lessons for rapid long term economic

development, need to engage youth at 75.5% of the Kenyan population for general equality, addressing regional in-balances and bringing hitherto marginalized areas into mainstream economy, investment in human capital and development of social infrastructure”.

The most critical challenge to government was the procurement of this package comprising easily the largest batch of public projects ever to be funded by central government, their regional spread throughout all the constituencies and with diverse modes of contracting from conventional fully contracted to force contracts.

The procurement process illustrated the serious challenges the programme would face as the government had to not only overcome its cumbersome procurement procedures but also to expand capacities of implementing ministries to facilitate efficient rolling out of the programme. With half of the financial year 2009/2010 already covered, the government was to provide emergency funds to support completion of these projects within the year. Due to the procurement delays only a small portion of the project funding was expended in the first year and this not on construction but on costs of documentation and subsequent procurement.

### **2.2.2 Procurement Process**

The Public Procurement and Disposal Act(2005) defines "procurement" as “the acquisition by purchase, rental, lease, hire purchase, licence, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination”. The public procurement system in Kenya has undergone significant developments from being a system with no regulations in the 1960s, to a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, to the enactment of the Public Procurement and Disposal Act (PPDA) of 2005 and the enabling Procurement Regulations of 2006 which introduced new standards for public procurement in Kenya in line with acceptable international practice.

One of the conspicuous characteristics of public procurement in Kenya is its dynamic nature as it has continued to evolve both conceptually and organisationally. The evolution accelerated in the early 2000s when the government embraced the reform agenda in all public institutions in reaction to growing local and international demands for corporate governance in public entities.

A 2005 Independent Procurement Review, conducted jointly by the government and the European Union, identified several critical problems with Kenya's procurement system. The review found weak oversight institutions, a lack of transparency, poor linkages between procurements and expenditures, delays and inefficiencies, and poor records management. The government sought to improve its public procurement systems by enacting the Public Procurement and Disposal Act and creating the Public Procurement Oversight Authority (PPOA). The enabling regulations implementing the Act were gazetted on January 1, 2007.

In line with the country's public procurement reform agenda, Kenya in 2006 committed itself to become one of the 22 countries participating in the pilot testing a new Methodology for Assessment of National Procurement Systems (version 4) developed by the OECD-DAC Joint Venture for Procurement.

The core objectives of the assessment were to: establish a common base for development through a well documented and broadly accepted understanding of key issues of the public procurement system; create a baseline against which future progress can be measured; serve as a benchmarking tool which may be used for comparison between systems and countries and Field test Version 4 of the assessment methodology with a view to proposing improvements to the methodology.

With the enactment of the Public Procurement and Disposal Act and Regulations, the country has in place a sound and comprehensive legal framework for public procurement with a clear hierarchical distinction. The Act clearly establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and the complaints system, structure and sequence. This Act and regulations encompasses all goods, works and services for all procurement in the public service. Both documents are published and widely distributed within government.

The legal framework is complemented with a series of Standard Tender Documents (STDs) covering procurement of goods, works and services, and the responsibility for updating the STDs is clearly assigned to the PPOA. Evidence from the Consumer Price Index survey further-more suggests that the newly issued STDs have already reached a rather high level of dissemination.

At the same time, the legislative and regulatory framework suffers from a number of weaknesses the most important ones being the fact that it does not differentiate between the simple procurement of goods with the more complex procurement of services like construction of infrastructure works, it does not recognize the specialist services at procurement stage given by professionals dealing with infrastructure development and it does not have any clear provisions for revisions of contracts beyond 15% whatever the justification for such reviews.

The PPOA commissioned a consultant Crown Agents of Ghana to develop a procurement manual to provide operational guidelines for procurement in accordance with the Act and Regulations. The manual constitutes an important supplement to the legal framework as it may clarify certain grey areas and also address some of the shortcomings of the current legal framework.

Fair and transparent rules of participation are key elements of a sound procurement framework and participation in the procurement process should be based solely on qualifications with properly described evaluation criteria in order to avoid arbitrary decision making.

The Act and the Regulations further provide that Procuring Entities (PEs) may use pre-qualification procedure to shortlist appropriate contractors to bid for the works. In relation to the procedure for pre-qualification spelled out in the Regulations, it is determined that in selecting among those pre-qualified persons, who will be asked for quotations, the PE shall ensure a "fair and equal rotation". However, the concept of "fair and equal rotation" is not adequately explained and illustrated, and may therefore result in misinterpretation and bias among the PEs.

While the STDs for selection of consultants provide for the opportunity to use technical capacity as a criterion in the selection, neither the Act nor the Regulations provides any guidelines on this procedure. The lack of clear procedures causes some confusion as to when and how to apply technical capacity as a key criterion. This confusion may be eliminated by spelling out including procedural instructions in the guidelines of the manual to be developed.

The Act prescribes the use of preferences and reservations. One of the more remarkable elements of this provision is the excessive threshold of Kshs.50 million for procurement of goods or services and Kshs.200 million for procurements in respect of works, below which exclusive preference shall be given to citizens of Kenya.

The Act does not provide for any procedures and guidelines on the time limits for appropriation of funds or the processing of invoices and payments. With multiple complaints from the private sector, the supply side to the procurement system, the drawbacks of this default becomes obvious.

Another issue related to qualification is that of the registration lists maintained by the Ministry of Public Works (MoPW). The MoPW has a mandate to register contractors and maintain registers categorizing them depending on type of work specialization, class determined by capacity and qualifications and regional preference. Registration is mandatory for contractors wishing to work for the MoPW while other ministries, departments, parastatals and other quasi- government bodies with mandates in infrastructure development maintain their own registers. There has however been no specific legal framework for registration of contractors by MoPW or any other government agency and the registration committees in these agencies have developed their own procedural guidelines and the registration is for administrative purposes only. This is one of the objectives of the proposed establishment of the National Construction Authority presently in the publishing stage for tabling in Parliament. Notably, the Procedures for Registration and Upgrading of Building Contractors allow for temporary registration of foreign companies having already won a contract.

### **2.2.3 Government Management**

The Millennium Challenge Corporation (MCC) selected Kenya as eligible to receive Threshold Program assistance in September 2004, inviting the Government of Kenya (GOK) to submit a Threshold Country Proposal. In February 2007, the Government of Kenya achieved Threshold status in the process of becoming qualified for a Millennium Challenge Corporation (MCC) Compact Grant. Currently Kenya scores above the median on five of six indicators in the economic freedom category and two of four indicators in the investing in people category as shown on the Kenya MCC performance index indicators. Kenya fails on two of six indicators in the ruling justly category and the control of corruption indicator.

MCC's analysis revealed that Kenya's poor performance on the control of corruption indicator is attributable to high levels of corruption in government procurement, as well as in public utilities, the Police Force, the Teachers Service Commission, the Ministry of Lands and the Ministry of Health. Achievement of results under the three components of the MCA-TP is expected to



improve Kenya's performance with respect to the critical MCA indicators related to the Control of Corruption, Immunization Rates and Health Expenditures. Activities under component 1-reforming the Public Procurement System, will provide outputs and results designed to reduce corruption. In cooperation with MSH/SPS, Component 1 activities are intended to affect immunization rates and health expenditures.

According to the Kenya Threshold Plan (MCA-TP), after almost two decades of economic and social hardship, the Kenya Government in 2003 recognized the negative impact of corruption on economic growth and development and resolved to decisively deal with it, including addressing inefficiency in the use of public resources, deteriorating security conditions and weak institutions of governance. It is in this regard that the Kenyan Government has been implementing the following reforms for anti-corruption and good governance strategies namely; enactment of the Public Officer Ethics Act 2003, the Anti-Corruption and Economic Crimes Act 2003, the Financial Management Act 2004, and the Public Procurement and Disposal Act 2005. The latter will make the public procurement process more transparent, ensure accountability and reduce wastage of public resources. Furthermore, the Privatization Act was enacted in 2005 to ensure transparency in the privatization of state owned enterprises and thereby strengthening accountability. In addition, since April 2005 the Government has prepared regulations and for Public Private Partnership the way of the future in executing infrastructure projects using private capital under concessionary arrangements.

MetaMetrics Inc. provided technical assistance for the development of the draft and revised Performance Monitoring Plan. Leo T. Surla, Jr., Monitoring and Evaluation Specialist, worked with ARD Project Staff and PPOA officials and technical personnel to review M&E principles and define and expand on performance indicators. In this process, input was provided to develop the PMP organizational structure and procedures to support the collection and analysis of outputs, outcomes, and program descriptive information as related to Work Plan activities. MetaMetrics Inc. provided technical support in the implementation of the PMP and the writing of monitoring and evaluation reports over the two-year project period.

In late August/September of 2008, Leo T. Surla, Jr., returned to conduct an analysis of the collected data on monitoring and evaluation database for the Annual Performance Monitoring

Report. While the basic methodology for the PMP implementation is participatory with POAA and ARD Project Staff playing significant roles in data collection along with the support of the Project M&E Specialist, the MetaMetrics M&E Specialist served as an objective and independent agent by compiling and analyzing the collected database and conducting data quality reviews (assessments) on selected information elements.

Information collection, accomplished on a quarterly basis, will provide performance monitoring and evaluation information for the Annual PMP Report. In addition to documenting outputs, results and potential impact, the performance monitoring and evaluation data may support the identification of issues for review and potential adjustments to subsequent ARD Project activities. Where specific outreach Project efforts for women and related gender awareness activities have been conducted, these will be described.

In discussing monitoring and evaluation procedures, information collection, and related PMP coordination activities with Project staff, care was taken by the MetaMetrics M&E Specialist to caution that the recommended PMP activities not detract from the implementation of their assigned Subcomponent Tasks. The Project Staff energy devoted to PMP activities is intended to be rewarded by an enhanced awareness of Project progress and the identification of successful approaches, potential issues, opportunities, and constraints.

#### **2.2.4 Contractors Capacity**

The major limitation for most of the 6,500 indigenous contractors in Kenya has been lack of capacity in terms of management ability, technically qualified personnel, capital and equipment. The result is that foreign registered firm have taken over construction of the most significantly sized projects in the country. The government has proposed the establishment of the National Construction Authority to facilitate building capacity of local contractors through training and other facilitations to a level where they can compete with multinational construction firms, as a way of speeding up infrastructure development in the country.

Minister for Public Works has on many occasions stated that a major objective of the Ministry is to facilitate local contractors to take on bigger projects in the country and regionally thus

exporting construction industry services into the region. Hon. Obure said that the local firms have the potential to earn the country foreign exchange by growing into big regional contractors.

Prof Joseph Keiyah, a director at KIPPRA, the government's policy think-tank, said the move to support the local contractors comes at an ideal time especially after the multinationals have raised the standards of workmanship.

It is the ideal time for the ministry to support the small contractors because the amount of funding involved in government projects is substantial and needs to be earned by the locals. (Prof Keiyah.2009)

He noted that the contractors need to have the skills level that the multinationals have had to give the Kenyan people value for their money. Continuous training for local contractors is needed to ensure they match their skills with those of international contractors," said the PS.

Payments arrears have led contractors to inflate the cost of government projects to cover for the uncertainty relating to payments, and has at times discouraged some contractors from taking up state-funded projects

### **2.2.5 Government Projects Funding**

In order to achieve vision 2030, the Government of Kenya has established and incorporated various devolved funds in its strategy of meeting the pillars of growth i.e. economic, social and political pillars. Government press (2007), vision 2030 NRB incorporates devolved fund in its master strategy to upscale the ground level impact of these funds and vision 2030 expects the fund to be matched by more transparent and participative expenditure combined with enhanced efficiency in resource utilization.

These devolved funds include, constituency development fund, local authority transfer funds, distinct roads funds, constituency aids funds, women and youth enterprise funds which all aim at creating a socially just and equitable society without extreme poverty. This can only be done if best practices in procurement are practiced to ensure utmost fairness, transparency and accountability in procurement of goods and services.

The Economic Stimulus Fund fell in this category of devolved funds and was aimed at jumpstarting the economy to a growth path through a rapid infusion of development funds to the grassroots. The fund's main objective was to start Constituency Industrial Development Centres (Jua Kali sheds), fresh produce markets and fish farming in every constituency to stimulate economic growth. The fund is channelled through the C.D.F kitty in every constituency while also drawing on the C.D.F local secretariats for its management.

The government has been able to issue debt at single-digit levels and still afford to finance the ambitious stimulus package. This is the trend the monetary authority is likely to maintain in the New Year because it has allowed the government to finance the budget deficit at low costs. On the monetary policy side, the challenge for the Central Bank will be how to kick-start more lending into the economy by the commercial banking system. Taking a cue from the fiscal stimulus plan, CBK has also been implementing monetary stimulus or "quantitative easing" as it is known in economic language.

The central Bank rate – which is the rate which CBK lends to commercial banks – was reduced by 1.25 base points, bringing it to 5.75% in January 2011. The cash ratio has also been progressively reduced from 6% in 2008 to 4% in 2011. With the government borrowing aggressively under the stimulus plan, private sector credit was going to suffer the crowding up effect. Lending rates were also bound to trend upwards.

## 2.3 Conceptual Framework

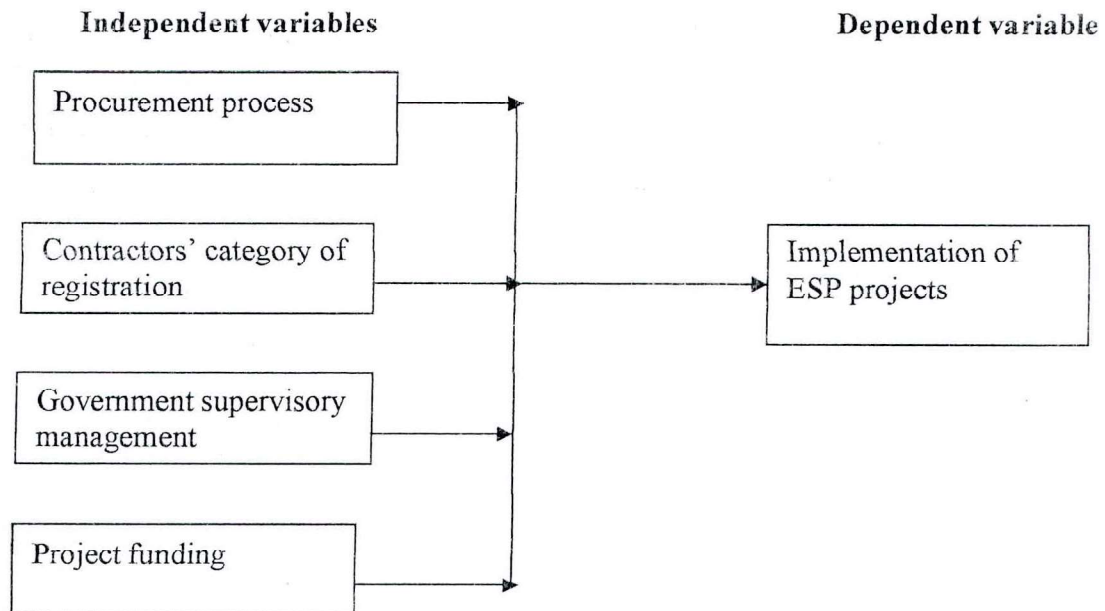


Figure 2.1 Conceptual Framework

### 2.3.1. Procurement process

A well established procurement process outlined in a well documented and broadly distributed manual of key issues of the public procurement system has to be put in place in order to make the procurement process effective for the implementation of the economic stimulus programme projects in Kenya

### 2.3.2. Contractors' category

For contractors to be able to effectively implement the economic stimulus programme projects countrywide there is need to build their capacity in terms of managerial skills, technically qualified personnel, capital and equipment.

### 2.3.3. Government supervisory management

The government of Kenya in its effort to achieve economic growth and development through the implementation of the economic stimulus programme projects should increase its technical staffing levels in the field offices and ensure that there are strong institutions of governance to

support effective use of public resources in nationwide construction programmes and that construction standards are maintained according to the specifications.

#### **2.3.4. Project funding**

The government has to avail the needed funds for the implementation of the economic stimulus projects failure to which the projects will stall. The disbursement of funds also has to be adequate and timely for the projects to be executed within schedule.

### **2.4 Critical review**

The ESP's key dual objectives were to boost economic activity and inspire social towards positive attitude and involvement in such activity. These objectives were to counter the effects of global economic recession, political turmoil following the 2007 elections, failing rains and other factors all affecting the morale of the Kenyan people.

A review of the ESP initiative therefore calls for one to look at its effect on societal mood swings, the economy, the political developments and above all its capacity in injecting a sense of unity in the Kenyan nation through equitable regional development the absence of which is one of the major reasons of negative ethnicity. The programme success will be an aggregate score on all these parameters.

The ESP further introduced a bias in infrastructure development in the rural areas where the majority of the Kenyan people live. This rural bias is also commendable following the tax relief initiative offered by the government for all new rural industrial enterprise in the 2009 Budget statement. This move was meant to stem migration into the urban centres thus easing the high cost of housing and social infrastructure in the urban centres. But for it to work effectively, some key questions and issues have to be addressed.

Firstly, do any or all of these proposals and activities duplicate what has already being done or was it a repackaging of existing projects? Secondly, having due regard of the budgetary constraints in the government, would the government afford the vast outlay of funding for all the regions at a time there was serious competition for the same funds from other high priority political projects like the proposed constitution and the related referendum? Thirdly, did the

government have the capacity to disburse exchequer to the grassroots in the amounts of over Kshs.20 billion over a six month project period?

Fourthly, and most crucial, who will oversee and implement the projects given that the government had consistently reduced staffing levels in every ministry since the structural adjustment programmes and staff rationalization initiatives commencing in 1993? Finally, as there was a generic type plan for each of the building types, what was the criteria to be used towards customizing the design to suit local conditions and what was the implication of providing the same budget for the same building type in an urban constituency close to the labour and material supplies as compared to a rural constituency with high costs of transport for input materials and services?

This project therefore sought to establish and bring to light the factors that may affect the implementation of this innovative idea and advice on how the government can take appropriate action to mitigate the effect of these factors. The results of this study will therefore assist in making the ESP projects meet national goals and aspirations.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the methodology to be used during the research. The chapter covers research design, target population, sample design, data collection instrument and procedures.

#### **3.2 Research Design**

The study used descriptive research method since it makes enough provision for protection against bias. The major purpose of descriptive research design is that it describes the state of affairs as they exist at present. The research has no control over the variables but can only report what is happening. According to (Kothari 2002) a descriptive research design has an advantage that all elements have a chance to be included.

#### **3.3 Targeted Population**

There are 62 projects being undertaken in Nairobi County under the ESP. The target population comprised of the consultants, the government officials and the contractors of each project. Hence the target population was of 186 respondents (Appendix iii).

#### **3.4 Sample and sampling technique/ procedure**

A combination of cluster and simple random sampling was used to select the projects against which the research was conducted. Cluster sampling was necessary to isolate projects within a particular constituency and simple sampling was done in respect of each isolated cluster sample. The sample was done of 23 out of the 62 projects in the Nairobi County. The study obtained information from three respondents for each project who were; an implementing ministry official, an officer from ministry of public works and a project contractor. This added up to a sample of 69 respondents.



**Table 3.2 sampling pattern for the study**

Project type		Sample size		Percentage
		Total Projects	Respondent (sample size)	
1	Fresh produce markets	8	3	38
2	Model secondary schools	15	6	40
3	Primary schools	16	5	31
4	Health centres	8	3	38
5	District Hqs.	8	3	38
6	CIDC- Jua kali sheds	8	3	38
	Totals	62	23	32

### **3.5 Data Collection Instrument**

The information required for this study was both primary and secondary data. The data was collected by use of a questionnaire. Structured questionnaires and semi structured questionnaires with open and closed ended questions were used. Secondary data was obtained from the projects records and other relevant government documentations available. According to Mugenda (1999), questionnaires are easy to analyze since they are in an immediate usable form, are economical to use in terms of money and time and are easier to administer because each item is followed by alternative answer.

### **3.7 Data Analysis Procedure**

Questionnaires were taken through an editing process after the data collection. A proper audit was conducted on them to check for validity, accuracy and reliability of the data collected. The study utilized both qualitative and quantitative methods of data analysis and data was presented using frequency distributions, tables, graphs and pie charts.

## CHAPTER FOUR

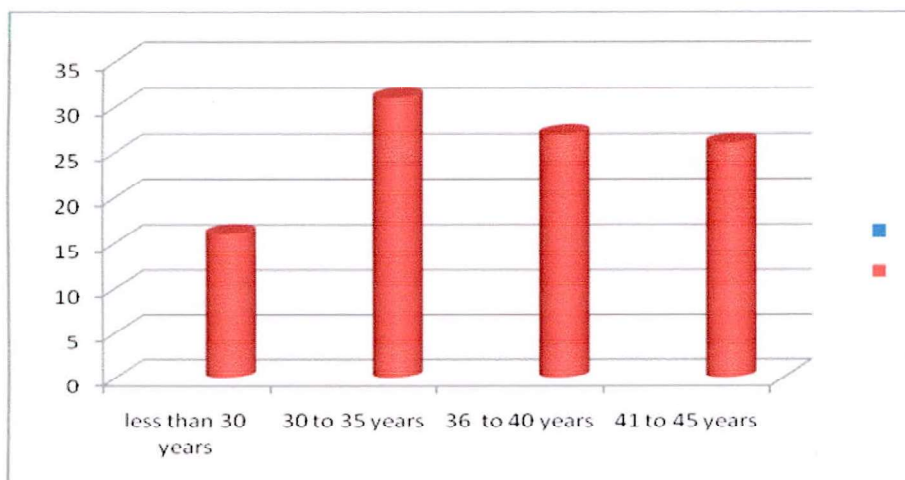
### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the findings of the study. The responses from the subjects are compiled into frequencies and converted into percentages and presented in tabular form. This is to facilitate easy analysis and understanding. However the findings and interpretations are done on the basis of study objectives and research questions. The open ended items that did not limit the respondents, to one response but allowed them to give as many responses as they could were categorized and the findings presented also in frequency and percentage tables. The researcher had targeted 69 respondent for the study out of which 55 participated forming 80% return rate.

#### 4.2 Demographic Information

This section gives an analysis of respondent's demographic information. The results were as follows



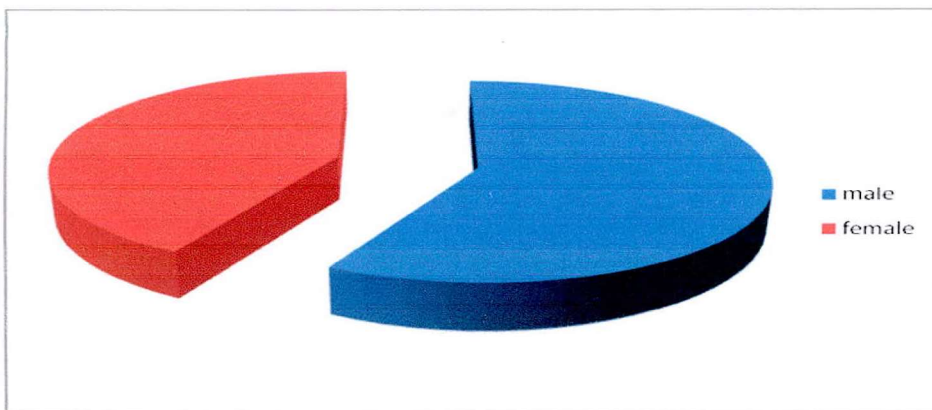
**Figure 4.1: Respondent age brackets**

The researcher sought to know the age of the respondent and therefore requested the respondent to indicate their age brackets, from the findings the study found that most of the respondent as shown by 31% were aged between 30 to 35 years, 27% of the respondent were aged between 36

to 40 years, 26 % of the respondent were aged between 41 to 45 years whereas 16 % of the respondent were aged less than 30 years, this show that respondent were well distributed in terms of their age.

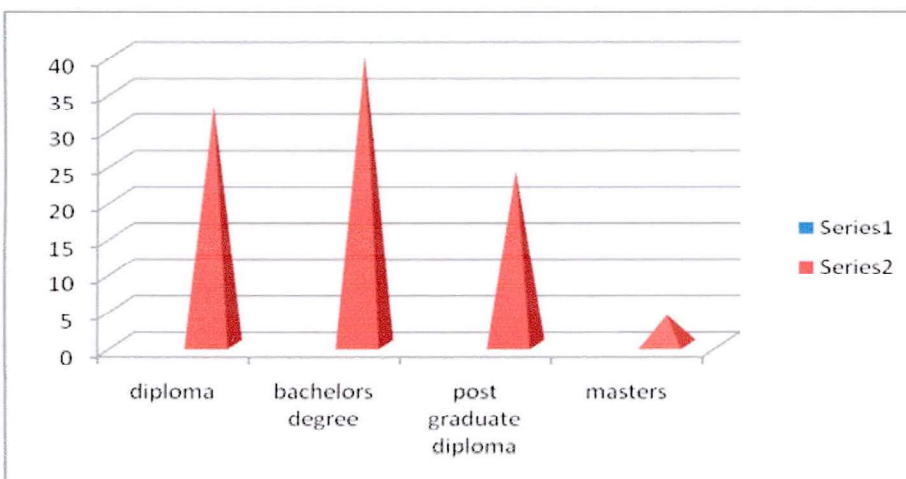
#### 4.2.1: Gender of the respondent

This section gives an analysis of respondent’s demographic information. The results were as follows



**Figure 4.2: Gender of the respondent**

From the finding in the above figure on the gender of the respondent , the study revealed that majority of the respondent were males as shown by 58 % whereas 42 % of the respondent were females , this shows that respondent were well distributed in terms of gender .



**Figure 4.3: Highest level of formal education completed**

The researcher sought to know the respondent highest level of formal education and therefore requested the respondent to indicate their highest level of formal education, from the findings,

the study found that most of the respondent as shows by 40% had attained bachelor's degree, 33% of the respondent had attained diploma education, 24% had attained post graduate diploma whereas 4% master level of education

#### 4.2.2: Organization involved in ESP project

This section gives an analysis of respondent's on organization involved in ESP project. The results were as follows

**Table 4.1: Organization involved in ESP project**

	Frequency	Percent
Construction firm	10	18
Implementing ministry	13	24
Ministry of public works	11	20
Other stakeholders	21	38
Total	55	100.0

On the type of organisation through which respondent were involved in the ESP projects, the study revealed that most of the respondent as shown by 38% were from other stakeholders, 24% of the respondent were from implementing ministry , 20% of the respondent were from ministry of public works whereas 18% of the respondent were from construction firms. On the designation of the respondent the study revealed that respondent were from various designations which included managers, directors, ministry officials, accountant, project directors, and head of departments, supervisors, and foremen. The study further revealed that respondent was involved in various numbers of projects in execution of the ESP which ranged between 3 to 6 projects. On the average completion in percentage terms of the projects that they are involved in, the study revealed that it was between 31% to 78% level of completion.

#### 4.3 ESP Project Implementation

This section gives an analysis of respondent's opinion on ESP Project Implementation. The results were as follows

**Table 4.2: Government commitment on implementation of economic stimulus**

Frequency	Percent
31	56
9	16
15	28
55	100.0

On the respondent opinion on whether the government was committed to the implementation of economic stimulus projects, the study revealed that majority of the respondent as shown by 56 % indicated that the government was committed in the implementation of economic stimulus project , 16% of the respondent were of the opinion that the government was not committed to the implementation of economic stimulus project whereas 28% of the respondent indicated that they didn't know whether the government was committed on the implementation of the economic stimulus project .

#### **4.3: Rating Government commitment on implementation of economic stimulus**

This section gives an analysis of respondent's opinion on Government commitment on implementation of economic stimulus. The results were as follows

**Table 4.4: Rating Government commitment on implementation of economic stimulus**

	Frequency	Percent
High	14	26
Average	27	49
Low	14	25
Total	55	100.0

From the findings on the respondent rating the government's commitment, the study found that most of the respondent as shown by 49% of the respondent rated the government commitment as average , 26% of the respondent rated the government commitment as low whereas 25% of the respondent rated government commitment in the implementation of the economic stimulus project as high .

#### **5.4: Importance of Government commitment on implementation of economic stimulus**

This section gives an analysis of respondent's opinion on Importance of Government commitment on implementation of economic stimulus. The results were as follows

**Table 6.4: Importance of Government commitment on implementation of economic stimulus**

	Frequency	Percent
Very important	16	29
Important	33	60
Don't know	6	11
Total	55	100.0

From the findings on how important the government's commitment is to the implementation of this project, the study found that majority of the respondent as shown by 60% of the respondent indicated important, 29% of the respondent indicated as very important whereas 11% of the respondent indicated they didn't know.

#### **4.7: Rating coordination of Government department in execution of ESP**

This section gives an analysis of respondent's opinion on coordination of Government department in execution of ESP. The results were as follows

**Table 4.8: Rating coordination of Government department in execution of ESP**

	Frequency	Percent
High	7	13
Average	13	24
Low	21	39
Very low	14	26
Total	55	100.0

From the findings on the rating of coordination of government departments in the execution of ESP, the study found that most of the respondent as shown by 39% indicated it as low, 26% of the respondent rated it as very low, 24% of the respondent rated it average whereas 13% of the respondent rated it as high. The study further revealed that the government can do better in the implementation process of these projects as all respondent were of the opinion that the government can do better in the implementation process of these projects. Other areas in which government can improve in the implementation of ESP were on awarding of tenders , timely disbursement of project funds , clear guidelines in procurement process, lack of political interference in the projects and proper project supervision and evaluation .

#### **4.4 Procurement Process and implementation of ESP**

In this section measures of central tendency have been used in our analysis. A weighted mean has been used to calculate different means which is given using the following scale: 1= Very adequate 2= Adequate 3= don't know; 4= Inadequate; 5= Very inadequate. The mean in this case represents where the opinion of majority lies and standard deviation gives the respondents variations in their opinions

The objective was to determine the effect of procurement in implementation of the ESP projects the findings of the study was as follows as shown in table 4.6

**Table 4.6: Extent to which procurement process affects the implementation of ESP's**

A-Very adequate B- Adequate C- don't know; D- Inadequate; E -Very inadequate.

Communication variables	A	B	C	D	D	Mean	Standard deviation
The procurement process affects the implementation of ESP	17	29	9	0	0	1.855	0.224
The lack of standard documents and manuals in the field stations affected the implementation of projects	21	31	3	0	0	1.673	0.258
The government procurement process is inefficient and slow affecting project implementation	27	24	4	0	0	1.582	0.243
The procurement process of the ESP projects had many obstacles and hindrances affecting implementation	23	29	3	0	0	1.636	0.253
There is a high level of corruption in government offices which hinders smooth implementation of projects	31	21	3	0	0	1.491	0.258
Political influence on who to be awarded a tender has made projects to stall	38	17	0	0	0	1.309	0.305

From the findings on the extent to which procurement process has affected the implementation of ESP's, the study found that majority of the respondent rated Political influence on who to be awarded a tender has made projects to stall and There is a high level of corruption in government offices which hinders smooth implementation of projects to very large extent as shown by mean of 1.309 and 1.491 respectively. Respondents rated the following to large extent; government procurement process is inefficient and slow affecting project implementation as shown by mean of 1.582, procurement process of the ESP projects had many obstacles and hindrances affecting implementation as shown by mean of 1.636, lack of standard documents and manuals in the field stations affected the implementation of projects as shown by mean of 1.673 and procurement process affects the implementation of ESP as shown by mean of 1.855. This was supported by low standard deviation which shows that there was little variation in the respondent's opinion. The study further revealed that the process of procurement was tedious, was flawed, was affected



by corruption and political interferences and this has affected the implementation of ESP by delaying the starting and completion of project and awarding of contract to cowboy contractors.

#### 4.5 Contractors Capacity and implementation of the ESP

The objective was to determine how contractor's category of registration affects implementation of ESP. The findings of the study was as follows as shown in table 4.7

**Table 4.7: Respondent level of agreement on effects of contractor's on implementation of the projects**

A-Very adequate B- Adequate C- don't know; D- Inadequate; E -Very inadequate.

Government attributes	A	B	C	D	E	Mean	Standard deviation
ESP contractors are financially able to implement the projects in time	0	0	12	26	17	4.091	0.204
Contractors effectiveness is highly affected by political influence in project implementation	19	26	8	2	0	1.873	0.203
Contractors have adequate equipment and machines needed in implementation of the projects	2	6	13	16	18	3.764	0.123
Most contractors have the manpower needed in the completion of the projects	3	9	8	17	18	3.691	0.116
Contractors lack the managerial skills needed from the start to the end of a project hence making them ineffective	17	27	11	0	0	1.891	0.210
The local contractors engaged in these projects are not familiar with project evaluation and analysis techniques	21	29	5	0	0	1.709	0.241
All the contractors engaged in these projects go through a thorough vetting process before they are awarded tenders	3	4	7	28	16	4.073	0.191

From the finding on the respondent level of agreement on the effect of contractor's on implementation of the projects, the study found that respondent agreed that the local contractors engaged in these projects are not familiar with project evaluation and analysis techniques as shown by mean of 1.709, Contractors effectiveness is highly affected by political influence in project implementation as shown by mean of 1.873 and Contractors lack the managerial skills needed from the start to the end of a project hence making them ineffective as shown by mean of 1.891. Respondent disagreed that most contractors have the manpower needed in the completion of the projects as shown by mean of 3.691, Contractors have the adequate equipment and machines needed in implementation of the projects as shown by mean of 3.764, All the contractors engaged in these projects go through a thorough vetting process before they are awarded tenders as shown by mean of 4.73 and ESP contractors are financially able to implement the projects in time as shown by mean of 4.091. The study found that respondent opinion on the effects of contractors on the implementation of project did not vary much as the standard deviation was low.

The study further revealed that the main requirements accounting for contractors competence were having the right equipment for the project implementation, being duly certified by the ministry of work and having the required equipments and managerial skills. Those characteristics making contractors incompetent were lack of the equipment, lack of enough trained manpower and project management skills.

#### **4.6 Government capacity**

The third objective of this study was to find out how the government technical establishment affects the implementation of the ESP with the findings shown in table 4.8

##### **Table 4.9: Government's capacity to manage the implementation of the projects**

The fourth objective was to find out the effect of funding on the implementation of the ESP. The findings are in the table 4.9

A-Very adequate B- Adequate C- don't know; D- Inadequate; E -Very inadequate.

	A	B	C	D	E	Mean	Std deviation
The number and qualification of governments personnel to supervise the project	7	32	16	0	0	1.891	0.210
The financial resources allocated for the Economic Stimulus Project	4	29	5	17	0	1.709	0.241
The provision of logistical support towards effective supervision of ESP.	3	4	7	28	16	4.073	0.191
The political will towards the implementation of these projects	0	0	3	29	23	4.364	0.253
The timeliness in the disbursement of the required finances	0	0	3	21	31	4.509	0.258
The governance mechanisms and institutions at the local level put in place by the government for efficient and effective implementation of the projects	4	5	7	21	18	3.800	0.144

On the respondent rating the government capacity to manage the implementation of the projects, the study found that government capacity was adequate in the financial resources allocated for the Economic Stimulus Project and the number and qualification of governments personnel to supervise the project as shown by mean of 1.709 and 1.891 respectively, there was inadequacy in governance mechanisms and institutions at the local level put in place by the government for efficient and effective implementation of the projects as shown by mean of 3.8, provision of logistical support towards effective supervision of ESP. as shown by mean of 4.073 and political will towards the implementation of these projects as shown by mean of 4.364, government capacity was very inadequate in timeliness in the disbursement of the required finances as shown by mean of 4.509. This was supported by low standard deviation. The study further revealed that

the government had inadequate capacity for the implementation ESP project in project supervision and evaluation of the projects.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.1 Introduction**

This chapter presents the conclusions of the study. The purpose of this study was to establish the factors affecting implementation of the Economic Stimulus Programme project in Kenya. The study sought to answer the following questions; how does procurement affect the implementation of the ESP projects? How does the contractor's category and capacity affect the implementation of ESP projects? How does the capacity of Government technical staff establishment affect the implementation of ESP projects? and how does funding affect the implementation of ESP projects? The following are the summary of the research findings upon which the conclusion and recommendations of the study were made.

#### **5.2 Summary of findings**

##### **5.2.1 Introduction**

The study established that the government was committed to the implementation of economic stimulus projects, as it was revealed that majority of the respondent indicated that the government was committed in the implementation of economic stimulus .From the findings on the respondent rating the government's commitment, the study found that the government commitment on the implementation of ESP project was low. The study also revealed that government commitment was very important on the implementation of this project, as it was found that majority of the respondent indicated that government commitment was very important.

##### **5.2.2 Procurement process and implementation of ESP**

The study further established that procurement process has affected the implementation of ESP through political influence on who to be awarded a tender has made projects to stall , high level of corruption in government offices which hinders smooth implementation of projects , government procurement process is inefficient and slow affecting project implementation , procurement process of the ESP projects had many obstacles and hindrances affecting implementation , lack of standard documents and manuals in the field stations affected the implementation of projects and procurement process affects the implementation of ESP . The

study further revealed that the process of procurement was tedious, was flawed, was affected by corruption and political interferences and this has affected the implementation of ESP by delaying the starting and completion of project and awarding of contract to cowboy contractors

### **5.2.3 Contractor category and implementation of ESP**

The study established that there were effect of contractor's on implementation of ESP projects, through local contractors engaged in these projects are not familiar with project evaluation and analysis techniques, Contractors effectiveness is highly affected by political influence in project implementation and Contractors lack the managerial skills needed from the start to the end of a project hence making them ineffective. the study further revealed that most contractors do not have the manpower needed in the completion of the projects, Contractors do not have adequate the equipment and machines needed in implementation of the projects, all the contractors engaged in these projects do not go through a thorough vetting process before they are awarded tenders and ESP contractors are not financially able to implement the projects in time.

The study further revealed that the contractors characteristics that make them competent for the job were having the right equipment for the project implementation, being duly certified by the Ministry of Public Works and having the contract management skills. Those characteristics that made some of the contractor incompetent were lack of the equipment, lack of technically qualified manpower and lack of project management skills.

### **5.2.4 Government technical staff establishment and implementation of ESP**

The study revealed that the government capacity was not adequate in the financial resources allocated for the Economic Stimulus Project and the number and qualification of governments personnel to supervise the project , there was inadequacy in governance mechanisms and institutions at the local level put in place by the government for efficient and effective implementation of the projects , provision of logistical support towards effective supervision of ESP and political will towards the implementation of these projects , and that government capacity was very inadequate in timeliness in the disbursement of the required finances.

### **5.2.5 Funding and implementation of ESP**

The study further established that coordination of government departments in the execution of ESP was very low as most of the respondent indicated government commitment in the implementation of ESP project was low. The study further revealed that the government can do better in the implementation process of these projects as all respondent were of the opinion that



the government can do better in the implementation process of these projects. On the areas in which government can improve in the implementation of ESP were on awarding of tender , timely disbursement of project funds , clear guidelines in procurement process, lack of political interference in the project and proper project supervision and evaluation .

### **5.3 Conclusion**

On the effects of procurement in the implementation of the ESP projects, the study concludes that procurement process affects implementation of ESP project, as it was found that the process of procurement was tedious, was flawed, was affected by corruption and political interferences and this has affected the implementation of ESP by delaying the starting and completion of project and awarding of contracts to non performing contractors.

The study further conclude that contractors category of registration affects the implementation of the ESP projects to a great extent as the study found that contractors engaged in the projects were not familiar with project evaluation and analysis techniques, lack the managerial skills needed from the start to the end of a project hence making them ineffective in addition to lack of equipment and financial capacity..

The study further concludes that the Governments technical staff establishment affects the implementation of the ESP projects, as that there were low levels of supervision staff and vehicles to facilitate adequate supervision thus affecting the smooth performance of the contracts.

The study further concludes that funding had effect on the implementation of the ESP projects. The effect of funding on the implementation of ESP project was that contractor's procurement of materials and services was affected due to the uncertain cash flows from the Exchequer. The long certification chain through which the funds go through before reaching the contractors affects their project implementation. Politicians' influence on the funds disbursed and paid to projects also affected the implementation

#### **5.4 Recommendation**

From the findings and conclusion the study recommends that on procurement process for the government to effectively implement the ESP project there is need to reduce political interference with the project implementation, project procurement process and selection of contractors as this will help in reduction of challenges in the implementation of ESP project through appointment of well qualified contractors. The government also needs to prepare and circulate procurement and contract supervision manuals to the grassroots levels to ensure that similar standards are applied in project procurement and supervision.

On contractors registration and capacity there is need for further continuous development training for contractors and construction staff in project management skills. There is also need for contractors to be facilitated to have access to construction equipment and plant for hire.

On government supervisory management there will be need for increasing its staff establishment at every level from constituency to headquarters offices to enhance its capacity for effective supervision of the projects.

The government will further need to give adequate logistical support in terms of supervision vehicles and other facilities.

Finally the Government will be require to ensure that adequate and timely consultations are held at critical stages of project implementation by appropriate stakeholders to facilitate synergic activity in implementation of the projects.

On project funding there is need for the government /donor to allocate adequate and timely financial resources in the ESP project.

#### **5.5 Areas for further studies**

The study recommends that further study on implementation of ESPs should be done but at a larger scope probably covering all the projects being undertaken in the whole country. Also further studies should be considered comparing performance in high density rural constituencies with low density arid and semi arid constituencies.



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*Appendices i*

**QUESTIONNAIRE**

I am a student at JKUAT pursuing an executive degree in business management. This research project is part of the requirements for the award of the degree. You have been identified as one of the respondents of the questionnaire to be used for the purpose of collecting information on the topic of the study.

The information collected will be handled as confidential and will be used for academic purpose only.

Please feel free to give any relevant information.

Questionnaire Number:

Date

**SECTION A: DEMOGRAPHIC INFORMATION**

1. Age Bracket

Less than 30 yrs

30 - 35 yrs

36 – 40 yrs

41 – 45 yrs

46 – 50 yrs

More than 50 yrs

3. What is your gender status?

Female

Male

4. Highest level of formal education completed

Secondary

Diploma

Bachelor's degree

Postgraduate diploma

Masters Degree

Doctorate

5. State the type of organisation through which you are involved in the ESP projects

Construction firm

Implementing Ministry (client)

Ministry of Public Works

Other stakeholders

Kindly specify.....

6. What is your designation? .....

7. How many projects are you directly involved in execution of the ESP ?

.....

8. What is the average completion in percentage terms of the projects that you are involved in ?

.....

**SECTION B: ES PROJECT IMPLIMENTATION**

1. Do you think the government is committed to the implementation of economic stimulus projects?

Yes

No

Don't know

2. How would you rate the governments commitment based on your own experience?

Very high

High

Average

Low

Very low

3 How important do you think the government's commitment is to the implementation of these projects?

- Very important
- Important
- Don't know
- Not important
- Not important at all

5. How would you rate the coordination of government departments in the execution of ESP?

- Very high
- High
- Average
- Low
- Very low

6. In your own opinion do you think the government can do better in the implementation process of these projects?

- Yes  No
- Don't know

7. Please suggest one area in which government can improve in the implementation of ESP.

.....

**SECTION C: Factors Affecting The Implementation Of ESP's**

**(i) Procurement Process**

1. Please indicate to what extent you think the procurement process has affected the implementation of ESP's

Use the following scale: 1= very large extent; 2=large extent; 3= non existence 4=low extent; 5=very low extent

Communication variables		Scale				
		1	2	3	4	5
1	The procurement process affects the implementation of ESP					
2	The lack of standard documents and manuals in the field stations affected the implementation of projects					
3	The government procurement process is inefficient and slow affecting project implementation					
4	The procurement process of the ESP projects had many obstacles and hindrances affecting implementation					
5	There is a high level of corruption in government offices which hinders smooth implementation of projects					
6	Political influence on who to be awarded a tender has made projects to stall					

7. Briefly comment on the process of procurement and how you think it has affected the implementation of ESP

.....

(ii) Contractors Capacity

1. Please indicate whether you agree or disagree on the following statements concerning contractor's effect on implementation of the projects.

**Use the following scale: 1= Strongly agree; 2= Agree; 3= Undecided;  
4= Disagree; 5= Strongly disagree**

Government attributes		Scale				
		1	2	3	4	5
1	ESP contractors are financially able to implement the projects in time.					
2	Contractors effectiveness is highly affected by political influence in project implementation					
3	Contractors have adequate the equipments and machines needed in implementation of the projects					
4	Most contractors have the manpower needed in the completion of the projects					
5	Contractors lack the managerial skills needed from the start to the end of a project hence making them ineffective					
6	The local contractors engaged in these projects are not familiar with project evaluation and analysis techniques					
7	All the contractors engaged in these projects go through a thorough vetting process before they are awarded tenders					

2. Please comment on some of the characteristics of contractors which make them either competed or in competed in implementing these projects

.....  
.....

**(c) Government capacity**

1. What do you think of government's capacity to manage the implementation of the projects?

Use the following scale: 1= Very adequate 2= Adequate 3= Don't know;

4= Inadequate; 5= Very inadequate

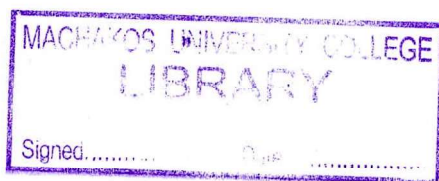
		Scale				
		1	2	3	4	5
1	The number and qualification of governments personnel to supervise the project					
2	The financial resources allocated for the Economic Stimulus Project					
3	The provision of logistical support towards effective supervision of ESP.					
3	The political will towards the implementation of these projects					
4	The timeliness in the disbursement of the required finances					
5	The governance mechanisms and institutions at the local level put in place by the government for efficient and effective implementation of the projects					

2. Please indicate any area where you think the government is adequate in the implementation of these projects.....

.....

3. Indicate areas which you think the government is lacking in the implementation of these projects.....

.....



**(d) Funding**

1. To what extent do you think the following aspects of project funding affect their implementation?

**Use the following scale: 1=greater extent; 2=don't know; 3=non existence; 4=lesser extent**

Aspect		Scale			
		1	2	3	4
1	The funds allocated to a certain project affects its implementation				
2	The governments national budget on these particular projects affects their implementation				
3	The politicians high influence on the funds allocated affects the implementation				
4	The funds set in the budget are fully disbursed and this affects effective implementation				
5	Most of the funds are diverted to other activities hence affecting the full implementation of projects				
6	The chain through which the funds go through before reaching the projects affects its implementation				

2. Please suggest measures the government can implement in funding disbursement to improve implementation of ESP

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*Appendices ii*

**Table 3.1 – E. S. P. Projects in Nairobi County**

No.	Building Type	Site
1.	Fresh Produce Market	Embakasi
2.	Model Secondary School	Kayole
3		Mwangaza
4		Peter Kibukoso
5		Dandora
6		Jehovah Jire
7		Ushirika
8		Ruai
9		Primary Schools
10.	Koma Rock	
11.	Health Centre	
12.	District Headquarters	
13.	C.I.D.C (Jua Kali Sheds)	
14.	Fresh Produce Market	New Ngara
15.	Model Secondary School	Our Lady of Mercy
16.	Primary Schools	Zawadi
17.		Nairobi River
18.	Health Centre	Shauri Moyo
19.	District Headquarters	Kamukunji
20.	C.I.D.C (Jua Kali Sheds)	
21.	Fresh Produce Market	
22.	Model Secondary School	Pumwani Girls
23.	Primary Schools	Valley Bridge
24.		Moi Avenue
25.	Health Centre	Huruma
26.	District Headquarters	

27.	C.I.D.C (Jua Kali Sheds)	Race course
28.	Fresh Produce Market	Kiwanja
29.	Model Secondary School	Ruaraka Girls
30.	Primary Schools	Kahawa
31.		Daniel C.
32.	Health Centre	Kasarani
33.	District Headquarters	Kasarani
34.	C.I.D.C (Jua Kali Sheds)	
35.	Fresh Produce Market	Uhuru Market
36.	Model Secondary School	Aquinas High
37.	Primary Schools	St. Michaels
38.		Star of Good Hope
39.	Health Centre	Jericho
40.	District Headquarters	
41.	C.I.D.C (Jua Kali Sheds)	
.		
42.	Model Secondary School	Olympic High
43.	Health Centre	
44.	District Headquarters	Kibera
45.	C.I.D.C (Jua Kali Sheds)	
46.	Primary Schools	Kongoni
47.		Ayany
48.	Fresh Produce Market	Wakulima
49.	Model Secondary School	Highridge High
50.	Health Centre	
51.	District Headquarters	
52.	C.I.D.C (Jua Kali Sheds)	City Park
53.	Primary Schools	Westlands
54.		Kangemi
55.	Fresh Produce Market	Satellite

56.	Model Secondary School	Ruthimitu Girls
57.		Nembu Girls
58.	Primary Schools	Mutuini
59.		Ndurarua
60.	Health Centre	
61.	District Headquarters	
62.	C.I.D.C (Jua Kali Sheds)	Riruta