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## **The Effect of Funds Management on Project Performance; A Case of Rwanda Dairy Development Project (RDDP) in Kayonza District, Rwanda**

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# The Effect of Funds Management on Project Performance; A Case of Rwanda Dairy Development Project (RDDP) in Kayonza District, Rwanda

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## Abstract

Poor fund management and cost overruns entrains delays during project implementation. This study entitled the effect of funds management on project performance in Rwanda. The general objective of this research is to assess the effect of funds management on RDDP performance in Kayonza district, Rwanda. Specific objectives were to analyze relationship between budget estimate and project performance; to assess the impact of funds allocation of RDDP performance in Rwanda, and to examine the effects of funds monitoring and control on the performance of Dairy Development project in Kayonza district, Rwanda. This research was a descriptive-correlational design and used both qualitative and quantitative research approaches. A Sample size of 180 respondents determined using Slovin's formula, was randomly extracted from 328 employees and beneficiaries of RDDP in Kayonza district. Descriptive statistics were used to determine frequencies and percentages of respondents, while regression analysis and Pearson correlation coefficient were used to establish relationship between variables under study. The Statistical Packaging for Social Sciences version 28 was used in this study. The researcher found that there is a positive relationship between funds allocation and project performance in Rwanda, there is a positive relationship between funds control and project performance in Rwanda, there is a positive relationship between budget estimate and project performance in Rwanda. The study also found that the regression analysis equation is projects performance (Y) = .465+ .601\* budget estimate + .332\* funds allocation + .515\* funds monitoring & control. This implies that the transition from managing projects requires more focus on budgeting, funds allocation and funds monitoring & control. Based on the discussion, it is concluded that, budget estimate, funds allocation and funds monitoring & control plays a big role towards performance of the project. The techniques used during this process of budgeting are supposed to make sure that effective management of funds is done. The management of the project should always make sure that, budgets systems, funds control, funds allocation are clear and following the principles of project management to avoid audit queries all the time which may affect the implementation of the project activities.

**Key words:** *Fund Management, Project Performance and RDDP*

## 1. Introduction

Roque and Carvalho (2013) demonstrated that adopting fund management practices has a major beneficial impact on the project's success. The study of Ofori (2013) contradict that the performance of the project depends on funds management. According to his findings, top management support, efficient communication, clarity of project purpose and goals, and project stakeholder involvement are all essential aspects that contribute to project performance. Different studies suggested different reasons that should cause the performance of the projects, but some projects are still failing, where the World Bank's project failure rate in Sub-Saharan Africa was over 50% (Lavagnon, Amadou & Denis, 2012).

In a study carried out by Lawrence (2015) on performance of construction project in Rwanda revealed that imperfect allocation of architects and consultation have negative effects on project planning. The evidence shows that majority of projects did not benefit from professional in implementation phase. The study also reports 45.2 percent of examined projects recoded low performance. Another study by Umulisa (2015) found out that 39.6% of project in Rwanda delayed or end up by collapsing. In addition, reports show that 38.7% of the project under MINICOM in various areas of country fails to achieve their goals and objectives due mainly to delay in completion, hence ending up by being privatized (Gashuga, 2016).

Therefore, the above findings from different studies allow the researcher to say that Neither employers nor academics seems to concur on what constitutes effective finance management and project execution. It appears to be a difficult concept to describe. However, from the empirical literature and critical review, the researcher recognized that different researchers from different countries did not have same understanding on the contribution of funds management on performance of the project in their case studies. This indicates a lack of academic expertise in the field of funds and financial management and performance of the project context which the current study seeks to bridge by availing data on the same subject using a case study of Rwanda Dairy Development Project operating in Kayonza district.

## 1.2 Objectives of the study

### 1.2.1 General objective

The general objective of this study was to assess the effect of funds management on the performance of Rwanda Dairy development Project (RDDP) in Kayonza district of Rwanda.

### 1.2.2. Objectives of the study

The specific objectives of this study were set as follow:

- (i) To determine the effects of budget estimate on RDDP performance in Rwanda
- (ii) To assess the impact of funds allocation of RDDP performance in Rwanda.
- (iii) To examine the effects of fund monitoring and control on the performance of Dairy Development project in Kayonza district, Rwanda
- (iv) To assess the effect of funds management on project performance

### 1.3 Hypotheses

HO: There is no significant effect of funds management on project performance

HO1: There is no significant effect of budget estimate on RDDP performance.

HO2: There is no significant effect of funds allocation of RDDP performance in Rwanda.

HO3: There is no significant effect of fund monitoring and control on the performance of Dairy Development project in Kayonza district, Rwanda.

## 2. Literature Review

### 2.1 Empirical review

Mutodi (2017) conducted research to explore influence of funds allocations on project achievements in South African. His study aimed to establish correlation between funds management and project success. He employed a quantitative study design and data was collected through questionnaire administered to 114 respondents. The results of the study indicated a negative correlation of two variables. From funding, other characteristics that influence the performance of projects carried out by NGOs in South Africa were also discovered. Siborurema (2015) conducted a study titled "The Effects of Project Funding on Project Performance in Rwanda," which included a case study of the construction of the Bukomane-Gikoma Road in Rwanda's Gatsibo District. The study's main purpose was to determine the impact of project financing on project performance. The target population was divided into two groups: one made up of persons involved in project planning and funding, and the other made up of persons involved in project implementation management. Data was collected using a specially designed questionnaire, consultation of existing documents, and interviews. According to the statistics, both cost estimation and technical design interfere with the project finance strategy and have a negative impact on the anticipated project implementation time. The purpose of this research was to see how budgets affected the financial performance of manufacturing enterprises in Nairobi County. The study used all population i.e., all 18-manufacturing industry in Nairobi. The findings have revealed that budgeting contribute a lot on project efficiency.

Gwahula (2016) also examined the impacts of fund management on the efficiency of projects in Government financed construction projects in Tanzania. In this study, 80 respondents working in the construction industry were given a closed-end questionnaire with 20 performance factors and asked to rank them on a 5-point Likert scale. Statistical Package for Social Sciences version sixteen was used to analyze the data. According to the findings, project financing processes, contractors' construction industry experience, project technology, plant and equipment availability, procurement system and processes, and project manager knowledge and skills are all critical factors that have a direct impact on the quality of government-funded construction projects. The creation of a multiple regression model demonstrated that project quality and fund management have a positive linear relationship. Positive coefficients with an appropriate degree of significance were found for all the variables under fund management. In Jordan's Ministry of Environment,

Hani (2017) evaluated the influence of finance management on the success of a project in North south and central of the country. The sample of 62 were used to collect the data through descriptive technics. Findings reveal considerable link between the two variables. Gashuga (2016) conducted research in Rwanda to determine the impact of financial control on project success. This research used a mixed-methods approach. There were ninety-one people in the target population. As data gathering instruments, questionnaires were utilized. Descriptive statistics such as mean, percentages, and frequencies were established, Pearson

correlation used to draw relationship, while effects were established through regression model all calculation was supported by SPSS version 22. The findings supported a positive relationship between financial control and project success. Hassan (2019) conducted research on the effect of financial management practices on the financial performance of small and medium enterprises in Mombasa. The purpose of this research was to see how budgets affected the financial performance of community-based organization in Nairobi. The study used all population i.e., all eighteen-manufacturing industry in Nairobi. The findings have revealed that budgeting contribute a lot on project efficiency.

Another study by Umulisa (2015) found out that 39.6% of project in Rwanda delayed or end up by collapsing. In addition, reports show that 38.7% of the project under MINICOM in various areas of country fails to achieve their goals and objectives due mainly to delay in completion, hence ending up by being privatized (Gashuga, 2016). Reviews of the literature on the effect of fund management practices on Project performance are limited. Where the same has been done, none has dealt with all the all variables and its direct impact on agriculture and animal husbandry projects, more specifically in RDDP.

## 2.2 Research Gap

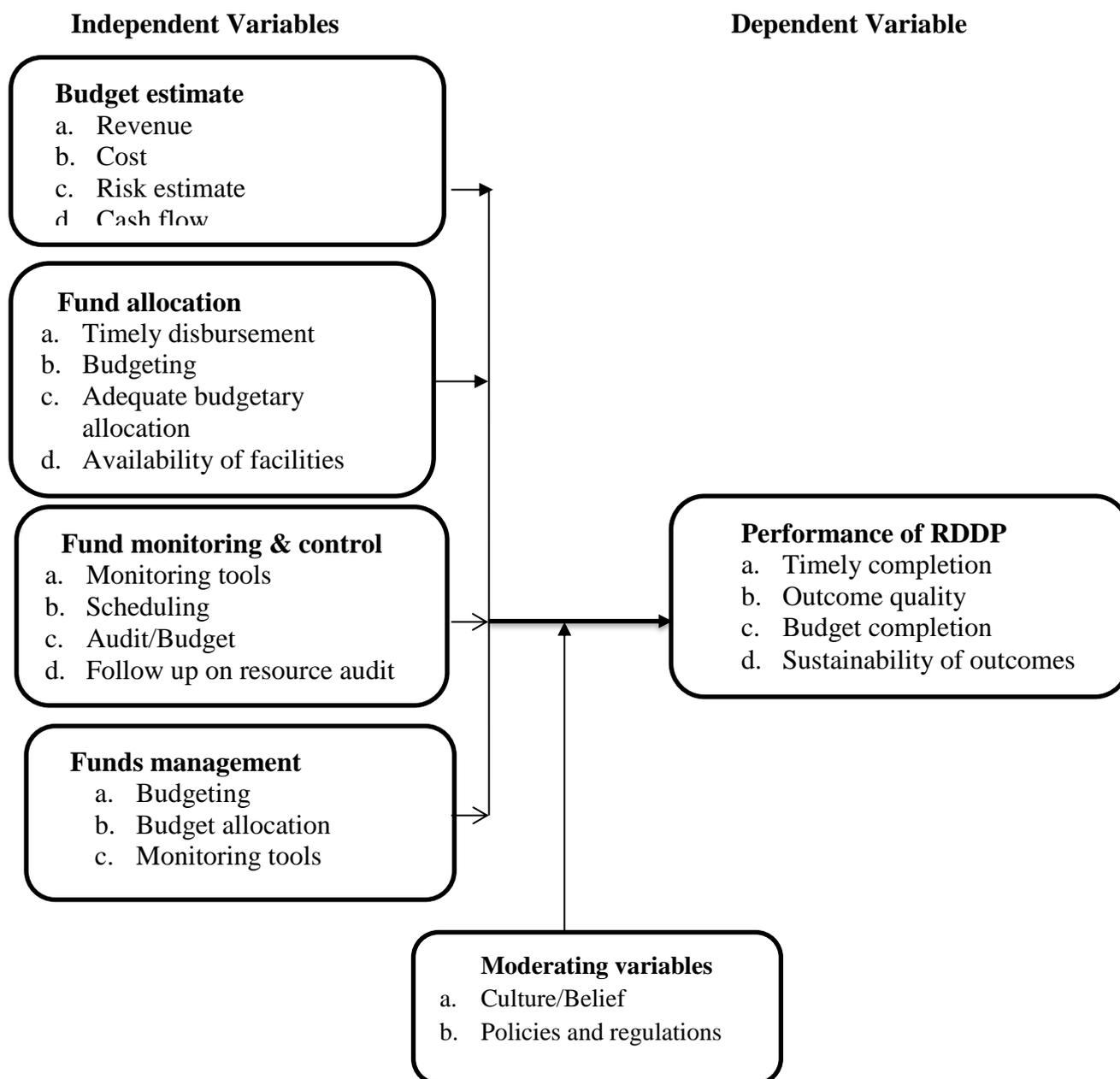
To make our research more comprehensible and to determine whether there is a need that our research might serve, we have evaluated numerous theoretical and empirical themes associated with our subject matter: Hani (2017) evaluated the influence of finance management on the success of a project in North south and central of the country. The sample of 62 were used to collect the data through descriptive technics. Findings reveal considerable link between the two variables.

Gashuga (2016) conducted research in Rwanda to determine the impact of financial control on project success. This research used a mixed-methods approach. There were 91 people in the target population. As data gathering instruments, questionnaires were utilized. Descriptive statistics such as mean, percentages, and frequencies were established, Pearson correlation used to draw relationship, while effects were established through regression model all calculation was supported by SPSS version 22nd. The findings supported a positive relationship between financial control and project success. Siborurema (2015) conducted a study titled "The Effects of Project Funding on Project Performance in Rwanda," which included a case study of the construction of the Bukomane-Gikoma Road in Rwanda's Gatsibo district. The study's main purpose was to determine the impact of project financing on project performance. The target population was divided into two groups: one made up of persons involved in project planning and funding, and the other made up of persons involved in project implementation management. Data was collected using a specially designed questionnaire, consultation of existing documents, and interviews. According to the statistics, both cost estimation and technical design interfere with the project finance strategy and have a negative impact on the anticipated project implementation time.

Therefore, the above findings from different studies allow the researcher to say that Neither employers nor academics seems to concur on what constitutes effective finance management and project execution. It appears to be a difficult concept to describe. However, from the empirical literature and critical review, the researcher recognized that different researchers from different countries did not have same understanding on the contribution of funds management on performance of the project in their case studies. This indicates a lack of academic expertise in the field of funds management and performance of the project context which the current study seeks to bridge by availing data on the same subject using a case study of Rwanda Diary development Project in Kayonza district.

## 2.4. Conceptual framework of the study

A conceptual model is a tangible thing composed of ideas or variables that aid in the understanding of the concept it represents. To uncover the contribution of financial resources management on project success, the study displays significant independents and dependent variable that are represented by the model below:



Source: Reseacher compiled, 2023

**Figure 2.1: Relationship between independents and dependent variable**

## 3. Methods and materials

This research employs a descriptive survey research design, utilizing both descriptive and inferential statistical tools for data analysis. According to Johnson et al. (2017), such a design involves systematically collecting data from a representative sample using instruments like questionnaires, observations, and interviews. In this study, a correlational approach is chosen

to determine the quantitative relationship between variables within the same group of subjects.

The target population consists of 328 individuals involved in the Rwanda Dairy Development Project (RDDP) in Kayonza district since 2017, comprising managers, field staff, specialists, and beneficiaries. Due to the large population size, sampling was necessary. A sample size of 180 respondents was derived using Solvin's formula, employing both simple random and purposive sampling techniques.

Data collection involved administering questionnaires and consulting RDDP's annual activity reports. The questionnaire, comprising closed and open-ended questions, was distributed among project financiers, managers, and beneficiaries. The collected raw data underwent processing stages like editing, coding, classification, and tabulation to ensure accuracy and completeness.

For data analysis, both inferential and descriptive statistics were used, with results graphically presented for clarity. The reliability and validity of the data were ensured through measures like multiple indicators for constructs and testing for consistency using Cronbach's alpha, which yielded values above 0.7, indicating strong internal consistency.

Ethical considerations were paramount throughout the research process. Permission was obtained from the University of Kigali, and participants were assured of confidentiality and anonymity. They were informed of their right to withdraw from the study at any time. These measures aimed to uphold ethical standards and protect the rights and privacy of the participants. Overall, the methodology employed in this study aimed to gather robust and reliable data while adhering to ethical principles.

#### **4. Findings**

The following section presents the results of the study based on the study objectives. The results were summarized using the mean and standard deviations (SD). Questions were formulated based on a 5-point Likert-scale. From a general view, the average mean value for discussion was 4.0, and the value below this mean indicates a movement towards disagreement with the statements, while the value greater than 4.0 indicates a movement towards agreement with the statements. Moreover, a SD greater than 1 indicates the divergence of the respondents' views, while a SD less than 1 indicates a narrow divergence in the views of respondents.

##### **4.4.1. Effect of budget estimate on the performance of RDDP in Kayonza district**

The first objective of this study was to determine the effects of budget estimate on the performance of Rwanda Dairy Development Project. Responses are summarized by mean and standard deviation (SD). The table 4.5 below presents the findings.

**Table 4.5: Effect of budget estimate on the performance of RDDP**

Budget estimate	N=180						
	SA	A	N	D	SD	Mean	Std. Deviation
Actual and Original budget is a crucial tool for project outcomes	114	54	6	6	0	4.5	.889
	63.4	30	3.3	3.3	0		
Defining resource requirement and budget estimate is performed at initial stage of the project planning	118	44	7	5	6	4.4	.877
	65.7	24.7	3.8	2.7	3.1		
Resources forecast is regularly prepared in the organization	102	64	4	4	6	4.4	.751
	56.7	35.6	2.2	2.2	3.3		
Appropriate staffs and stakeholders are involved in all budget preparation processes	91	62	15	4	6	4.0	.972
	51.7	34.6	8.2	2.2	3.3		
Regular meetings with staff held to evaluate the status of budget implementation in line with the detail plan	108	62	2	4	4	4.1	.824
	60.0	34.4	1.1	2.2	2.2		
The approved budget is communicated to all stakeholders timely and transparently	96	66	8	4	6	4.3	.926
	53.3	36.7	4.4	2.2	3.3		
Budget revisions are considered as an option to address fund shortages	117	42	13	4	4	4.4	.831
	65.3	22.8	7.5	2.1	2.3		
<b>Average Score</b>	<b>58.98</b>	<b>31.25</b>	<b>4.35</b>	<b>2.28</b>	<b>2.48</b>	<b>4.30</b>	<b>.86</b>

Source: Fieldwork data, 2023

In general, the results mentioned in table 4.5 show that, the average mean of 4.30 indicated that budget estimate affected the performance of Rwanda Dairy Development project with a standard deviation of .86 as confirmed by 58.98% strongly agreed on this statement, 31.25% agreed, 4.35% neutral, 2.28% disagreed and 2.48% strongly disagreed.

As shown by the statistics in the table above, majority of respondents revealed that defining resource requirement and budget estimate is performed at initial stage of the project planning on the percentage of 65.7% of strongly agree and 24.7% of agree where this high positivism leads to the mean of 4.4 which is interpreted as high mean. A few numbers of respondents representing 2.7% disagreed about this item while 2.7% of respondents did not take any decision about this item.

The Kabogo (2021) study, which examined Project Fund Management and Performance of Great Lakes Trade Facilitation Project of Minicom, supports this conclusion stating that budget estimate is a crucial factor that influence project performance as shown by overall high mean and a big number of respondents who agreed with this statement.

In examining whether actual and original budget is a crucial tool for project outcomes, 63.4% of respondents strongly agreed and 30% agreed leading to the mean of 4.5. Few respondents disagreed that actual and original budget is a crucial tool for project outcome as show by 3.3% of disagreement and 3.3 of respondents did not either disagree or agree. Moreover, findings in table 4.1 indicated that 65.3% of respondents strongly agreed that budget revisions are considered as an option to address fund shortages and 22.8% agreed about this item leading to the mean of 4.4 which express as high mean. 2.1% of respondents and 2.3%

strongly disagreed and disagreed respectively about this item while 7.5% of respondents did not take decision about this statement.

Such obtained results are quite related to the findings of Siborurema (2015) who examined the effects of projects funding on the performance of Bukomane-Gikoma road project and found that the implementation of most of projects in Rwanda, especially those concerning the public works use to take more time than the scheduled one due to poorly estimated costs which use to be revised and involve additional costs and poor technical designs which use to be modified during the projects implementation implying therefore, the unplanned additional works which involve additional costs.

In analyzing if regular meetings with staff held to evaluate the status of budget implementation in line with the detail plan, many respondents representing 60.0% strongly agreed and 34.4% agreed influencing the mean to be 4.1. The remaining number of respondents 1.1% and 2.2% disagreed and strongly disagreed respectively whereas 2.2% of respondents chose to abstain about this item. Furthermore, a great number of respondents representing 56.7% strongly agreed that resources forecast must regularly prepared in the organization and 35.6% of respondents agreed about this statement leading to the mean of 4.4. A small number of respondents estimated at 3.3% strongly disagreed and 2.2% disagreed that resources forecast must regularly prepared in the organization whereas also 2.2% of respondents chose to abstain about this item.

Regarding the item that the approved budget is communicated to all stakeholders timely and transparently, 53.3% of respondents strongly agreed while 36.7% of respondents agreed about this item leading to the mean of 4.3 and stand deviation of .926. The remaining number of respondents representing 4.4% did not decide about this item. From the statistics in table above, most of respondents involved in this study agreed that appropriate staffs and stakeholders are involved in all budget preparation processes as confirmed by 51.7% and 34.6% who strongly agree and agree respectively with the mean of 4.0 and a stand deviation of .972. With the interview with top management, most of them indicated that project performance greatly depends on fund budgeting. Effective fund budgeting positively influences project performance. To triangulate the findings collected using a questionnaire, interview was conducted with top management. The results of interview indicated that if you plan poorly, you run out resources or fund and therefore close the project. Any project that has limitation on budgeted resources will perform poorly, while a project that has no limitation on budgeted resources will perform well.

#### **4.4.2. Effect of Funds allocation on the performance of RDDP in Kayonza district.**

The second objective of this study aimed to assess the impact of funds allocation on RDDP performance in Rwanda. To achieve this objective; respondents were requested to demonstrate their level of agreement or disagreement on the statements related to fund allocation practices to indicate whether they are applicable in the RDDP in Kayonza district and how they influence their performance. Responses are summarized by mean and standard deviation (SD). The statistic in the following table describes the respondents' opinion on the items used to evaluate fund allocation effects on project performance.

**Table 4.6: Effect of Funds allocation on the performance of RDDP**

Funds allocation	N=180						
	SA	A	N	D	SD	Mean	Std. Deviation
The project is successfully funded with sufficient budgetary support, to enhance its performance.	79	53	35	9	4	4.07	1.07
	44.1	29.4	19.6	4.9	2.0		
The project is fully funded (funded effectively) with adequate budgetary allocation which improves the performance of RDDP	72	51	32	14	11	3.88	.907
	40.2	28.4	17.7	7.9	5.8		
To ensure the RDDP performs as intended, necessary resources are always made available on time.	81	49	16	16	18	3.88	.912
	45.1	27.5	8.8	8.8	9.8		
Required resources (facilities and equipment) are always made available on time for purposes of ensuring expected performance of the RDDP	53	74	21	14	18	3.76	1.002
	29.4	41.2	11.8	7.8	9.8		
There is always timely disbursement of funds to RDD project implementation where funds are not delayed and disbursed according to the budgeting (On time funding) which enhance the performance of the fund	28	69	44	18	21	3.36	.897
	15.7	38.2	24.5	9.8	11.8		
Funds are distributed to beneficiaries according to fixed assumptions	74	57	36	9	4	4.04	1.00
	41.1	31.4	19.6	4.9	2.0		
The cost of the project is never varied over time which ensures that the RDDP performs as expected	76	51	25	12	16	3.88	.908
	42.2	28.4	13.7	6.9	8.8		
<b>Average Score</b>	<b>36.54</b>	<b>32.07</b>	<b>16.52</b>	<b>7.28</b>	<b>7.14</b>	<b>3.83</b>	<b>0.95</b>

Source: Fieldwork data, 2023

The results presented in above table show that the average mean of 3.83 indicated that budget allocation affects the performance of RDDP, with a standard deviation of .95 where 36.54% of the respondents strongly agreed, 32.07% agreed, 16.52% neutral, 7.28% disagreed and 7.14% strongly disagreed. The obtained results are in contradiction with the findings of Mutodi (2017) who conducted research to explored influence of funds allocations on project achievements in South African where his findings indicated a negative correlation between two variables.

To ensure that the RDDP performs as intended, necessary resources are always made available on time, a great number of respondents representing 45.1% were in strongly agreement and 27.5% agreed leading to the mean of 3.89 with a stand deviation of .912 while 8.8% of respondents disagreed and 8.8 % who did not decide about this statement.

Most of the respondents estimated at 44.1% strongly agreed with the statement that the project is successfully funded with sufficient budgetary support, to enhance its performance with a high mean of 4.07 and a stand deviation of 1.07. A small portion of respondents equals to 29.4% disagree, 19.6% neutral and 2% of respondents were strongly disagreed with the statement.

According to the mean of 3.88 indicated that the cost of the project is never varied over time which ensures that the RDDP performs as expected with a significance variance of .908. This statement was strongly agreed by 42.2% of the respondents, 28.4% agreed, 13.7% neutral, 6.9% disagreed and 8.8% strongly disagreed.

Furthermore, 40.2% of respondents strongly agreed that the project is fully funded (funded effectively) with adequate budgetary allocation which improves the performance of RDDP and 28.4% agreed about this item influencing the mean to be 3.88. And then, 5.8% of respondents strongly disagreed, 7.9% disagreed and 17.7% did not either disagree or agree that the project is fully funded (funded effectively) with adequate budgetary allocation which improves the project performance.

Coming to the Required resources (facilities and equipment) that must be always made available on time for purposes of ensuring expected performance of the RDDP, the mean of 3.76 indicated that facilities and equipment's were available on time to the beneficiaries during the project implementation with a significance variance of 1.02, 29.4% strongly agreed on this statement, 44.2% agreed, 11.8% neutral and 9.8% strongly disagreed with the statement. These results are consistent with those of Kabogo (2021), who evaluated Project Fund Management and Performance of Great Lakes Trade Facilitation Project of Minicom and found that allocation is the distribution of resources to different component of the projects. In allocating a specific amount we take into consideration several factors some of these are fixed, some are variables. If this is done wrongly, ultimately the performance of one component delays performance of another component and thus the entire project is affected. Allocation is the effective and efficient determination of resources needed in specific components of the project to finalize successfully.

The results presented in above table show that the average mean of 4.04 indicated that Funds are distributed to beneficiaries according to fixed assumptions, with a standard deviation of 1.00 where 41.1% of the respondents strongly agreed, 31.4% agreed, 19.6% neutral, 4.9% disagreed and 2% strongly disagreed. Results of interview indicated that fund allocation is the distribution of resources to different component of the projects. In allocating a specific amount we take into consideration several factors some of these are fixed, some are variables. If this is done wrongly, ultimately the performance of one component delays performance of another component and thus the entire project is affected. Allocation is the effective and efficient determination of resources needed in specific components of the project to finalize successfully.

Briefly, from the statistics in the Table 4.6, fund allocation influence project performance as confirmed by most respondents.

#### **4.4.3. Effect of project fund monitoring and control on the performance of RDDP in Kayonza district**

The third objective of this study was to examine the effects of fund monitoring and control on the performance of Dairy Development project in Kayonza district of Rwanda. To do so, respondents were asked to indicate the extent to which they agree or disagree with the statements related to project fund monitoring and control to demonstrate whether they are

applicable in the RDDP in Kayonza district and how they influence its performance. Their responses are summarized by mean and standard deviation (SD). Findings are depicted in the following table.

**Table 4.7: Effect of project fund monitoring and control on the performance of RDDP**

Project fund monitoring and control	N=180						
	SA	A	N	D	SD	Mean	Std. Deviation
There is a formal approval system in the organization for all financial transactions	94	70	4	2	10	4.51	.801
	52.2	38.9	2.2	1.1	5.6		
The project keeps records for all transactions and resources mobilized or donations received	106	54	16	2	2	4.44	.794
	58.9	30.0	8.9	1.1	1.1		
The organization prepares timely financial reports to the board, donors and government	96	72	4	4	4	4.43	.831
	53.4	40.0	2.2	2.2	2.2		
Financial statements of the organization are audited every year by external auditors	90	68	12	6	4	4.30	.705
	50.0	37.8	6.7	3.3	2.2		
The board of directors reviews the annual audit report of the organization	136	40	4	0	0	4.73	.892
	75.6	22.2	2.2	0.00	0.00		
The project performance reports are analyzed periodically	86	59	25	6	4	4.20	.897
	48.0	32.8	13.7	3.3	2.2		
The board of directors ensures compliances to the requirements of stakeholders	95	68	7	6	4	4.35	.814
	53.0	37.8	3.7	3.3	2.2		
<b>Average Score</b>	<b>59.84</b>	<b>31.4</b>	<b>3.5</b>	<b>2.42</b>	<b>2.48</b>	<b>4.42</b>	<b>.819</b>

Source: Fieldwork data, 2023

The results in table 4.7 also show that proper cost control is an indicator of project performance as expressed by a great number of respondents representing 59.84% of strongly agreement and 31.4% of agrees leading to the mean of 4.42 which is interpreted as high mean with a stand deviation of .819. A small percentage equals to 2.420% of respondents disagreed while 3.5.0% did not either agree or disagree about the item.

It was found that majority of the respondents with mean of 4.35 and .492 of standard deviation scaling with 75.6% of respondents strongly agreed and 22.2% of respondents agree that the board of directors reviews the annual audit report of the organization. while the mean of 4.44 and .892 of standard deviation corresponding with 58.9% of respondents strongly agreed that the project keeps records for all transactions and resources mobilized or donations received comparatively to 1.1% strongly disagree with the statement.

Similarly, the respondents with mean of 4.43 and .831 of standard deviation corresponding with 53.4% strongly agree and 40% agree that the organization prepares timely financial reports to the board, donors and government. This implies that majority of project managers must make effective project management and evaluation for not causing the project failure.

The study also found that the respondents with the mean of 3.31 and .801 of standard deviation corresponding with only 52.2% strongly agreed and 38.9% agreed that there is a

formal approval system in the organization for all financial transactions while the mean of 4.30 and .705 of standard deviation corresponding with only 50% strongly agreed and 37.8% agreed that financial statements of the organization are audited every year by external auditors comparatively to 2.2% strongly disagreed with the statement.

This implies that several auditors consider the project activities and take care of them to reach out the standard activities.

In addition, the board of directors ensures compliances to the requirements of stakeholders (Mean=3.12 with stand deviation of .814) as confirmed by 53% that strongly agree with the statement, and the project performance reports are analyzed periodically for better use of budget as indicated by a Mean of 3.3 with stand deviation of .897 a confirmed by 48% of respondent strongly agreed, 32% agreed, 13.7% neutral and 2.2% strongly agreed with the statement

From the findings, it is evident that monitoring and evaluation had a significant influence on performance of Rwanda Dairy Development project. Similarly, monitoring and evaluation ensured that risks that kept coming from time to time were effectively managed increasing project performance.

Regarding the above results, we can conclude that, the findings are in the line with the results of Mulugeta (2021) who worked on the effect of project fund management practices in Non-Governmental Organizations: in Addis Ababa where he found that the highest impact on project performance/success was found by Financial Monitoring and Reporting.

In addition, discussion with interviewers when top management asked the extent to which fund control influence project performance, most of them indicated that monitoring of project activities is a crucial factor for project performance. To ensure the performance and the success of the RDDP, not only the use of funds should seriously be controlled but also audit of used fund should be regularly carried out.

#### **4.4.5. Performance level of RDDP in Kayonza district**

There are several factors that determine the performance and success of a project. These factors include meeting quality specifications, completing the project within budget and completing the project on schedule among others. In a Likert scale of 1-5, the respondents were required to indicate the level of importance of project performance factors to their projects. A level of 1 indicated that the success factor was the least important to the project while a level of 5 indicated that the success factor was most important to the project. This was done to determine which factor was important for specific projects given that they varied in context.

**Table 4.8: Project performance**

Project performance	N=180						Mean	Std. Deviation
	SA	A	N	D	SD			
Projects activities are delivered within estimated budget	114	54	6	6	0	4.53	.989	
	63.4	30	3.3	3.3	0			
Project activities are completed on time	118	44	7	5	6	4.64	1.081	
	65.7	24.7	3.8	2.7	3.1			
Project activities are closely monitored to avoid delay in their completion	102	64	4	4	6	4.40	.751	
	56.7	35.6	2.2	2.2	3.3			
Proper cost control is an indicator of project performance	95	64	11	4	6	4.32	.809	
	52.7	35.6	6.2	2.2	3.3			
Accurate estimation of original cost indicates project performance	108	62	2	4	4	4.47	.824	
	60.0	34.4	1.1	2.2	2.2			
Efficient management indicates project performance	96	66	8	4	6	4.34	.731	
	53.3	36.7	4.4	2.2	3.3			
Completed on time with expected budget	120	39	13	4	4	4.48	1.02	
	67.1	21.8	7.5	2.2	2.2			
<b>Average Score</b>	<b>59.4</b>	<b>31.2</b>	<b>4.07</b>	<b>2.4</b>	<b>2.5</b>	<b>4.45</b>	<b>0.88</b>	

Source: Fieldwork data, 2023

Statistics in Table 4.8 describes the opinion of respondents on project performance based on Indicators of time, budget, quality and cost. When the researcher analyzed whether project activities are completed on time, 65.7% of respondents strongly agreed, 24.7% agreed leading to the mean of 4.4. A portion of 2.4% of respondents strongly disagreed, 2.5% of respondents disagree while 4.07% of respondents did not either agree or disagree. This results are not in the direct line with the finding of Gwahula (2016) who examined the impacts of fund management on the efficiency of projects in Government financed construction projects in Tanzania and found that project financing processes, contractors' construction industry experience, project technology, plant and equipment availability, procurement system and processes, and project manager knowledge and skills are all critical factors that have a direct impact on the quality of construction projects

Furthermore, the findings show that 67.1% of respondents strongly agreed that project quality performance depends on project completed on time with expected budget and 21.4% agreed about this item leading to the mean of 4.48 with a stand deviation of 1.02. 2.2% of respondents disagreed whereas 2.2% did not either agree or disagree about this item.

Results as presented in this table, further indicate that projects activities are delivered within estimated budget as confirmed by majority of respondents represented by 63.4% of strongly agreement and 30% of agree leading to mean of 4.53 with a stand deviation of .989. None of respondents strongly disagreed and 3.3% of respondents disagreed that projects activities are delivered within estimated budget while 7.8% of respondents did not either agree or disagree about this statement.

In evaluating whether accurate estimation of original cost indicates project performance, 60.0% of respondents strongly agreed and 34.4% agreed leading to the mean of 3.77 which is expressed as high mean. 2.2% of respondents strongly disagreed and 2.2% disagreed while 1.1% did not either agree or disagree. In assessing whether project activities are closely monitored to avoid delay in their completion, many respondents representing 56.7% strongly

agreed while 35.6% agreed leading to the mean of 4.4 while 3.3% of respondents strongly disagreed, 2.2% disagreed whereas 2.2% did not either disagree or agree about the item.

And then, results indicate that majority of respondents representing 52.7% strongly agreed that proper project costing and financing indicates project performance and 35.6% agreed leading to the high mean of 3.93 and stand deviation of .809. Findings on this item also show that 3.3% of respondents strongly disagreed and 2.2% disagreed whereas 6.2% did not either agree or disagree.

Moreover, the findings in table 4.8 indicated that 53.3% of respondents strongly agreed that efficient management indicates project performance and 36.7% agreed leading to the mean of 3.34 Findings also indicated that. 3.3% of respondents strongly disagree and 2.2% disagreed whereas 4.4% of respondents did not either agree or disagree.

#### 4.5. Inferential statistics

For this study, inferential statistics in research draws conclusions that cannot be derived from descriptive statistics. Inferential statistical analysis was used to determine the specific statistical influence of the independent variables such as Budget estimate, Funds allocation, funds evaluation and control on the dependent variable, namely the performance of Rwanda Dairy Development Project. To do this, Pearson product moment correlation coefficients were used and were obtained through the analysis via the SPSS software.

##### 4.5.1. Test of Normality

For normality test, according to Sen & Srivastava (2010), the test rejects the hypothesis of normality when the p-value is less than or equal to 0.05. The distribution of the sample is not substantially different from that of a normal distribution when the p-value is bigger than 0.05.

**Table 4.9: Test of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Budget estimate	.379	180	.000	.634	180	.000
Funds allocation	.334	180	.000	.606	180	.000
Funds monitoring and Control	.358	180	.000	.624	180	.000
Project performance	.299	180	.000	.610	180	.000

a. Lilliefors Significance Correction

**Source:** Primary data, August 2023

Test for normality of the distribution is presented in table 4.9. Results indicate that the p-value is less than 0.05. Therefore, the test rejects the hypothesis of normality. This agrees with Sen and Srivastava (2010) who posit, when the p-value is greater than 0.05 is shows the distribution of sample is not significantly different from that of a normal distribution. Since the data is not normally distributed it means the results were affected

##### 4.5.1. Correlation between variables

The following table shows the result of correlation analyses of the relationships among budget estimate, Funds allocation, Funds monitoring and control and project performance.

**(i) Correlation matrix**

Correlation matrix helped to determine the relationship between funds management practices and project performance.

**Table 4.10: Correlation between variables**

Model variables		Project performance	Budget estimate	Funds allocation	Funds monitoring and control
Project performance	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	180			
Budget estimate	Pearson Correlation	.606*	1		
	Sig. (2-tailed)	.001			
	N	180	180		
Funds allocation	Pearson Correlation	.332	.431	1	
	Sig. (2-tailed)	.028	.000		
	N	180	180	180	
Funds monitoring and control	Pearson Correlation	.518*	.606*	.648**	1
	Sig. (2-tailed)	.012	.001	.000	
	N	180	180	180	180

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

**Source:** Primary data, August 2023

In general, the results of this table indicate that all independent variables had a positive linear relationship with Project performance. Table 4.10 indicates p value  $0.001 < 0.05$  and correlation coefficient ( $r=.606^*$ ,  $sig=.001$ ) which show that there is a positive strong correlation between Budget estimate and RDDP performance meaning that budget estimate has influenced project performance at the rate of 60.6%. The findings in the same table demonstrate that the result of correlation between Funds allocation practice and project performance is almost weak ( $r=.332$ ,  $sig=0.28 < 0.05$ ) meaning that Funds allocation influenced the performance of Rwanda Dairy Development project at the rate of 33.2%. Finally, the findings in the same table demonstrate that the results of correlation between Fund monitoring and control practice and project performance is strong and positive ( $r=.518$ ,  $sig=.012 < .05$ ) meaning that Funds Monitoring and control practice influenced RDDP performance at the rate of 51.8%.

The results, therefore, indicated a linear relationship of the independent variables with the dependent variable. The linear regression was thus suitable for estimation in this study and the proposed regression models could be accurately estimated. All statistic tests done here are significant because the observed P-values are less than significance level of 5% ( $P < .05$ ).

**4.5.2. Multiple Regression analysis**

A multiple linear regression analysis was done to examine the relationship of the independent variables with the dependent variable. The adjusted R2 is the coefficient of determination. This value clarifies how project performance varied with Budget estimate, fund allocation, fund monitoring and control.

**(i): Model Summary**

This study investigated the role of project management practices in achieving success on Giciye III hydropower plant construction project. Four hypotheses were developed after reviewing the literature, to test the research, hypotheses were employed the linear regression analysis. The researchers checked regression hypothesis before taking place to further analysis. The dependent variable which is project success was normally distributed across all independent variables.

**Table 4.11: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726	.527	.620	.031 <sup>b</sup>

Source: Primary data, August 2023

Predictors: (Constant), Budgets estimate, Funds allocation, Funds monitoring and control  
 The percentage of the variance in the dependent that is solely or jointly explained by the independent variables is known as the adjusted R<sup>2</sup>, also known as the coefficient of multiple determinations. Therefore, the three independent variables (Budgets estimate, Funds allocation, Funds monitoring and control) that were studied, explain 62.0% of the performance of RDDP by the adjusted R square. This therefore means that other factors not studied in this research contribute 38% of the project performance. The findings are in line with the results of Kabogo (2021) revealed that there is a very strong relationship between

**Table 4.12: ANOVA Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.625	6	.604	.684	.001 <sup>b</sup>
	Residual	152.835	173	.883		
	Total	156.460	179			

a. Dependent Variable: Project performance

b. Predictors: (Constant), Budget estimate, Funds allocation, Funds monitoring and control

The p-value is 0.001 which is less than 0.05 thus the model is statistically significance in predicting how Budget estimate, Funds allocation, Funds monitoring and control influenced the performance of RDDP. The F calculated at 5% level of significance was 0.684 Since F calculated is greater than the F critical (p value =.604), this shows that the overall model was significant.

**Table 4.13: Determinant coefficients**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.465	1.480	-	.314	<.001
	Budget estimate	.601	.192	.143	3.130	.002
	Funds allocation	.332	.149	.108	2.228	.003
	Funds monitoring and control	.515	.170	.047	3.029	.040

**a. Predictor (s):** (Constant), Budget estimate, Funds allocation, Funds monitoring and control

**b. Dependent Variable:** Project performance

**Source:** Primary data, August 2023

The purpose of the table 4.13 is to examine the relationship between the indicators of the independent variable and the dependent variable. The linear relationship between one dependent variable and one or more independent variables is considered by linear regression analysis. The analysis finds values on the following equation:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$  Where y represents dependent variable “project performance” and x values represent variables of independent variables, such as Budget estimate (X1), Funds allocation (X2), Funds monitoring and control (X3). With values from the analysis the function become like:

$$Y = .465 + .601X_1 + .332X_2 + .515X_3 + \varepsilon$$

Based on the regression equation (2), it is demonstrated that taking other variables (Budget estimate, Funds allocation, Funds monitoring and control) constant at zero, the performance of Rwanda Dairy Development project would be .465. Besides, the coefficient for Budget estimate,  $\beta_1 = .601$ , indicates that a unit increase in project planning will lead to a .601 increase in the performance of RDDP, other variables remaining constant at zero. The coefficient for Funds allocation,  $\beta_2 = .332$ . This implies that a unit increase in Funds allocation would lead to a .332 increase in the performance of RDDP, with other variables remaining constant at zero. The coefficient for Funds monitoring and control is  $\beta_3 = .515$ , indicating that a unit increase in Funds monitoring and control would lead to a .515 increase in the performance of Rwanda Dairy Development Project, with other variables remaining constant at zero.

In relation to the findings, Rukundo (2021) mentions that the change from project management to budgeting, fund allocation, and fund control will necessitate a greater focus on budgeting, money allocation, and money control.

## 5.2. Conclusion

In conclusion, the findings concluded that the ways money of the project managed has determined project success. We can conclude that funds should be adequately budgeted, allocated, and controlled for project performance. When project finances are successfully managed, the project meets its objectives; nevertheless, when project funds are badly handled, the project's objectives and goals are not met. But the techniques used during this process of budgeting are supposed to make sure that effective management of funds is done. All departments work together to make sure that, management functions are clear so that planning is coordinated. Budgets are prepared to anticipate a future flow of funds as result of

putting a specific plan in place. Therefore, budget is significant incense that it is expressive of the desired future activities of the project given available resources and opportunities at hand. Control and allocation of funds guide operating, and this means managers do not have to give general answer regarding project's forecasts. In relation to the cost and expenses used, the study concluded that managers of the projects analyze the cost and expenses that occurred during implementation process compared to the budget allocated for works, goods and services in operations plan Even if some project managers humanize corruption and irregularities through budgeting, budgeting is a very important tool in project management. This implies that, there should be some project plan that tend to corruption and irregularities.

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