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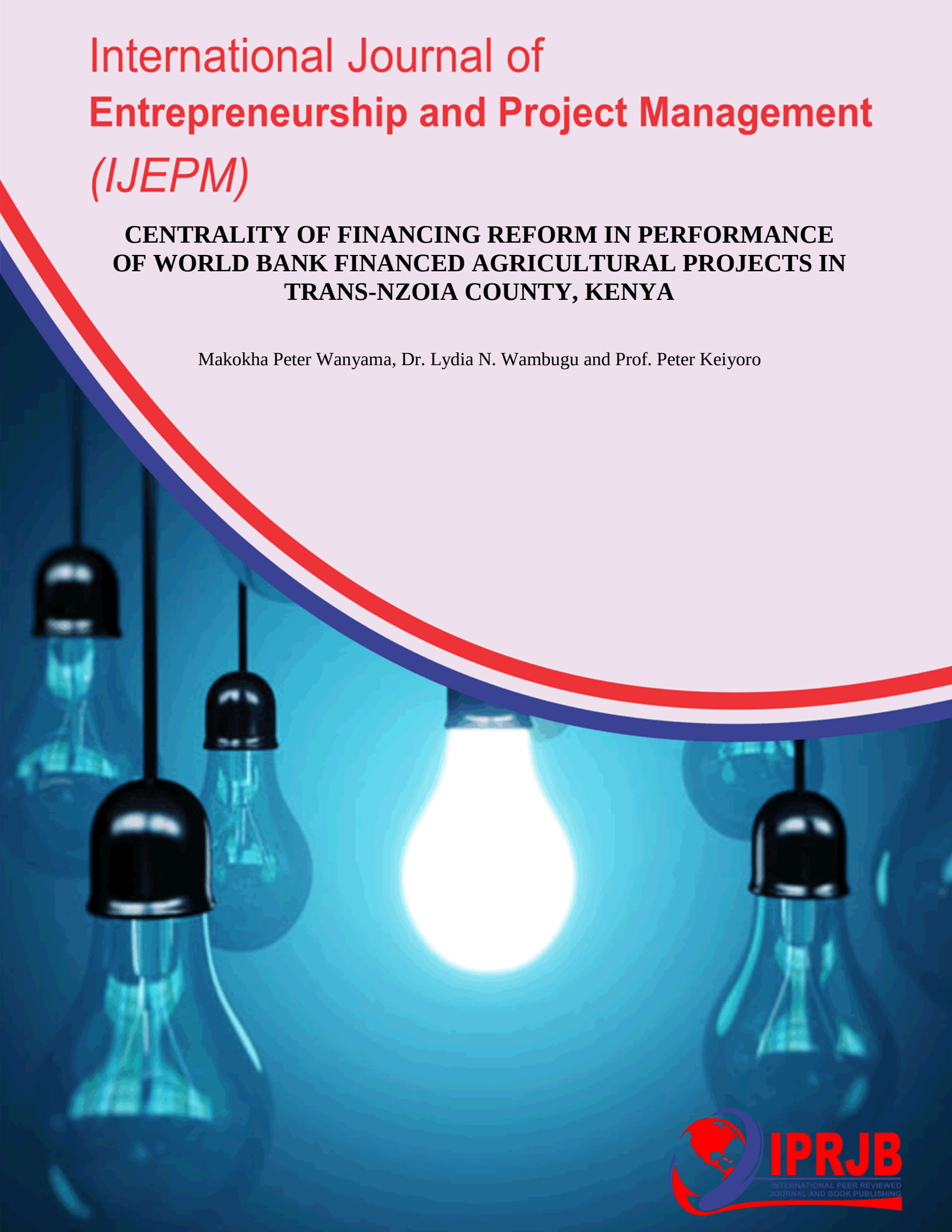

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CENTRALITY OF FINANCING REFORM IN PERFORMANCE OF WORLD BANK FINANCED AGRICULTURAL PROJECTS IN TRANS-NZOIA COUNTY, KENYA

Makokha Peter Wanyama
Results Measurement Specialist-IFC, World Bank, Nairobi, Kenya
Corresponding Author's Email: pnmakokha@yahoo.com

Dr. Lydia N. Wambugu
Senior Lecturer: School of Open and Distance Learning, The University of Nairobi

Prof. Peter Keiyoro
Associate Professor: School of Open and Distance Learning, The University of Nairobi

Abstract

Purpose of the Study: The purpose of this study was to examine the centrality of financing reform in the performance of Agricultural projects funded by the World Bank in Trans-Nzoia County, Kenya.

Methodology: This study adopted descriptive survey design with a focus on mixed-mode approach. The target population of the study was 800 farmers and 15 project officials. The study sample size was 268 respondents determined using simplified Yamane formula of proportions. Quantitative data was collected using a structured questionnaire with 12 Likert-type questions while the qualitative data was collected using standardized interview guide and focus group discussions. The study was grounded on pragmatism philosophy; paradigm that complements epistemological, methodological and axiological underpinnings desired by mixed methods research approach. The primary data collected was analyzed descriptively and inferentially using frequency distribution (mean, percentages and standard deviation) and multiple regression analysis with the aid of the Statistical Package for Social Sciences (SPSS), version 20.0.

Findings: Financing reform had statistically significant influence on the performance of agricultural projects to an extent of r =0.244, (p-value< 0.01). The value of R^2 was 0.244 indicating that financing reform explained 24.4% of the variation in the performance of agricultural projects. The β coefficient of 0.194 indicates a unit increase in financing reform led to 19.4% change in project performance.

Unique Contribution to Theory, Practice and Policy: This study enriches the theory of project financing and provides documented analysis and answers the questions critical for credibility and utilization of the theory. In terms of policy, considering that the government of Kenya is working to develop systems and structures to ensure development projects are delivered within the confines of time, cost, resources and client satisfaction, this study therefore, has unique implications to government policy since it provides evidence to support policy formulation. The study contributes immensely to growth of project management discipline by providing empirical data critical in bridging the gap between the desired and actual project results.

Keywords: *Project Management, Project Financing, Access to Finance, Digitization of Credit, Performance of Agricultural Projects*

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1.0 INTRODUCTION

Globally, it is evident development projects continue to post poor results, a sad phenomenon that has become a distinctive feature in contemporary projects. While some scholars and practitioners opine that continuous monitoring should be the core of project programming (Geng, Zhang, Liang & Bao, 2018), there is perhaps insufficient evidence to back this assertion. Whereas modern management places financing at core of project implementation, the import of this concept is not well grounded especially in the context of contemporary projects (Bara & Mugano, 2016). Examples from Countries around the globe is unequivocal that performance of projects is unsatisfactory. In the UK, for instance, 23% of all projects overshot their budgets, 20% were completed behind schedule while 7% under-delivered in scope. This replicates itself in the USA where the average cost overrun was estimated at 17%, a cost overrun at 15% and schedule overrun at 16% (World Bank, 2019).

Holding other critical parameters constant, project managers subscribe to view that modern project performance need to span simplistic dimensions (Hansen, 2019); a phenomenon that has forced project executors to focus on idealized rather than the operationalized project drivers. Critical project financing facets alongside routine tracking, stakeholder involvement and periodic review should be given invariable consideration. Christopoulos & McAdam, (2017) underscored the need for participation of stakeholders in project financing. However, they did not consider its import in the wider results measurement architecture. From the available empirical evidence, project financing is directly linked to project performance, however, financing alone is not sufficient to guarantee the needed results (Bayarsaikhan, & Musango, 2017). There is need therefore to examine the philosophy and role of financing in the wider project performance architecture.

Financing reform in the field of agriculture sought to simplify credit procedures, diversify collateral options, reform credit structure and regulations, digitize credit acquisition process, simplify credit repayment through regulations, reduce cost of credit, broaden sources of capital and incorporate more institutions in funding agriculture (Dettman & Gomez 2020). Since Kenyan financial systems had become unstable to a point of triggering economic crisis in 90's, need for reform was overwhelming. The desired reforms were therefore considered critical in stabilizing the sector and diversify credit architecture and more importantly reduce bottlenecks associated with credit acquisition. In this regard, the World Bank, pioneered the development of innovative models such as the warehouse receipting to cushion smallholder farmers from exorbitant interest rates and complexities associated with credit acquisition.

Reforms in agricultural financing architecture therefore grew out of desire to increase incomes to resource-poor households, trigger reduction in poverty levels and enhance productivity (Bayarsaikhan, & Musango, 2017). Given Kenya's weak credit infrastructure, the need to revamp credit process was considered critical to unlocking productivity potential Innovative approaches such as the warehouse receipts system, invoice discounting and commodity exchange were therefore pioneered. Credit diversification was expected to cure low productivity and low marketable surplus; situation described as "low equilibrium poverty trap" (Schieber, 2017). Continuous efforts in reforming the sector therefore resulted in emergence of new approaches

such as cereal banking, producer societies and bulk sales. Digitization of credit necessitated selling on on-line platforms and structured trading hence widening access to finance dynamics.

The World Bank supported financing reforms in the field of agriculture are widely applied. In Kenya, these reforms are inculcated in many ongoing projects. In Trans-Nzoia County for instance, these reforms were included in the implementation of the Kenya Agricultural Productivity and Agribusiness Project (KAPAP) and Kenya Agricultural Sustainable Land Management Project (KASLMP). These projects are implemented in context of financing reforms that were meant to modernize agriculture to boost productive capacity and expand credit access. KAPAP focuses on increasing productive capacities and low incomes by promoting agribusiness and technology adoption in agronomy, productivity and marketing. KASLMP focuses on improving value chains in resource management and productivity.

In order to bridge the gap between massive investment in agricultural projects on one hand and project performance on the other, there was need to establish the exact influence of the financing reform packages participatory monitoring on relationship between three reform interventions and on performance of agricultural projects. Trans-Nzoia County was used as de-facto environment for this study. This study therefore sought to examine this relationship and build new narrative based on empirical findings.

1.2 Objective of the Study

This study sought to examine influence of financing reform on performance of agricultural projects funded by the World Bank in Trans-Nzoia County, Kenya.

1.3 Hypothesis of the Study

The following hypothesis was tested:

H_0: There is no significant relationship between financing reform and performance of agricultural projects funded by the World Bank in Trans-Nzoia County, Kenya.

H_1: There is a significant relationship between financing reform and the performance of agricultural projects funded by the World Bank in Trans-Nzoia County, Kenya.

1.4 Statement of the Problem

A review of results from thousands of World Bank funded projects indicated that poor and questionable performance were a common occurrence despite the myriad financing reforms in place. In order to bridge the gap between the massive investments in projects and actual results achieved, there was need to establish the exact contribution of these financial reforms on the performance of agricultural projects. It is against this background that this study sought to establish relationship between widely adopted financing reform and performance of World Bank financed projects using Trans-Nzoia County in Kenya as a de-facto environment.

2.0 LITERATURE REVIEW

There has been massive interest in reforming access to finance (Bowles & White, 2019). This has been witnessed particularly in field of agriculture. Financing reforms have been difficult to

monitor due to perceived and unmanaged sectoral risks that thrive in the sector (Dettman& Gomez, 2020). Strategies designed to reform access to finance in the agricultural sector include simplification of capital acquisition structure, easing farm credit and collateral requirements, expanding payment services and insurance to crops and livestock and capital-based structure (Keya, Kosura, Okeyo & Kirina, 2019). These measures were modelled by Bretton Woods's institutions and were meant to enhance improved access to finance for smallholder farmers. The accumulated evidence indicates that expanding access to finance has shown significant growth through provision of credit to new ventures hence help accelerate investments in agriculture and other productive sectors.

A research study to determine the extent to which Kenyan commercial banks provided credit to agribusiness firms, Keya, Kosura, Okeyo & Kirina, (2019), undertook survey in Nyanza region with a target population of 83 agribusiness firms, 48 Agro-processing firms and 82 farmers. Stratified random sampling was used to select required sample size. Primary and secondary data were used in the study with a response rate of 95.5%. Descriptive findings using percentages, correlation and multiple regression were applied to determine respective outputs and revealed that commercial banks granted to an average of 4.98% credit funding to agriculture, 9.40% to owner equity and 4.38% share of credit.

Similarly, empirical studies on access to finance elsewhere have shown varying trends. In China for instance, Dai, Lin & Zou (2019) demonstrated importance of state-run financing models to the growth of agriculture and poverty. In another instance a study by Huiwen and Zhen (2018) on financing mechanisms and interpretation to deepening reform of investment and financing, found public funding had the lowest financial sustainability; but impressively ranked private investment in agribusiness highest. The study revealed a funding gap of 93.75% to 97.02% is usually met by agribusiness entrepreneurs from personal debt. These findings are in consonance with a study by Nagpal & Pak, (2019), who carried out a similar survey using mixed methods research design approaches on influence of capital structure decisions on performance of new firms. The study found financing through credit lines and bank loans were the most widely used financing models.

Against the broader policy context in expanding access to agricultural financing, there is need to focus on improving performance in facilitating inclusivity (Demetriades & Rousseau (2016). Role played by intermediaries and key financing structures in expanding financial literacy need re-examination. Excellent innovations such as the mobile money could help farmers' access credit easily, however, fraud has remained the biggest impediment to such ventures (Khatutsky, Wiener & Greene, 2017). Financial literacy on fiduciary management limits misuse of limited resources. Investing in financial literacy would enhance farmers' capacities to thrive in an increasingly resource-scarce environment (Gleckman, 2017).

Diversifying capital sources, developing crucial partnerships within financial markets and designing innovative avenues for acquiring capital that include equity financing, invoice discounting and warehouse receipts are considered critical models (Baloch, et.al, 2018). To achieve broader financial inclusion, agricultural financing models should expand credit access mechanisms to farmers by reducing transactional costs, refocus banking architecture to be oriented towards smallholder farmers, simplify the lending patterns by enhancing financial stability through reduction of obstacles in credit and capital acquisition and modernize capital

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acquisition mechanisms to reflect the current realities (Gibson, 2019) Emphasis should be placed on re-engineering the credit infrastructure, designing alternative capital acquisition models

2.1 Theoretical Framework

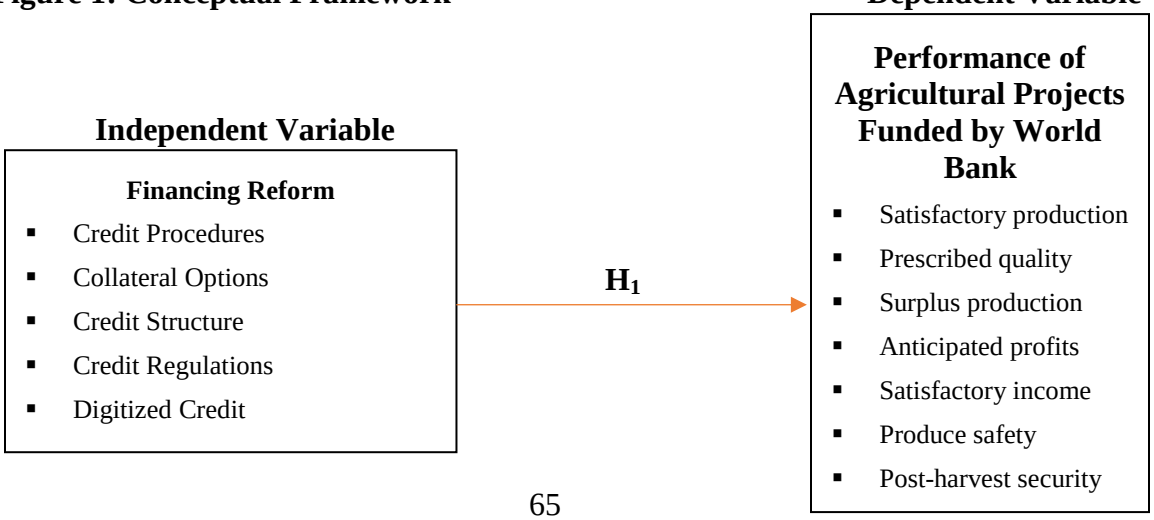
This study is grounded on outcomes theory which was developed by Paul Duignan in 2008 as a conceptual basis for thinking about and working with outcome systems in project interventions. Outcomes theory grounds this study as it concerns itself with delivery of project interventions. Outcomes system identifies, prioritizes, measures or hold parties to account for results generated for each of the interventions. Outcomes theory systems are related to concepts such as the strategic plans, management by results, results chains and results-based management systems. The outcomes theory underpins this study since it focuses on achieving project results in known accountability systems, evidence-based practice systems and best practices.

Outcomes theory envisages interactions between interventions against their performance. Outcomes theory therefore indicates a sub-set of interventions within which projects can operate and bring meaningful results (Schieber, 2017). This theory links interrelated facets desired in performance of projects that include organizational development, evaluation, policy analysis, economics and social science. This interlinkage is expected to increase efficiency in project delivery hence expand performance parameters. The continuous application of this theory means that it is hard for those building systems to gain quick access to generic principles without orienting their functions to existing principles. Outcomes theory therefore intends to improve outcomes of system architecture, which is, related systems that deal in one way or another with outcomes, by providing a clear common technical language, thus helping stakeholders avoid duplication and identify gaps to be filled by interventions. This theory therefore specifies the structural features of well-constructed systems that help stakeholders without significant background in outcomes thinking to construct sound and sustainable outcomes. Within the outcomes theory exists models that are useful in predicting results of project interventions hence help stakeholders prepare for eventualities associated with these interventions. Outcomes theory clearly underpins facets desired in this study.

2.2 Conceptual Framework

Interrelationships among the variables of this study are conceptualized as shown in Figure 1:

Figure 1: Conceptual Framework



2.3 Research Gaps

Available empirical literature has extensive rhetoric on the usefulness of financing reforms that have gained considerable momentum in modern development space. However, not much empirical evidence is available on the exact contribution of these reforms. Validity of claims that financing reform are critical in project development aren't well articulated. Whereas many agencies continue to deploy various facets of financing reform, their exact contribution in project work isn't known (Schieber, 2017). There lacks documented empirical evidence on the role played by financing reforms especially in the field of Agriculture.

Whereas some scholars such as, Schieber, (2017); Gibson, (2019), Demetriades and Rousseau (2016) and Nagpal & Pak, (2019) among others looked at these reforms in great detail and demonstrated substantial empirical evidence, it appears, research designs adopted were pure in nature and did not offer detailed analysis. It is in this regard, that this study sought to bridge methodological gaps in past research to unpack complexities surrounding these reforms.

3.0 RESEARCH METHODOLOGY

This study adopted descriptive survey design using mixed methods research approach. This means quantitative and qualitative data collection were done in a single field visit. This design helped the researcher to collect the two data sets separately then mix them during analysis (Mckim, 2017). A structured questionnaire with 12-Likert-type questions was used to collect the primary quantitative data while the standardized interviews and focus group discussions were used to collect qualitative data. This design was ideal since it helped the researcher to undertake correlation between study variables so to explore multiple issues and triangulate data in detail (Almalki, 2016). Target population for the study was 800 farmers. The sample size was 268 respondents determined by simplified Yamane, (1967) formula for proportions. The Reliability of the questionnaire was 0. 825 and was determined by Cronbach Alpha coefficient.

3.1 Sample Size

The sample size for this study was determined using the simplified Yamane, (1967) formula for proportions, which is expressed as shown:

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

Where;

n=Sample Size**,**
N=Target Population and
e=Allowable Error (error term)

Substituting in the Equation;

Target population being 815, assuming 95% confidence level (thus allowable error of 0.05) then we find:

n= 815

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$1+815(0.05)^2$ =268.31. This is rounded-off at = 268 respondents

4.0 FINDINGS AND DISCUSSION

Demographic characteristics of respondents were examined in the context of gender, age, the highest level of education, level of literacy, primary farming occupation, type of project support and number of years supported by the project. The findings were expressed as shown:

4.1 Questionnaire Response Rate

Out of all the 268 questionnaires that were administered, 255 were filled and returned. This represents a response rate of 95.14%.

Table1: Questionnaire Response Rate

Cluster	Sample Size (n)	No Returned	Response Rate (%)
Cherangany	38	36	94
Endebess	37	34	92
Central	34	34	97
Kaplamai	33	31	90
Kiminini	43	40	93
Kwanza	38	37	94
Saboti	40	38	96
County Staff	3	3	100
PMU Officials	2	2	100
Total	**268**	**255**	**95.14**

4.2 Distribution of Respondents by Gender

Distribution of respondents by gender is presented as shown:

Table 2: Distribution of Respondents by Gender

Gender	Frequency	Percentage
Female	93	36.3
Male	142	55.9
Missing Response	20	7.8
Total	**255**	**100**

The gender of the respondents was 93(36.3%) female while 142(55.9%) were male.

4.3 Distribution of Respondents by Age

Distribution of respondent by age was as shown in Table 3

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Table 3: Distribution of Respondents by Age

Age	Frequency	Percentage
20-25 Years	15	5.9
26-30 Years	0	0
31-35 Years	45	17.6
36-40 Years	57	22.5
Above 40 Years	138	53.9
Total	**255**	**100**

From the findings 15(5.9%) of respondents were between 20-25 years, 45(17.6%) were 31-35 years, 57(22.5%) were 36-40 years while 138(53.9%) were found to be over 40 years.

4.4 Distribution of Respondents by Highest Level of Education

The distribution of respondents according to highest level of education was as shown in Table 4.

Table 4: Distribution of Respondents by Highest Level of Education

Highest Level of Education	Frequency	Percentage
No formal education	12	4.9
Primary school level	120	47.1
Secondary school level	105	41.2
Certificate level	15	5.9
Diploma level	3	1
Total	**255**	**100**

From findings, 12(4.9%) of respondents did not possess formal education. 120(47.1%) had primary level while 105(41.2%) had secondary level. 15(5.9%) had attained certificate level while 3(1%) had diploma.

4.5 Distribution of Respondents by Level of Literacy

Distribution of respondents by levels of literacy was as shown in Table 5:

Table 5: Distribution of Respondents by Level of Literacy

Level of Literacy	Frequency	Percentage
Can Read	5	2
Can Write	10	3.9
Can Read and Write	215	84.3
Cannot Read and Write	23	8.8
Missing Response	2	1
Total	**255**	**100**

It was established 5(2%) could read, 10(3.9%) could write, 215(84.3%) could read & write, 23(8.8%) could not read and write and 2(1%) did not respond to this question.

4.6 Distribution of Respondents by Primary Farming Occupation

The distribution of respondents by primary farming occupation was as shown in Table 6.

Table 6: Distribution of Respondents by Primary Farming Occupation

Farming Occupation	Frequency	Percentage
Maize farmer	110	43.1
Livestock farmer	40	15.7
Crop farmer	13	4.9
Livestock marketer	55	21.6
Horticultural trader	15	5.9
Banana farmer	22	8.8
Total	**255**	**100**

From findings, it was established that 110(43.1%) of the respondents were maize farmers, 40(15.7%) were livestock farmers, 13(4.9%) were crop farmers, 55(21.6%) were livestock marketers, 15(5.9%) horticultural traders and 22(8.8%) were banana farmers.

4.7 Distribution of Respondents by Type of Project Support

The distribution of respondents by type of project support was as shown in Table 7

Table 7: Distribution of Respondents by Type of Project Support

Type of Project	Frequency	Percentage
KAPAP	153	59.8
KASLMP	100	39.2
Missing Response	2	1
Total	**255**	**100**

4.8 Distribution of Respondents by Number of Years Supported

Distribution of respondents by the number of years supported was as shown in Table 8.

Table 8: Distribution of Respondents by Number of Years Supported

Number of Years Supported	Frequency	Percentage
Below 1 year	3	0.01
Between 2-5 years	240	94.1
Between 5-8 years	12	4.9
Total	**255**	**100**

From the findings, it was established 3(0.01%) of respondents had been supported for less than one year, 240(94.1%) of respondents had been supported for 2-5 years, and 12(4.9%) had been supported for 5-8 years.

4.9 Descriptive Analysis

Descriptive findings on financing reform are shown in Table 9.

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Table 9: Descriptive Statistics on Financing Reform

Statements	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Total F (%)	M	SD
Credit procedures	13 (5)	38 (15)	46 (18)	122 (49)	33 (13)	253 (99.7)	3.49	1.063
Collateral options	5 (2)	41 (16)	43 (17)	125 (49)	41 (16)	255 (100)	3.61	1.004
Credit structure	41 (16)	54 (21)	23 (9)	84 (33)	54 (21)	255 (100)	3.22	1.411
Credit regulations	5 (2)	33 (13)	18 (7)	133 (52)	66 (26)	255 (100)	3.87	1.012
Digitized credit	3 (1)	33 (13)	5 (2)	140 (55)	74 (29)	255 (100)	3.98	0.964
Credit flexibility	3 (2)	43 (13)	46 (7)	102 (52)	61 (26)	255 (100)	3.69	1.051
Repayment regulations	10 (4)	74 (30)	18 (7)	92 (37)	54 (22)	247 (96.9)	3.42	1.240
Interests rates	54 (21)	28 (11)	20 (8)	79 (31)	71 (28)	252 (98.8)	3.34	1.520
Credit institutions	0 (0)	26 (10)	36 (14)	125 (49)	69 (27)	255 (100)	3.93	0.902
Cost of credit	26 (10)	74 (29)	23 (9)	94 (37)	36 (14)	252 (98.8)	3.16	1.275
Knowledge on credit	15 (6)	99 (40)	38 (16)	56 (23)	38 (16)	247 (96.9)	3.01	1.229
Repayment capacity	43 (17)	82 (32)	33 (13)	46 (18)	51 (20)	255 (100)	2.92	1.412
Composite							**3.47**	**1.173**

SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA=Strongly Agree M=Mean, SD=Standard Deviation

Findings on credit procedures are; 13(5%) strongly disagreed, 38(15%) disagreed, 46(18%) 122(49%) agreed, 33(13%) strongly agreed with (M=3.49, SD=1.063) which indicates positive influence. On the diversification of collateral 5(2%) strongly disagreed, 41(16%) disagreed, 43(17%), 125(49%) agreed, 41(16%) strongly agreed. The (M=3.61, SD=1.004) shows the parameter was positive. On credit structure findings were 41(16%) strongly disagreed, 54(21%) agreed, 23(9%) were neutral, 84(33%) agreed and 54(21%) strongly agreed, (M=3.22, SD=1.411)

show parameter was negative. On credit regulations 5(2%) strongly disagreed, 33(13%) disagreed, 18(7%) neutral, 133(52%) agreed while 66(26%) strongly agreed, (M=3.87, SD=1.012) was positive.

On digitized credit, 3(1%) respondents strongly disagreed while 33(13%) disagreed, 5(2%) were neutral, 140(55%) agreed, 74(29%) strongly agreed, (M=3.98, SD=0.964) shows the parameter was positive. On credit flexibility 3(1%) strongly disagreed, 43(13%) disagreed, 46(7%) neutral, 102(52%) agreed while 61(26%) strongly agreed, (M=3.69, SD=1.051) indicates parameter was positive. On repayment regulations, 10(4%) strongly disagreed, 74(30%) disagreed, 18(7%) were neutral, 92(37%) agreed and 54(22%) strongly agreed, (M=3.42, SD=1.240) indicates that the parameter was negative. On interest rates, 54(21%) strongly disagreed, 28(11%) disagreed, 20(8%) neutral, 79(31%) agreed, 71(28%) strongly agreed, (M=3.34, SD=1.520) shows parameter was negative.

On improved credit uptake, 26(10%) disagreed, 36(14%) were neutral, 125(49%) agreed while 69(27%) strongly agreed. (M=3.93, SD=0.902) the parameter was positive. On cost of credit, 26(10%) strongly disagreed, 74(29%) disagreed, 23(9%) were neutral, 94(37%) agreed, 36(14%) strongly agreed. (M=3.16, SD=1.275) shows parameter was negative. On knowledge of credit, 15(6%) strongly disagreed, 99(40%) disagreed, 38(16%) neutral, 56(23%) agreed, and 38(16%) strongly agreed. (M=3.01, SD=1.229) indicates parameter was negative. On repayment capacity 43(17%) strongly disagreed, 82(32%) disagreed, 33(13%) were neutral, 46(18%) agreed, 51(20%) strongly agreed. (M=2.92, SD=1.412) shows parameter was negative.

Table 10: Descriptive Analysis on Performance of Agricultural Projects

Statements	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Total F (%)	M	SD
a) Satisfactory production	0 (0)	5 (2)	36 (14)	99 (39)	110 (43)	250 (100)	4.26	0.777
b) Prescribed produce quality	0 (0)	10 (4)	20 (8)	148 (58)	71 (28)	250 (100)	4.12	0.722
c) Surplus production	3 (1)	5 (2)	33 (13)	122 (48)	87 (34)	250 (100)	4.14	0.799
a) Anticipated profits	0 (0)	13 (5)	33 (13)	158 (62)	46 (18)	250 (100)	3.95	0.723
b) Satisfactory income	0 (0)	8 (3)	41 (16)	130 (51)	71 (28)	250 (100)	4.06	0.757
c) Produce safety	0 (0)	51 (20)	15 (6)	110 (43)	71 (28)	247 (99.7)	3.81	1.074
d) Post-harvest security	3 (1)	5 (2)	31 (12)	143 (56)	69 (27)	250 (100)	4.08	0.755
e) Productive capacity	0	10	48	128	64	250	3.98	0.786

		(0)	(4)	(19)	(50)	(25)	(100)		
f)	Positive feedback	0 (0)	8 (3)	31 (12)	130 (51)	82 (32)	250 (100)	4.14	0.746
g)	Stable produce prices	43 (17)	74 (29)	33 (13)	36 (14)	59 (23)	245 (99.7)	2.97	1.461
h)	Encouraged farmers	3 (1)	13 (5)	26 (10)	130 (51)	77 (30)	247 (99.8)	4.07	0.845
i)	Post-harvest safety	26 (10)	46 (18)	51 (20)	69 (27)	59 (23)	250 (100)	3.36	1.302
Composite									

SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree,
SA=Strongly Agree M=Mean, SD=Standard Deviation

Descriptive findings on satisfactory production 5(2%) disagreed, 36(14%) neutral 99(39%) agreed and 110(43%) strongly agreed the (M=4.26 and SD=0.77) imply the parameter was positive. On prescribed quality produce, 10(4%) disagreed, 20(8%), neutral while 148(58%) agreed, 71(28%) strongly agreed, (M=4.12, SD=0.722) shows parameter was positive. On surplus production, 3(1%) strongly disagreed, 5(2%) disagreed, 33(13%) were neutral while 122(48%) agreed and 87(34%) strongly agreed. (M=4.14, SD=0.799) implies parameter was positive. On anticipated profits, 13(5%) disagreed, 33(13%) neutral, 158(62%) agreed while 46(18%) strongly agreed, (M=3.95, SD=0.723) indicate parameter was positive.

On anticipated profits, 8(3%) disagreed, 41(16%) were neutral, 130(51%) agreed while 71(28%) strongly agreed, (M=4.06, SD=0.757) indicates the parameter was positive. On satisfactory income, 51(20%) disagreed, 15(6%) were neutral, 110(43%) agreed 71(28%) strongly agreed, (M=3.81, SD=1.074) indicate parameter was positive. On produce safety, 3(1%) strongly disagreed 6(2%) disagreed, 31(12%) neutral, 143(56%) agreed, 69(27%) strongly agreed, (M=4.08, SD=0.755) parameter was positive. On post-harvest security, 10(4%) disagreed, 48(19%) neutral, 128(50%) agreed, while 64(25%) strongly agreed. The (M=3.98, SD=0.786) indicates parameter was positive. On productive capacity, 8(3%) disagreed, 31(12%) were neutral, 130(51%) agreed, 82(32%) strongly agreed (M=4.14, SD=0.746), shows the parameter was positive.

On positive feedback 43(17%) strongly disagreed, 74(29%) disagreed, 33(13%) neutral, 36(14%) agreed while 59(23%) strongly agreed, the (M=2.97 SD=1,461) shows parameter was negative. On stable produce prices, 3(1%) strongly disagreed, 13(5%) agreed, 26(10%) neutral, 130(51%) agreed while 77(30%) strongly agreed, (M=4.07, SD=0.845) indicates the parameter was positive. On post-harvest safety, 26(10%) strongly disagreed, 46(18%) disagreed, 51(20%) neutral, 69(27%) agreed while 59(23%) strongly agreed. The (M=3.36, SD=1.302) indicates that the parameter was negative.

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Table 11: Correlation of Financing Reform and Performance of Agricultural Projects

		Financing Reform
Performance of Agricultural Projects	Pearson Correlation	.634**
	Sig. (2 tailed)	0.0000
	n	255

** ***Correlation is significant at the 0.01 level (2-tailed).***

4.10: Hypothesis Testing

Financing reform was a composite of 12 indicators. The null hypothesis was tested using the following model, $Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where:

Y= Performance of Agriculture Projects,

X_1= Financing reform,

β_1= Beta coefficients

ε=Error term

The results obtained are presented in Table 10

Table 12: Multiple Regression Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.253[a]	0.244	0.204	3.878

a. Predictors: (Constant), Financing Reform
b. Dependent Variable: Performance of Agricultural Projects

Table 13: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1034.800	25	258.700	0.297***	0.055.[b]
	Residual	.000	2			
	Total	1034.800	27			

a. Predictors: (Constant), Financing Reform
b. Dependent Variable: Performance of Agricultural Projects

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25.481***	3.878	3.129	0.027	0.0525
1 Financing Reform	0.507**	0.093	0.194		

a. Predictors: (Constant), Financing Reform
b. Dependent Variable: Performance of Agricultural Projects

The overall objective of this study was to establish the influence of financing reform on the performance of agricultural projects funded by the World Bank on Trans-Nzoia County. From the findings, it was established financing reform had statistically significant influence on the performance of agricultural projects to an extent; r =0.244, (p-value< 0.01). The value of R^2 is 0.244 indicating that financing reform explains 24.4% of variation in performance of agricultural projects. Based on regression findings, the β coefficient of 0.194 indicates that unit increase in financing reform led to 19.4% increase in performance of agricultural projects financed by the World Bank in Trans-Nzoia County. These findings corroborate descriptive findings and hence the null hypothesis is rejected.

5.0 SUMMARY AND RECOMMENDATIONS

5.1 Summary of Findings

This study sought to examine how financing reform influenced performance of agricultural projects funded by World Bank in Trans-Nzoia County. Descriptive findings were: credit procedures (M=3.49, SD=1.063), diversification of collateral (M=3.61, SD=1.004); credit regulations (M=3.87, SD=1.012) digitized credit (M=3.98, SD=0.964), credit flexibility was (M=3.69, SD=1.051) repayment regulations (M=3.42, SD=1.240), interest rates (M=3.34, SD=1.520); improved credit uptake (M=3.43, SD=0.902); cost of credit was (M=3.16, SD=1.275), credit knowledge (M=3.01, SD=1.229), repayment (M=2.92, SD=1.412), credit structure (M=3.22, SD=1.411). Findings from multiple regression shows value of R^2 was 0.244 indicating financing reform explained 24.4% of variation in project performance. The β coefficient of 0.194 indicates a unit increase in financing reform led to 19.4% increase in project performance.

5.2 Recommendations for Policy

Considering that the government of Kenya is working to develop systems and structures to ensure that development projects are delivered in the confines of time, cost, resources and client satisfaction, this study has implications to policy and citizens in general. The study findings indicate that financing reform interventions influenced project performance. This would ordinarily impact policy framework by providing empirical data to support the policy environment. Policy makers would use these findings to formulate informed policies backed by empirical data hence support the revitalization of the agricultural sector.

5.3 Recommendations for Practice

Findings from this study provide an indication that performance of agricultural projects is influenced by various financial reform interventions. This implies public and private project implementation entities need to embrace sector-specific reform recommendations for effective execution. This study would therefore impact the discipline of project management by adding to the pool of knowledge, providing empirical evidence and being good reference material going forward. Project organizations could apply the findings of this study in areas of project design, planning, execution, development of monitoring & evaluation framework and project management in general.

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