INTERFACE OF FINANCING REFORM & 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 role played by 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 focusing on mixed-mode approach. Target population 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 qualitative data was collected using key informant interviews and focus group discussions. The study was grounded on pragmatism philosophy; paradigm that complements epistemological, methodological and axiological underpinnings desired in mixed methods research. Primary data was analyzed descriptively using measures of central tendency and inferentially using linear, multiple, stepwise regression and correlation with the aid of 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 0.214 indicating that financing reform explained 21.4% of the variation in the performance of agricultural projects.
Unique Contribution to Theory, Practice and Policy:
This study enriches the theory of project financing, provides documented analysis and answers the questions critical on the 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 projects are delivered within the confines of time, cost, resources and client satisfaction, this study provides evidence to support policy formulation. The study will contribute immensely to growth of project management as a discipline by providing empirical justification vital in bridging the gap between the desired and actual project results. The study will therefore support policy rethink on the role played by expanded financial services in projects and provides evidence on usefulness of reforming the financial architecture in view of improving project performance.

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

1.0 INTRODUCTION

Globally, projects continue to post unsatisfactory results; a sad phenomenon reminiscent with contemporary initiatives. While practitioners opine that enhanced access to finance is directly proportional to better project performance, there is perhaps insufficient evidence to back this assertion. Whereas project managers subscribe to the view that simplifying credit is critical, the practice is not well grounded on theory-based research in project management and is perceived inadequate. Examples from Countries around the globe is unequivocal that the performance of projects has remained mediocre. For instance, in the UK, 23% of projects overshot their budgets, 20% were completed behind schedule while 7% under-delivered in scope. This replicated itself in the USA where the average time overrun for projects is 17%, cost overrun at 15% and schedule overrun at 16% (World Bank, 2019).

Project managers subscribe to view that modern projects need to span simplistic dimensions of cost, time and scope (Hansen, 2019); a phenomenon that has forced executors to focus on idealized rather than the operationalized project drivers. Project financing alongside routine tracking, stakeholder involvement and periodic review are well documented and are thought to be impactful of performance, however, there appears to be insufficient empirical evidence to substantiate their usefulness. Project financing is directly linked to project performance, however, financing alone is not sufficient to guarantee efficiency and effectiveness in results (Bayarsaikhan, & Musango, 2017). In this regard, the need to examine the philosophy and context of financing reform in projects and programs cannot be over-emphasized.

Financing reform in agriculture sought to simplify procedures, diversify collateral, reform credit structure, digitize credit acquisition, simplify repayment 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, the need for reform was overwhelming. Desired reforms were therefore considered critical in stabilizing the sector and diversify the credit architecture and more importantly reduce bottlenecks associated with credit acquisition. It was on this basis that the World Bank, pioneered innovative models such as the warehouse receipting to cushion smallholder farmers from exorbitant interest rates and complexities associated with credit acquisition.

Reforming agricultural financing occasioned broadening of credit sources and enlisting more institutions in financing agriculture (Keya, Kosura, Okeyo and Kirina, 2019). Diversification of credit was expected to cure the low productivity and low marketable surplus; situation described as "low equilibrium poverty trap". A study on prospects for food security in Kenya using evidence from Counties, Keya, Kosura, Okeyo Mwai and Kirina, (2019), established that demand for farming capital took highest proportion of farmer's needs. This accentuated the importance of credit to the sector and revealed that state-run financing models possessed lowest financial sustainability; but impressively ranked private investment in agribusiness highest. The study revealed a funding gap of 93.75% to 97.02% was met by entrepreneurs from personal debt. These findings are in consonance with a study by Bara and Mugano, (2016) on the relationship between financial reforms and enterprise development.

The World Bank supported financing reforms in the field of agriculture are therefore widely adopted in many ongoing projects. In Trans-Nzoia County for instance, these reforms are widely adopted in the Kenya Agricultural Productivity and Agribusiness Project (KAPAP) and Kenya Agricultural Sustainable Land Management Project (KASLMP). Both of these projects are implemented in context of reform that arose out of the Structural Adjustment

Programs (SAPs) 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 and productivity whereas KASLMP focuses on commodity value chains in resource management and productivity.

In order to bridge the gap between the massive investment in agricultural projects by funding agencies on one hand and the ever increasing poor project performance on the other, there was need to establish the interface of financing reform interventions and the performance of agriculture projects though research-based empirical evidence. Trans-Nzoia County was used as de-facto environment for this study since it presented a unique and perfect contextual gap for making inferences. The two projects under study are implemented concurrently and hence provided opportunity for making comparisons and a perfect scenario for deploying mixed mode research approach.

1.2 Objective of the Study

This study sought to examine the interface between financing reform and the 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 was a common occurrence despite the myriad financing reforms in place. In order to bridge the gap between massive investments in projects and actual results achieved, there was need to establish the exact contribution of some of these financial reforms on the performance of agricultural projects so as to document empirical evidence to quantify the extent of this relationship 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 as a practice (Bowles & White, 2019). This has been witnessed 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 simplifying capital acquisition structure, easing 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. 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 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

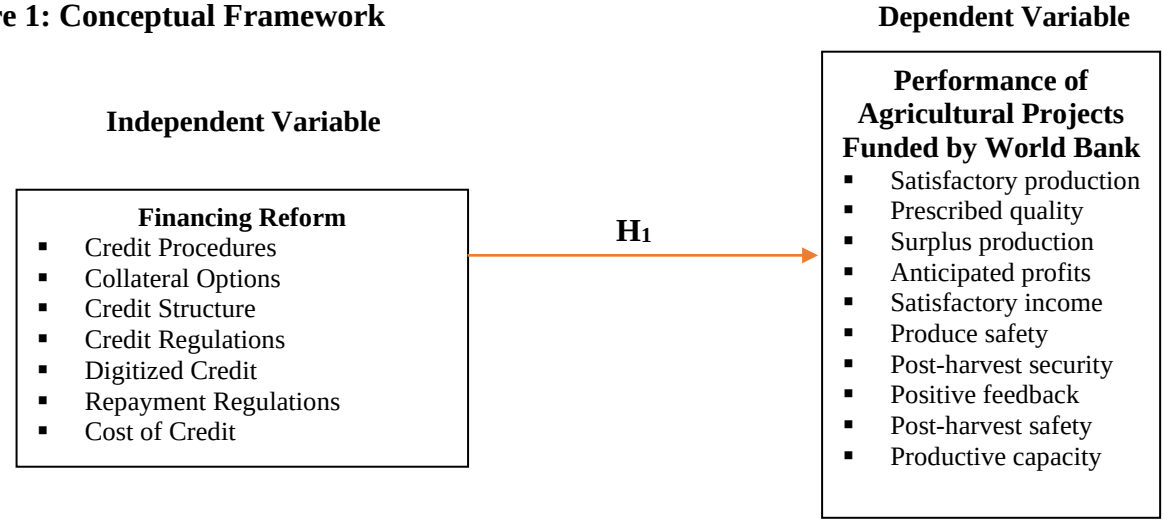
operate and bring meaningful results (Schieber, 2017). This theory links interrelated facets desired in performance of projects that include organizational development, evaluation, policy analysis, economics and social science. This interlinkage is expected to increase efficiency in project delivery 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 in the field of Agriculture. Whereas some scholars such as, Schieber, (2017); Gibson, (2019) and Nagpal & Pak, (2019) among others looked at these reforms in 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 was determined using simplified Yamane, (1967) formula for proportions:

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

Target population being 815, assuming 95% confidence level (thus allowable error of 0.05) then we find: $n = \frac{815}{1+815(0.05)^2} = 268$ respondents

Table 1: Sample Size

Sub-County	Target Population	Sample Size
Cherangany	114	38
Endebess	111	37
Central	103	34
Kaplamai	101	33
Kiminini	131	43
Kwanza	118	38
Saboti	122	40
Extension Staff	10	3
Project Officials	5	2
Total	**815**	**268**

4.0 FINDINGS AND DISCUSSION

Demographic characteristics of respondents were examined in the context of gender, age, the highest level of education, the level of literacy, primary farming occupation, type of project support and number of years supported. These characteristics were meant to confirm the proportion of respondents based on background information.

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% shown in Table 2.

Table2: 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
Extension Staff	3	3	100
Project Officials	2	2	100
Total	**268**	**255**	**95.14**

This high response rate was attributable to the administration of questionnaires at locations that were convenient to respondents (their farms). Data collection process was keenly supervised to minimize both the omission and miscalculation errors. Informing respondents about purpose and the use of study results also had an impact on response rate as it helped them respond to questionnaires with confidence.

4.2 Distribution of Respondents by Gender

Respondents were requested to indicate their gender by selecting male or female. Results on the composition of gender are presented in Table 3.

Table 3: Distribution of Respondents by Gender

Gender	Frequency	Percentage
Female	93	36.3
Male	142	55.9
Total	**255**	**100**

The gender of the respondents was almost evenly distributed 93(36.3%) being female while 142 (55.9%) were male. These findings implied that the agricultural industry in Kenya was dominated by the male. Though a good attempt had been made by the program executors to include both gender in the design and the execution of these projects, equality in context and perspective of gender was yet to be realized. Though not mandatory in farming, the Constitution of Kenya 2010 requires that there should be a third of either gender in all development initiatives.

4.3 Distribution of Respondents by Age

The researcher requested respondents to select their age from clusters ranging from 20-40 years. Five categories were given to respondents from which their age brackets were to be selected from, with an interval of 5 years. Findings on age are presented in Table 4.

Table 4: 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**

Findings from Table 3 indicate that 15(5.9%) of respondents were between the ages of 20-25 years, 45(17.6%) were between 31-35 years, 57(22.5%) were between 36-40 years while 138(53.9%) were over 40 years. These findings showed that 53.9% of respondents were over 40 years hence experienced and knowledgeable in matters appertaining to farming. This implied that older generation dominated the farming industry. This has implications in that a great deal of workforce in farming would be lost in the next couple of years.

4.4 Distribution of Respondents by Highest Level of Education

Respondents were required to indicate their highest level of education, ranging from the complete or lack of formal education, primary school level, secondary school level, certificate, diploma and degree level. Results on distribution of respondents by the highest level of education are presented in Table 5.

Table 5: 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**

Research findings showed that 12(4.9%) did not possess formal education, 120(47.1%) had attained the primary school level of qualification while 105(41.2%) had attained secondary school level of education. Results also showed that 15(5.9%) had attained certificate level while a paltry 3(1%) had attained diploma level. Those with higher education combined were 18(6.9%). The dominant group (88.3%) was that with low levels of education, this trend implied that less educated generation dominated the farming industry in Kenya. It would therefore be difficult to adopt modern farming techniques since educated generation was not very keen on farming hence isn't available to replenish the less-educated workforce.

4.5 Distribution of Respondents by Level of Literacy

Respondents were requested to indicate their level of literacy in terms of reading and writing. The findings were presented in Table 6.

Table 6: 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**

Results indicate that 5(2%) could read, 10(3.9%) could write, 215(84.3%) could read and write, 23(8.8%) could not read and write. The dominant group (84.3%) of respondents had capacity to read and write. This shows farmers had obtained the ability to read and write.

4.6 Distribution of Respondents by Primary Farming Occupation

Respondents were requested to indicate primary faming occupation, that included maize farming, livestock and crop farming, livestock marketing, horticultural trading and banana farming. Results are presented in Table 7.

Table 7: 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**

The dominant group (43.1%) were maize farmers. These findings corroborate the assertion that maize farming is predominant in Trans-Nzoia county and hence its branding.

4.7 Distribution of Respondents by Type of Project Support

Respondents were requested to indicate the type of project that supported their farming activities and were to select either KAPAP or KASLMP. Results are presented in Table 8.

Table 8: Distribution of Respondents by Type of Project Support

Type of Project	Frequency	Percentage
KAPAP	153	59.8
KASLMP	100	39.2
Total	**255**	**100**

Results show that a large number of farmers 153(59.8%) were supported under KAPAP while 102(40.2%) were supported under KASLMP. The dominant group (59.8%) were under the KAPAP, meaning majority of farmers were involved in productivity at expense of agribusiness.

4.8 Distribution of Respondents by Number of Years Supported

Respondents were requested to indicate the number of years they have been supported by the two projects. This ranged from less than a year, between 2-5 years and between 5-8years. Findings are presented in Table 9.

Table 9: 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**

Analysis of Financing Reform

Financing reform was measured by: credit procedures, collateral options, credit structure, credit regulations, digitized credit, credit flexibility, repayment regulations, interest rates, credit institutions, cost of credit and knowledge on credit and repayment capacity. Respondents were given a five-point Likert where 5=strongly agree (SA), 4=agree (A), 3=neutral (N), 2=disagree (D) and 1=strongly disagree (SD), from where they were expected to make choices on each indicator. The descriptive results on this variable are therefore as shown in Table 10.

Table 10: Descriptive Results 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	33	18	133	66	255	3.87	1.012

	(2)	(13)	(7)	(52)	(26)	(100)		
Digitized credit	3	33	5	140	74	255	3.98	0.964
	(1)	(13)	(2)	(55)	(29)	(100)		
Credit flexibility	3	43	46	102	61	255	3.69	1.051
	(2)	(13)	(7)	(52)	(26)	(100)		
Repayment regulations	10	74	18	92	54	247	3.42	1.240
	(4)	(30)	(7)	(37)	(22)	(96.9)		
Interests rates	54	28	20	79	71	252	3.34	1.520
	(21)	(11)	(8)	(31)	(28)	(98.8)		
Credit institutions	0	26	36	125	69	255	3.93	0.902
	(0)	(10)	(14)	(49)	(27)	(100)		
Cost of credit	26	74	23	94	36	252	3.16	1.275
	(10)	(29)	(9)	(37)	(14)	(98.8)		
Knowledge on credit	15	99	38	56	38	247	3.01	1.229
	(6)	(40)	(16)	(23)	(16)	(96.9)		
Repayment capacity	43	82	33	46	51	255	2.92	1.412
	(17)	(32)	(13)	(18)	(20)	(100)		
Composite							**3.47**	**1.173**

Qualitative results on financing reform were: on credit procedures 13(5%) of respondents strongly disagreed, 38(15%) disagreed, 46(18%) 122(49%) agreed, 33(13%) strongly agreed. On collateral options, 5(2%) of strongly disagreed, 41(16%) disagreed, 43(17%), 125(49%) agreed, 41(16%) strongly agreed. On credit structure 41(16%) of the respondents strongly disagreed, 54(21%) agreed, 23(9%) were neutral, 84(33%) agreed and 54(21%) strongly agreed. On credit regulations 5(2%) of respondents strongly disagreed, 33(13%) disagreed, 18(7%) were neutral, 133(52%) agreed while 66(26%) strongly agreed. On digitized credit, 3(1%) strongly disagreed, 33(13%) disagreed, 5(2%) neutral, 140(55%) agreed, 74(29%) strongly agreed. On flexibility of credit 3(1%) strongly disagreed, 43(13%) disagreed, 46(7%) neutral, 102(52%) agreed while 61(26%) strongly agreed.

Descriptive results indicate that 10(4%) of respondents strongly disagreed, while 74(30%) disagreed, 18(7%) neutral, 92(37%) agreed and 54(22%) strongly agreed, on repayment regulations. On interest rates, 54(21%) of respondents strongly disagreed, 28(11%) disagreed, 20(8%) were neutral, 79(31%) agreed and 71(28%) strongly agreed. On credit institutions, 26(10%) disagreed, 36(14%) neutral, 125(49%) agreed, 69(27%) strongly agreed. On cost of credit, 26(10%) of respondents strongly disagreed, 74(29%) disagreed, 23(9%) were neutral, 94(37%) agreed, 36(14%) strongly agreed. On knowledge of credit, 15(6%) of respondents strongly disagreed, 99(40%) disagreed, 38(16%) neutral, 56(23%) agreed, and 38(16%) strongly agreed. On repayment capacity 43(17%) strongly disagreed, 82(32%) disagreed, 33(13%) neutral, 46(18%) agreed, 51(20%) strongly agreed.

The descriptive findings shows respondents agreed to a certain extent (M=3.49, SD=1.063) on credit procedures, agreed to a certain extent (M=3.61, SD=1.004) on collateral options, respondents agreed to a less extent on credit structure (M=3.22, SD=1.411), respondents agreed to a certain extent on regulations (M=3.95, SD=0.723), agreed on credit flexibility (M=3.69, SD=1.051)), agreed on repayment regulations (M=3.42, SD=1.240), agreed on interest rates (M=3.34, SD=1.520), respondents agreed to a large extent on credit institutions (M=3.92, SD=0.902). Respondents disagreed on the cost of credit (M=3.16, SD=1.275), disagreed on knowledge of credit (M=3.01, SD=1.229) disagreed the repayment capacity (M=2.92, SD=1.412). The composite mean and standard deviation of (M=3.47, SD=1.173)

imply respondents did not agree to most of the statements on financing reform and were scattered and that respondents did not hold similar views.

Analysis on Performance of Agricultural Projects Indicators

Performance of agricultural projects was the dependent variable. Indicators used to measure this parameter included; satisfactory production, prescribed quality, surplus production, anticipated profits, satisfactory income, produce safety, post-harvest security, productive capacity, positive feedback, stable produce prices, encouraged farmers and post-harvest safety. Qualitative results were as shown in Table 11.

Table 11: Descriptive Results on Performance of Agricultural Projects

Statements	SD F (%)	D F (%)	N F (%)	A F (%)	SA F (%)	Total F (%)	M	SD
Satisfactory production	0 (0)	5 (2)	36 (14)	99 (39)	110 (43)	250 (100)	4.26	0.777
Prescribed produce quality	0 (0)	10 (4)	20 (8)	148 (58)	71 (28)	250 (100)	4.12	0.722
Surplus production	3 (1)	5 (2)	33 (13)	122 (48)	87 (34)	250 (100)	4.14	0.799
Anticipated profits	0 (0)	13 (5)	33 (13)	158 (62)	46 (18)	250 (100)	3.95	0.723
Satisfactory income	0 (0)	8 (3)	41 (16)	130 (51)	71 (28)	250 (100)	4.06	0.757
Produce safety	0 (0)	51 (20)	15 (6)	110 (43)	71 (28)	247 (99.7)	3.81	1.074
Post-harvest security	3 (1)	5 (2)	31 (12)	143 (56)	69 (27)	250 (100)	4.08	0.755
Productive capacity	0 (0)	10 (4)	48 (19)	128 (50)	64 (25)	250 (100)	3.98	0.786
Positive feedback	0 (0)	8 (3)	31 (12)	130 (51)	82 (32)	250 (100)	4.14	0.746
Stable produce prices	43 (17)	74 (29)	33 (13)	36 (14)	59 (23)	245 (99.7)	2.97	1.461
Encouraged farmers	3 (1)	13 (5)	26 (10)	130 (51)	77 (30)	247 (99.8)	4.07	0.845
Post-harvest safety	26 (10)	46 (18)	51 (20)	69 (27)	59 (23)	250 (100)	3.36	1.302
Composite							**3.911**	**0.856**

From the results, 5(2%) of respondents disagreed, 36(14%) were neutral, 99(39%) agreed and 110(43%) strongly agreed on satisfactory production. On prescribed produce quality, 10(4%) disagreed, 20(8%) neutral, 148(58%) agreed, 71(28%) strongly agreed. On surplus production, 3(1%) strongly disagreed, 5(2%) disagreed, 33(13%) neutral, 122(48%) agreed 87(34%) strongly agreed. On anticipated profits, 13(5%) disagreed, 33(13%) were neutral, 158(62%) agreed while 46(18%) strongly agreed. Results on satisfactory income; 8(3%) disagreed, 41(16%) neutral, 130(51%) agreed while 71(28%) strongly agreed. On produce safety; 51(20%) disagreed, 15(6%) neutral, 110(43%) agreed, 71(28%) strongly agreed.

Frequencies and percentages on post-harvest security were 3(1%) strongly disagreed 6(2%) disagreed, 31(12%) neutral, 143(56%) agreed while 69(27%) strongly agreed. Results on produce capacity; 10(4%) disagreed, 48(19%) neutral, 128(50%) agreed, while 64(25%) strongly agreed. Results on positive feedback; 8(3%) disagreed, 31(12%) were neutral, 130(51%) agreed while 82(32%) strongly agreed. On stable produce prices, results were; 43(17%) strongly disagreed, 74(29%) disagreed, 33(13%) were neutral, 36(14%) agreed and 59(23%) strongly agreed. Results on encouraged farmers; 3(1%) strongly disagreed, 13(5%) agreed, 26(10%) were neutral, 130(51%) agreed and 77(30%) strongly agreed. Results on post-harvest safety; 26(10%) strongly disagreed, 46(18%) disagreed, 51(20%) were neutral, 69(27%) agreed and 59(23%) strongly agreed.

Respondents agreed strongly on satisfactory production (M=4.26, SD=0.777), agreed strongly on prescribed quality produce (M=4.12, SD=0.722), agreed on surplus production (M=4.14, SD=0.799), agreed on anticipated profit (M=3.95, SD=0.723), agreed on satisfactory income (M=4.06, SD=0.757), agreed on produce safety (M=3.81, SD=1.074), agreed on post-harvest security (M=4.08, SD=0.755), agreed on the productive capacity (M=3.98, SD=0.786) and agreed on positive feedback (M=4.14, SD=0.746). Respondents disagreed on stability of produce prices (M=2.97, SD=1.461), disagreed on encouraged farmers (M=3.07, SD=0.845) and disagreed on post-harvest safety (M=3.66, SD=1.302). Results from composite mean (M=3.91, SD=0.856) imply that respondents agreed to most of the statements. Results show that responses were not scattered from the mean as it was characterized by small standard deviation. Respondents were of the same mind and agreed that performance of agriculture projects was a composite.

Study Hypothesis

H_0: Financing reform has no significant influence on the performance of agricultural projects funded by the World Bank in Trans-Nzoia County**,**

H_1: Financing reform has a significant influence on the performance of agricultural projects funded by the World Bank in Trans-Nzoia County**.**

Table 12: Regression Financing Reform and Performance of Agricultural Projects

Variables Entered

Model	Variables Entered
1	Credit procedures, credit structure, collateral options, credit regulations, digitized credit, credit flexibility, repayment regulations, interest rates, credit institutions, cost of credit, knowledge on credit, repayment capacity

a. Dependent Variable: Performance of Agricultural Projects
b. Tolerance = .000 limits reached.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.253[a]	0.214	0.204	3.878

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

Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
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		0.0525
Financing Reform	0.507**	0.093	0.194	0.027	

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

Regression results show there exist positive significant relationship between financing reform and performance of agricultural projects r =0.244, (p-value< 0.01). Financing reform is an important explanatory variable on performance of agricultural projects. This is because financing reform had statistically significant influence on performance of agricultural projects to an extent; r =0.244, (p-value< 0.01). The β coefficient of 0.194 indicates that an increase in financing reform led to 19.4% increase in performance of agricultural projects. The test of hypothesis was done using the t-statistic which was 0.027< 0.01), and therefore valid. The null hypothesis is rejected.

5.0 SUMMARY AND RECOMMENDATIONS

Summary of findings and recommendations are highlighted below:

5.1 Summary of Findings

Composite mean and standard deviation show responses were concentrated around mean (M=3.91, SD=0.856) implying they agreed to most of the statements. Using t-statistics, this relationship was r =0.244, (p-value< 0.01).

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. This would ordinarily impact framework by providing empirical data to support policy environment. Policy makers would use these findings to formulate policies backed by empirical data.

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 execution.

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