

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
DEPARTMENT OF PROJECT MANAGMENT**



***EFFECT OF PROCUREMENT PRACTICES ON  
PERFORMANCE OF PROJECTS IN THE CASE OF SAVE THE CHILDREN  
INTERNATIONAL ETHIOPIA COUNTRY OFFICE***

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the requirements for the degree of masters of art in Project Management**

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DEPARTMENT OF PROJECT MANAGMENT**

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## Declaration

Here with I, declare that this project work is prepared for the partial fulfillment of the requirements for MA. Degree in Project Management entitled “*Effect of procurement practices on performance of projects in the case of save the children international Ethiopia country office*” is prepared with my own effort. I have made it independently with the close advice and guidance of my advisors.

Entisar Sultan

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Certification

Herewith I state that Entisar Sultan has carried out this project work on the topic entitled “*Effect of procurement practices on performance of projects in the case of save the children international Ethiopia country office*” under my supervision. This work is original in nature and has not been presented for a degree in any university and it is sufficient for submission for the partial fulfillment for the award of MA degree in Project Management.

Fisseha Afework (Ast. Prof)

Signature \_\_\_\_\_

Date \_\_\_\_\_

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## TABLE OF CONTENTS

Acknowledgment .....	v
TABLE OF CONTENTS .....	vi
<i>Abstract</i> .....	ix
CHAPTER ONE .....	1
INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Background of the Study Organization.....	2
1.3. Statements of the Problem .....	4
1.4. Basic Research Questions .....	6
1.5. Research Objectives.....	6
1.5.1.General Objective .....	6
1.5.2.The Specific Objectives .....	6
1.6. Definitions of significant Terms used in the Study.....	7
1.7. Significance of the Study .....	8
1.8. Limitation of the study .....	8
CHAPTER TWO.....	9
LITERATURE REVIEW.....	9
2.2. Theoretical Literature.....	9
2.2.1. Theories.....	9
2.2.1.1. Agency Theory.....	9
2.2.1.2. Dependency Theory .....	10
2.2.1.3. Big Push Theory.....	10
2.2.2. Donors Procurement Guidelines .....	11
2.2.3. Donor Funding .....	13
2.2.4. Conditions Imposed by Donors and Implementation of Donor Funded Projects .....	16
2.2.4.1. Governance and Political Reforms/ Structural Adjustment Program .....	16
2.2.4.2. Pre- expenditure Approvals/No Objection .....	19
2.2.4.3. Technical Assistance.....	22
2.2.5. Procurement Related Factors and Implementation of Donor Funded Projects .....	24
2.2.6. Procurement Practices.....	24

2.2.7.	Procurement practice in Humanitarian and Development agencies.....	25
2.2.8.	Procurement Planning:.....	26
2.2.9.	Contract Monitoring and Control:.....	27
2.2.10.	Vendor Selection Process: .....	27
2.2.11.	Procurement Negotiation: .....	28
2.2.12.	Contract Review.....	28
2.3.	Empirical Review.....	30
2.4.	Conceptual Framework .....	31
CHAPTER THREE.....		32
RESEARCH DESIGN AND METHODOLOGY.....		32
3.1.	Research Design.....	32
3.2.	Study Population.....	32
3.3.	Sample Design and Procedure .....	32
3.4.	Data Collection Instrument and Administration .....	34
3.5.	Data Management .....	34
3.6.	Data Analysis Procedures .....	35
3.7.	Pilot Study.....	35
3.8.	Organization of the Study .....	36
CHAPTER FOUR.....		37
DATA ANALYSIS, RESULTS AND DISCUSSION.....		37
4.1.	Introduction.....	37
4.2.	Response Rate.....	37
4.3.	Respondent’s General Information .....	38
4.4.	Reliability Test.....	39
4.5.	Descriptive analysis of Procurement Practices .....	40
4.5.1.	Procurement Planning.....	40
4.5.2.	Competitive vendor selection.....	41
4.5.3.	Contract monitoring and control .....	43
4.5.4.	Procurement negotiation .....	44
4.5.5.	Contract review.....	45
4.6.	Performance of Projects.....	46

4.7.	Effect of Procurement Practices on performance of Projects .....	47
	CHAPTER FIVE.....	52
	SUMMARY, CONCLUSION AND RECOMMENDATIONS .....	52
5.1.	Introduction.....	52
5.2.	Summary .....	52
5.3.	Conclusion .....	54
5.4.	Recommendations.....	55
	REFERENCE.....	56
	Annex -1: Questionnaires and Interview Guide .....	58

## List of Figures

Figure 2.1:	Conceptual Framework.....	31
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## List of Tables

Table 4.1:	Questioner response Rate.....	37
Table 4.2:	Respondents general Information .....	39
Table 4.3:	Procurement planning.....	41
Table 4.4:	Competitive vendor selection .....	42
Table 4.5:	Contract monitoring and control.....	43
Table 4.6:	Procurement negotiation.....	44
Table 4.7:	Contract review.....	45
Table 4.8:	Performance of Projects.....	47
Table 4.9:	Case Processing Summary.....	49
Table 4.10:	Model Fitting Information.....	49
Table 4.11:	Goodness-of-Fit.....	50
Table 4.12:	Pseudo R-Square .....	59
Table 4.13:	Parameter Estimates.....	51

## **Abstract**

*The main purpose of this study was to investigate the effect of procurement practices on performance of projects implemented by Save the Children International Ethiopian Country Office. The principle question to be addressed by this study was ‘How does procurement planning affect successful implementation of projects by SCI-Ethiopia CO? How does the vendor selection process affect the successful implementation of projects by SCI-Ethiopia CO.? What is the role of contract performance monitoring and control in the successful implementation of projects by SCI-Ethiopia CO.? How do procurement negotiations contribute to the successful implementation of projects by SCI-Ethiopia CO.? What kinds of relationship between procurement practices have with the success of projects in save the children international? ‘To answer these questions and to achieve the primary objective of this study the researcher used quantitative research methodology. The total study population was 222 which are staffs of SCI Ethiopia Co.; the population was divided into two main strata based on their functional unit they work namely; project staffs and Supply Chain unit staffs with a representative sample of 149 taken. In this study questionnaire was the primary research instrument. A pilot test was done and it was found that the respondents understood the questions well and were comfortable in answering them. The data was coded as per the objectives to give distinct differences and linear regression done to look at the relationship of the variables. Presentation also was done through their calculated mean the standard deviation. The study found that indeed various procurement practices affect the successful implementation of projects at SCI Ethiopia CO. among those Procurement planning, and competitive vender selection are the major once and they have significant effect on the performance of projects. The study recommended that the senior management team and the supply chain unit along with the operations department in SCI Ethiopia CO, should focus on improving the procurement practices which are implemented in this organization to increase their positive effect on performance of projects and to maximize the leverage of the procurement practices on the successful performance of projects and to give maximum benefit to the beneficiaries.*

**Keywords:** *Procurement Practices, project performance, procurement planning, Procurement negotiation, and Contract review*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

In most developing countries like Ethiopia, NGO's supplement government efforts to improve the living standards through implementation of diverse donor funded projects. However, majority of such donor funded projects often run into hurdles in the course of implementation. Most of these hurdles relate to procurement policies and the need to adhere to donor guidelines which do not necessarily result in effective utilization of funds and efficiency in service delivery. (Kirugu, 2011).

Projects in NGO's or in development agencies have certain characteristics that distinguish them from any other activity in the organization. Projects are temporary i.e. any project will have a start date and end. In most cases projects implemented by NGO's involve the use of donor funds in order to achieve specific objectives stipulated in the grant agreement between funder and the implementing partner (IP). Donor organizations and IP's view projects as important vehicles to achieving their stipulated objectives and targets. A project is only successful if it comes on schedule, on budget and if it achieves the deliverables originally set for it and it is accepted and used by the clients for whom the project was intended. (Antil, 1997)

In order to achieve projects objective, proper procurement practice is a key since acquisition of goods and services at a right time and at a right place with the required quality and quantity of the project supplies is a basics for the success of the project implementation. Therefore, procurement in this case is a process that involves two parties with different objectives who interact in different market segment. Good procurement practice increases success for the project delivery, by taking advantage of quantity discounts, minimizing cash flow problems, and seeking out quality suppliers. For this reason, it is always standardized practice that is aimed at lowering the paperwork cost (Kerzner, 2001).

Procurement Related Factors refer to several factors that directly or indirectly determine the implementation progress of projects. Problems regarding procurement related factors as; lengthy procurement procedures, too many authorization requirements especially for donor funded projects

with effect on the calendar time, lack of skills in donor procurement procedures are some of the problems faced by Save the Children Ethiopia that hamper project implementation progress since projects do not get the project supplies and services required for their success on time.

In Ethiopia, NGOs are licensed and regulated by the Charities and Societies Agency (CHSA) and here there is no specific procurement guideline indorsed by CHSA which those NGO's should follow during their project implementation, therefore any of NGO's which operate in the territory of the country can follow their own procurement procedure to have the required materials and supplies for their projects throughout the life of the project, therefore NGOs are free to adopt procurement policies as set by different donors. This means there cannot be uniformity in procurement practices of such NGOs and as a result, execution of common procurement procedures often yields varying degrees of success in project implementation.

Against this background, Save the Children International Ethiopia Co. carried out this study to investigate the impact of four core procurement practices: procurement planning, vendor selection, contract monitoring and control, procurement negotiations and contract review on different stages of project implementation. It is aimed that this study's findings can inform supply Chain unit, program managers and SMT in Save the Children International on how to structure procurement policies and procedures for better project results in SCI.

## **1.2. Background of the Study Organization**

Save the Children is one of the prominent International Non Profit Organizations with a dual mandate which has been actively involved in Ethiopia in diversities of developmental and humanitarian (Emergency) activities since 1930s. Globally Save the Children is a leading independent Non-governmental Organization working for the children in need with the aim to inspire breaking through in the way the world treats children and to achieve immediate and lasting changes in the life of children by improving their health, education and economic opportunities. There were Seven the Children members in Ethiopia before they merged in one in October 2012. The member organizations are Save the children USA, Save the Children UK, Save the Children Norway, Save the Children Denmark, Save the Children Finland, Save the Children Sweden and Save the children Canada. They were working independently with their own mission, vision and strategic goals.

The organization has gone a big Organization on October 2012 where the seven Save the Children member offices that used to operate independently came together to form one Save the Children International in Ethiopia. Because of this unification, there are a lot of changes on the organizational structure such centralization and de-centralization of the staffs to different regions that the organization is implementing the activities. The staffs are now experiencing significant change on leadership styles like being managed by new supervisor, having a new system at different levels, policy and procedures and adopting a new way of doing things. Lately on July 1 2014 another INGO called Merlin Joined Save the Children members.

The total budget for Save the Children at the time of unification was more than 120 million USD and its major service category that provides to the societies are Humanitarian response, Child right Governance, Education & Youth, Livelihood & Resilience, Food security, Health and Nutrition, HIV/AIDS Prevention and Sponsorship services. The Head Office of Save the Children is based in the capital city of Ethiopia, Addis Ababa Nifas Silk Lafto Sub-City old Airport. In addition Save the Children have Offices in four regional hubs in North, West, South and East and Head office in Addis Ababa and 54 Field Offices and Satellite offices in different Regions, Zones and towns of Ethiopia. The major objective of seven Save the Children members and Merlin becoming as one organization is to increase opportunities for a more reliable base of funding, decrease competition for limited resources among save the children members, and improve organizational efficiency through realizing economies of scale. <http://www.savethechildren.net/news/ethiopia/t-278>. Assessed Date: September 02, 2016 In Save the Children international Ethiopia the overall goals or vision that are established to achieve. The organization must ensure all its departments work towards achieving a common goal. The performance of the different parts will be interrelated. Each segment manager must know his role and how to interact with the other. To achieve the goals, Organizations develop strategies, which could be short term or long term. A strategic plans need to include a financial plan or the budgets that will be needed to achieve the plans. The strategic plans are further broken to annual plans and hence annual budgets. The annual plans details all the activities that will be undertaken during the fiscal year. In NGOs set up, annual plans besides being broken in to activities, the activities are grouped to make a project. Therefore, various projects make up the annual plan of the organizations. The success of non-government organizations can be measured by the extent to which they implement their projects to affect the beneficiaries. To implement different projects, Save the children international receive funds from different sources/donors that can be managed according to the rule and regulation of the donor as well as

the government of Ethiopia to support the people in developmental priority sectors such as health, education, agriculture, capacity building and environmental protection.

The government of Ethiopia endorsed Proclamation No. 6/2009 to provide for the registration and regulation of charities and societies. The Charities and Societies Agency is established as an institution of the federal government to enable Charities and Societies organizations to develop and achieve their purposes in accordance with the law and ensure accountability and transparency in the operations of charities and societies. Taking in to account government development priorities, save the children international reach remote areas to fill gaps that cannot be addressed by the government due to infrastructure and economic constraint.

Remaining to these facts, the focus of this study will be to examine the effect of procurement practices on performance of projects in the case of save the children international Ethiopia country office.

### **1.3. Statements of the Problem**

Major international development partners such as the World Bank, IMF, EU, GIZ, DANIDA, SIDA and others exert enormous influence on national and international approaches to project development and implementation through their requirement on their call for interest for implementation of certain projects and during cooperation agreement with them. Kagendo (2010) Previous studies in other countries show that there have been important procurement-related challenges that lead to poor project implementation, and this is a global phenomenon. Chandra (2006) asserts that time and cost over-runs of projects are very common in India, particularly in the public sector, which often culminate in projects becoming uneconomical and resources not being available to support other projects. This affects economic development. This view is also supported by Oladipo (2008) in a study on local government projects in Nigeria which is supported by various public and private donors, which he identifies four key constraints to effective projects planning and implementation, that are inadequate quality manpower, lack of the required data, inadequate finance and poor project monitoring. The consequences of gaps in implementation are obvious and unlimited ranging from wastage of the limited resources, inadequate service delivery to the beneficiaries of the specific project to impeding economic development of the country with

the ultimate result of perpetual high poverty levels among the world's majority populace (Chandra, 2008).

Kirungu (2011) in a study on factors influencing implementation of Donor Funded Projects in Kenya, cites a World Bank Report (2009) which indicated that the current average project funds absorption rate was less than 10% per annum, which was attributed to a constrained procurement process. Whereas it's clear that execution of the procurement function has an impact on the outcome of donor funded projects in Kenya, the question still remains as to which specific procurement practices indeed have the greatest effect.

Poor procurement practice is one the factors that hampers project implementation in INGO leading to improper accomplishment due to not getting the right quantity and quality of project supplies. In SCI Ethiopia, country office some projects are not closed by their stipulated timeframe. Like other INGO's SCI is also agonized by loss on donor commitments and request no cost extension (NCE) which has a cost as an implementing partner, since donor will not be allowed additional resources for the NCE period. In almost of the cases the expenditures in regards to none thematic costs (NTC) which is used for the support staff and other support costs will be covered by internal fund. Most of the time those undesignated fund/ internal funds were intended for disallowed cost payments, fines and to kickoff for emergency intervention at sudden onset to minimize the casualty due to the emergencies before the other funds injected in those interventions. However, due to the large NCE requests SCI used for this internal fund to cover those fund gap on support costs during those NCE periods.

Further, from the 2016 annual and 2017 mid-year awards review, project managers illustrates procurement delay in SCI as a major challenge in the accomplishments of most of their projects and found those delayed procurements hampering their activities, since project supplies which are needed in the project implementation are not presented with the right quality and quantity at the right time. On such missed procurement, situations sometime the objectives of the project may not be attended as specified in the project document. Peter and Jene (2015) and in addition to this we cannot address the needs of those beneficiaries.

Therefore, in this study the researcher assess the effect of procurement practices on performance of project in Save the Children International Ethiopia Co with a specific focus on the impact of procurement planning, vendor selection, contract monitoring and control, procurement negotiation and contract review.

## **1.4. Basic Research Questions**

This research answers the below list of research questions for the study:

1. How does procurement planning affect successful implementation of projects by SCI-Ethiopia CO?
2. How does the vendor selection process affect the successful implementation of projects by SCI-Ethiopia CO.?
3. What is the role of contract performance monitoring and control in the successful implementation of projects by SCI-Ethiopia CO.?
4. How do procurement negotiations contribute to the successful implementation of projects by SCI-Ethiopia CO.?
5. What kinds of relationship between the procurement practices have with the success of projects in save the children international?

## **1.5. Research Objectives**

### **1.5.1. General Objective**

The general objective of this study is to investigate the effect of procurement practices on performance of projects implemented by Save the Children International Ethiopian Country Office

### **1.5.2. The Specific Objectives**

Specific objectives for this study are as follows:

1. To assess how the current procurement planning for projects affects the success of projects implemented by SCI-Ethiopia CO.
2. To assess how the vendor selection process affects the success of projects implemented by SCI-Ethiopia CO.
3. To determine how contract monitoring and control affects the successful implementation of projects by SCI-Ethiopia CO.

4. To determine how procurement negotiations, affect the successful implementation of projects by SCI- Ethiopia Co.
5. To determine the relationship between procurement practice and success of projects in save the children international –Ethiopia Co.

## 1.6. Definitions of significant Terms used in the Study

**Donor funded Projects:** Are projects implemented by implementing partners like save the children international which are externally funded by the development and emergency partners. The development partners include multilateral donors like USAID, DIFID, EU, ECHO, UN organizations, WB,etc . The projects include projects which are designed for securing a reliance by beneficiaries and there are also projects with the intention of life saving during emergency situation like drought, flood, Earthquake etc...

**Donor condition:** Are the terms or conditions donors attached to the funds that if the implementing Agency does not abide to, the donor may end up not funding the project or causing delay in the commencement of the project.

**Implementation:** Project delivered that meets the original objectives within the constraints and specifications of budget, time and quality.

**Projects:** Are series of undertaking which continues over a period of time.

**Procurement** is the act of acquiring, buying goods, services or works from an external source, often via a tendering or bid process. It is favorable that the goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the acquirer in terms of quality and quantity, time, and location.

**Procurement planning** is the process of deciding what to buy, when and from what source. During the procurement planning process, the procurement method is assigned and the expectations for fulfillment of procurement requirements determined.

**Vendor selection process** is probably one of the most important tasks that an organization will undertake. Without good vendors who provide your quality stock, business services and company supplies at competitive prices, with good terms and delivery schedules, your projects bottom line and profits will be sorely compromised.

**Negotiations** in Procurement Definition. Negotiation is defined as a process of "communication with the objective of reaching an agreement by means, where appropriate, of compromise"

### **1.7. Significance of the Study**

The significance of this study is to contribute to the pool of knowledge that already exists in the area of procurement practice and its effect on performance of implementation of donor funded project in INGO. , The finding of this research also help in giving the required insight on the current procurement practice of Save the Children Ethiopia CO to the senior management teams (SMT) of the supply chain unit and the country office operation teams of SCI. This will assist them in understanding the gap on their current procurement process and for making decisions in redesigning their procurement procedures they have in order to utilize the donor funds optimally and to reach maximum in the beneficiary number and the deliverables stipulated in the project documents. Moreover, the finding of this research also help academicians or other researchers to use as a base for further research or study hence it will provide little understanding of the nature and influence of those effects of procurement practice on performances of donor funded projects

### **1.8. Limitation of the study**

Due to limitation of time and resources, this study was confined to investigating the effect of procurement practice on performance of donor funded Projects in Save the Children International Ethiopia CO in Head office (Addis Ababa) leave but this organization implementing several projects funded by various donors throughout the country by field offices situated in almost all regions of Ethiopia. Please also note it doesn't mean my research does not reflect the effect of procurement practice on performance of donor funded project since all sr. project managers of every projects are found in head office and I will include all in my study population.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.1. Introduction

This section will focus on the review of both the theoretical and empirical literature on procurement practice and its effect on projects implementation; it will also present the conceptual framework of the study.

### 2.2. Theoretical Literature

#### 2.2.1. Theories

The complex nature the world of donor funding can be noticed in the academic researches and scholar's debates. It is common for scholars to focus on certain perspectives of aid and policy frame works instead of developing consistent foreign aid theories (Van der Veen, 2011). This section will examine three theories: Agency theory, dependency theory and the big push theory.

##### 2.2.1.1. Agency Theory

According to Jensen and Meckling (1976); agency theory addresses the relationship where in a contract one or more persons (the principal) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent. In this case, the donor can be referred to as the Principal whereas the NGO is the agent. The donor determines the level of funds to be disbursed and channels them to the borrower who acts based on aid conditions agreements thereby deciding on expenditure patterns that eventually lead to outcomes such as economic growth, infrastructure development, access to education and health care. The donor reviews these outcomes based on a structured monitoring and evaluation system and chooses the funding level to influence the choice of action by NGOs and hence outcomes. This funding level chosen maximizes the donor's preferences, subject to reaction by NGOs who also has her own set of preferences and shows actions the latter would choose for each funding level (Odedukun, 2003).

The theory assumes that the donor and NGOs are unitary entities such as governments represented by only a set of preferences and that the donor is concerned with the poor more than NGOs. It is on this basis that the donor is able to institute conditions in loan protocol agreement based on

actions by the recipient. The donor can induce NGOs action through offer of unconditional funds disbursement hence the donor is dominant and better off given his preferences and the assumption that the donor cares more for the poor than the NGOs hence the borrower has no choice. The agency theory model anchored on the fact that information asymmetries and pursuant of self-interests, principals lack basis to trust their appointed agents and will seek to mitigate these concerns by putting in place mechanisms to align the interests of agents with principals and to reduce the scope for information asymmetries and opportunistic tendencies (Keng'ara, 2013).

### **2.2.1.2. Dependency Theory**

Dependency theory goes way back in 1949 where it was observed that the terms of trade for underdeveloped countries relative to the developed countries had deteriorated over time, the underdeveloped countries were able to purchase fewer and fewer manufactured goods from the developed countries in exchange for a given quantity of their raw materials exports (Jeffrey, 2012). In dependency theory, the developed nations actively keep developing nations in a subservient position, often through economic force by instituting sanctions, or by proscribing free trade policies attached to loans granted by the World Bank or International Monetary Fund (Sunkel, 1966).

Dependency theory also posits that the degree of dependency increases as time goes on wealthy countries are able to use their wealth to further influence developing nations into adopting policies that increase the wealth of the wealthy nations, even at their own expense. At the same time, they are able to protect themselves from being turned on by the developing nations, making their system more and more secure as time passes. Capital continues to migrate from the developing nations to the developed nations, causing the developing nations to experience a lack of wealth, which forces them to take out larger loans from the developed nations, further indebting them (Amin, 1976).

### **2.2.1.3. Big Push Theory**

As a concept in development economics or welfare economics that emphasizes that a firm's decision whether to industrialize or not depends on its expectation of what other firms will do. It assumes economies of scale and oligopolistic market structure and explains when industrialization would happen (Rosenstein-Rodan, 1943). The theory emphasizes that underdeveloped countries require large amounts of investments to embark on the path of economic development from their present state of backwardness. This theory proposes that a bit by bit investment programme will not impact the process of growth as much as is required for developing countries. Thus injections

of small quantities of investments will merely lead to wastage of resources (Abuzeid, 2009). The big push argument holds that a poor country can be caught in a low-equilibrium i.e. a poverty trap, a large inflow of aggregate aid in social and productive sectors will result in growth across all sectors of society and push the economic into the better equilibrium allowing a take-off into sustained growth (Abuzeid, 2009).

### **2.2.2. Donors Procurement Guidelines**

Many donors have clearly laid out procurement manuals and all the partners and their organizations have to strictly follow them. Procurement policies will vary from organization to organization and so do the organizational rules and regulations governing the procurement function. The policies determine how different aspects of procurement will be carried out in the organization and how people working in procurement should behave (Logistics Cluster, 2001). Garandeau and Ruche (2000) similarly noted that procurement procedures were very different in terms of the devolution of decision-making power to the local agencies, procurement thresholds and specific award and payment methods.

DanChurchAid (DCA) Procurement Manual (2007) identified key aspects of the procurement process that were common donor requirements. They included: Transparency, fairness and fraud prevention; equal opportunity; economy and efficiency; effectiveness and Certainty of the ability of the supplier/contractor to provide the supplies and services. They further noted that their procurement policy existed to ensure compliance with general principles as well as ensuring a professional and standardized approach. Similarly, International Organization for Migration notes that its „General Procurement Principles and Processes“ document is to guide vendors, especially those who potentially may be awarded with IOM purchase orders/ contracts, of the general procurement principles and processes which shall be observed in carrying out procurement of goods, works and services for IOM. IOM is committed to promoting the highest ethical standards among its vendors.

The Government of India’s World Bank sponsored, ‘Technical Education Quality Improvement Programme’ in 2004 also noted that the procurement manual existed to provide the essential information and brief step-by-step procedures for procurement of goods, works and services. This document was intended to guide the procurement officials directly involved in the procurement activities. It also intends to help in understanding the procurement processes and to achieve uniformity in procurement processes followed under the project. It ensured that: transparency,

fairness and fraud prevention; equal opportunity for suppliers; effectiveness and economy and efficiency were achieved during project implementation as per World Bank's guidelines.

According to World Food Programme (WFP); they have received an increased amount of cash contributions from donors over recent years, making procurement activities increasingly important. Many donors impose conditions on their donations (for example, the money must be spent in a certain country or the aid must go to a certain country). WFP purchases more than 2 million metric tons of food every year and at least three quarters of it comes from developing countries. This is because it is WFP's policy to buy food as close to where it is needed as possible. By buying locally the agency can save time as well as money on transport costs and also help sustain local economies.

According to Norris (2012); Rajiv Shah, the administrator of the US Agency for International Development (USAID), is fighting to introduce the „procurement reform“. This aims at channeling US foreign aid through local institutions rather than American for-profit contractors, in order to increase accountability and aid effectiveness. The Coalition of International Development Companies, an advocacy coalition of 50 government contractors, have objected to the procurement reform stressing the threat of waste and corruption by foreign governments and other institutions. Shah is quoted saying that USAID is no longer satisfied with writing big checks to big contractors and calling it development as the contractors were more interested in keeping themselves in business than seeing countries graduate from the need for aid. This was seen when they suspend a huge non-profit, the Academy for Educational Development (AED) from receiving new government contracts because of abuses in two of its Pakistan projects and what USAID argued was "serious corporate misconduct, mismanagement and a lack of internal controls". The risk of waste, fraud, or abuse is common in the programs thus USAID seems to be taking a rigorous approach to ensure that proper systems are in place in countries where it is pushing out more money through local channels. This is by conducting audits of public financial systems in those cases where it wants to work directly through foreign governments as some people argue that the foreigners are more wasteful and corrupt. Shah's aggressive push for paradigm shift is stirring the development world to rethink accountability.

According to the UN Procurement Practitioner's Handbook (2006); the objective of procurement activities within the UN system is the timely acquisition of goods, services and works while addressing: the objectives of the UN organizations concerned; fairness, integrity and transparency, through competition; economy and effectiveness and best value for money. ECHO (2011) notes

that Individuals taking part in the procurement procedure should be accountable for their acts or omissions in the fulfillment of their duties and may be held personally responsible and financially liable for the consequences of professional wrongdoing, gross negligence or unethical behavior. This is, of course, without prejudice to any applicable penal responsibilities arising in the country having criminal jurisdiction. Should irregular activity on the part of the contractor be confirmed, the Contracting Authority shall terminate the contract and inform the Commission immediately.

### **2.2.3. Donor Funding**

Donor funding is a loan or a grant administered with the objective of promoting sustainable social and economic development and welfare of the recipient country. It comprises of both bilateral aid that flows directly from donor to recipient governments and multilateral aid that is channeled through an intermediary lending institution like the World Bank (Abuzeid, 2009).

The evolution of foreign aid to Kenya since the 1980s has had relatively unpredictable flows. According to OECD-DAC statistics, while Kenya experienced a dramatic build-up in nominal aid flows in the 1980s, there was a slackening of donor support in the 1990s. Nominal aid flows increased from US\$ 393.4 million in 1980 to an average peak of US\$ 1120.5 million in 1989-90, before declining to a low of US\$ 308.85 million in 1999, with some recovery thereafter in response to a new government in December 2002. Increased aid flows since 2002 were as a result of increased government borrowing to finance development projects on infrastructure as well as increased inflows of grants to support government efforts in social sectors and humanitarian responses to droughts following successful Consultative Group (CG) meetings in 2003 and 2005 (UNDP, 2006). The increase in foreign aid therefore reflected renewed donor confidence in the government's resolve for proper management of the economy and situating adequate government measures against graft and corruption (Mwega, 2008).

Similarly, Fengler and Kharas (2011) noted that aid in Kenya is too unreliable to be treated as a source of financing for expenditures, but should be thought of as a windfall. If it arrives, it is saved (debt is reduced). If it does not arrive, expenditures can be retained at their budgeted level. However, they noted that over the last two decades world aid has been growing strongly: more than doubling from \$92 billion in 1992 to around \$200 billion in 2008, and representing a 50 percent increase in real terms. They further noted that for aid to be more effective; it should be differentiated by country circumstance, the delivery system should build on the diversity of aid providers and the focus should be on the dynamics of development.

According to Fengler and Kharas (2011), there has been a huge shift in aid. This is because of strong growth in many developing countries has redefined the role of aid, the donor landscape has changed fundamentally over the last decade, a trend that will likely accelerate in the coming years and innovation - especially in information technology - has started to reshape development aid. Fengler and Kharas (2010) notes that there is a shift in the traditional way of giving aid from the rich governments and individuals through the multinational agencies then to poor governments then to the poor individual to the current trend where the poor individuals can receive aid directly from rich governments and individual or NGOs or the old way of poor governments. Steinberg (2001) noted that Europe and USA donors say that bilateral aid should go to NGOs, which are generally more open and efficient than governments. Governments prefer to pass aids through NGOs because it is cheaper, more efficient, and more readily accessible than direct official aid. However, governments sometimes use this as a way of shirking their responsibilities. Mwegu (2008) further noted that Kenya's share of Aid to Africa has been seen to be declining from 4.16 percent in the 1980s to 3.24 percent in the 1990s and was only 2.18 percent over the period 2000-06. Kenya is therefore not considered to be a high aid-dependent economy.

The multiplication of donors has also led to greater fragmentation of aid into ever-smaller activities. Globally, as the number of donors has increased, the number of new aid projects has skyrocketed and the average project size has shrunk drastically. They are now able to provide exactly what is needed in isolated communities where small amounts of money can make a significant difference in people's lives. But the fragmentation of aid comes at a heavy price. Each project must be prepared, negotiated, supervised and reported on. Many projects create project implementation units and steering committees entirely outside existing bureaucracies. These structures incur substantial administrative costs and may weaken domestic institutions by poaching scarce staff from key government positions.

Ouma (2012) noted that despite the much funding by donors, there was lack of effectiveness in implementing projects thus lack of objectives achievement. 80% identified procurement practices and government bureaucracy as the major factors that affect effectiveness. Others included: adequacy of funding; timing of funds disbursement; adequacy of human resource capacity; lack of accountability; procurement procedures and bureaucracy; disagreements among beneficiaries and social-cultural obstacles. Thus streamlining of procurement laws was highly recommended. Similarly, Nasma (2014) noted that the capacity of the Ministries management, funds disbursement

(donor conditions) and procurement related activities have been sighted as some of the factors that affect donor funding.

UN Procurement Practitioner's Handbook (2006) notes that procurement is an internationally recognized profession which has evolved from a simple buying function to become recognized as a professional role within the UN as well. Procurement officers and those acting in, or supporting that function, are in a special position of trust and are held to high standards of professionalism. The World Bank (1998) estimated that 64% of public procurement in Mali was financed by foreign resources for a total of approximately 78 million dollars. Half of these contracts are works contracts, one-third are supply contracts and the rest are service contracts.

Garandean and Ruche (2000) noted that some donors are apprehensive about the capacity of the developing countries to take on the full responsibility of managing public procurement. They believe that effectiveness and transparency concerns justify adopting specific procedures and management structures that can easily be controlled by the donors, at least during a transitional period. Similarly, donor requirements were noted on a study carried out in Mali on ten donors (Germany, the World Bank, Belgium, Canada, the United States, France, the Netherlands, UNDP, Switzerland and the European Union). They required: Free competition to obtain the best technical and financial bid (performance, lead times and guarantees); Honesty and transparency in the procedure: local and/or international publicity and anticorruption clauses; the aid recipient's accountability in programme execution; Right granted to the donor to ensure compliance in use of funds (prior, concomitant and post audits). Tax exemptions; General conditions covering guarantees, penalties, exclusions, cancellation, insurance and force majeure; Dispute settlement provisions; Internal audit mechanism at local agency level (Garandean and Ruche, 2000).

Donor aid has fluctuated over the years with different studies attributing the trend to different factors. Norris (2012) attributed it to serious corporate misconduct, mismanagement and lack of internal controls as said by USAID administrator; Global Policy Forum (2012) attributed it to the economic crisis especially in Europe and America; Chege (1999) attributed it to corruption in governments; Macharia (2014) attributed it to changed priorities thus shifting to other programmes; while Ouma (2012) attributed projects ineffectiveness majorly to procurement practices and government bureaucracy.

Procurement being a very complex and highly formalized process (Logistics Cluster, 2001), donor's majorly emphasize on good procurement practices especially in the NGOs that they fund. They have well laid out guidelines through their procurement manual which commonly encourage

transparency, fairness, economy and efficiency as well as effectiveness [(DanChurchAid, 2007); (World Bank, 2004); (UN Procurement Handbook, 2006)]. Thus the need to find out if the NGOs are following the guidelines stipulated and its relationship to fluctuations in donor funding. Procurement must be seamlessly integrated with the other aspects of Logistics and functions within the organisation, such as Warehousing, Distribution, Finance, HR, etc. An integrated approach to service delivery will no doubt contribute to the timely, efficient and effective delivery of humanitarian assistance.

#### **2.2.4. Conditions Imposed by Donors and Implementation of Donor Funded Projects**

These are the conditions or terms imposed by the donors that must be followed in projects that they finance or sponsor. When Donor attaches so many conditions on the loan or grants agreement, the disbursement of funds for the projects may end up being delayed and it can culminate into cost overrun of the project or the project stalling or abandoned by the funder. It can also extend the project completion time. Some of the conditions are explained as follows:

##### **2.2.4.1. Governance and Political Reforms/ Structural Adjustment Program**

Donor funds are channeled to countries which are assumed to be performing better hence encouraging policy reform (“incentives”): this comes from the widespread view that donors should use aid to encourage recipients to improve their policies. There is a lot of sense in this: however, many problems in developing countries are partly or wholly the result of poor policy choices by governments (Sebervik, 1999). The hope is that by making aid conditional on policy reforms – such as restructuring state enterprises, liberalizing the economy, or political reforms – donors might accelerate the changes which are likely to be essential for economic development. The policy changes which aid conditions are intended to produce may be as important as resource transfers. Possibly more so, the rationale for this approach is that aid spending in countries with a good policy environment produces greater benefits (e.g. in terms of long run economic growth) than the same amount of spending would produce in countries that have poor policy environments. So for a given aid budget, the total reduction in poverty will be increased if aid is targeted on those countries that can use the aid most effectively. Creating rules for allocating aid to countries that are likely to use it well is known in the jargon as “selectivity”.

On the other hand this condition might also undermine internal government systems. Example is when US said they were withdrawing financial assistance to Uganda because of passing anti-gay

law. Aid conditionality, in which aid is linked to particular programs and projects, prevents the government from making decisions about which programs are a priority. Performance agreements are made with donors, not with Finance Ministries or Cabinet. Separate project implementation units, managers, and auditors are hired by the project to ensure that the program remains on track with its conditionality. So government systems are hollowed out: resource allocation, performance management, auditing and accountability are moved from collective government decisions under the control of the Finance Ministry to individual ministers and officials in consultation with their donor patrons (Afande, 2013).

Examples of the reforms also include Structural Adjustment Policies (SAP). SAPs are economic policies which countries must follow in order to qualify for new World Bank and International Monetary Fund (IMF) loans and help them make debt repayments on the older debts owed to commercial banks, governments and the World Bank. Although SAPs were designed for individual countries, they had common guiding principles and features which include export-led growth; privatization and liberalization; and the efficiency of the free market.

SAPs generally required countries to devalue their currencies against the dollar; lift import and export restrictions; balance their budgets and not overspend; and remove price controls and state subsidies.

This is a program that did not succeed as much and to date it is very unpopular because it caused much suffering as it brought about things like retrenchment in the civil service, sky rocking of the prices of even the basic goods among other ill. Damien King, 2000 explained that the fundamental liberal ideas underlying structural adjustment reform were not popular in Jamaica, and had for the most part been foisted on the people by first, an unwilling administration, and later, by an unfocused one merely following to a limited extent world economic fashion. This unwillingness and lack of commitment is important in understanding the inconsistency in the reform process as it unfolded in Jamaica (King, 2000). As explained below it had many problems than benefits:

A major goal of Structural Adjustment Programs was a reduction of inflation. It is broadly agreed that high levels of inflation have negative consequences on growth and poverty. Some studies however contend that countries which achieve and maintain macroeconomic stability might not necessarily gain significant pay-offs in growth and poverty reduction (Gunter, Cohen, & Lofgren, 2005). Lower inflation is likely to improve the real incomes of the poor if the adjustment of incomes to a rise in expenditures due to inflation is slow. Currency Devaluation where in developing countries we realise there are negative associations with currency devaluation. This is

because of fears of setting off a devaluation-inflation spiral, low exports and import elasticities, increased domestic costs of servicing foreign debt, increased costs of financing subsidies for imported inputs, fear of a loss of confidence.

Until now there is no clear cut conclusion about the relationship between devaluation and poverty (Gunter, Cohen, & Loftgren, 2005)

Fiscal Policy which is actually an essential component of IMF programs, which aim to decrease the budget deficit. This can be achieved through higher levels of taxation and/or reductions of public expenditure. Of course the re-distributional effects of such a policy depend on the composition of the budget cuts of the government, but are also influenced by producer mobility and the adaptability of consumer patterns.

Real expenditure reduction is generally achieved through contraction in social expenditure, public sector contraction and privatization. A study conducted by Johnson and Salop (1980) states that a downward adjustment of government expenditure to GDP is very likely to be borne out by public sector employees engaged in capital-intensive projects which come to be postponed (Vreeland, 2003) Expenditure cuts in public sector employment – which lead to an at least temporary increase in unemployment – and lower wages and salaries of people working in the public sector, will tend to increase poverty and worsen income distribution, particularly when those reductions hit low-level government employees. Trade liberalization which possibly have two contrary effects on poverty. First, sectors which were protected before the liberalization will contract and lead to lower incomes in these areas. Apart from that however, trade liberalization might benefit labor-intensive sectors and finally result in higher wages or lower unemployment (Oberdabernig, 2008).

Financial liberalization which is a common tool used by the IMF to force changes in the domestic capital markets of developing countries. It can be shown that there is a strong connection between financial liberalization, weaknesses in the domestic banking sector and currency crisis. It is commonly agreed that financial liberalization needs to be accompanied by sound economic policies and legal and regulatory underpinnings to improve economic performance, because they would have strongly negative effects on some poor groups otherwise (Oberdabernig, 2008)

Political reforms where political power plays an important role in determining the way of achieving a program (Vreeland, 2003). Therefore, it is most likely that IMF programs are implemented in such a way that hurts politically powerful groups least, frequently at the expense of the poor.

#### **2.2.4.2. Pre- expenditure Approvals/No Objection**

Before expenditure is incurred especially in World Bank funded project a no objection has to be sought from the World Bank office and this delays the process and sometime collapse of the process especially when it is not approved. This therefore means there is no flexibility on the side of the recipient of the Aids as well as lack of confidence by the donor on the proper use of the funds.

As stated in the World Bank consultancy guideline revised July 2014, When, under time-based contracts, the services are of a routine nature or do not require an innovative approach, the Borrower may, subject to the Bank's no objection, require the consultants to include in their proposal the same level of experts' time inputs as indicated in the Request for Proposal RFP, failing which their financial proposal shall be adjusted for the purpose of comparison of proposals and decision for award (World Bank, 2014).

Other conditionality that must be met by the requisitioning government before any approvals include, but not restricted to:-provision of counterparts funds by respective government establishment of Project Implementation Units (P.I.U.s) to run the project and opening of offshore account where funds are channeled in hard currency (Keng'ara, 2014).

Donor usually disburses loan proceeds to or on the order of the borrower, using four common disbursement methods. These are; direct payment, reimbursement, Reimbursement guarantee, and Special account. In Kenya, the most commonly applied methods are Direct Payment and Special Account. For Direct Payment the arrangement is such that, the donor makes payments, at the borrowers request directly to a third party e.g. supplier, contractor, and consultant for eligible expenditures (Chandra, 2009). This is suitable for major civil works progress payments, purchase of goods/equipment and consultants' progress claims. Special Account/Revolving Fund method applies where the donor advances loan proceeds into a designated account of the borrower to finance eligible expenditures as they are incurred and for which the supporting documents will be provided at a later date (Chandra, 2009).

This is ideal for small and numerous expenditures of an operating nature. The borrower must ensure all the amounts deposited in the special account are fully accounted for before disbursement deadline date. After due date, the borrower must refund all advances still unaccounted for or remaining in this account. The GOK normally opens offshore special accounts where donor funds are channeled in hard currency. These are managed by Ministry of Finance (MOF) through Central Bank of Kenya. However, final allocation in the printed estimates does not always tally with

approved project annual work plans and budgets; moreover, total actual disbursements are often less than printed budget estimates disbursed in untimely and small tranches. The P.I.U staff must be knowledgeable on disbursement of funds process in order to institute prudent financial management of donor funds so that the project operations are not adversely affected due to insufficient/lack of funds.

#### **2.2.4.2. Strong Adherence to Procedures and Guideline**

Organization for Economic Co-operation and Development (OECD) explained that as a matter of facts ‘There is too much emphasis within aid agencies on strong procedures and guidelines, which leads to a culture of ‘accountability for results’ and of little attention to ‘managing for results.’” It, therefore, all boils down to the procedures in place to manage projects. The need to show how funds from donors have been spent overrides the need to actually make progress towards achieving the project’s deliverables. The argument is that there is too much weight put on incentives for project managers to report externally and to spend time on monitoring and evaluation. There is not the same level of incentive for a job well done, and project managers lack the tools they need for using project performance data to make decisions that will affect project. These are often donor-specific rules and guidelines which are meant to ensure that donor resources are used efficiently and economically, but at the same time can lead to fragmentation and aid complexity.

Many explanations for the success or failure of the donor funded projects can therefore be said to be coming from the donors themselves. We actually know there are myriad of donors of aid to both developed and developing countries, including multilateral (World Bank, United Nations Development Programme, Asian Development Bank, European Union) and bilateral donors (national cooperation/development aid agencies), non-governmental organizations, and foundations (Font, Goodwin, & Walton, 2012). Each of them imposes some terms to the funds they give as development assistance depending on their individual interest. As a result, there is lack of transparency in decision making about development assistance.

There is evidence of donors partly choosing aid recipients based on potential trade benefits or because of historic ties with former colonies. Donor rankings based on how they allocate aid across countries (allocation performance) are common, with income, population and policy the most commonly used criteria (Anderson and Clist, 2011). However donor performance goes beyond allocation, to include the amount of aid that is tied or the share of aid spent on administration costs (Font, Goodwin, & Walton, 2012).

The proliferation of official donors and private givers is now a common phenomenon in poor countries. Ghana, for example, is referred to as a “donor darling” in aid circles. In theory, more donors should mean more money and greater choice in reducing poverty and financing development. In practice, however, many poor country administrations are overwhelmed by the new complexity in development finance. They need new tools to face it successfully (Lavagnon, 2012). Progress (OECD Development Centre, 2007). These procedure and guidelines can also cause higher transactions costs and add significantly to the transactions costs of aid, for both recipient and donor for example:

Tanzania once estimated that it had to account for 20,000 different performance criteria a year to more than 50 different donors. Many African finance ministers reckon to spend 3 days a week or more talking to donors (or being talked to by them).

In addition, sometime they undermine government accountability. It is sometimes claimed as a benefit of aid conditionality that it enables governments to take difficult decisions, because Ministers can tell the affected constituencies that the decision was forced upon them by donors.

This is a double-edged sword, however. To the extent that domestic stakeholders accept that the government has little discretion because of conditions attached to aid, this reduces the accountability of governments to their own citizens. Governments can, and frequently do, blame donors for having imposed conditions upon them, and assert – often truthfully – that the eventual outcomes were beyond their control (Sebervik, 1999).

In the worst cases, the donors, acting individually or collectively, effectively take the place of the opposition that should hold the government to account. Admittedly, the capacity of some legislatures and political systems to carry out this function is weak, which leads donors to step into the role; but in doing so; they crowd out the role that should be filled by local stakeholders.

This is important because lack of government accountability is a common feature in many developing countries. The long-term solutions lie in strengthening legislatures, civil society and the media to enable them hold the government to account, and also enable them to press for more rapid reform in the interest of the broader population. To the extent that aid conditionality obstructs increasing accountability of governments to their citizens, the system delays rather than accelerates reform (Barder, 2005).

Withdrawal for non adherence to conditions: the single biggest constraint on the effectiveness of aid is not the corruption or incompetence of the recipients, but lack of predictability by donors. It is shaming (or should be) that aid is the single biggest cause of fiscal volatility in least developed

countries (more volatile than commodity prices, economic growth or tax collection). It is shaming that past aid levels are a better predictor of future aid flows than the formal projections and promises made by donors.

This lack of predictability in aid matters for developing country governments for the same reasons that macroeconomic stability matters in affluent countries: there are huge economic costs associated with variability in demand for both public and private services (Kanbur, 2000). Many developing countries face challenges that require reform with short-term costs and enormous long-term benefits. An example is public sector reform. If a country is to pay off redundant staff with inappropriate skills while hiring new staff to replace them, it requires a considerable investment over a number of years, albeit with huge returns in the long run. Other examples include liberalization of state monopolies, or reductions in import tariffs (Kanbur, 2000). All such reforms with high costs in the next few years, but significant long term benefits, are unthinkable for developing country governments with little ability to borrow. Only if they have reliable access to long term aid flows can they begin to contemplate the sorts of reforms they need to make to make these essential changes.

Aid conditionality adds to lack of predictability. Sometimes aid is withheld because the policies or actions of the recipient have deteriorated significantly. But more often, aid is withheld for more technical reasons: accounts have not been submitted, or one of the conditions has not been met in full. Sometimes the problem is that the donor agency does not have the capacity to process the information that it originally asked for. As a result, aid programs stop and start, with little link to the underlying state of policies and commitment of the recipient country or the effectiveness with which they are able to use the aid they receive.

#### **2.2.4.3. Technical Assistance**

Earmarking of donor resources applies also to aid modalities of technical assistance (where the spending often are done on external experts' guidance and advice) (Celasun & walliser, 2007).

The implication of this is that most aids come with a condition that the recipient will get technical assistance from the donor in the form of experts. There are more than 100,000 foreign advisers resident in Africa, costing aid budgets a little under \$10 billion. Some of these advisers provide valuable advice and expertise. This sort of knowledge-transfer is an important form of aid in its own right.

However, a substantial proportion of the work of these advisers is to design conditions to attach to aid, to monitor whether those conditions are being met, and to make judgments about what to do if they are not. Some of this work is valuable in its own right, since all governments need analysis of the programs they are implementing. But the bulk of it is jumping through hoops, which adds greatly to the overhead costs of aid, reducing the amount of taxpayers' money actually being received by the people for whom it is intended (Afande, 2013).

Beside, requirement for monitoring and evaluation, normally done by their expatriates, is integral to conditionality, as the principal will collect data to see if conditions are met. Whilst some interventions and programme evaluations are conducted, and confidential internal reports written, they are rarely shared or published. The literature and results agree that impacts of interventions are rarely reported (Font, Goodwin, & Walton, 2012). There are some instances where donors make it clear from the outset that they would be seeking high developmental returns from the initiative. In response, a concept is adopted that specifically targeted a number of projects that would generate high direct developmental returns (as opposed to indirect returns through increased growth). In practice, such projects are difficult to develop, take longer than anticipated time to bring to the point of sale, and are proving difficult to sell under current capital market constraints. What is then coming out is that donors' behavior partly explains project success and failure, through their policies and how they identify and conceptualize funding lines. Any sustainable project management must include an evaluation of the organizational culture of an enterprise that plans to implement any new project or initiative (Sustainable Project Management, 2011).

Government aid is funded by taxpayers, whose money has been involuntarily taken from them to pay for it. Those taxpayers are entitled, at minimum, to know what their money has been used for and whether it was for the purposes intended and that it has produced the desired effects. Aid conditionality, which sets limits on how aid money can be used and demands information and evidence to show that this is what has happened, might contribute to the accountability to which taxpayers are entitled. This may be compromised when a good chunk of the funds are going back to the donor in form of payments to their own expatriates even though the Project aid is tied to specific and pre-identified expenditures of the aid recipient. The classical example of project aid is supposed to fund are large infrastructure project, such as a road, that donors agree to finance (Celasun & walliser, 2007).

## **2.2.5. Procurement Related Factors and Implementation of Donor Funded Projects**

Procurement is the acquisition of goods and services. It is a process that involves two parties with different objectives who interact in different market segment. Good procurement practice increases profitability by taking advantage of quantity discounts, minimizing cash flow problems, and seeking out quality suppliers. For this reason, it is always standardized practice that is aimed at lowering the paperwork cost (Kerzner, 2001).

Procurement Related Factors refer to several factors that directly or indirectly determine the implementation progress of projects. These include such factors as, length procurement procedures, too many authorization requirements especially for donor funded projects (in form of Letters of no Objection) and lack of skills in donor procurement procedures which creates absorption capacity problems affecting calendar time.

## **2.2.6. Procurement Practices**

Procurement is a business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfill its strategic objectives. Therefore, procurement exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization, its stakeholders and customers. The benefits associated with procurement includes: security of supply, lower costs, reduced risk, improved quality, greater added value, increased efficiency and innovation. Kidd (2005)

The other scholars define procurement as the process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from identifying potential suppliers through to delivery from supplier to the users or beneficiary. Logistics Cluster (2001).

According to UNDP (2005), the term ‘procurement’ refers to the process of acquiring goods, works and services. The process spans the whole cycle from identification of needs through to the end of a services contract or the useful life of an asset. They also note that procurement forms nearly 80% of the project amount in most cases.

Procurement is a key activity in the supply chain which can significantly influence the overall success of an emergency response or resilience activities depending on how it is managed. In

humanitarian supply chains, procurement represents a very large proportion of the total spend and should be managed effectively to achieve maximum value to the beneficiaries. Procurement works like a pivot in the internal supply chain process turning around requests into actual products/commodities or services to fulfill the requests from project staffs to accomplish the project activities as per the plan. In NGO environment procurement serves three levels of users: The internal customer, Programs in response to emergencies and ongoing programs, prepositioning of stocks, for both internal customers and program needs. Logistics Cluster (2001).

Procurement practice is a complex function guided by various procurement policies and statutes. A comprehensive procurement policy manual, one that lays out these policies and applicable laws, is critical to ensuring that procurement, agency staff, and all stakeholders follow the proper procedures and rules so all will have a clear and consistent understanding of the required regulations. In the absence of such guidance, a lack of consistency in how procurement work is carried out becomes likely. This inconsistency results in hindrance within and outside the procurement organization and the possibility that procurement actions may appear to be arbitrary and unfair. It is therefore critical for procurement to have a comprehensive procurement policy manual in place (CIPS and NIGP, 2012).

### **2.2.7. Procurement practice in Humanitarian and Development agencies**

In NGO context procurement has three important principles which includes transparency, accountability and efficiency and cost effectiveness. This helps considering that the resources are donor funded, a good relationship with suppliers is important and efficiency has a direct impact on operation and beneficiaries. They further noted that The aim and objective of procurement is to carry out activities related to procurement in such a way that the goods and services procured are of the right quality, from the right source, are at the right cost and can be delivered in the right quantities, to the right place, at the right time. Logistics Cluster (2001)

In most of the cases development and relief agencies have highly formalized procurement processes (similar in nature to the Public Procurement and Disposal). They all require that suppliers register with them before the beginning of the procurement processes. The registration process is very stringent and normally includes checking the companies' financial standing, capacity to supply, and logistical ability and may also involve premise checks as part of a due

diligence process. UN agencies have specifications for all the products they procure and suppliers need to know these specifications and comply with them. Oanda and Ojwang (2008) further stated that donor and NGO procurement systems work well, though they tend to be over-bureaucratized.

Abrams (2013) argues that procurement is time-consuming and can require complex procedures. There are risks of errors and of deliberate abuse of the process for personal gain by officials or by contractors and suppliers. Problems in procurement can lead to delays, poor quality or lack of value-for-money and can undermine the trust of the local community. Thus good procurement practice includes many of the themes of good governance, including efficiency, effectiveness, transparency and accountability. Abrams further notes that depending on the organization and the type of procurement being done, practices like: pre-qualification, advertising, negotiation of price with the winning bid, bid security, tax exemptions, post-qualification, non-price criteria in bidding, international bidding, and procurement review committee among others vary on usage.

According to Hong Kong's Corruption Prevention Department (2001) a sound procurement system is important to NGOs because it helps to ensure that the goods and services are purchased in an open, fair and competitive manner and that they represent value for money. It also helps to minimize opportunities for abuse. They further noted that NGOs should ensure that the procurement system adopted has adequate checks and balance to prevent possible malpractice or corruption as well as to enhance accountability in the use of public funds.

### **2.2.8. Procurement Planning:**

Sound formal planning provides the basis for organizing the work on the project and allocating responsibilities to individuals. Brown and Hyer (2010) explain that planning involves identifying the purpose, defining the scope, determining customer requirements (user needs), as well as identifying tasks (key procurement activities), estimating time (delivery schedules for goods and services) and cost, assigning responsibilities and other activities. Planning answers the question: What does the organization hope to accomplish by successfully completing this project? What organizational result is expected? In underscoring the critical role planning plays in successful project implementation, Frese et al (2003) contends that planning requires excellent preparations, which includes detailed scheduling of the process implementation stages and milestones, task timeliness, fallback positions and re-planning. This means that initial planning is not enough.

According to Saunders (1997), planning also encompasses the aspect of forecasting to help in the process of predicting costs and cash flows (financial disbursements). Ultimately, the purpose of procurement planning is to safeguard against delayed implementation of public projects and to avoid situations of budgetary constraints which would hinder successful project execution and completion.

### **2.2.9. Contract Monitoring and Control:**

According to Brown and Hyer (2010), monitoring refers to any tracking system from a simple checklist to sophisticated dashboard style approaches, for identifying variances from the original plan. They advance the argument that as part of the planning process, a project team should agree on the appropriate approach for monitoring key performance indicators (KPIs) during the life of the project. The two scholars also define project control as the set of processes, decisions, and actions involved in responding to project variances. Project control thus portends a project change management process for deciding when changes are appropriate and when to stay the course. Chandra (2006) avers that control is critical to implementation success in so far as it compels regular comparison of performance against targets, a search for the causes of deviation. Thus a procurement project contract monitoring system can have a significant influence on people's decisions to escalate or de-escalate commitment. Most donors require that funding recipients evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

### **2.2.10. Vendor Selection Process:**

NGOs adopt donor procurement policies and deploy them through customized procurement practices. Sometimes NGO's procurement policy is more stringent as compared to the donor's guideline, therefore most of those times NGO's follow their own procedures. According to Gadde and Hakansson (2001) purchasing from vendor's accounts for more than half the total cost of operations in most organizations. Vendor selection is thus an important factor for the success of any project from both the financial and risk mitigation perspectives. According to Michael Porter (1985), vendor evaluation and selection is a fundamental component of risk management and continuous improvement of supply processes. Therefore, vendor selection process is probably one of the most important tasks that an organization will undertake. Without good vendors who provide

your quality stock, good services and supplies at competitive prices, with good terms and delivery schedules, your projects bottom line and target of deliverables will be sorely compromised.

### **2.2.11. Procurement Negotiation:**

While formal definitions of negotiation vary, theorists do accept certain basic tenets. Foremost among them are the assumptions that parties who negotiate agree in at least one fundamental respect; they share a belief that their respective purposes will be better served by entering into negotiation with the other party. This is the mutual perception that leads to the onset of negotiations and betrays the dependence that exists (to whatever degree) between negotiating parties. This common interest in a shared agreement is the starting point for the ‘common interest and mutual dependence that can exist between participants in a conflict with which negotiation is concerned. (Schelling, 1960). “major public policies are the outcome of a complex round of negotiation between interests, choices between values and competition between resources... there are no single best options for any player in this game, for the best outcome depends on what others do and what deals are possible.’(Davis et.al., 1993)

Fisher and Ertel (1995) argue that during the negotiating process, parties should think carefully about the kind of commitments they should be prepared to make. Are they capable of honoring them? How broad should commitments be? When will each party be expected to make good on their promises? One way to build trust is to create a commitment structure that can be implemented in stages. Parties may be more willing to make a deal with an opponent when there is an opportunity to demonstrate that each side is honoring their commitments along the way. The key to negotiating a beneficial outcome is the negotiators ability to consider all the elements of the situation carefully and to identify and think through the options.

### **2.2.12. Contract Review**

Elena’s (2010) emphasizes the relevance of contract review through communication in project implementation by asserting that projects are about communication, communication, communication. He argues that the biggest and costliest problem in any company is lack of contract review. In his view, a company may still succeed, but without good internal and external communication the cost of success will be much higher than necessary. Lack of good communication can easily turn a corporate strategy, or an information system project, into a

modern day Tower Of Babel. Kirksey (2010) re-enforces this position by asserting that one predator of project success is when communications are kept honest and open between customer and vendor through contract review. Communication as far as procurement is concerned entails a number of aspects chief of which is communication of the user specifications. Regulation 9 of the Public Procurement and Disposal Regulations (2006) stipulates the following, among others, as the principle responsibilities of the user department : (a) initiation of the procurement and disposal requirements and forwarding them to the procurement unit; (b) reporting any departure from the terms and conditions of the contract to the procurement unit; (c) forwarding details of any required variations to the contract and preparing any reports required for submission to the procurement unit, the procurement committee, the tender committee, head of procuring entity or the accounting officer; (d) preparing technical specifications and submit the same to the procurement unit and making clarifications on tender, requests for quotations and any other matter as may be required. Section 31 of the Public Procurement and Disposal Act (2005), on other hand, provides the criteria for qualification for award of contract to contractors to implement public projects. Among the criteria to be satisfied include: whether the person has the necessary qualifications, capability, experience, resources, equipment and facilities to provide what is being procured; whether the person has the legal capacity to enter into a contract for the procurement; whether the person is not insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing; among other qualification criteria. Whether these criteria are strictly adhered to during the procurement process for public projects is a subject of debate. Gaps in following these criteria have seen some contractors abandoning public projects due to their weak financial positions. In other cases, contractors have demonstrated a lack of technical capability in terms of manpower and equipment, a scenario that has had a devastating impact on the effectiveness of public projects implementation. Sub-section 7 emphatically provides that procurement entities shall use creative approaches such as design and build in order to enhance efficiency of the procurement process and project implementation (Cheboi, 2014).

### **2.2.13. Measurement of Effective Project Implementation**

According to Brown and Hyer (2010), effective project implementation or simply put, project success can be measured on the basis of time, cost and quality (performance), commonly known as the triple constraint. These three factors represent the Key Performance Indicators (KPIs). To establish whether a project has been effectively implemented, or better still, if the project has been successful, one has to go back to the initial project goals of time, cost and quality (performance) and be able to measure the extent of their individual achievement. Brown and Hyer's triple constraint model is premised on the principle of interdependency whereby each constraint affects the others. For example, if a project requires more time, the cost is likely to rise. Likewise, a higher performance may lead to increased project cost. They further argue that whereas there have been widespread project failures; the world has also witnessed remarkable project successes. According to Frese (2003), a successful project must be on time, on budget and deliver quality (features and functions). Anything less will be either a failed project or a challenged project. Thus the envisaged initial project cost, time and project quality (performance) are the three fundamental cornerstones for measuring the effectiveness of any project.

### **2.3. Empirical Review**

Barasa (2014) in a study on Procurement Practices effect on projects in Kenya Civil Aviation Authority reported that 90.6% of respondents believed that procurement planning, contract monitoring & control, as well as choice of procurement procedure were important factors in project implementation. He further argues that major implementation obstacles for donor funded projects in Kenya include procurement policies and donor guidelines due to bureaucracy which results in low disbursement of donor funds. The fact that both donor and Government procurement policies and guidelines are applied concurrently only serves to compound an already worse situation.

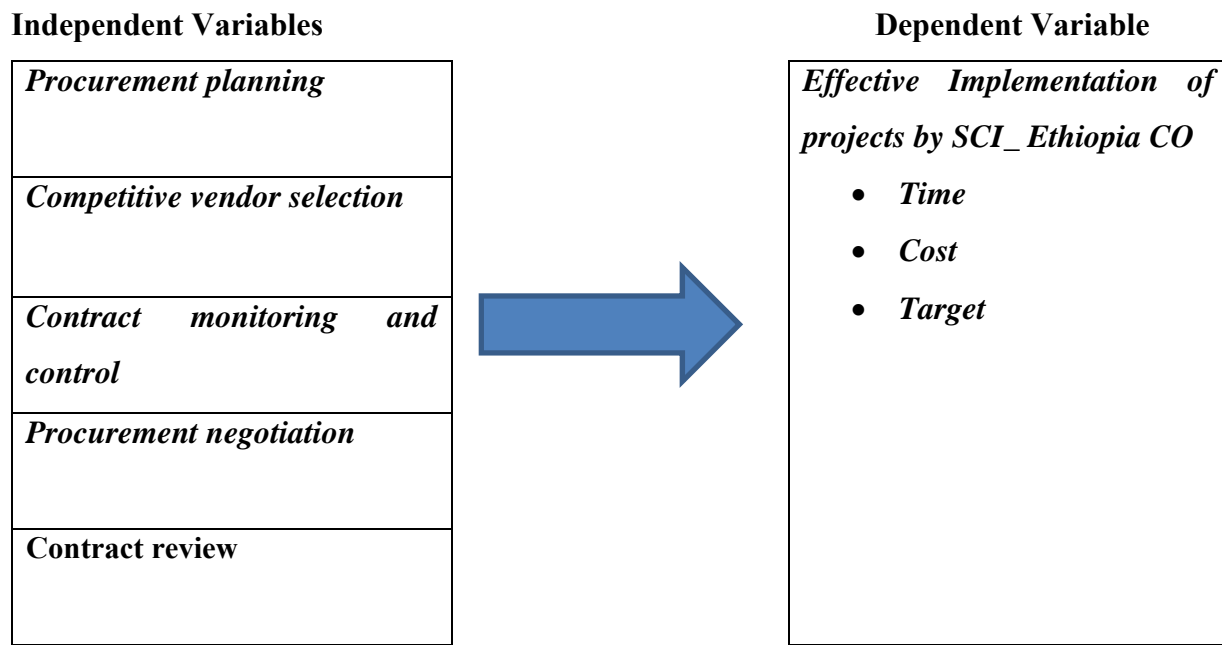
The World Bank Report (2009) and Kirungu (2011) concur that the average project funds absorption rate in developing countries is less than 10% per annum, and attribute the problem to a constrained procurement process. Whereas it is clear that execution of the procurement function has an impact on the outcome of donor funded projects, the two scholars do not provide concrete details on the actual fund absorption rate for INGOs operating in those developing countries, nor do they give the extent to which constrained procurement practices affect the success of projects implemented by the INGOs. This begs the question as to which specific practices impact project

success the most, given that majority of the INGOs strive to operate within internationally accepted best practice.

## 2.4. Conceptual Framework

For the purpose of this study, the dependent variable is the effective implementation of projects in Save the Children International Ethiopia CO. whereas the independent variables are procurement planning, competitive vendor selection, project monitoring and control as well as communication. The conceptual framework for this study is presented in the figure 2.1 below.

Figure 2.1: Conceptual Framework



Source: Pamela, 2016

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Research Design**

The Study was conducted in Save the Children International Ethiopia Country office in Addis Ababa, Ethiopia. The researcher used a quantitative research methodology.

#### **3.2. Study Population**

All project staffs and supply chain unit staffs in Save the Children Ethiopia Co in Addis Ababa are considered the target population in the study period. However, field project staffs outside Addis Ababa are excluded since it was difficult to access them as they are situated in the whole regions of Ethiopia with limited internet connectivity to send the self-administrated questioner via by their Emails. However, the researchers believe all project staffs in the field offices are represented by senior program managers in country office i.e. each projects have a senior focal person who based in Addis Ababa.

#### **3.3. Sample Design and Procedure**

From the total population the researcher selected respondents by using a stratified sampling technique. Here in this study we have a total of 222 respondents by two strata's i.e. project staffs with a total population of 183 and supply chain unit staffs with a population size of 39. And to determine the sample size for this research respondents the researcher used a sample determination formula developed by Cochran in 1963.

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where  $n_0$  is the sample size,  $Z^2$  is the abscissa of the normal curve that cuts off an area  $\alpha$  at the tails  $(1 - \alpha)$  equals the desired confidence level,  $e$  is the desired level of precision,  $p$  is the estimated proportion of an attribute that is present in the population, and  $q$  is  $1-p$ . There for this research

$$n_0 = 1.96^2 * \frac{(0.5)*(0.5)}{(0.05)^2} = 384.16 \sim 385$$

Since the population is smaller than the sample size can be reduced slightly. This is because a given sample size provides proportionately more information for a small population than for a large population. The sample size ( $n_0$ ) can be adjusted using the formula

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}}$$

Therefore,  $n = 385 / (1 + ((385-1)/222)) = 141$  i.e. 141 is the total sample size for this study but to reduce the none response rate the researcher adds 5% of the sample, so in this research the researcher administers a total questioner of 149. Here when we divide this sample size to those strata's the researcher administers a total of 27 question for a randomly selected supply chain unit staffs and the remaining 122 questioners were administered to project staffs of SCI – Ethiopia CO since the population size of those strata's are 39 and 183 respectively.

### **3.4. Data Collection Instrument and Administration**

Here the researcher used a primary data and those data are collected from those program and supply chain unit staffs of save the children international Ethiopia Co. The data were collected by using a pre designed self-administered questioners which is completed by respondents and here the researcher sent those questioners via email to respondents, then following up with a phone call to ensure receipt of the questionnaire by the respondents. Since the questionnaires were self-administered, whereby respondents are tasked to complete the questionnaires by themselves and then the researcher collect the completed document by going to each of those staff's desk and directly received from them by showing gratitude for their collaboration in completing my research questioner.

### **3.5. Data Management**

The collection of data is checked by the principal investigator (the Student Researcher) on a daily basis for any incompleteness and /or inconsistency. For those questioners which have inconsistency appears, the researcher asks respondents for completing the remaining in the questionnaire by returning back to those respondents. After checking the completeness of the collected questioner, the Data entry attempted by a pre designed data base by SPSS. The database was created based on data type and size. The researcher conducts visual checks and data lists for data cleaning to be given due attention as it is the means for identifying the errors and incompleteness.

### **3.6 . Data Analysis Procedures**

After the researcher complete the data collection, data entry and data cleaning for this study; the researcher used Statistical package for social science (SPSS) Version 20 to get the required data analysis results for study and the researcher present results by using charts, tables and different kinds of statistical data presentation techniques (Descriptive statistics) and the researcher execute inferential statistics i.e. ordinal regression analysis to check the association between dependent and independent variables. And according to the analysis result the researcher gives statistically accepted inferences by giving answer for those research questions raised in the study.

### **3.7. Pilot Testing**

The questionnaires were pretested to ensure its clarity and validity of the instrument. Validity is the extent to which an instrument can measure what it ought to measure. It therefore refers to the extent to which an instrument asks the right questions in terms of accuracy. Mugenda and Mugenda (2003), defines validity as the accuracy and meaningfulness of inferences which are based on the results. For a research instrument to be considered valid, the content selected and included in the questionnaire must be relevant to the variable being investigated (Mutai, 2000).

A pilot study was carried out to determine the validity of the questionnaire in this study, where the responses of the subjects were checked against the research objectives. The questionnaire was pilot tested on thirty respondents who are part of target population but not in the sample (25 from program staffs and the remaining 5 were administered to supply chain unit staffs). This represents slightly above 10% of the accessible population that is generally recommended by social researchers (Mugenda & Mugenda, 2003). After pilot testing, the questionnaires were revised to incorporate the feedback that was provided.

Reliability of an instrument is the measure of degree to which the research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003). In order to test the liability of the instrument used in this study, the test-retest method was used, where the questions in questionnaire were asked in a twisted way but asking the same questions twice and this was part of the pilot testing within an interval of one weeks to establish whether the questionnaire elicit the same response.

### **3.8. Organization of the Study**

This research is organized by five main chapters. It started with an introductory chapter which outlines the background of the study, Statement of the problem, Research objectives as well as the Research questions, significance, definition of significant terms, significance of the study, limitations of the study. In Chapter Two Literature Review of all related literature was undertaken from various sources of materials that include journals and books, conceptual framework that gives relationship between the variable and the knowledge gap has been given. Chapter Three presents the Research Methodology adopted in the study and in this same chapter details of the research design used, the target population as well as the sample used for the study, data collection methodology, data management, data analysis techniques and Ethical consideration and Pilot Study. Chapter four gives data analysis, presentation and interpretation of the research findings while chapter five has outlined the summary, conclusion and recommendations based on the findings of the study in Chapter 4.

# CHAPTER FOUR

## DATA ANALYSIS, RESULTS AND DISCUSSION

### 4.1. Introduction

This chapter presents the data analysis, research findings (results), and discussion on the results of the study. In addition, in this chapter, the researcher also gives interpretation of those outputs from SPSS. Therefore, in order to present findings in this study, the researcher used different forms of tables and quantitative analysis done in prose.

### 4.2. Response Rate

A total of 149 questionnaires were administered to staffs of SCI Ethiopia CO within two strata's i.e. Program staff and Supply chain unit staffs with a sample size of 122 and 27 respectively. Among those 149 administered questioners 134 were completely filled and returned (i.e. from the total of 122 questioners administered to project staffs 109 were completed and from the total of 27 questioners administered to supply chain unit 25 were filled) and the remaining 15 questionnaires were incomplete and the researcher exclude those incomplete questioners from the data entry and analysis. Therefore, the response rate of this study is 89.93%, According to Mugenda the statistically significant response rate for analysis should be at least 50%. (Mugenda, 2003)

Table 4.1: Questioner response rate

	No Questionnaire	Percent
<b>Completed</b>	134	89.93%
<b>Not Completed</b>	22	10.07%
<b>Total</b>	149	100%

Source: Research Data (2018)

### 4.3. Respondent's General Information

In this study, the researcher described respondents profile in terms of Gender, Age Bracket, Educational Background, department/unit where the staff work, and years of experience with SCI. here respondents were asked to state their characteristics for purposes of classifying and comparing them thereafter. The study employed a closed-ended questionnaire to categorize respondent's profiles. The researcher analyses the responses by using frequencies and percentage distributions as shown in the following Table 4.2.

The results in Table 4.2 below show that Male were the majority respondents as represented by 84 (or 62.7%) and Female were the minority 50 (or 37.3%) in this regard. The findings revealed that there is high gender imbalance in SCI-Ethiopia CO. In regard to respondents age bracket, 69(or 51.5%) of respondents fall in the age bracket 26 to 34 Years, 27 (or 20.1%) of respondents fall in the age bracket 45 to 54 Years, 25 respondents were in the age bracket less than 25Years, 11(or 8.2%) of respondents were fall in the age bracket 35 to 44 Years and the remaining two respondents were found in the age bracket over 54 Years; therefore this study result indicates that majority of the respondents are found in the working age i.e. from 18 to 54 Years since the cumulative number of our respondents until the age of 54 is 132 (or 98.51%). Concerning the education qualification of this research respondents, the majority of this research respondent's completed university degree i.e. from a total of 134 respondents 52 (38.8%) have MA or MSc, 48 (or 35.8%) of respondents are BA or BSc degree holders, 26 (or 19.4%) of respondents are Diploma holders, two respondents have Certificate and the remaining 6 respondents have other qualification. Therefore, this result shows, the majority of SCI Ethiopia Co staffs are highly educated. When we see the respondent's department or unit they work 109 (or 81.3%) respondents are found from the program staffs and the remaining 25 (or 18.7%) respondents are from Supply chain unit. The last attribute of respondents in this research is there Years of experience i.e. 54 (or 40.3 % ) of respondents have less than 3 Year of experience in SCI, 51 (or 38.1%) of respondents have 7 to 9 Years of experience, 23 ( or 17.2%) of those respondents have an experience of 4 to 6 Years, and the remaining 6 (4.5%) of respondents have an experience of greater than 10 Years in SCI, this indicates our respondents in this study are well experienced for working in SCI.

Table 4.2: Respondents general Information

		Count	Column N %
Gender	Male	84	62.7%
	Female	50	37.3%
Age Bracket	Less than 25 Years	25	18.7%
	26-34 years	69	51.5%
	35-44 Years	11	8.2%
	45-54 Years	27	20.1%
	Over 54 Years	2	1.5%
Educational Background	Certificate	2	1.5%
	Diploma	26	19.4%
	BA/BSC Degree	48	35.8%
	MSc/ MA	52	38.8%
	Other	6	4.5%
Your unit in SCI- Ethiopia Co.	Program staffs	109	81.3%
	Supply Chain unit	25	18.7%
How many years have you been employed in SCI?	Less than 3 Years	54	40.3%
	4-6 Years	23	17.2%
	7-9 Years	51	38.1%
	Over 10 Years	6	4.5%

#### 4.4. Reliability Test

The reliabilities of those factors which measure the Effect of Procurement Practices On Performance of Projects in SCI were assessed with Cronbach's Alpha. The result in Table 3 below shows as a Cronbach's Alpha greater than 0.70, which are considered acceptable.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.787	52

## **4.5. Descriptive analysis of Procurement Practices**

In this section the researcher instructs respondents to give their level of agreement by number from 1 to 5; here those numbers indicate 1 is “strongly disagree”, 2 indicates “disagree”, 3 indicates “not sure”, 4 indicates “agree” and 5 indicates “Strongly agree”. Therefore, the mean scores of 0-1.5 means that the respondents strongly disagree with the measurement variable presented in this study, between 1.50 to 2.50 means they are disagreeing, 2.50 to 3.50 means the respondents were neutral or not Sure, for a mean score of 3.50-4.50 respondents agree by the attribute presented by each procurement practices and for a mean over 4.50, respondents strongly agree by their futures. Therefore, the following section gives us the result of respondent’s on Procurement Practices in its performance of Projects in the Case of Save the Children International Ethiopia Country Office.

### **4.5.1. Procurement Planning**

In this section, the researcher sought to assess the procurement planning in SCI Ethiopia Co. Here to measure procurement planning in this organization the researcher gives 10 questions which indicates those Procurement Planning and the result in table 4.3, below indicates, respondents strongly agree on the statement “procurement planning Reduces number of complaints” since the mean value of this statement is found in the range over 4.50 i.e. the result indicates a mean score of  $M=4.5896$  with a standard deviation ( $SD$ ) = 0.49376, for the statements Procurement planning Reduces costs (  $M = 4.3731$ ,  $SD=0.48545$ ), Procurement planning Resources are utilized ( $M= 4.3955$ ,  $SD =0.52054$ ), Procurement planning Uniform procurement systems ( $M = 4.2015$ ,  $SD = 0.58528$ ) , and Procurement planning Meeting performance indicators (  $M = 3.6493$ ,  $SD =1.62341$ ) respondents agreed, since those mean scores are laid in the mean range 3.5 to 4.5. Respondents are neutral for the statements; Procurement planning Improves performance ( $M= 3.3284$ ,  $SD= 0.94810$ , Procurement planning Increases number of orders ( $M =2.5448$ ,  $SD=1.47977$ ), Procurement planning Increases number of projects completed on time ( $M = 3.3507$ ,  $SD= 1.38335$ ), Procurement planning Reduces Conflict of interest( $M= 2.8955$ ,  $SD= 1.36149$ ) since those mean scores laid in the range 2.5 to 3.5 and for the remaining one statement i.e. Procurement planning Meeting organizations objectives ( $M = 1.9403$ ,  $SD = 1.41294$ ) respondents strongly disagree.

Table 4.3: Procurement planning

<b>Descriptive Statistics</b>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Procurement planning Improves performance</i>	134	3.3284	.94810
<i>Procurement planning Increases number of orders</i>	134	2.5448	1.47977
<i>Procurement planning Increases number of projects completed on time</i>	134	3.3507	1.38335
<i>Procurement planning Meeting organizations objectives</i>	134	1.9403	1.41294
<i>Procurement planning Meeting performance indicators</i>	134	3.6493	1.62341
<i>Procurement planning Reduces Conflict of interest</i>	134	2.8955	1.36149
<i>Procurement planning Reduces costs</i>	134	4.3731	.48545
<i>Procurement planning Reduces number of complaints</i>	134	4.5896	.49376
<i>Procurement planning Resources are utilized</i>	134	4.3955	.52054
<i>Procurement planning Uniform procurement systems</i>	134	4.2015	.58528
<i>Valid N (listwise)</i>	134		

## 4.5.2. Competitive vendor selection

In this section, the researcher sought to assess the competitive vendor selection in SCI Ethiopia Co. Here to measure competitive vendor selection, the researcher gives 10 questions which indicates those competitive vendor selections in SCI Ethiopia Co, therefore the result in Table 4.4 indicates, respondents strongly agree on the statement “Competitive vendor selection Increased number of projects completed on time (M = 4.6194, SD= 0.53163), and for the following statements the staffs agreed since their mean response laid in the mean range over 3.5 to 4.5; Competitive vendor selection Increases number of orders (M =4.3582, SD = 0.48127),

Competitive vendor selection Improves performance ( M = 4.4925, SD= 0.80175), Competitive vendor selection Increases quality of goods and services (M= 4.2090, SD = 1.04107), Competitive vendor selection Increases reliability (M = 4.0597, SD = 0.95588), Competitive vendor selection Reduces conflict of interest (M = 4.1504, SD = 0.63361), Competitive vendor selection Reduces number of risks (M = 4.2090, SD = 0.79543), Competitive vendor selection enhances Utilization of resources (M = 3.9478, SD= 0.61702) but for the following competitive vendor selection statements respondents disagree, since the mean falls in the mean range 1.5 to 2.5 and for the remaining one measurement statement i.e. Competitive vendor selection reduce number of compliant ( M= 2.7388, SD = 1.3788).

Tablev4.4: Competitive vendor selection

<b>Descriptive Statistics</b>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Competitive vendor selection Increases number of orders</i>	134	4.3582	.48127
<i>Competitive vendor selection Improves performance</i>	134	4.4925	.80175
<i>Competitive vendor selection Increased number of projects completed on time</i>	134	4.6194	.53163
<i>Competitive vendor selection Increases quality of goods and services</i>	134	4.2090	1.04107
<i>Competitive vendor selection Increases reliability</i>	134	4.0597	.95588
<i>Competitive vendor selection Reduces conflict of interest</i>	133	4.1504	.63361
<i>Competitive vendor selection Reduces costs</i>	134	2.2463	1.59150
<i>Competitive vendor selection Reduces number of complaints</i>	134	2.7388	1.37063
<i>Competitive vendor selection Reduces number of risks</i>	134	4.2090	.79543
<i>Competitive vendor selection Utilization of resources</i>	134	3.9478	.61702
<i>Valid N (listwise)</i>	133		

### 4.5.3. Contract monitoring and control

In this section the researcher wanted to see the contract monitoring and control in SCI Ethiopia Co, here the researcher gives a total of 10 questions and the respondent's response is summarized in Table 4.5 below. here the results in the below table indicates respondents strongly agree on the statement "Contract monitoring and control Increases level of transparency" since its mean is above 4.5, from the remaining statement ( Questions) given to respondents on the contract monitoring and control, respondents agree on contract monitoring and control Achieving value for money, endow with Continuous improvement, Improves quality, Improves transparency, Increases number of projects completed on time, Increases organizations reputation, Promotes innovation in technology but in this section respondents were also neutral on the statement that Contract monitoring and control Reduces number of projects uncompleted and contract monitoring and control Reduces risks.

Table 4.5: Contract monitoring and control

<b>Descriptive Statistics</b>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Contract monitoring and control Achieving value for money</i>	134	4.3955	.52054
<i>Contract monitoring and control Continuous improvement</i>	134	4.2015	.58528
<i>Contract monitoring and control Improves quality</i>	134	4.3582	.48127
<i>Contract monitoring and control Improves transparency</i>	134	4.4925	.80175
<i>Contract monitoring and control Increases level of transparency</i>	134	4.6418	.48127
<i>Contract monitoring and control Increases number of projects completed on time</i>	134	4.2090	1.04107
<i>Contract monitoring and control Increases organizations reputation</i>	134	4.0597	.95588
<i>Contract monitoring and control Promotes innovation in technology</i>	132	4.1515	.63588
<i>Contract monitoring and control Reduces number of projects uncompleted</i>	134	3.0821	1.24483
<i>Contract monitoring and control Reduces risks</i>	134	2.7388	1.37063
<i>Valid N (listwise)</i>	132		

#### 4.5.4. Procurement negotiation

In this section the researcher wants to examine the procurement negotiation on performance of projects in SCI –Ethiopia Co., here the researcher provides a total of 7 questions and Table 4.6 below indicates the result of procurement negotiation. SCI Ethiopia CO staffs strongly agreed by the statement procurement negotiation gives concessions and bargaining and also agreed on the statement Procurement Negotiation Build trust and Procurement Negotiation Increases collaborative relationships. But respondents are neutral on the below list of employees Procurement Negotiation Insure agreement on the essential terms of the contract, Procurement Negotiation Insure agreement on deliverables under the contract, Procurement negotiation Improves efficacy on limited resources, Procurement Negotiation Clear commitments since their mean score lied in the mean range 2.5 to 3.5).

Table 4.6: Procurement negotiation

<i>Descriptive Statistics</i>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Procurement negotiation Insure agreement on the essential terms of the contract</i>	134	2.6119	1.00308
<i>Procurement negotiation Insure agreement on deliverables under the contract</i>	134	3.3806	1.00221
<i>Procurement negotiation Gives concessions and bargaining</i>	134	4.5821	.49507
<i>Procurement negotiation Improves efficacy on limited resources.</i>	134	2.5896	1.42065
<i>Procurement negotiation Increases collaborative relationships</i>	134	3.6493	1.62341
<i>Procurement negotiation Clear commitments</i>	134	2.8955	1.36149
<i>Procurement negotiation Build trust</i>	134	4.3731	.48545
<i>Valid N (listwise)</i>	134		

### 4.5.5.Contract review

In this section the researcher provides 8 questions to examine the contract review process by SCI Ethiopia CO to insight the effect on the performance of projects. Here, among those 8 questions in two of them respondents strongly agreed since then mean score is laid in the mean range greater than 4.5. For the remaining contract review questions Table 4.7, respondents agreed i.e. their mean score is laid in the range 3.50 to 4.50 respectively. Contract review Reviews Key Performance Indicators(M= 3.7463, SD=1.48520), Contract review Repeat order (M=4.5746, SD=0.49625), Contract review Reduces risks (M= .43881, SD= 0.53326), Contract review Reduces Corruption (M= 4.2015,0.61043), Contract review Improves relationships (M= 4.2015, SD = 0.86520), Contract review Improves quality (4.3060 , SD = 1.01291) and Contract Review Getting value for money(M= 4.5746, SD=0 .51118), Contract review Ascertaining set targets and actual results (M=4.3209,SD=0.56993n 5 Persons. For the remaining statements respondents have agreed.

Table 4.7: Contract review

<b>Descriptive Statistics</b>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Contract review Reviews Key performance Indicators</i>	134	3.7463	1.48520
<i>Contract review Repeat orders</i>	134	4.5746	.49625
<i>Contract review Reduces risks</i>	134	4.3881	.53326
<i>Contract review Reduces Corruption</i>	134	4.2015	.61043
<i>Contract review Improves relationships</i>	134	4.2015	.86520
<i>Contract review Improves quality</i>	134	4.3060	1.01291
<i>Contract review Getting value for money</i>	134	4.5746	.51118
<i>Contract review Ascertaining set targets and actual results</i>	134	4.3209	.56993
<i>Valid N (listwise)</i>	134		

## 4.6. Performance of Projects

Like a procurement practices; here the researcher provides a like hurt scale questions to measure respondent's agreement on performances of projects in SCI i.e. In this section the researcher instructs respondents to give their level of agreement by number from 1 to 5; here those numbers indicate 1 is "strongly disagree", 2 indicates "disagree", 3 indicates "not sure", 4 indicates "agree" and 5 indicates "Strongly agree". Therefore, the mean scores of 0-1.5 means that the respondents strongly disagree with the measurement variable presented in this study, between 1.50 to 2.50 means they are disagreeing, 2.50 to 3.50 means the respondents were neutral or not Sure, for a mean score of 3.50-4.50 respondents have agreed by the attribute presented by each procurement practices and for a mean over 4.50, respondents have strongly agreed by their futures. Therefore, table 4.8 below indicates, respondents are strongly agreeing on the statement Projects in SCI-Ethiopia Co are completed on time without asking any time extension with ( $M = 4.5597$ ,  $SD = .51315$ ), and SCI-Ethiopia Co has clear policies on projects with  $M = 4.5672$ ,  $SD = 0.49733$  and they are agreeing on the statements; Project in SCI –Ethiopia Co are completed as per their budget ( $M = 3.8134$ ,  $SD = 1.42041$ ), Projects in SCI-Ethiopia CO are done as per their target ( $M = 3.7164$ ,  $SD = 1.58760$ ), SCI-Ethiopia Co always consider value for money on projects implemented ( $M = 4.3657$ ,  $SD = 0.49874$ ), Key stakeholders are involved during project implementation ( $M = 3.7463$ ,  $SD = 1.48013$ ) but for the statement, there is a reduced number of complaints that are received from benefices and local government on projects lead by SCI Ethiopia Co. ( $M = 2.8582$ ,  $SD = 1.34976$ ) which indicates respondents are neutral.

Table 4.8: Performance of Projects

<b>Descriptive Statistics</b>			
	<i>n</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Projects in SCI-Ethiopia Co are completed on time without asking any time extension</i>	134	4.5597	.51315
<i>Project in SCI –Ethiopia Co are completed as per their budget</i>	134	3.8134	1.42041
<i>Projects in SCI-Ethiopia CO are done as per their target</i>	134	3.7164	1.58760
<i>There is a reduced number of complaints are received from benefices and local government on projects lead by SCI Ethiopia Co.</i>	134	2.8582	1.34976
<i>SCI-Ethiopia Co always consider value for money on projects implemented</i>	134	4.3657	.49874
<i>Key stakeholders are involved during project implementation</i>	134	3.7463	1.48013
<i>SCI-Ethiopia Co has clear policies on projects</i>	134	4.5672	.49733
<i>Valid N (listwise)</i>	134		

#### 4.7. Effect of Procurement Practices on performance of Projects

In this study, the researcher re-coded the respondents agreement on each of the dependent and independent variable as 1.00 = Disagree for the response range 1 to 3.5 and 2.00 = Agree for the response range 3.6 to 5, after from this recoding and transformation of variables the research run an ordinal regression analysis and the result is as follows, Table 4.9 below show as the case processing summary i.e. among those 134 respondents 99 ( or 73.9% ) of them agreed on the performance of those projects implemented by SCI Ethiopia country office is completed by the

allotted budget, time and as per there target , but the remaining 35 (or 26.1%) of them disagreed i.e. performances of those projects implemented by SCI Ethiopia is are not completed by the allotted budget, time and as per there target due to the current procurement practices applied by this organization. When we see each of the independent variables; on procurement planning, among those respondents in this study 71 ( or 53.0%) of them disagree on the effect of procurement planning on the effective implementation of projects in SCI-Ethiopia Co i.e. the remaining 63 ( or 47.0%) are agreed on the effect of the procurement practices on performance of projects implemented by SCI Ethiopia Co. when we see the 2<sup>nd</sup> Variable (Competitive vendor selection); the majority of respondents i.e. among 134 respondents aa4( or 85.1%) of them agreed on the effect of the procurement practice called Competitive vendor selection on the performance of projects in SCI –Ethiopia Co but the remaining 20 (or 14.9%) are have not agreed. on the 3<sup>rd</sup> Procurement practice Contract monitoring and control; like the previous procurement practice the majority respondents agreed on Contract monitoring and control have an effect on successful implementation of projects in SCI Ethiopia CO i.e. 115 (or 85.8%) of them agreed and the remaining 19 (or 14.2%) disagreed. on the 4<sup>th</sup> procurement practice (Procurement negotiation); 78 ( or 58.2%) of respondents agreed and the remaining 56 (41.8%) of respondents disagreed on Procurement negotiation effect in projects implemented by SCI Ethiopia Co. in the last procurement practice in this study i.e. Contract review the majority of respondents i.e. 124 (or 92.5%) of them agreed and the remaining 10 ( 7.5%) of respondents disagree on the effect of contract review effect on performance of projects in SCI Ethiopia Co.

Table 4.9:Case Processing Summary

		<i>Marginal Percentage</i>	
<i>Performance of Projects</i>	1.00	35	26.1%
	2.00	99	73.9%
<i>Procurement planning</i>	1.00	71	53.0%
	2.00	63	47.0%
<i>Competitive vendor selection</i>	1.00	20	14.9%
	2.00	114	85.1%
<i>Contract monitoring and control</i>	1.00	19	14.2%
	2.00	115	85.8%
<i>Procurement negotiation</i>	1.00	78	58.2%
	2.00	56	41.8%
<i>Contract review</i>	1.00	10	7.5%
	2.00	124	92.5%
<i>Valid</i>		134	100.0%
<i>Missing</i>		0	
<i>Total</i>		134	

Table 4.10 below gives us the model fitting information of this study The significant chi-square statistic indicates that the model gives a significant improvement over the baseline intercept-only model. This basically tells us that the model gives better predictions than if we just guessed based on the marginal probabilities for the outcome categories.

Table4.10: Model Fitting Information

<i>Model</i>	<i>-2 Log Likelihood</i>	<i>Chi-Square</i>	<i>df</i>	<i>Sig.</i>
<i>Intercept Only</i>	78.244			
<i>Final</i>	10.129	68.115	5	.000

*Link function: Logit.*

The Goodness-of-Fit is given in Table 4.11 below. This table contains Pearson's chi-square statistic for the model and another chi-square statistic based on the deviance. These statistics are intended to test whether the observed data are inconsistent with the fitted model. If they are not-the

significance values are large-then we would conclude that the data and the model predictions are similar and that you have a good model. Therefore, as per this output we have found the large value for significant and this shows we have a good model.

*Table 4.11: Goodness-of-Fit*

	<i>Chi-Square</i>	<i>df</i>	<i>Sig.</i>
<i>Pearson</i>	.650	5	.986
<i>Deviance</i>	1.033	5	.960

*Link function: Logit.*

In the linear regression model, the coefficient of determination,  $R^2$  summarizes the proportion of variance in the dependent variable associated with the predictor (independent) variables, with larger  $R^2$  values indicating that more of the variation is explained by the model. For regression models with a categorical dependent variable, it is not possible to compute a single  $R^2$  statistic that has all of the characteristics of  $R^2$  in the linear regression model, so these approximations are computed instead. The following methods are used to estimate the coefficient of determination. Cox and Snell (1989) ( $R^2$ ) is based on the log likelihood for the model compared to the log likelihood for a baseline model. However, with categorical outcomes, it has a theoretical maximum value of less than 1, even for a "perfect" model. Nagelkerke (1991) ( $R^2$ ) is an adjusted version of the Cox & Snell that adjusts the scale of the statistic to cover the full range from 0 to 1. McFadden (1974) ( $R^2$ ) is another version, based on the log-likelihood kernels for the intercept-only model and the full estimated model. The model with the largest statistic is "best" according to this measure. Table 4.12 shows these values which indicate the fitting model is not as such good according to these measures.

*Table 4.12: Pseudo R-Square*

<i>Cox and Snell</i>	.398
<i>Nagelkerke</i>	.584
<i>McFadden</i>	.443

*Link function: Logit.*

Table 4.13 below show us the parameter estimates of the study variable here the disagreement level of respondents due to the increase of one unit of each predictors is as follows; the ordered

log-odds estimate for a unit increase in procurement planning will result a decrease in none performance of projects implemented by SCI Ethiopia Co. a unit increase in competitive vendor selection practice by SCI Ethiopia CO will result an increase in non performance of projects implemented by this organization by 18.694, a unit increase in contract monitoring and control result a decrease in non performance of projects by SCI by 18.27, a unit increase in procurement negotiation will result decrease on non performance of projects by SCI –Ethiopia CO by 29.305, and in the last procurement practice in this study a unit increase in contract review results a decrease in none performance of projects by 15.697. in addition to this; the result in Table 4.13 also show us among those procurement practices in this study; Procurement planning and competitive vender selection have significant association with the dependent variable performance of projects implemented in SCI since their P-values are less than 0.05.

Table 4.13:Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval		
								Lower Bound	Upper Bound
Threshold	[POP = 1.00]	-31.347	1589.147	.000	1	.984	-3146.018	3083.325	
	[PP=1.00]	-2.203	.801	7.566	1	.006	-3.773	-.633	
	[PP=2.00]	0 <sup>a</sup>	.	.	0	.	.	.	
	[CVS=1.00]	18.694	.791	558.089	1	.000	17.143	20.245	
	[CVS=2.00]	0 <sup>a</sup>	.	.	0	.	.	.	
Location	[CMC=1.00]	-18.270	.000	.	1	.	-18.270	-18.270	
	[CMC=2.00]	0 <sup>a</sup>	.	.	0	.	.	.	
	[PN=1.00]	-29.305	1589.147	.000	1	.985	-3143.977	3085.367	
	[PN=2.00]	0 <sup>a</sup>	.	.	0	.	.	.	
	[CR=1.00]	-15.697	1128.505	.000	1	.989	-2227.525	2196.131	
	[CR=2.00]	0 <sup>a</sup>	.	.	0	.	.	.	

Link function: Logit.

a. This parameter is set to zero because it is redundant.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1. Introduction**

The study sought to investigate the effect of procurement practices on performance of projects implemented by Save the Children International Ethiopian Country Office. The sample size targeted was 149 SCI Ethiopia Co. staffs. This chapter presents summary of the research findings. The implications from the findings and areas for further research are also presented. The findings from the study are presented in comparison to what other scholars have said as noted under the literature review.

#### **5.2. Summary**

From the study, like other countries and major implementing partner in humanitarian aid donor funding SCI Ethiopia Co has really changed over time with the presence of different players such as private donors, bilateral and less of foreign government involvement. Fengler and Kharas (2011) similarly noted that aid administration has changed with new profound players and new challenges coming up. Fluctuations in donor aid have also been the new order of the day with some donors being quite inconsistent and NGOs not being able to finance their budgets in some years. This is an extension of what Grepin and Jack (2008) noted on Kenyan aid between 2000 and 2006 where a decline was experienced until 2002 then a raised until 2004 and then declined further. These fluctuations have continued to date due to government policies, project implementation, and accountability by NGOs among others, here such fluctuations is also seen in SCI Ethiopia Co.

Procurement is a major operation in SCI-Ethiopia Co and from previous study by taupiac (2001) was noted procurement is a major operation in NGOs using more than 50% of the resources to support various activities; thus standard procedures and guidelines were vital. Practices like pre-qualification of suppliers, procurement database and evaluation scorecards are highly adopted within SCI throughout in the globe. Accountability, transparency, integrity and effectiveness were majorly emphasized in both the procurement manuals and during project evaluation. This is similar to emphasis noted by ECHO (2011), DanChurch Aid (2007) and UN (2006) procurement manuals. Garandau and Ruche (2000) similarly noted emphasis on free competition, transparency and

accountability by Germany, the World Bank, Belgium, Canada, the United States, UNDP and the European Union among other donors. Therefore, in this study the finding of the study is presented below

- Procurement planning improves performance of a project by reducing number of complaints with a mean 4.5896 and by reducing costs with a mean 4.3731, Procurement planning also leads to effective resources utilization with a mean 4.3955, it also shows uniform procurement systems with a mean of 4.2015, and by using the procurement planning, projects in SCI Ethiopia Co meet performance indicators with a mean 3.6493.
- Among its future procurement planning, SCI Ethiopia CO does not show its effect on the improvement of overall performance since its mean shows 3.3284. respondents are neutral on the increasing number of orders due to the procurement planning with a mean, but also respondents are neutral on the Increases of the number of projects completed on time with a mean 3.3507 and on the reduction of conflict of interest with a mean 2.8955 and the finding also shows the broad organizations objectives are not met in SCI Co. by the procurement practice called procurement planning with a mean score of 1.9403.
- Competitive vendor selections in SCI Ethiopia Co Increased number of projects completed on time with a mean of 4.6194, Increases number of orders with a mean 4.3582, it Improves performance with a mean 4.4925, Increases quality of goods and services with a mean 4.2090, it increases reliability with a mean 4.0597, it reduces conflict of interest with a mean 4.1504, it reduces number of risks with a mean 4.2090, and increase effective utilization of resources with a mean 3.9478 but it does not guaranty for the reduction of a number of compliant with a mean 2.7388 in SCI Ethiopia Co.
- Contract monitoring and control in SCI Ethiopia CO leads to the achievement of value for money with a mean 4.3955, it leads to a continuous improvement with a mean 4.2015, it improves quality with a mean 4.3582, it improves transparency with a mean of 4.4925, it increases level of transparency with a mean 4.6418, it Increases number of projects completed on time with a mean of 4.2090, it increases organizations reputation with a mean of 4.0597, it Promotes innovation in technology with a mean 4.1515, but contract monitoring and control does not guaranty the reduction of projects uncompleted and the reduction of risks with a mean score of 3.0821 and 2.7388 respectively.

- Procurement negotiation practice in SCI Ethiopia Co. always gives concessions and bargaining with a mean of 4.5821, it also builds trust with mean 4.3731 and also it Increases collaborative relationships with mean 3.6493 but procurement negotiation does not guaranty to insure essential terms of the contract, agreement on deliverables under, Clear commitments, and the improvement of efficacy on limited resources with a mean 2.6119, 3.3806, 2.8955, and 2.5896 respectively.
- Contract review in SCI Ethiopia Co. repeat orders with a mean 4.5746, it gives value for money with a mean score of 4.5746, it reduces risks with a mean 4.3881, it ascertain the set targets and actual results, it reduces Corruption and improve relationship with the same mean 4.2015 and it insures the meeting of key performance indicators with a mean score of 3.7463.
- In SCI Ethiopia Co. there is significant association between the procurement practices, Procurement planning and competitive vender selection with Performance of Projects implemented by SCI Ethiopia Co. since the P-value for the regression result gives us a value, which is less than 0.05. but we also have insignificant association between the remaining procurement practices in this study since they have a p-value greater than 0.05.

### **5.3. Conclusion**

From the finding, the study concludes that Project implementation in SCI Ethiopia Co. is significantly affected by procurement planning and competitive vendor selection, And the performance of projects is also insignificantly affected by the remaining three procurement practices in this study i.e. procurement negotiation, contract review and Contract monitoring and control. Therefore, in SCI Ethiopia Co procurement planning, Procurement negotiation, and Contract review and Contract monitoring and control affect successful implementation of projects positively but competitive vender selection processes has a negative effect on the successful implementation of projects by SCI-Ethiopia CO. In overall terms the current procurement practices which are implemented by SCI Ethiopia Co have an effect on the success of projects in save the children international.

## **5.4. Recommendations**

The study established on procurement practices affecting the implementation of project, in reference to the findings and conclusion recommends that, SCI Ethiopia Co. should work on improving the procurement practice which is currently applied during project implementation. Since among the 5 procurement practices employed in this study four of those procurement practices have a positive association with the performance of the project, therefore the senior management and the supply chain units should strive to ensure all personnel involved in the procurement function should work cooperatively with project unit so as to ensure effective use of time and resource thereby meeting objective of the project.

The SCI Ethiopia Co should always conduct surveys on market capability analysis in order to assess the ability of the market to meet its needs in terms of goods and services supplied towards meeting the project's demand. This will enable the organization to achieve value for money among other benefits. The organization should endeavor to separate the functions of the tender committee i.e. receiving, opening and evaluation of bids. The organization should have independent personnel handling these functions. SCI Ethiopia Co should also strive to implement all suggestions made to improve its procurement performance i.e. hiring of procurement professionals, increasing training budget allocation and making use of consultant/expert in procurement practices. To improve the general performance. This study looked at five procurement management practices (Procurement planning, Competitive vendor selection, Contract monitoring and control, Procurement negotiation, and Contract review) and their role on performance of projects in SCI Ethiopia Co. The researcher recommends further research to investigate the role of other procurement management attributes on performance of projects.

## **5.5 Areas for further studies**

The results of this study can be further utilized to suggest several directions for future research. A field study can focus on investigating on procurement practices influencing project implementation in SCI Ethiopia Co. Finally, more research on this area is needed because this study has investigated a subset of the variables found to be important determinants. Other variables that may provide in procurement practices influencing project implementation in INGO can be incorporated in other studies. In addition, further research can examine these possibilities and the extent of other procurement practices on performance of donor-funded projects.

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**Annex -1: Questionnaires and Interview Guide**

**Addis Ababa University  
School of Commerce  
Masters of Art in Project Management**

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**Questionnaire on “Effect of Procurement Practices On  
Performance of Projects in The Case of Save the Children International Ethiopia Country  
Office”**

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**Dear Respondents,**

This questionnaire is designed to explore effect of procurement practices on performance of projects in the case of Save the Children International Ethiopia Country Office. This study is conducted in partial fulfillment of the requirements for the Master’s degree in project management at Addis Ababa University. Its main objective is to assess the effect of procurement practices on performance of projects implemented by Save the Children International Ethiopian Country Office.

Your response is vital to the outcome of the study and you are requested to completely and objectively answer all questions. The research is going to be carried out based on your responses and other relevant data that could support it. It forms a major part of the research and the information you provide will enable the researcher to critically analyze the effect of procurement practices on performance of projects implemented by SCI-Ethiopia Co.

Your cooperation to respond genuinely is very important to this study because it represents a number of other project staffs as well as other support staffs of Save the children which has a direct and indirect contribution for the successful implementation of a projects. Please answer all questions. Space is provided at the end of the questionnaire for you to add further explanations or comments. I would promise that all information you provide would be strictly confidential.

Please tick (✓) or provide your own answers where applicable.

---

Thank you in advance for your indispensable cooperation to spare invaluable time and energy to complete this questionnaires Name: Entisar Sultan MA student in PM at AAU Telephone: +251922974408

Questionnaire No: \_\_\_\_\_

Enumerator Code: \_\_\_\_\_

Date: \_\_\_\_\_

**PART1. General Information and Demographic Background of Respondents in the Selected Samples of Pharmacies in Government Own Health Facilities**

1.1. Gender

Male

Female

1.2. Age Bracket

Less than 25 Years

26-34 Years

35-44 Year

45-54 Years

Over 54Years

1.3. Educational Background

Certificate

Diploma

BA/BSC Degree

MSc/ MA

Other Specify \_\_\_\_\_

1.4. Your unit in SCI- Ethiopia Co.

Program staffs

Supply Chain unit

1.5. How many years have you been employed in SCI?

Less than 3 Years

4-6 Years

7-9 Years

Over 10 Years

## **PART2: Procurement Practices**

### **2.1. Procurement planning**

Kindly indicate your extent of agreement with the following statement on the effect of Procurement Planning on effective implementation of Projects in SCI Ethiopia Co. In the questionnaires the number 5 is strongly agree, 4 is agree number 3 not sure, 2 is disagree and 1 is strongly disagree.

Procurement planning		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	Improves performance					
2	Increases number of orders					
3	Increases number of projects completed on time					
4	Meeting organizations objectives					
5	Meeting performance indicators					
6	Reduces Conflict of interest					
7	Reduces costs					
8	Reduces number of complaints					
9	Resources are utilized					
10	Uniform procurement systems					

### **2.2. Competitive vendor selection**

Kindly indicate your extent of agreement with the following statement on the effect of Supplier Selection on effective implementation of Projects in SCI Ethiopia Co.. In the questionnaires the number 5 is strongly agree, 4 is agree number 3 not sure, 2 is disagree and 1 is strongly disagree.

Competitive vendor selection		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	Increases number of orders					
2	Improves performance					
3	Increased number of projects completed on time					
4	Increases quality of goods and services					
5	Increases reliability					
6	Reduces conflict of interest					
7	Reduces costs					
8	Reduces number of complaints					
9	Reduces number of risks					
10	Utilization of resources					

### 2.3. Contract monitoring and control

Kindly indicate your extent of agreement with the following statement on the influence of Contract monitoring and control on effective implementation of Projects. In the questionnaires the number 5 is strongly agree, 4 is agree number 3 not sure, 2 is disagree and 1 is strongly disagree.

Contract monitoring and control		1 SD	2 D	3 N	4 A	5 SA
1	Achieving value for money					
2	Continuous improvement					
3	Improves quality					
4	Improves transparency					
5	Increases level of transparency					
6	Increases number of projects completed on time					
7	Increases organizations reputation					
8	Promotes innovation in technology					
9	Reduces number of projects uncompleted					
10	Reduces risks					

### 2.4. Procurement negotiation

Kindly indicate your extent of agreement with the following statement on the influence of Procurement negotiation on effective implementation of Projects. In the questionnaires the number 5 is strongly agree, 4 is agree number 3 not sure, 2 is disagree and 1 is strongly disagree.

Procurement negotiation		1 SD	2 DA	3 N	4 A	5 SA
1	Insure agreement on the essential terms of the contract					
2	Insure agreement on deliverables under the contract					
3	Gives concessions and bargaining					
4	Improves efficacy on limited resources.					
5	Increases collaborative relationships					
6	Clear commitments					
7	Build trust					

### 2.5. Contract review

Kindly indicate your extent of agreement with the following statement on the effect of Contract review on effective implementation of Projects. In the questionnaires the number 5 is strongly agree, 4 is agree number 3 not sure, 2 is disagree and 1 is strongly disagree.

<b>Contract review</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>SD</b>	<b>DA</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1	Reviews Key performance Indicators					
2	Repeat orders					
3	Reduces risks					
4	Reduces Corruption					
5	Improves relationships					
6	Improves quality					
7	Getting value for money					
8	Ascertaining set targets and actual results					

**PART3: Performance of Projects**

How did SCI – Ethiopia Co performance in success of effective implementation of projects by SCI Ethiopia CO?(The scale below will be applicable as Five-point scales ranging from “**Strongly Disagree**” to “**Strongly Agree**” that is: 1 = **Strongly Disagree**, 2 = **Disagree**, 3 = **Neutral**, 4 = **Agree** 5 = **Strongly Agree**.)

<b>Performance of Projects</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>SD</b>	<b>DA</b>	<b>N</b>	<b>A</b>	<b>SA</b>
<b>3.1.</b>	Projects in SCI-Ethiopia Co are completed on time without asking any time extension					
<b>3.2.</b>	Project in SCI –Ethiopia Co are completed as per their budget					
<b>3.3.</b>	Projects in SCI-Ethiopia CO are done as per their target					
<b>3.4.</b>	There is a reduced number of complaints are received from benefices and local government on projects lead by SCI Ethiopia Co.					
<b>3.5.</b>	SCI-Ethiopia Co always consider value for money on projects implemented					
<b>3.6.</b>	Key stakeholders are involved during project implementation					
<b>3.7.</b>	SCI-Ethiopia Co has clear policies on projects					

Any other; please State

.....  
 .....

Thank You!!!