

**FACTORS THAT AFFECT THE ALLOCATION AND UTILIZATION  
OF EDUCATIONAL PROJECT BUDGET IN BENISHANGUL-  
GUMUZ REGIONAL STATE**

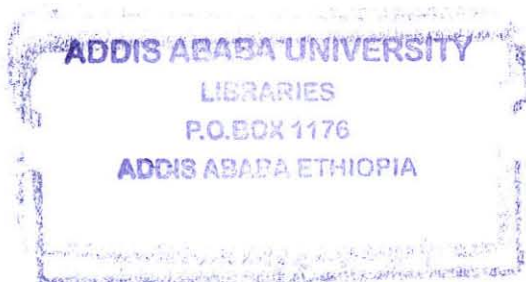
**BY**

**TEFERA ESHETE YIMER**



**ADDIS ABABA UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**



**JUNE 2007**

**ADDIS ABABA**

**FACTORS THAT AFFECT THE ALLOCATION AND UTILIZATION  
OF EDUCATIONAL PROJECT BUDGET IN BENISHANGUL-  
GUMUZ REGIONAL STATE**

**BY**

**TEFERA ESHETE YIMER**

**ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**JUNE 2007  
ADDIS ABABA**

**FACTORS THAT AFFECT THE ALLOCATION AND UTILIZATION  
OF EDUCATIONAL PROJECT BUDGET IN BENISHANGUL-  
GUMUZ REGIONAL STATE**

**BY**

**TEFERA ESHETE YIMER**

**A Thesis Submitted to the School of Graduate Studies of Addis Ababa  
University in Partial Fulfillment of the Requirements for the Degree of  
Master of Arts in Educational Planning and Management**

**JUNE 2007**

**ADDIS ABABA**

**Addis Ababa University**  
**School of Graduate Studies**

**FACTORS THAT AFFECT THE ALLOCATION AND UTILIZATION  
OF EDUCATIONAL PROJECT BUDGET IN BENISHANGUL-  
GUMUZ REGIONAL STATE**

**By**

**TEFERA ESHETE YIMER**

**Approved by Board of Examiners**

Yekusambek Alemu

Chairman, Department Graduate Committee

Yekusambek Alemu

Signature

Ayalew Shibeshi

Advisor

Ayalew Shibeshi

Signature

Yekusambek Alemu

Examiner, Internal

Yekusambek Alemu

Signature

Daniel Desta

Examiner, External

Daniel Desta

Signature

## ACKNOWLEDGEMENTS

My great thanks go to Ato Ayalew Shibeshi, Associate Professor in Addis Ababa University, for his relented efforts of reading all the details of the draft and provided me with invaluable comments, suggestions and corrections in time without which this study could not have been successfully completed.

I am also very much grateful to my wife, W/ro Berhane Bekele, for her broad shoulders to carry all burden of taking care of our children alone and boosted my morale to follow and complete this post- graduate programme study with all difficulties.

I am also greatly indebted to all my friends and colleagues in Benishangul-Gumuz Region education Bureau, zones and woredas whose support and concern from the very beginning of the entrance exam up to the completion of the study was tremendous and of generous hands.

Finally, my special thanks go to the Benishangul\_Gumuz Region Education Bureau which sponsored me to join the post graduate programme in the university and provided me with financial and material supports to under take this study.

# TABLE OF CONTENTS

	<b>Page</b>
Acknowledgements .....	i
Table of Contents .....	ii
List of Tables .....	iv
List of Acronyms and Abbreviations .....	v
Abstract .....	vi
<b>CHAPTER ONE</b>	
1. Introduction .....	1
1.1. Background of the Study .....	1
1.2. Statement of the Problem .....	4
1.3. Significance of the Study .....	5
1.4. Delimitation of the Study .....	6
1.5. Limitations of the Study .....	7
1.6. Definition of Key Terms .....	7
1.7. Organization of the Study .....	8
<b>CHAPTER TWO</b>	
2. Review of Related Literature .....	9
2.1. The Basics of Education Projects .....	9
2.1.1. The Project Concept and its Origin .....	9
2.1.2. Factors that Contribute to the Success and /or Failure of projects ...	11
2.1.2.1. Factors that Contribute to Projects Success .....	12
2.1.2.2. Factors that Constitute to the Project Failure .....	14
2.1.3. Project Human Resource Capabilities .....	16
2.1.3.1. Competencies and Skills Requirements of a Project Manager .....	17
2.1.3.2. Staff Capabilities .....	19
2.2. Financing education: The Contributions of Donors and the Community ...	20
2.2.1. Donor Contributions .....	22
2.2.2. The Community Contributions .....	24

2.3. Budgets and Decentralized Budgeting System.....	27
2.3.1. Classification of Budget Items .....	27
2.3.2. Decentralized Budgeting System and Capital Budget Preparation and Appropriation Process .....	28
2.3.2.1. An Overview of Decentralized Budgeting system of Ethiopia ..	29
2.3.2.2. Capital Budget Preparation and Appropriation process in BGRS .....	30
<b>CHAPTER THREE</b>	
3. Research Design and Methodology .....	33
3.1. Research Methodology .....	33
3.2. Sample and Sampling Techniques .....	33
3.3. Data sources and Instruments of Data Collection .....	34
3.4. Data Analysis Tools .....	36
3.5. Procedures of the Study .....	36
<b>CHAPTER FOUR</b>	
4. Data Presentation and Analysis .....	37
4.1. Characteristics of Respondents .....	37
4.2. Data analysis and Interpretation .....	40
4.2.1. Financing Education Projects .....	41
4.2.2. The status of Community Participation .....	43
4.2.3. Manpower and Institutional Capabilities .....	45
4.2.4. Budget allocation to Education Projects and its Contribution in Achieving Educational Objectives .....	56
4.2.5. Factors that Affect the Utilization of Education Projects Budget ....	62
<b>CHAPTER FIVE</b>	
5. Summary, Conclusions and Recommendations .....	71
5.1. Summary .....	71
5.2. Conclusions .....	75
5.3. Recommendations .....	76
Bibliography .....	79
Appendices .....	83

## LIST OF TABLES

Table 1: Distribution of Sample Population by Category and Instrument .....	34
Table 2: Respondents by Sex and Age .....	38
Table 3: Respondents by Years of service (in Currently Held Positions and Total Service Years) .....	39
Table 4: Respondents by Educational Qualification .....	40
Table 5: Source of Budget for Education Projects .....	41
Table 6: The Magnitude of Community Participation .....	43
Table 7: Personnel Efficiency .....	46
Table 8: Functional areas of Shortage of Capable Manpower .....	49
Table 9: Problems Related to Manpower in Education Projects as Ranked by Respondents .....	50
Table 10: Rank Order of Problems to Manpower in Education Projects .....	51
Table 11: Institutional Capabilities .....	52
Table 12: Allocation of Budget to Education Projects .....	56
Table 13: Apportionment Factors and Timely Dispatch of Education Projects' Budget ....	59
Table 14: Contribution of Education Projects Budgets .....	62
Table 15: Utilization Problems .....	63
Table 16: The trend of Capital Budget Utilization in BGRS .....	65
Table 17: Causes/ Factors that Hinder Effective Utilization of Education Projects Budget .....	66
Table 18: Budget Overruns .....	67
Table 19: Causes of Education Projects Budget Overruns .....	69

## ABBREVIATIONS AND ACRONYMS

<b>BGRS</b>	Benishangul-Gumuz Regional State
<b>BoFED</b>	Bureau of Finance and Economic Development
<b>CPR</b>	Council of People's Representatives
<b>EPA</b>	Ethiopian Press Agency
<b>ESDP</b>	Education Sector Development Programme
<b>ESSD</b>	Education Support Services Department
<b>FED</b>	Finance and Economic Development
<b>GER</b>	Gross Enrolment Ratio
<b>GFDRE</b>	Government of Federal Democratic Republic of Ethiopia
<b>GNP</b>	Gross National Product
<b>MoCB</b>	Ministry of Capacity Building
<b>MoE</b>	Ministry of Education
<b>MoFED</b>	Ministry of Finance and Economic Development
<b>NER</b>	Net Enrolment Ratio
<b>PTA</b>	Parent - Teacher Association
<b>REB</b>	Regional Education Bureau
<b>WEO</b>	Woreda Education Office
<b>WFEDO</b>	Woreda Finance and Economic Development Office
<b>WUDB</b>	Works and Urban Development Bureau
<b>ZED</b>	Zone Education Department
<b>ZFEDD</b>	Zone Finance and Economic Development Department
<b>ZWUDD</b>	Zone Works and Urban Development Department

## ABSTRACT

*This study attempted to identify factors that affected education projects budget allocation and utilization in Benishangul-Gumuz region in the past five years (2001/02 - 2005/06). It also tried to identify major problems that caused poor utilization of education projects budget and suggest possible solutions that may help to alleviate the constraints.*

*The instruments used to undertake the study were questionnaire, interview and focus group discussion. 228 participants were used to collect data through questionnaire, interview and focus group discussion. A total of 165 copies of questionnaire were dispatched to 85 education experts found in REB, ZED and WEOs and to 80 finance and economic development experts found in BOFED, ZFEDD and WFEDOs. Out of the total copies of the questionnaire distributed, 75 copies from education experts and 64 from finance and economic development experts were properly filled in and returned. The interview covered 29 officials from REB, BOFED, ZED, ZFEDD, WEOs and WFEDO. The focus group discussion covered 60 community representatives from 6 woredas. In addition to these primary sources, books, education statistical abstracts, official reports and proclamations were used as secondary sources of data.*

*As far as major findings of the study are concerned, community participation in financing education projects was very low; managerial and staff capability in education projects budget management was low and greatly affected the proper utilization of projects budget; coordination among education projects implementing bodies was found to be very weak, and education projects budget allocated so far helped to increase access to education and hence supported the achievements of the goals and objectives stated in the educational programmes. Another finding is that major factors that contributed to the poor utilization of education projects budget were: lack of sufficient monitoring and supervision, managerial and staff incapacities, delays in budget disbursement, late commencement of projects, weak coordination among implementing bodies, and protracted civil works and material procurement processes. With respect to allocation criteria, the finding revealed that the decisive factors to budget allocation, i.e., the capacity of personnel in woredas and need assessment of the beneficiaries were mostly disregarded during budget allocation to woredas. The summary section provides the details of the above findings of the study. The main conclusions derived were poor utilization of education projects budget was the common problem in the sector and budget allocation did not take into account the most essential criteria of the assessment of the capacity of manpower and the needs of the community in woredas. Finally, the last section of the study deals with a few recommendations that are sought to be practical in solving problems identified in the study.*

# CHAPTER ONE

## INTRODUCTION

This chapter comprises background of the study that mainly deals with financing education and utilization of education budget; statement of the problem; significance of the study; delimitation limitations and organization of the study, and definition of key terms.

### **1.1 Background of the study**

Provision of quality and equitable education to its citizens is one of the most important issues of any country. This is so because education plays major role in the socio-economic, cultural, political and technological development of a country. That is why as Anderson (1992: 5) states, provision of education for all is among the most urgent of the world's priorities it is also believed that education plays a role of bringing about income distribution and thereby equalizes the life chances of individuals (Jones, 1993:1).

To provide access and achieve the goals of providing quality and equitable education to all citizens, the question of how to finance and manage education should be properly answered. The issue of financing education is the most pressing one to be dealt with. Because of economic crisis related to inflation, falling revenue and frequently occurring famine and other economic and socio- political problems, the issue of finance for education is becoming the most important and crucial agenda of many educational organizations in African countries (Forojalla, 1993: 332).

Among various sources of education finance, public financing of education constitutes greater proportion. Foreign loans, grants and taxation by governments from their citizen are the main sources of public provision of education (Forojalla, 1993: 353).

There are several arguments concerning the public subsidy of education. One of the arguments states that since the social benefits of education is greater than private benefits, governments should subsidize education and prevent under investment of education. Another argument says since education is a human right, governments have responsibility to allocate resources. The third argument stresses that since education is subject to economies of scale, it is more efficient to finance education by the public (Pscharopoulos, 1991, 137- 148). Each argument has its own

base to rationalize the point, but the very important issue is that governments of developing countries including that of Ethiopia should play significant role in providing education to their people. Effective and efficient utilization of government budgets is essential for successful implementation of public sector programmes and projects.

Public provision of education needs careful planning and implementation of educational programmes and projects. Many experiences show that due to lack of real setting of objectives, lack of evaluation of administrative capacities and problems of under or over estimation of available resources, many educational plans are subject to failure. So, to manage public expenditure in education more effectively, education capital projects that flow from educational policies and their operational plans should be given attention (Magnen, 1991: 11). Education capital projects are one of the best ways for decision makers to control and evaluate education plans because their objectives, budgets and implementation periods are clearly defined. One of the major advantages of educational capital projects, according to Magnen (1991: 19), is rationalizing of development policies by breaking down an education investment budget into distinct projects.

Public sector programmes and projects are included in government budgets. Government budgets are the principal administrative instrument through which public investment programmes are transformed into tangible achievements (Baum, W. C. and S. M. Tolbert, 1985: 59). Budget is a powerful tool in planning process and it controls the implementation of the plan. According to Nebiyu (1999: 158) the purpose of budget is to implement the policy formulated by the management to attain given goals and objectives.

Budget can broadly be divided into capital and recurrent budgets. A capital budget finances capital projects such as building and heavy equipment with a long life. A recurrent budget covers consumable services and goods of short - term duration. Recurrent budget normally has a life span of one year only and capital projects are phased over several years (Forojalla, 1993: 318). Increase in the allocation and efficient utilization of education capital budget is very important to the improvement and development of the education sector. Depending on the level of socio - economic development, efficient and effective utilization of education budget vary from country to country. There are two indicators commonly used to compare education expenditures externally with other countries and internally over time with a given country. These are the Gross

national product (GNP) and the budgetary ratio. The GNP ratio is the ratio of total education expenditures, both public and private, to the Gross National Product or National Income. The budgetary ratio is the ratio of public expenditure on education to the total public expenditure or revenue. Thus, the GNP ratio provides a measure of education's share in the entire nation's total expenditure or income, whereas the budgetary ratio measures how much the public as distinct from the private sector is spending on education in relation to its total expenditure or revenues (Forojalla, 1993:341). In general, those countries with higher proportions of their young enrolled in school and with higher per capita incomes spent a larger proportion of GNP on education (Psacharopoulos, 1987:423).

Ethiopia with the total population of 74.2 million (UN, 2005) (<http://news.bbc.co.uk/2/hi/africa/countryprofiles>) had 14,342,358 primary school age population (7-14 years) with total enrolment of 11,448,641 in primary schools and reached to over 93% GER (MoE 2005: 3; EPA,2007:2). In Ethiopia the share of education expenditure in the total public expenditure was increased from 13.7 percent in 1999 to 20.63 percent in 2003/04 and it was 16.68 % in 2004/05 (provisional). However, spending on education still falls short of that required because of the country's low-income base and the reliance of education on public financing (MoE, 1999: 3; MOE, 2005: 21, 47).

Benishangul- Gumuz one of the federal regions in Ethiopia hosts 594, 000 people and has 125, 497 primary school age population (MoE, 2006: 47; REB, 2005: 5). According to REB's 2005/06 education statistics, it has reached to 83.1 NER. The region has 314 primary schools (1-8 grades), 25 secondary schools, 2 technical and vocational education and training institutes, and one Teacher Education College (REB, 2005: 6, 21).

The share of education expenditure in the total regional public expenditure increased from 17.99% in 2001/02 to 18.19% in 2002/03 and it also increased from 21.42% in 2003/04 to 29.03% in 2004/05 fiscal years. Irrespective of this positive increase in the budget allocation to education sector by the regional government, the utilization of budget particularly that of capital budget has not been satisfactory (MoE, 2005: 47).

Education wastage and low quality of education are the peculiar features and major problems in education of Benishangul - Gumuz regional state. In 2003-04 and 2002-03 academic years, repetition and drop-out rates in primary education were 8.7 and 25.5 respectively. The repetition

rate at national level in 2003-04 was 4.0. Benshangul- Gumuz region is one of the regions with highest educational wastage in the country next to Gambella and Afar regions (with dropout rates of 36.7 and 30.2 respectively) (MoE, 2005: 17).

This might indicate that the objectives of educational policy and its regional plans have not been fully met and education budget in general and education capital projects budget in particular are not fully serving to achieve the goals and objectives of educational policies and programmes.

Therefore, identification of factors that affect the allocation and utilization of education capital projects budget will be helpful and important to the improvement of the education service provision in the region by creating awareness and providing information to education planners and decision makers.

## **1.2 Statement of the Problem**

Similar to many other developing countries, Ethiopia is facing a great challenge in financing education. The low level of economic development coupled with high rate of population growth (2.7 percent) which subsequently results in high rate of growth in the school age population at all levels, limit the efforts of access to quality and efficient educational opportunities to its citizens. It is evident that adequate financing and efficient and effective utilization of available educational budget are prerequisites for the provision of educational equity and quality in any country.

Budget utilization has also been the major problem in the regional education sector of Benishangul - Gumuz.). In the last five consecutive years the average capital budget utilization was 53.33% and for 2005/06, it was only 41.11% (BoFED Disbursement Accounts). This indicates that the utilization of total education budget in general and capital budget in particular was not effective. Therefore, it is evident that educational budget was not fully serving the efforts of solving the widespread educational problems of the region. Most of the education projects in the region took more times to be completed that would have direct implication to their budget utilization. So, the investigation of factors that affect education projects budget allocation and utilization will be crucially important to find out and recommend some possible solutions.

Therefore, the aim of this study is to answer the following basic questions:

1. To what extent do the managerial and manpower capacities in education projects management affect the allocation and utilization of their capital budget in Benshangul - Gumuz regional state?
2. Are there sufficient personnel in terms of both quantity and quality involved in education projects implementation, and budget allocation and utilization?
3. To what extent does the allocated capital budget meet the demand of educational programmes in the region?
4. Does the community sufficiently participate in the implementation of education projects?
5. What are the major factors/problems encountering the education projects implementation and their budget allocation and utilization?
6. What are the possible solutions to the problems facing the regional education sector in terms of allocation and utilization of education projects capital budget?

### **1.3 Significance of the Study**

There are multiple problems in the education sector of Benishangul-Gumuz region. Some of the problems can be solved by matching educational programme objectives with appropriate budget allocation and its efficient utilization. Low quality and high level of educational wastage are significant problems that need attention. Making effective and efficient utilization of education capital budgets may help to address these problems.

Therefore, the results of this study may have the following significance:

1. The results obtained from the study can help decision makers and planners to give attention to the major factors or problems that affect the allocation and utilization of capital budget in the region.
2. The results and recommendations forwarded by this study may give some ideas for policy makers and practitioners in the field to incorporate the necessary changes and improvement during planning, implementation, monitoring and evaluation of education projects.

3. The results of this study may show the status of education projects capital budget utilization and by doing so it may create awareness to and provide feedback for the regional government and education bureau.
4. It may also help the implementing and financing bodies of education capital budgets such as donor agencies, regional government, Education Bureau, Finance and Economic Development and Works and Urban Development bureaus to see their common and individual problems in education capital budget allocation and utilization and strengthen their coordination to solve them.
5. This study may also serve as a source material for those who need to conduct further study in the field.

#### **1.4 Delimitation of the Study**

There are different kinds of education projects such as capital investment in civil works and equipment; provision of services for design and engineering, supervision of construction, and improvement of operation and maintenance; teacher training; curriculum development; purchase and supply of educational materials; provision of textbooks and instructional materials etc.

But this study is delimited to education projects whose elements include capital investment in civil works, equipment and furniture supply, provision of services for design and engineering, supervision of construction, and improvement of operation and maintenance. It does not include teacher training, curriculum development, provision of textbooks and instructional materials because their budgets some times appear in recurrent budget too. Therefore, educational projects budget in this study refers to the capital budget earmarked and utilized for the aforementioned investment activities.

In investigating about education projects budget allocation and utilization, different sources of financing education such as public provision (that include government, national and international aid organizations), private, local administration, and community participation need to be considered. But this study focused only on public education projects capital budget of Benishangul - Gumuz region between years 2001/02 to 2005/06.

## 1.5 Limitations of The study

It is essential to mention that a student researcher came across several obstacles when undertaking the study in the region where there were no sufficient references and similar studies in relation to the research topic. Unavailability and inaccessibility of the required data and informants, hesitation on the parts of some interviewees to give precise and straight forward responses, reluctance of some respondents to devote time to fill out questionnaires and return them with full reply, time pressure and the constraint of financial resource available to carryout the study were some of the drawbacks that limited the quality, depth and effectiveness of this research work.

## 1.6 Definition of Key terms

**Block grant:** A fiscal transfer that is not fully earmarked in advance to particular uses. The recipient thus has discretion in allocating the grant to particular uses.

**Budget Appropriation:** Refers to the legal mandate to spend out of the government-consolidated fund (MoE, 2004:6).

**Budget Approval:** Is the detailed review that the budget is in accordance with government policies. In Ethiopia, the approved budget includes details on recurrent and capital allocations by public bodies, programme, sub agency, projects etc. whereas appropriation is global - total federal recurrent and federal capital budgets, and total individual subsidies to regions (MoE, 2004: 6).

**Budget:** An estimate of proposed expenditure for a given period or purpose and the proposed means of financing them (Good, 1973:72)

**Budgetary ratio:** The ratio of public expenditure on education to all public expenditure or revenues (Forojalla, 1993:318).

**Capital budget:** The budget that finances capital projects such as buildings and heavy equipment with a long life ( Forojalla, 1993: 318).

**Capital expenditure:** Outlays for projects with lives extending beyond one year and perhaps for many years. Capital budgeting involves planning capital expenditures that will generate future benefits.

**Disbursement:** Broadly speaking, a form of payment, money paid out or spent. Synonymous with "expenditure" when used in the context of school budgeting (Dejnozka, 1983:52)

**GNP Ratio:** Is the ratio of total education expenditures, both public and private to the Gross National Product or national Income (Forojalla,1993:318)

**Project:** A project is a set of investments and of other planned activities which are aimed at achieving specific objectives with in a predetermined time frame and budget (Magnen, 1991: 14)

**Public body:** An institution which has a legal mandate, receives a partial or complete budget directly from the relevant finance and planning body (MoE, 2004: 4).

**Recurrent budget:** Is the budget that covers consumable services and goods of short-term duration such as teachers' salaries, services, electricity, stationary, books and transport costs. It has a life span of one year only (Forojalla, 1993:318).

**Subsidy:** The term used in Ethiopia for the block grants (from federal government to regions, or from regional government to woreda) that are the principal intergovernmental fiscal transfers in the Ethiopian fiscal system.

## **1.7 Organization of the Study**

This study is organized into five chapters. The first chapter holds the introductory part that constitutes background; statement of the problem; significance, delimitation, limitations; organization of the study and definition of key terms. The second chapter deals with the related literatures which are thought to be relevant to the study. The third chapter elaborates research methodology, sample and sampling techniques, data source and instruments of data collection, data analysis tools and procedures of the study. Presentation and analysis of data is made in chapter four where the characteristics of the respondents and analysis of the findings of the study are dealt with. Finally, summary and conclusions are made and possible recommendations are forwarded in the fifth chapter.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

This chapter deals with three sections: the basics of education projects, financing education, and budgets and decentralized budgeting system. Each section contains discussions on some related sub sections. Throughout the discussions in all sections and sub -sections, more emphasis is given to issues connected to education projects and budgets.

### 2.1 The Basics of Education Projects

In this section, three interrelated topics are briefly discussed. The project concept, origin of the project ideas and definition of a word project; reasons for success and failure of projects; and project human resource capabilities will be dealt with turn by turn.

#### 2.1.1 The Project Concept and Its Origin

According to the Oxford English Dictionary (1933: 1442), the word project comes from the Latin word called "proicere or projicere" which means "something thrown forth or out". It also further indicates that a word 'project' refers to a plan, draft, scheme, or table of something; a tabulated statement; a design or pattern according to which something is made. The same source extensively reveals that, in 1711 Addison wrote that "New projects were everyday set on foot for money, which served only to offend, and incense the people". This indicates that the use of the term "project" can be traced back for several centuries. But as Baum, W. C. and S. M. Tolbert (1985: 6) state it was, relatively recently, after the beginning of 1950s that the development planners and academics have used the term "project" as the investment package. It is believed that the World Bank which is one of the multilateral banks and funds has played a significant role in developing and applying the project concept.

There are several definitions of the word project, but there is no universally accepted one to apply for all kinds of projects. According to Wycsocki, R. K et al (2002: 65- 68), a project is defined as a sequence of unique, complex and connected activities having one goal or purpose and that must be completed by specific time, within budget and according to specification. To have good insight in to the meaning and clear the path for subsequent discussion, it is imperative to explain key phrases in this definition.

- ***Sequence of Activities:*** A project contains many activities that must be completed in some specific order, or sequence.
- ***Unique activities:*** A project comprises unique activities which have never happened before and will happen again under the same conditions.
- ***Complex activities:*** Activities that are carried out in a project are not routine, simple and repetitive acts rather they are complex.
- ***Connected activities:*** There is a logical or technical relationship between different activities in a project. The activities are said to be connected because the output from one activity is the input to another. The activities contained in a project have certain sequence of commencement and completion.
- ***One goal:*** A project has only one goal with may be multiple objectives. Different sub - projects within a single project does not imply that they have more than one goal.
- ***Specified time:*** A project has a pre-determined time frame for its completion. The execution period of a project is shorter than a programme which means a series of planned activities with a broader scope (Magnen: 1991: 15).
- ***Within Budget:*** A project has a specific budget earmarked to it. Sometimes, completion of a project within the allocated budget and time is sought to be one of the criteria for its success.
- ***According to Specification:*** A project has a certain level of standard or quality for its execution that is expected from the project within the course of implementation or after its final completion.

Magnen (1991:14) also defined a project as a set of investments and of other planned activities which are aimed at achieving specific objectives within a pre -determined time-frame and budget. The World Bank gave some what a comprehensive definition of a project as a discrete package of investments, policies and institutional and other actions designed to achieve a specific development objectives or set of objectives within a designated period. This definition states that a project is likely to consist several or all of the following five elements:

First, it encompasses the element of capital investment in civil works, equipment or both; secondly, it consists of the provision of services for design and engineering, supervision of construction, improvement of operations and maintenance; thirdly, it incorporates the strengthening of local institutions concerned with implementing and operating the project, including those training of local managers and staffs, fourthly, it includes improvement in policies such as on pricing, subsidies and cost recovery that affect project performance and relationship of the project both to the sector in which it falls and to broader national development objectives. Finally, it constitutes plan for implementing the project objectives within a given time (Baum, W. C and S. M Tolbert, 1985: 146).

As mentioned earlier, the World Bank played the major role to the development of project concept in general and education projects in particular as Baum, W. C and S.M. Tolbert (1985:6) explain. Education projects developed through time both in depth and scope resulting in tremendous educational expansion particularly between 1960 and 1980 which was caused by the convergence of the strong government commitment and strong social demand for education. This giving of priorities by developing countries to the expansion of formal education between these two decades resulted in increase of enrolment at all levels, increase in total public expenditure for education and tremendous increase in school construction (Halla K, 1990: 12-14).

### **2.1.2 Factors that Contribute to the Success and /or Failure of projects**

The discussion in this sub-section rests on the reasons or factors that pay for success and failure of projects. There are some factors that commonly affect both success and failure and others that contribute to the success or failure of projects. These factors and problems will be discussed in some detail under this topic.

Factors that can affect the project success or failure are many and varied depending on the prevailing situation, scope and depth of a project. It is not wise to generalize hastily that a project that does not meet its time, cost, and technical performance objectives would appear to be automatically a failure. But the criteria of success or failure is whether the project sponsor, owner, client and other parties concerned are satisfied or not with the final out come of the project. Comparisons of relative project performance must therefore not be made simply on the achievement or non - achievement of their time and cost targets, rather, it is the perceived success

or failure by all parties concerned that is important and it also must be viewed in the light of the circumstances affecting each project (Harrison, 1992: 7).

There are multiple factors that affect both success and failure of projects, but the core ones can be identified as: goal commitment of a project team, accurate initial cost estimates, adequate project team capacity, adequate funding to completion, adequate planning and control techniques, minimal start-up difficulties, absence of bureaucracy, absence of clearly established success criteria, and managerial capacity (Harrison, 1992: 8).

### **2.1.2.1 Factors that contribute to project success**

Project success criteria is a statement of satisfaction with the final achievement of a project and should be expressed in quantitative and measurable way so as to avoid possibility of disagreement as to whether the success criteria were met and the project was successful. Success in a project is identified as achieving the desired objectives within the allocated time, within the budgeted cost, at the desired performance, technical or specification level, with acceptance by the customer/ user, with minimum or mutually agreed upon scope change, without disturbing the corporate culture or corporate values, and without disturbing the organizations normal flow of work (Kerzner, 1995: 1011-1012).

Successful project is defined as one that achieves a moderate to high rate of return, helps to strengthen borrower institutions and policy and lays a solid foundation for sustainability. Experiences from the World Bank - assisted projects revealed that some projects highly successful in that they have been completed on time, at or reasonably close to the original cost estimates, and with the expected benefits have realized. Others have faced shortcomings like cost over runs, delays in completion time and significant change in scope (Baum, W. C and S. M. Tolbert, 1985: 366)

As it has been said so far, factors that contribute to the projects success are many and varied. According to Baum, W. C and S.M. Tolbert (1985: 365-66), experience derived from the World Bank-assisted projects showed that the possible identification of four principal factors that account for successful implementation of projects. These factors include: Political commitment, Simplicity of design, careful preparation, and good management. To have better insight, a brief discussion on each factor is valuable:

***Political commitment:*** Strong and sustained commitment by the government to the projects objectives is the most important reasons for success of projects. Government or political commitment is the continuing interest and active support of those agencies and individuals who are in a position to influence attainment of the project's objectives, whether through the allocation of human and financial resources or through the workings of the administrative and political means (Baum, W. C and S.M. Tolbert, 1985; 366).

***Simplicity of design:*** This is another reason for successful implementation of projects and it is to do with their design. Projects to be successfully implemented should have relatively simple and well-defined objectives and be based on the proven and appropriate technologies (Baum, W. C and S.M. Tolbert, 1985; 368).

***Careful preparation:*** Sufficient and careful preparation of projects plays great role in their successful implementation and completion. Clear plan for site selection and their preliminary design, guidelines for land acquiring, detailed engineering studies, careful cost estimation that will reduce the risks of cost overruns will limit the occurrence and recurrence of problems. Well-defined institutional set up with the right managerial arrangements which are key to project success should also be given due attention during its preparation (Baum, W. C. and S. M. Tolbert, 1985: 368-369).

***Good Management:*** Project management is the most essential function of its implementation. Good management of project is one of the most important requirements for the achievement of its objectives and final success. The education project management would be easier when: the project is simple and well suited to the management capabilities of the available manpower; its objectives are clearly set out; it is consistent with the national education policy and gets full government or political support; its financial burden can be easily supported by the national budget; and all its aspects have been prepared in detail (Magnen, 1991: 109-110).

Education project management faces varied and multifaceted problems. But the problem most commonly encountered in education project management or implementation is that of execution delays. Education projects execution delays are the major problems in Ethiopia which is more serious in BGRS.

Many problems related to the education project delays are due to the slowness and red-tapes in both government and donor bureaucracies, inefficient fund disbursement processes by the government and donor, and shortage of budget allocations or foreign currencies. But the most frequent execution delays are those which are resulted from inefficient project management. The execution delays related to inefficient project management will result in delays in the acquisition of land, in the preparation of architectural plans and equipment lists, in the bid awards and signature of contractors, in insufficient supervision of work, in negligence toward events that damage the project, and in low staff productivity (Magnen, 1999: 114-115).

### **2.1.2.2 Factors that Contribute to the Project Failure**

All factors that pay for project success are not always symmetrical with those that result in failure. This is the case why separate discussion on the factors that contribute to the project failure is required. Similar to those for success, factors that cause project failure are multiple and multidimensional in nature. Throughout the project management life cycle, several issues give rise to increased risk of project failure. Wysocki, R. K. et al (2002: 96-97) identify top reasons as to why projects fail. Some of these factors which are deemed relevant to the topic are: Incomplete requirements, lack of resources, unrealistic expectations, lack of executive support, changing requirements and specifications, lack of planning, over ambitious schedule, unrealistic budget estimation, poorly defined requirements, inadequately skilled personnel, and lack of political support. Project implementation problems, if not timely acted, can result in its failure. Baum, W. C and S. M. Tolbert (1985: 371-375) summarily put project implementation problems under four categories: Financial, management, technical, and political problems. Each of these project implementation problems are discussed briefly as follows:

**1. Financial problems:** Inadequate allocations of budgetary funds, foreign exchange and, cost overruns are the most frequently occurring financial difficulties. The main effects of financial difficulties are delays in project execution, increases in project cost, and reduction in project scope. Cost overruns are both a cause and effect of financial difficulties. Cost overruns are the main causes of changes in scope, technical design or specifications and projects implementation delays which subsequently results in further cost increase. Inadequate management, insufficient project preparation, deficient technical design, political interference, procurement problems,

underestimating the volume of work and the time to do it are some other causes of cost overruns (Baum, W. C and S. M. Tolbert, 1985: 371-373).

Project budget or cost overruns are the major problem of education projects in BGRS. Project cost estimation needs knowledge of detailed projects breakdown structure that should be carefully done by people who have technical skills in the field. Cost problems are the principal causes of failure for many projects. Kerzner (1995: 837-838) listed many common causes of cost problems, and some of which seem appropriate to this point of discussion include: poor cost estimating techniques that result in unrealistic budgets of the project, out-of-sequence starting and completion of activities and events, inadequate work breakdown structure, poor work definition, management reducing budgets or bids, inadequate formal planning that results in unnoticed, or often uncontrolled increase in scope of effort, poor comparison of actual and planned cost, unforeseen technical problems, schedule delays that require over time or idle time costing, and unrealistic material escalation factors.

**2. Management Problems:** Lack of managerial competences and skills which can occur at different levels of government administration and shortage of personnel with specific skills such as engineers, architects, building technicians, supervisors, experts for project identification and formulation, accountants (particularly for project finance) can be cited as major management problems in education projects of Ethiopia and more seriously in BGRS.

Institutional problems as part of management ones, such as accounting and reporting procedures and systems, ill - defined organizational set up, low salaries and staffing policies and lack of coordination among project executing bodies and frequent turnover of management bodies are also major management problems that send projects to failure if not timely rectified. These managerial or institutional problems which are the root causes of implementation delays and cost overrun result in: inadequate planning, failure to obtain necessary legislation, delays in land acquisition, prolonged bidding and contracting procedures, insufficient project supervision, slow responses to changes in the policy environment and low staff morale and productivity (Baum, W. C and S. M. Tolbert, 1985: 373).

**3. Technical Problems:** These kinds of problems are more common in construction or civil works and in procuring or operating equipment. Poor quality of material, technical defects in design, mistakes in the installation and start - up of equipment and inappropriate technology to

local conditions are some of the technical bottlenecks of projects. In different countries, different approaches are employed in school construction design. Some provide designs from the center and others use different designs with respect to local variations.

In case of Ethiopia's school construction civil works, country - wide approach is employed where drawings, technical specifications, typical details, alternatives, and guidelines related to climatic zones, ground conditions, building materials, sample conditions of contract, bill of quantities, and mechanisms for site selection are given to regions from the center (MoE, 1999: 17). But, because of the fact that the full-fledged standard specifications and other details that might satisfy all localities can not be provided with from the center, variations in different respects which subsequently result in cost overrun, implementation delays and eventual project failure in some regions are not uncommon.

Provision of centrally designed school buildings have been practiced with the premise that a commitment to a common school building design is the most efficient approach and gets rid - off the most serious problems of shortage of manpower particularly the engineering staff. This can be taken as a merit, but many of the remote and peripheral locations that are in need of school buildings may have special requirements which may be the major reasons for frequent design adjustments and changes (Ayalew, 2000: 86).

**4. Political Problems:** It is already crystal clear that good management and managers are major factors that determine project success. The causes for success or failure are symmetrical with respect to presence or absence of political commitment to projects. When the government or political commitment to project implementation is absent, weak, or variable this results in the serious problem or failure of the project.

Generally, there is no single and simple formula for project success or failure, but the possible lists of factors can help managers and other concerned bodies to intervene for the search of solutions to the problems or measures of consolidation of strengths identified. Each project faces a unique set of circumstances, but effective project planning, design, and implementation lie at the heart of successful Projects (Baum, W. C and S. M. Tolbert, 1985: 369-371).

### **2.1.3 Project Human Resource Capabilities**

This sub - section deals with two interconnected issues: Manager's competencies and skills, and project staff capabilities. These points are very important and play significant roles in success or

failure of projects. So, separate treatment of them may indicate the central place they hold in the effective and successful completion of projects or other wise.

### **2.1.3.1 Competencies and Skills Requirements of a Project Manager.**

Project managers play decisive parts in the fruitful progress and conclusion of projects' activities. They are central figures in the overall management of projects. From the very beginning of the project idea conception through project identification, preparation, and implementation, the need to adapt a project to the available managerial capabilities should be carefully considered. This is because it is believed that good managers are major determinants of project success (Baum. W. C and S. M. Tolbert, 1985: 170).

Competencies and skills are two main characteristics that determine success or failure of manager in his/her project management endeavor. Skills are characteristics that can be visible and be measured and can be acquired through formal education and training. Preparation of effective budget estimates and estimating project activities time requirements are skills that can be developed and refined through education and training. Whereas competencies are hidden traits that can be seen only through practice and they cannot be measured in the sense of determining a particular person has them and to what degree. Competencies are traits that are more difficult to develop through training, and even some of them can be hereditary (Wysoki, R. K. et al, 2002:37).

The competence and skill of a project manager is very important factor in good project management. Therefore, the project manager's lack of commitment to established schedules, established budget, to technical performance goals and his/her inadequacy in human skills, technical skills, influence and authority greatly hamper the success of projects (Harrison, 1992:8).

Project managers should have competencies and skills specific to projects at hand, and general and non -disciplined competencies and skills to manage projects effectively. Project specific competencies and skills requirements are varied and multidimensional that cannot be easily summarized here. But general and non - disciplined competences and skills required of effective project manager can be summarily put under four categories as stated by Wysocki, R. K, et al (2002: 38):

**1. Management capacities and skills:** These competencies and skills relate to all aspects of management, either people management or work management. Skills related to the performance of strategic and technical management functions not specific to any individual are included in this category. Competencies and skills specific to project management are found in this part.

**2. Personal competencies and skills:** competencies and skills in this category relate to the individual and they do not involve another party in order to be practiced.

**3. Interpersonal competencies and skills:** These competencies and skills involve at least two people. It is the communication competency and skills of project manager.

**4. Business competencies and skills:** These competencies and skills include business and business processes in general and do not involve specific business function knowledge.

There are varied parameters that are used to identify good project managers endowed with all these sort of competencies and skills. Similarly, functions and responsibilities that should be accomplished by these good managers are also many and varied. Elbeik and Thomas (1998: 104) explain that managers must be versatile in managing work and their staff.

Harold Kerzner (1995: 172) added the implicit responsibilities required from project managers in order to successfully direct their projects under three major headings: interface management (Product interfaces; project interfaces; material information, customer, change of responsibilities interfaces), resource management (time, manpower, money, facilities, equipment, material, information and technology); and planning and controlling management (increased equipment utilization, increased performance efficiency, reduced risks, identification of problems and alternative resolutions to conflicts).

Obtaining such good managers with right qualifications is a difficult task since their selection should be based more on personal attributes than on the job descriptions. Their personal attributes and abilities will either attract or dispel professional and desirable individuals. Therefore, project managers should have basic personal attributes and abilities, such as capability of evaluating risks and uncertainties, honesty and integrity, understanding of personnel problems, business management competency and technical expertise (management principles and communications), alertness and quickness, versatility, energy and toughness and decision making ability (Kerzner, 1995: 169).

In relation to financial aspect, managers should search for finance to achieve organizational objectives and formulate utilization strategies to ensure that this available finance is linked to Strategic plan of the organization (Cary forth and Rawlington, 1997: 662).

Generally, as Mayor (1999: 188) indicates, in addition to own competence and skills, the role that a project manager will play depends on multiple factors including the nature of the task, individual motivations of team members, the structure of the project organization and culture. The competencies, skills and attitudes of a project manager are determined by personality, experience, and by both formal and informal education and training.

### **2.1.3.2 Staff capabilities**

According to the study made by the Public Investment Program Design Team (MoCB, 2000:642), all regions (in Ethiopia) have staffing problems with being acute at zone and woreda levels. It is important to mention here that problems with regard to staffing are threefold: positions that are not filled; positions that are under filled; and high staff turnover. The shortage of staff is more serious in the planning, engineering, and project finance management functions.

The impact of staffing on the capacity for implementation of public investment or expenditure program is particularly more evident in BGRS and Gambela regional states, as the study team report disclosed. In BGRS, a decision was taken to concentrate functions like planning, project management, big procurement undertakings, and capital budgeting at the regional level because adequately trained manpower could not be maintained in the zones and woredas. But recently, this trend is changed and these and other functions were devolved down to woreda level. But, this devolution of major functions with out commensurate supply of required manpower is feared not to aggravate the deep-rooted execution problems particularly in the sphere of project implementation and capital budgeting.

There is still virtually no capacity below the regional level for education project identification preparation, and implementation. Even at the regional education bureau level, the capacity for effective project identification, preparation, appraisal, implementation, and project finance management is very limited.

As indicated in the ESDP-Implementation Manual (1998:33), the only way to ensure that a construction work be of good quality, is to have adequate personnel such as engineers, assistant

engineers, and building inspectors or supervisors. But, these are still professional categories with serious shortages at different levels in regions.

Staffing capacity constraints in regions particularly in BGRS, have been aggravated by a number of changes that are being introduced concurrently. Decentralization powers and transfer of responsibilities from the Federal Government to regions means both political and administrative changes. This is a significant challenge when staffing is inadequate, turnover is high, recruitment is difficult, and local training facilities remain insufficient to meet requirements. A recent introduction in expenditure management reforms in planning, programming budgeting, and accounting that require changes in existing processes and procedures look for even more capable staff. The effects of lack of capacity to manage all these concurrent changes are being evidenced in delayed implementation of the programmes and projects in regions (MoCB, 2000: 649-650).

So far, discussion goes on stressing the scarcity of manpower, but making efficient utilization of personnel at hand is also equally important. This is one of the major roles of project managers.

Before coming to the end of this part of discussion, it is imperative to raise the issue of understanding barriers to project team building that is conducive to effective teamwork. Project managers have great roles in motivating the staff, fulfilling all necessary facilities required to carryout works, and direct the team toward the achievement of the stated objectives. Barriers to project team building which are typical for many project environments as mentioned by Kenzner (1995: 253-55) include: differing out look, priorities, and interests of team members; role conflicts among team members, project objectives /out comes not clear, dynamic project environment; Competition over team leadership; lack of team definition and structure, lack of team member commitment, communication problems and lack of senior management support.

In order to perform effectively and fulfill the project objectives, managers must recognize these barriers, know when they occur, create mechanisms to prevent their occurrence, and hence foster a work environment conducive to effective project teamwork.

## **2.2 Financing Education: The Contributions of Donors and the Community**

Education consumes a significant amount of resources in almost all countries including Ethiopia where the percentage share of education expenditure in the total government expenditure amounted 20.63 percent in 2003/04 (MOE, 2005: 46). Provision of a certain level of education is

very essential and a determinant factor for a country to attain a reasonably high rate of economic growth and foster social justice through equal and fair distribution of education to all its citizens (Pscharopoulos, 1987: 423).

Source of educational finance can be many and varied depending on the strategies set by the concerned country to expand its options. The sources for educational finance can basically be divided into three: the public authorities (including external sources) the users of education (Parents and the community at large), and self-generated income from schools and education institutes. Public or government sources for educational finance include: taxation, foreign loans and grants (Forojalla, 1993: 353). The discussion in this sub - section dwells on the brief explanation of donors (foreign loans and grants) and the users of education or the community contributions in financing education. But, before embarking on these two issues, it is deemed necessary to have a say on the need for government concern in provision of education and the need for formulating strategies to expand the sources of educational finance.

Since education is a human right, its social benefits are greater than those of private ones, and it is subject to economies of scale; governments must take the main responsibilities to allocate resources, subsidize education to prevent its under investment, and make the provision of education more efficient. Generally, the main justification for the assumption by government of complete responsibility for the financing of education is on the grounds of ensuring equality of educational opportunities amongst all its citizens (Pscharopoulos, 1987: 137-148; Forojolla, 1993: 332).

Lack of sufficient revenue to be collected by the public bodies, increasing demand for public budget by other economic sectors tripled with escalating costs of financing educational systems, call the need for the search for other sources of finance by designing different strategies.

This is currently the reality in Ethiopia where central and regional governments together with assistance from bilateral and multilateral aids shoulder the greater burden of educational finance. But government sources alone cannot satisfy the ever-increasing costs and demands for education. Some of the strategies upon which the government is already embarking on are increasing the magnitude of private financing of education, maximizing and ensuring the availability, effective and efficient utilization of donor and community contributions in providing

budgetary support to the education sector (GFDRE, 1994: 9, 3, 18-19). With this premise, a brief discussion will follow on the donor and community contributions to financing education.

### **2.2.1 Donor Contribution**

Due to inadequate resources available, many developing countries particularly those of Africans, heavily depend on donors or external aid sources (bilateral and multilateral loans and grants). Countries that are at good economic and financial levels and those, which are termed as "developed", can use the international banks and borrow on financial markets under prevailing capital market conditions. But developing countries use external aid which comprises donations and loans at low interest rates and/or with long reimbursement periods, which are granted by funding sources with a view to support the development efforts of recipient countries (Forojalla, 1993: 354; Magnen, 1991: 86-87).

Donor contribution to the Ethiopian economy in general and to the education sector in particular can not be underestimated because both bilateral and multilateral funding agencies have been playing significant roles in financing education in the past many years. Between years 1996/97-2000/01, from the cumulative budgeted capital expenditure, US\$ 146 million (38 percent) was aid funded in Ethiopia, and according to the UNDP Development cooperation report, an estimated average of US\$ 57 million in assistance went to the education sector over the same years, and a level of US\$ 109 million in 2002, representing 8 percent of total aids to the country. This signifies that donors have been making significant contributions to finance the education sector of Ethiopia (MOE 2003/04: 12).

It is worth mentioning here that external aids have both merits and demerits. One of the several advantages of external aid is that it increases the resources available to the government of under-equipped countries for the implementation of their priority projects. Although external aid sources have big advantages, they are not without problems. Magnen (1991: 87-90) conclusively provides four points of disadvantages.

The first disadvantage of foreign aid sources is increasing the future financial burden to recipient countries. Loans create greater financial costs. They mostly finance foreign currency investment where the counterpart investment expenditure will be made in local currency and operating expenses also must be covered by the government which, in addition to payment of loans

together with their interest rates, can create huge burden. The second problem is the risk of dependence. Depending heavily on external aid sources can generate a risk of greater dependence, affects the sovereignty and thereby influence and divert the education policy of the recipient country. The third disadvantage is slowness of action where many donors follow long project cycle starting from project idea generation through to the signature of loan agreement. Some of them also have long, complicated and cumbersome procedures and reporting requirements for agreement and fund disbursement that greatly impede the effective and efficient utilization of allocated budgets. The last but not the least one is the risk of uncertainty which may be the case when donors put pressure up on the borrowing countries to accept some projects which may not be in their priority lists.

Utilization of budgets allocated to education projects of course, can be affected by disbursement mechanisms employed by the government and donor agencies, and hence, it is imperative to explain disbursement channels. There are three principal channels through which donors have been passing on the funds they have allocated to Ethiopia (MoE 1999: 16-17). They can be explained as follows:

**Channel 1:** Is the disbursement channel where funds disbursed via finance bodies at each level. These funds are automatically included in the government budgets and accounts and are fully brought in to the picture in the budgeting process. Channel 1 funds fall in to two categories that include funds that are discretionary (no earmarking) and those which are earmarked.

**Channel 2:** This is the modality where funds are disbursed via sector bodies at each level. When such funds enter the system at regional or woreda levels they could not be captured in government budget. So, this channel creates parallel system that undermines the integrity of government budgeting and financial management. It also generates multiple reporting requirements.

**Channel 3:** This is a way via which funds are disbursed directly by donors. Such funds do not enter directly in to the government budget. It also creates problems similar to channel 2.

But according to the Federal Government of Ethiopia Financial Administration Proclamation No. 57/1996, it is the government policy that all resources provided by donors, what ever modality is

used, should be recorded on the government budget, and appropriated, and accounted for by the beneficiary budget institution in the same way as for government funds.

### **2.2.2 The Community Contributions**

In order to proceed with the pace of educational expansion that results from the increasing social and private demand for education and to improve quality and efficiency of the educational system, broadening and increasing sources of educational finance is inevitable. One of the important and sustainable sources is the community or users participation. In many countries, local communities have been contributing to the cost of school construction through self-help efforts and donations in kind. As total cost of education is concerned, contribution from community may represent only a small portion, but in addition to easing financial constraints on educational budget, it plays another role of making the education and training offered relevant to local needs (Baum, W. C. and S. M. Tolbert, 1985: 128; Forogalla, 1993: 363).

The role of community in financing education in Ethiopia had also significant place during the past several years. In many areas of the country, community involvement in school construction, maintenance, procurement of educational materials and equipment, financial and labour contributions, provision of teachers' accommodation, teacher employment etc., have resulted in substantial and encouraging results.

Although, community participation in education matters took different forms and launched with the intention of different political out looks, its contribution to the expansion and development of education system can not be understated.

Proclamation No. 54 of 1975 which nationalized private schools and put under public ownership to be administered by communities; proclamation No. 103, 1976 which was issued for the administration and control of schools by the people, though this had more of political than educational motives; and proclamation No. 260 of 1984 that was issued for strengthening of the management and administration of the schools; played great role in boosting community involvement in education affairs through the establishment of "Government school committees" and public school committees (Ayalew Shibeshi, 2000: 50; Hailemechael Ligu, 1996: 11).

The need for community involvement and participation in educational activities have also explicitly explained in the education and training policy of Ethiopia that calls for beneficiary or

community participation in the preparation, implementation, and evaluation of the curriculum; and for the issuance of clear guideline that states the rights and duties of all involved in education including the community (GFDRE, 1994:12,29). The establishment of the woreda Education and Training Boards, Kebele Education and Training Boards; and Parent Teacher Associations as stated in the "Educational Management and Organization, Community Participation; and Finance Guideline", has contributed a lot to the maximization of community participation in Ethiopian education system (MoE, 2001:17-28). In addition, the issue of encouraging and enhancement of community participation in school building, provision of furniture and other facilities is also one of Education sector strategies (GFDRE, 1994: 13, 19).

Generally, community participation is a developmental strategy in which the beneficiaries are active participants at all stages of development and execution of a project from identification, selection of site, supervision of work and provision of labour to appropriate utilization, management, and maintenance of the final product. It requires willful involvement of the community in matters that affect their economic and social well-being. Community participation results in wider sensitization, increased awareness, and inclusiveness in development efforts, efficiency in implementation, local capacity building, and assurance of sustainability (MOE, 1999: 14).

Another important issue to be raised is the identification of which form of participation do we want to inculcate. Community participation can take two different forms. Participation as a means and participation as an end, As Oakley, p. et al (1991: 7-8) elaborated, Community participation as a means implies the use of participation to achieve some predetermined goals or objectives. This means participation is taken as a way of harnessing the existing physical, economic and social resources of people in order to achieve the objectives of development programmes and projects and it evaporates when the task is completed. This form of participation is the passive one. Participation as an end is an active and dynamic form of participation that enables people to play an increasing role in development projects.

It is also worth mentioning the need to identify and examine the usefulness of community participation to the proper function of development projects. Oakley, P. et al (1991: 17-18) try to pull together the usefulness of participation to the functioning of projects fewer than five headings, as elaborated here under:

- **Efficiency:** Participation implies a greater chance that resources available to development projects will be used more efficiently. Participation is also cost - effective since, if people are taking responsibility for a project, then fewer costly outside resources will be required and professional staff will not get tied down in the detail of project administration. Participation therefore, allows for more efficient use of the resources available to a project.
- **Effectiveness:** Participation will also make projects more effective as instruments of development. Participation which allows people to have a voice in determining objectives, support project administration and make their local knowledge, skills and resources available must result in more effective project. A major reason why many projects have not been effective in achieving their objectives is because local people were not involved. Effectiveness equals the successful completion of objectives and participation can help to ensure this.
- **Self - reliance:** This refers to the positive effects on the people participating in development projects. Participation helps to break the mentality of dependence that characterizes much development work and promotes self-awareness and confidence and cause people to examine their problems and to think positively about solutions.
- **Coverage:** Most government and many agency-directed or supported development projects reach only a limited and usually privileged number of people. In many instances, delivery services have contact with only a fraction of the population. Participation will extend this coverage in that it will bring more people within the direct influence of development activities.
- **Sustainability:** Experience suggests that externally motivated development projects frequently failed to sustain themselves once the initial level of project support or inputs either diminish or are withdrawn. But community participation can rectify this problem and ensure that local people maintain the project's dynamic.

Generally, care must be taken in selecting the community participation strategies that should not shoulder the people heavy and unfair burden in the name of participation. To avoid such

drawbacks, participation strategies should be scrutinized based on the interests of the people themselves but not on the perspectives of the public agency concerned.

## **2.3 Budgets and Decentralized Budgeting system**

This section focuses on two major issues. The first sub-section deals with the classification of budget items giving due emphasis on elaboration of capital budget. The second sub-section embarks upon the two principal issues of decentralized budgeting system of Ethiopia and capital budget preparation and appropriation process in BGRS.

### **2.3.1 Classification of Budget Items**

Before starting discussion on the classification of budget items, it would be important to throw words about budgets and budgeting process. A budget is a set of financial parameters against which actual performance will be compared. Budgets differ from forecasts in that they require regular management action to control within the budget constraints. Budget plays major roles in planning, programming and controlling educational costs and it is operational in nature and powerful tool in planning process (Forojalla, 1993: 316). Malan (1987: 73) stressing the inseparable connection between budgets and plans states that the budget is essential to the planning process because the objectives of the projects and programmes contained in the plan cannot be implemented without it. Budgeting process, on the other hand, results in separate budgets of each area of business activities and it ensures that the required resources will be available at the right time in the right amount (Needham, et al., 1999: 176; Forojalla, 1993: 317).

Classification of budget items is generally necessary to keep conformity of budget and investment programme categories. The classifications which were established as a basis for legislative oversight and which were devised to show the item of expenditure such as salaries, equipment, and so on, were proved to be inadequate since they yielded no information on the objectives of an expenditure. But the alternative classification that makes possible a division of government expenditure and receipts in the functions, programmes and economic categories has been introduced. Within these broad categories one is the commonly used classification of budget in to a current and capital budget (Baum, W. C. and S. M. Tolbert, 1985: 61).

There are a variety of criteria that can be used in defining recurrent and capital budgets. The three most commonly used are: source of finance, status of expenditure (project versus programme) and object of expenditure (MoCB, 1998: 8).

The term capital refers to fixed assets used in production, whereas a budget is a plan detailing projected inflows and outflows during some future periods. Thus, capital budget outlined the planned expenditures on fixed assets, and capital budgeting is the whole process of analyzing projects and deciding whether they should be included in the capital budget (Brigham, 1982: 370).

Capital budget is the money allocated for capital expenditures. According to the Federal Financial Administration Proclamation No. 57/1996, Council of Ministers Financial Regulation 17/1997, and the Benishangul - Gumuz Regional State Financial Administration Proclamation no. 8/1997; all money outlay for the acquisition of or improvement to fixed assets and including consultancy should constitute capital budget.

At federal government level, fixed asset is defined as tangible goods costing birr 200 or more that have a full life of more than one year. In addition, it includes the acquisition of furniture, construction of school buildings, purchase of computers, teaching equipment etc and capital budgets in Ethiopian budgetary language according to Nebiyu (1999:179 -180), usually refer to projects.

In general, a capital budget normally finances capital projects such as building and heavy equipment with a long life, whereas recurrent budget covers consumable services and goods of short - term duration such as teachers salaries, services, utilities, transport costs, paper and books (Forojalla, 1993: 317).

### **2.3.2. Decentralized Budgeting System and Capital Budget Preparation and Appropriation Process.**

This sub - section deals with two related issues: an overview of the decentralized budgeting system which gives a brief overview on decentralization and fiscal federalism in Ethiopia, and on the process of capital budgets preparation and appropriation in BGRS.

### **2.3.2.1 An Overview of Decentralized Budgeting System of Ethiopia**

According to the 'Budget Reform Design Manual' (MoCB, 1998:1), an ambitious decentralization is the central context of budget reform in Ethiopia. Administrative responsibility has been devolved to regions and within regions administrative responsibility is also being devolved to zones and woredas. Application of the decentralization framework into financial framework raises the three functions of public finance: stabilization, distribution, and allocation. Public finance holds that the stabilization function that is managing monetary aggregate should be centralized. The distribution function is employed to promote equity in the allocation of resources. The use of formula to assign subsidies among regions and sub-regional levels in Ethiopia supports that this function can be decentralized. The allocation function of public finance is the distribution of goods and services and it is broadly agreed that this function also should be decentralized (MoCB, 1998: 1-3).

The body of financial theory explaining the decentralized allocation function is named as fiscal federalism. Fiscal federalism is the financial framework of decentralization. It has, according to the "Civil Service Reform Program Budget Reform Design Manual" (MoCB, 1998: 4), the following five principles:

- Local management of resources responds better to local preferences,
- It may be more efficient to assign expenditures to the lowest level of government consistent with efficient performance.
- Administrative levels are accountable to the local taxpayers and also accountable to the administrative levels above that transferred funds.
- Fiscal equalization, and
- Increases the stake in the process by local institutions and individuals.

Based on these principles of fiscal decentralization, budget preparation process follow similar sequential procedure both at federal and regional levels. According to the ESDP Programme Implementation Manual Preparation Discussion Paper, the basic sequence of decentralized financial system of Ethiopia can be summarized by the following four points:

- After the consideration of resources available and allowing for non - discretionary expenditures by the federal government, the remaining pool of available funds is divided between federal expenditures and the federal block grants (subsidy) to the regions.

- The resources available for federal programmes are allocated first to meet essential federal recurrent budget commitments, and then to the federal capital budget. Each federal public body prepares recurrent and capital budgets within the guidelines issued by MOFED.
- The amount of federal subsidy to the regions is based on an assessment of regional resources and expenditure requirements transferred to the regions as an earmarked block grant. Regional shares are determined by the subsidy formula.
- Regions similarly assess their resources available, including federal subsidy they expect, and decide allocations between different public bodies, agencies, and between recurrent and capital budgets. They decide first on the balance between regional and woreda expenditures. Funds for woreda expenditures are provided as block grants, while region draws up detailed recurrent and capital budgets for regional levels expenditures (MOE, 2004: 8).

### **2.3.2.2 Capital Budget Preparation and Appropriation Process in BGRS.**

According to the proclamation No. 1/ 1995, proclamation of the constitution of GFDRE article 52 (2-e), BGRS, similar to all other regions, is entitled to the powers and functions to levy and collect taxes and duties on revenue resources reserved to it and draw up and administer its budgets. Budget preparation, approval and appropriation principles and processes are almost similar at federal level and in all regions except in some emerging regions including BGRS where financial decentralization had not further proceeded down to woreda and school levels. But recently this situation is changed in the way that financial decentralization is advanced down to woreda level in BGRS (school - level financial decentralization has not yet taken place).

Finance, planning and economic development Bureaus in BGRS, which were responsible for separate recurrent and capital budgets preparation and consolidation respectively, merged following the merger of their federal counterparts as MoFED under the proclamation No. 256/2001 issued for reorganization of federal executive Organs of GFDRE. Combining these two bodies that were responsible for two types of budgets and planning aspects under one entity improves the coordination of expenditure programmes and balances the expenditure of recurrent and capital budgets (MoCB, 1998: 181). It may be, however, that having enough properly trained

staff, linked to decision making authority, is as important as where the integrated function is located since integration of plans and budgets can be tackled through procedural measures instead of organizational mergers (Baum, W. C and S, M. Tolbert, 1985: 61).

At present, preparation, consolidation, and administration of both recurrent and capital budgets are accomplished by a single entity - BoFED. In general, according to the "Budget Reform Manual -Budget preparation and Management- A guide for Benishangu-Gumuz region (Amharic version) (2004: 28), budget cycle in BGRS has four points: budget preparation by spending bodies, budget approval and appropriation by legislative body, budget execution by spending bodies, and audit and evaluation of the budget execution by spending bodies themselves, by financial bodies, and by regional auditor general.

Budgets prepared by spending bodies are consolidated by BoFED and submitted to the regional cabinet for approval. Complete and consolidated budget comprises the following four sections:

- Estimates of financial sources, i.e., revenue from the region, zone or woreda; subsidy from the federal government; foreign loans and grants,
- Block grants to woredas,
- Recurrent budgets for regional bureaus, and
- Capital budgets for regional bureaus.

The executive body (cabinet) of the region, after examining and with or without amendment, approves the consolidated budget and presents to the CPR for final appropriation. These appropriated budgets are officially proclaimed in the regional Ngarit Gazeta. Education bodies at different levels of government are notified by the finance bodies of the detailed education budgets that have been approved and appropriated by the relevant legislative body (MOE, 2004:6). As far as allocation of the block grants to woredas is concerned, BoFED prepares a draft formula for allocation and submits it to the regional executive organ (cabinet) which checks for relevance and in turn submits to the CPR for approval. CPR allocates the block grants to woredas as per the approved allocation formula. The block grant allocation formula is prepared taking into account the federal subsidy, money to be available from the regional government treasury, external loans and grants, and revenue to be collected from the region.

According to the aforementioned manual (2004: 34-35), there are six steps to be followed in preparation and appropriation of capital budget in BGRS. The first step is determination of the

regional expenditure envelop (the total regional expenditure that includes federal grant, local revenue and money from regional government treasury), in second step, BoFED, based on the formula, notifies block grants to regional public bodies and woredas, thirdly, ZFEDD and WFEDO similarly notify the budget ceiling to their respective public departments and offices. The fourth step states that after receiving budget call with ceiling, public bodies at all levels prepare their budget requests. Finally, public finance bodies consolidate budgets submitted by public bodies (spending bodies). BoFED presents the regionally aggregated or consolidated budget to regional executive body that in turn presents it to the CPR for final approval and appropriation.

Capital budget estimates should be properly done from the very outset so that problems of under or over budget which adversely affect the functioning of projects, can easily be settled. Several issues should be assessed and considered while preparing capital budget estimates. A Guide for Budget Preparation and Management for BGRS (2004: 36), lists five major points to be considered when preparing the capital budget estimates:

- Review of execution of the previous year's capital budget; identification of programmes and projects to be completed this year, and those to be continued next year (on-going projects).
- Prioritize programmes and projects and request only annual budgets for them.
- Identify expenditures with capital features
- Allocate matching funds from government treasury for projects to be undertaken by external loans, and
- Prepare list of new projects and synchronize and prioritize them in accordance with their contribution to the ESDP, poverty reduction strategy, and on the basis of other development strategies of the regional government.

Before coming to the end with this discussion, it is helpful to raise some issues related to the problems of capital budget preparation. Major problems related to the capital budget preparation include: Off - budget financing and off ceiling disbursement of the capital budget, weak institutional linkage of capital and recurrent budgets (recently rectified), uncertainty of externally financed capital budget, no programme review for capital budget, lack of information on projects, recurrent costs are not considered in budgeting capital expenditure, and weak integration of capital budgeting with planning (MoCB, 1998: 29-31; Baum, W. C. and S. M. Tolbert, 1985: 59-63). These problems are common both in regions and at federal levels with varying degrees.

# CHAPTER THREE

## RESEARCH DESIGN AND METHODOLOGY

### 3.1 Research Methodology

The descriptive survey research method was employed to undertake this study. The main reason to employ this method of research is to describe the nature and magnitude of factors that affect the allocation and utilization of educational project budget. It also helps to obtain current information about the problem under study.

### 3.2 Sample and Sampling Techniques

This study focused on officials and experts from REB, BoFED and their corresponding zonal offices and selected woredas for the purpose of securing reliable data since they are the direct participants and actors in the execution of the education project budget.

Benishangul-Gumuz region has three zones and twenty woredas. Four woredas from each zone were selected using simple random sampling technique. Officials (three from REB, two from BoFED, one from each ZED and ZFEDD, and one from each sample woreda WEOs and WFEDOs) were selected using purposive sampling technique to secure reliable information about the subject under study. Experts (ten from REB, five from BoFED, five from each ZED and ZFEDD, and five from each sample woreda WEOs and WFEDOs) were selected using simple random sampling technique. In addition, ten community representatives from randomly selected six woredas from sample woredas were selected using availability-sampling technique to conduct a focus group discussion. Sample woredas from Assosa zone were Assosa, Bambasi, Homosha and Mangie. Metekel Zone Sample woredas include: mandura, Pawe, Bulen, and Dibate. Those from Kamashi zone were Kamashi, Balo Gioganfof, Sirba Abay, and Yaso. Table 1 indicates the distribution of sample population with respect to their categories and composition.

**Table 1: Distribution of sample population by category and instrument**

No	Respondent's category	Instrument				
		Questionnaire	Interview	Focus Group Discussion	Total	Composition
1	REB Officials	-	3	-	3	Bureau head, planning service and ESSD heads
	Experts	10	-	-	10	Budget, planning, civil engineer
2	BoFED Officials	-	2	-	2	Planning and budget department heads
	Experts	5	-	-	5	Planning and budget
3	ZED (3) Officials	-	3	-	3	Department heads
	Experts	15	-	-	15	Education and budget
4	ZFEDD (3) Officials	-	3	-	3	Department heads
	Experts	15	-	-	15	Planning and budget
5	WEO'S (12) Officials	-	12	-	12	Office heads
	Experts	60	-	-	60	Education and budget
6	WFEDO'S (12) Officials	-	12	-	12	Office heads
	Experts	60	-	-	60	Budget experts and accountants
7	Community representatives	-	-	60	60	PTA members and active participants
	TOTAL	165	35	60	260	-

### 3.3 Data sources and Instruments of Data Collection.

The data utilized in this study were of two kinds. One kind is the primary data that were collected directly from officials and experts from relevant bureaus, zonal departments and Woreda Offices.

The information that was collected from these sources include: factors that affect the allocation and utilization process of education budget, problems encountering the allocation and utilization of education projects budget, quantity and qualification of personnel in the capital projects activities, the nature and level of stakeholders participation . . . etc.

The second category of data sources was secondary in which information related to the entire budgeting process as well as the amount of education projects capital budget allocation and utilization in each year were gathered from relevant documentary sources. These documents

include national and regional projects and budget performance reports, statistical abstracts, records and archives in education, Finance and Economic development, and works and urban development bureaus and their corresponding zonal departments and woreda offices.

A set of questionnaire was prepared to gather first hand information from experts at bureaus, zones and woreda levels. It consisted of both close - ended and open - ended items depending on the nature of questions posed. The questionnaire was first developed in English language and then translated into Amharic language to facilitate easy understanding and reply the questions contained in items by respondents. A pilot test was conducted in Benishangul - Gumuz Region, Assosa Zone in Assosa Woreda using three experts from WEOs and two experts from WFEDO before final distribution of the data to the total respondents was made. The main purpose of this pilot - test was to confirm the appropriateness of items of the instrument (questionnaire) and make necessary amendments based on the comments obtained from therein. According to the feedback of the pilot test some items in the questionnaire were corrected to have mutually exclusive options (more than one response is possible). The results of pilot test did not incorporated in the study.

Finally, a total of 165 questionnaires were duplicated and dispatched to 85 education and 80 FED experts. Out of these, 75 (88. 24%) from education and 64 (80.00%) from FED experts, all in all 139 (84.24%) questionnaires were properly filled in and returned. The second instrument used was structured interview. It was planned to conduct with 35 officials. But 29 (82.86%) interviewees were available as scheduled and were conducted with the help of facilitators selected by the student researcher. Whereas, questionnaires were dispatched and collected with greater follow - up by the student researcher to get maximum return. The interview was employed to collect information from the officials of bureaus, zones and woredas. The information gathered through this instrument include factors that affect education projects budget allocation and utilization, problems encountering them, managerial and personnel competencies, proposed solutions to problems in projects implementation and their budgets allocation and utilization.

### **3.4 Data Analysis Tools**

Data collected on the basis of the study through the aforementioned instruments were tallied and organized properly. Frequency distribution and percentages were employed wherever necessary. Other relevant tools of data analysis such as Chi-square test, t-test and Spearman's rank order correlation coefficient were employed depending on the type and nature of data. The qualitative and quantitative data obtained from interview and focus group discussion were analyzed and utilized in the study.

### **3.5 Procedures of the Study**

In under taking the study of factors affecting education projects budget allocation and utilization in Benishangul-Gumuz Regional State, the following procedures of data collection were employed. First, to obtain relevant information about the topic under study, various documents were assessed. Review of related literature was selectively made to have clear understanding about the issue and to get information about what has been done at the second place. Thirdly, six basic questions that were central to the topic of the study were formulated. Next to this, a questionnaire that consisted of ten sets of questions; interview questions; and group discussion questions were set.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

This chapter comprises two sections where the first section deals with the characteristics of the two groups of respondents (education experts and finance and economic development experts) in terms of their sex, age, years of service and educational status. The second section treats data presentation, analysis and interpretation. The flow of the chapter is in such a way that first data are tabulated or presented and then their analysis and interpretation follow.

#### 4.1 Characteristics of Respondents

The questionnaire was dispatched to 85 education experts and 80 finance and economic development (FED) experts. Out of these questionnaires, 75 (88.24%) from education experts and 64 (80.00%) from finance and economic development experts were properly filled in and returned. Based on the responses secured from these respondents, the characteristics of the study groups were presented and examined in terms of sex, age, years of service and educational status as tabulated in Tables 2, 3, and 4.

Table two reveals that 93.33% of education experts and 89.06% of FED experts were males and the remaining very small proportions of 6.67% and 10.94% of education experts and FED experts respectively were females. This might be an indication of very low participation of females in the regional civil service in general and in education and finance services in particular.

As far as age is concerned, the largest proportion (86.66%) of education experts fell within the age range of 31 to 50 years. Only 8.00% and 5.33 % of the same group of respondents lie below age of 31 years and above 50 years respectively. Whereas, the FED experts are concerned, 50 % of them were with in the age range extending from 31 to 50 years. About 48.44% and 1.56 % of the same group of respondents fell in the age ranges of below 31 and above 50 years respectively. From these data, it can be deduced that education experts were relatively older than those of FED which might have positive implication in the utilization of education projects budgets if this is linked to the relevant work experience.

**Table 2: Respondents by Sex and Age**

Characteristics	Respondents					
	Education Experts (N = 75)		FED Experts (N = 64)		Total (N = 139)	
1. Sex	f	%	f	%	f	%
Male	70	93.33	57	89.06	127	91.37
Female	5	6.67	7	10.94	12	8.63
<b>Total</b>	75	100.00	64	100.00	139	100.00
2. Age in years						
[ 20	-	-	-	-	-	-
21-30	6	8.00	31	48.44	37	26.62
31-40	40	53.33	25	39.06	65	46.76
41-50	25	33.33	7	10.94	32	23.02
>50	4	5.33	1	1.56	5	3.60
<b>Total</b>	75	100.00	64	100.00	139	100.00

Table 3 shows that only 8.00% of the education experts and 6.25% of FED experts had 16 and above years of service in their current positions. Similarly, 25.33% of education experts and 20.32% of FED experts had 6-15 years of experience in their current positions. Surprisingly, the majority of education experts (66.67%) and FED experts (73.44%) had service years of below 5 in their current posts. This may be attributed to the recent frequent changes in the organizational structures in the region or may be many senior (experienced) people are leaving for other regions. Moreover, as to the total years of service is concerned, 22.66% and 46.88% of education experts and FED experts had below 10 years of total service respectively. Similarly, 77.33% of education experts and 43.08% of FED experts fell within the range of 11 and above years of total experience.

**Table 3: Respondents by Years of Service (in currently held positions and total service years)**

No	Respondents	Service in Years												Total	%
		5 and below	%	6-10	%	11-15	%	16-20	%	21-25	%	26 and above	%		
1	Education experts (N = 75) - In current position	50	66.67	12	16.00	7	9.33	1	1.33	2	2.67	3	4.00	75	100.00
	Total service	1	1.33	16	21.33	23	30.67	7	9.33	15	20.00	13	17.33	75	100.00
2	FED Experts (N = 64) - In current position	47	73.44	10	15.63	3	4.69	3	4.69	1	1.56	-	-	64	100.00
	Total service	15	23.44	5	23.44	16	25.00	6	9.38	11	17.19	1	1.56	64	100.00

From the data, it can be inferred that the majority of both groups of respondents had below 5 years of service or experience in their current positions that may have adverse effect on the implementation of education projects in general and effective utilization of their budgets in particular. But the data reveal that their total years of service was sufficiently high which may balance lack of experience in their current posts if attached to relevant experience in the field.

**Table 4: Respondents by Educational Qualification**

No	Respondents	Grade 12 and below	%	TTI	%	Diplo ma	%	BA/ BSC	%	MA/MS C & above	%	Total	%
1	Education experts (N = 75)	-	-	6	8.00	54	72.00	13	17.33	2	2.67	75	100.00
2	FED Experts (N = 64)	6	9.38	-	-	53	82.81	5	7.81	-	-	64	100.00
	Total (N = 139)	6	4.32	6	4.32	107	76.98	18	12.95	2	1.44	139	100.00

Table 4 manifests that the majority of education experts (72.00%) and FED experts (82.81%) were at diploma level. moreover, 20.00% and 7.81% of education experts and FED experts respectively had educational qualification above BA/ BSC. 8.00% of education experts were TTI graduates where no respondents found at this level of qualification from FED respondents. Similarly, no education experts found at grade 12 and below where 9.38% of FED respondents were available at this level of qualification. These data reveal that education experts were relatively at better position as compared to FED experts in terms of educational qualification.

Generally, many professional posts at bureau, zone, and woreda levels require qualification of BA/ BSC and above. In this respect, as information gathered from both study groups discloses that educational qualification of personnel in education, and finance and economic development areas was not up to the level of requirement which may have significant drawback on the education projects performance and budget utilization efforts.

#### **4.2 Data Analysis and Interpretation**

This is the second section of the chapter and the major body of the thesis where data gathered from the study groups were presented, analyzed and interpreted. Major issues to be covered include sources of budget for education projects, the status of community participation, manpower and institutional capabilities, budget allocation to education projects and their results, and factors that affect utilization of education projects.

#### 4.2.1 Financing Education Projects

**Table 5: Sources of Budget for Education Projects**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	What is the major source of budget for education projects?						
	A. Foreign Aid	30	40.00	21	32.81	51	36.69
	B. Foreign Loan	22	29.33	27	42.19	47	33.81
	C. Government	53	70.67	45	70.31	98	70.50
	D. Community contribution	19	25.33	13	20.31	32	23.02
	E. I don't know	15	20.00	6	9.38	21	15.11
2	Does the region/ zone/ woreda has internal sources of income to support financing education						
	A. Yes	20	26.67	20	31.25	40	28.78
	B. No	47	62.67	34	53.13	81	58.27
	C. I don't know	8	10.67	10	15.63	18	12.95
	Total	75	100.00	64	100.00	139	100.00

*f = frequency or absolute frequency*

2.  $\chi^2$  obtained = 1.443,  $\chi^2$  critical = 5.991 ( at  $\alpha = 0.05$   $df= 2$ )

\* No significance

As indicted under Item 1 of Table 5, 25.33% and 20.31% of the education experts and FED experts respectively believed that the source of budget for education projects was the community contribution, whereas, 40.00% of education and 32.81% of FED experts accepted that the main source was foreign aid. But 29.33% of education experts and 42.19% of FED experts responded as foreign loan was the main source of education budget. The majority of education experts (70.67%) and FED experts (70.31%) declared that government was the main source of budget for education projects. The remaining 20.00% of education and 9.38% of FED experts do not know the source of budget for education projects.

Though responding to one or another choice may not be attributed mainly to personnel inefficiency, nor to lack or absence of knowledge or training, such failure to identify the main

source of budget for education projects can be taken as a manifestation to put the experts within the categories of those experts whose understanding about financial matter is doubtful. Since different sources of budgets have different utilization rules and procedures, clear understanding of personnel about major sources of budget for education projects is very essential for effective utilization.

Item 2 in the same table raises the issue of whether or not the region / zone/ woreda had internal sources of income to support financing education. To this end, 26.67% of education experts and 31.25% of FED experts agreed at the opinion. On the contrary, the majority of the respondents from education experts (62.27%) and FED experts (53.13%) didn't stand alongside the above notion and hence they believed that there was no internal source of income to support financing education. The denial of the meager existence of the internal source of income by these majority respondents may be due to their strong dissatisfaction about the amount of the internal source of income available to education. Small proportion, but in no way insignificant amount of education experts (10.67%) and FED experts (15.63%) didn't know whether there was internal source of income to education or not. For open - ended question, some of those respondents who agreed at the existence of internal income identified the major sources of internal income as sales from grass/ trees and farm products in schools, community contributions in kind and cash, hall rents (in high schools) and some local NGO's.

A chi - square ( $X^2$ ) test was calculated to determine whether there was significant different between the opinions of the two groups of respondents at  $\alpha = 0.05$  (two tailed) for 2 degrees of freedom. The calculated value of  $X^2$  was found to be less than that of table or critical value which implies that there was no statistically significant difference between the responses of the two groups concerning the availability of internal income.

Therefore, from the majority responses it is possible to arrive at the conclusion that the main source of budget for education projects was government supplemented by external sources (loan and grants) and community contributions. It is also safe to generalize, as per the majority responses and a test conducted that internal source of income to support financing education was very low.

## 4.2.2 The Status of Community Participation

**Table 6: The Magnitude of Community Participation**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	Community contribution in financing education is						
	A. Very High	1	1.33	2	3.13	3	2.16
	B. High	5	6.67	13	20.31	18	12.95
	C. Satisfactory	20	26.67	12	18.75	32	23.02
	D. Low	34	45.33	28	43.75	62	44.60
	E. Very low	15	20.00	9	14.06	24	17.27
	Total	75	100.00	64	100.00	139	100.00
2	How frequently does the local community participate in selection of school construction sites?						
	A. Always	33	44.00	18	28.13	51	36.69
	B. Sometimes	16	21.33	17	26.56	33	23.74
	C. Seldom	17	22.67	12	18.75	29	20.86
	D. Not at all	2	2.67	4	6.25	6	4.32
	E. I don't know	7	9.33	13	20.31	20	14.39
	Total	75	100.00	64	100.00	139	100.00
3	The largest contributions the community made to support education projects was in the form of:						
	A. Labour	70	93.33	61	95.31	131	94.24
	B. Material	47	62.67	39	60.94	86	61.87
	C. Finance	41	54.67	17	26.56	58	41.73

1.  $\bar{X}_1 = 2.27, \bar{X}_2 = 2.55$  S.d1 = 0.85, Sd2 = 1.06,, t - obtained = -1.698,, t - critical = 1.960,, not significant

The first item of table 6 indicates that 8.00% of education and 23.44 % of the FED experts rated the community contribution in financing education projects was high and very high, whereas, 26.67% of the education and 18.75% of FED experts accepted that the community contribution was satisfactory. Contrary to these notions, the majority of education experts (65.33%) and FED experts (57.81%) rated that community participation in financing education projects was low and very low. To check whether there is statistically significant variation or not in the responses between the two groups, t- test (which is appropriate for data with two sample means) was employed at  $\alpha = 0.05$  (two tailed) and the result showed that there was no statistically significant variation in responses of the two groups concerning the degree of community contribution.

The second item of table 6 deals with the frequency of community participation in selection of school construction sites. To this end, 44.00% of education experts and 28.13% of FED

respondents confirmed that the community participated all the time. On the other hand, 21.33% and 26.56% of education and FED experts respectively declared that there was sporadic participation of the community. Still significant proportion of education experts (22.67%) and FED experts (18.75%) responded that community participation in the selection of school construction sites was rare. At the extreme side, 2.62% and 6.25% of education and FED experts respectively rejected the above notions and claimed that there was no any community participation in this regard. The remaining 9.33% and 20.31% of education and FED respondents respectively indicated that they do not know. This might be mainly due to their less experience in school construction sphere.

Item 3 of table 6 designates the issue of forms of community support to education projects. Out of the total respondents certain proportion of education experts (54.67%) and FED experts (26.56%) agreed at the financial contribution as the major form of community support, while a significant proportion of education experts (62.67%) and FED experts (60.94%) accepted that material contribution was the largest one. The majority of respondents (93.33%) of education experts and 95.31 of FED experts) announced that labour contribution constituted the largest form that the community made to support education projects.

To the open - ended question posed, those who responded as the community participation in financing education projects was low and very low, gave their reasons for the major obstacles that hinder wider community participation as: hand - to - mouth life of the community, low level of awareness, lack of commitment on the sides of the management, absence of formal procedures and regulations to mobilize the community, lack of concerted efforts in community mobilization, financial and time constraints to convene the community and other stakeholders, the formerly wide spread top - down approach to budget allocation, and disregard to the community contribution in successful completion and operation of education projects.

Similarly, the majority of the interviewees responded that the status of community participation was very low and mostly restricted to labour and material contributions. Dependency syndrome, less attention by the functional and political leadership to make the community self - reliance and create sense of ownership, "let the government do it" notion were some of the obstacles to wider community participation as responded by the majority of the interviewees.

The information obtained from the focus group discussion revealed that many of the focus group discussion members agreed that they had participated in supporting education projects through their labour, such as clearing roads to construction sites and localities where construction materials were available. They also confirmed that they participated in contributing materials and money to construct new classrooms, upgrade, rehabilitate and maintain the existing ones. As to their participation in selecting school construction sites is concerned, they said that the kebele and woreda representatives participated in such matters.

The findings of the study based on the data in table 6 and responses received from interviewees and discussion group members disclose that community participation in financing education projects was low. Their participation in selecting school construction sites through their representatives was in better position. As far as the form of participation is concerned, labour and material contributions were the major ones sometimes supplemented by financial support. Generally, according to the World Bank report (World Bank, 2003:1), many social services fail to reach poor people in access, quality and in quantity mainly due to the failure in making the poor at the center of services. Community participation is extremely useful to this end and to the proper functioning of development projects. Therefore, it must be raised to the maximum by removing social obstacles such as mentality of dependence (Oakley, P. et al., 1991:9). Moreover, the Ethiopian constitution in Article 43 sub articles 1 and 2 stipulates that the peoples of Ethiopia as a whole, and each nation and nationality and people have the right to participate in national development and to be consulted with respect to policies and projects affecting their lives(EPA, 2007:3).

#### **4.2.3. Manpower and Institutional capabilities**

In this sub - section, managerial and staff efficiencies and institutional capacity to handle education projects were dealt in some details.

Any project success cannot be imagined without capable managers and hence, it can be said that good managers are major determinants of project success. But, this does not mean that project management is a one-person operation, rather, it requires a capable staff dedicated to the achievement of specific objectives (Kerzner, H., 1995: 165; Baum, W. C and S. M. Tolbert 1985:370). So, examining the level of managerial and staff efficiency on one hand and

institutional capabilities on the other may provide certain clues about the status of education projects implementation and their budget utilization in the region under study.

**Table 7: Personnel Efficiency**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	The managerial capability in education projects is:						
	A. Very High	-	-	-	-	-	-
	B. High	3	4.00	4	6.25	7	5.04
	C. Satisfactory	15	20.00	23	35.94	38	27.34
	D. Unsatisfactory	29	38.67	27	42.19	56	40.28
	E. Very unsatisfactory	28	37.33	10	15.62	38	27.34
	Total	75	100.00	64	100.00	139	100.00
2	The staff capability to handle education projects budget is:						
	A. Very high	1	1.33	-	-	1	0.72
	B. High	4	5.33	12	18.75	16	11.51
	C. Satisfactory	28	37.33	17	26.56	40	28.78
	D. Unsatisfactory	26	34.67	25	39.06	56	40.29
	E. Very unsatisfactory	16	21.33	10	15.63	26	10.70
	Total	75	100.00	64	100.00	139	100.00
3	Reasons for unsatisfactory or very unsatisfactory staff capability						
	A. In adequate experience	28	66.67	22	62.86	50	64.94
	B. Low qualification	22	52.38	23	65.71	45	58.44
	C. Lack of motivation	13	30.95	16	45.71	29	37.66
	D. Irrelevant qualification to position	27	64.29	22	62.86	49	63.67

1.  $\bar{X}_1 = 1.91$   $Sd_1 = 0.85$ ,  $t = \text{obtained} = -2.981$

$\bar{X}_2 = 2.33$ ,  $Sd_2 = 0.81$ ,  $t = \text{critical } \alpha.05 = 1.960$ , significant different

As Table 7 Item 1 depicts, 4.00% and 6.25% of the education and FED experts respectively asserted that the managerial capacity in education projects was high, whereas, 20.00% of education and 35.94% of FED experts believed that the managerial capability was satisfactory. On the contrary, the majority of education experts (76.00%) and FED experts (57.81%) agreed that the managerial efficiency in education projects was not satisfactory.

A t- test was employed to identify whether or not there was significant difference between the views of the two groups of respondents concerning managerial efficiency. The critical value of t- test (at  $\alpha = 0.05$ , two - tailed) is less than that of the calculated value implying that there was

statistically significant difference between the opinions of the two groups of respondents. To the question as to what extent do managerial capacity was affecting the implementation of education projects, the majority of interviewees stated that it was widely prevailing problem and manifested it self in different forms such as trying to avoid risk taking, pushing decision making to upper management echelons by lower ones and avoidance of accountability and responsibility. Therefore, it is imperative to conclude that the managerial capability in education projects in the region was unsatisfactory as declared by the majority of respondents.

The second Item of Table 7 deals with staff capability in handling education projects budget. Accordingly, 6.66% of education and 18.75% of FED experts rated that staff capability was high and very high. In line with these groups, 37.33% and 26.56% of education and FED experts respectively believed that staff capability was satisfactory. Opposing these views the majority of education experts (56.00%) and FED experts (54.69%) advocated that the staff capability to handle education projects budget was not satisfactory. As Harrison(1992 : 8) indicates, such incapability greatly hampers the success of projects.

When a thorough look at the data in Table 7 Item 2 is made, it seems that education experts favored toward positive view of the staff capability when compared to responses given by FED experts which might be originated from the notion that it is less likely that one can criticize one self. So, whether the variations in the above responses are statistically significant or not, t - test (at  $\alpha = 0.05$ , one tailed) was employed and the result showed that the calculated value of t - test (1.063) is less than that of the critical (table) value (1.645) emphasizing that the difference between the views of the two groups was not statistically significant (see Appendix IV). This means there was no favoritism from education experts.

Interviewees also agreed that shortage of capable personnel was major problem and it was particularly serious at woreda level. According to the majority of interviewees, provision of trainings, having well-studied organizational structure (particularly at REB level), and strengthening personnel capacity at woreda level in project management may serve as solution. Therefore, it is possible to safely conclude as per the majority responses that the staff capability to handle education projects budget was not satisfactory.

The reasons for staff in capabilities could be various and multifaceted. But, some of the major reasons that may cause staff inefficiency were provided to those respondents who advocated staff

efficiency was unsatisfactory and very unsatisfactory. This is what has been discussed under Item 3 of table 7. In general, 42 education experts and 35 FED experts responded to this question and accordingly, for 30.95% of education experts and 45.71% of FED experts, lack of motivation was the main reason for staff inefficiency. Low staff qualification was stated as the major reason for staff incapability for significant proportion of education experts (52.38%) and FED experts (65.71%). Irrelevant qualification to positions was agreed at as the main reason by 64.29% of education experts and 62.86% of FED experts. 66.67% of education experts together with 62.86% of FED experts declared that inadequate experience was the major cause for staff in capabilities.

The spearman's rank order correlation coefficient employed displayed that there no was statistically significant positive correlation between the perceptions of the two groups concerning the major reasons. This might be emanated from the differences in experiences of respondents in personnel affairs in education projects.

Generally, though, strong positive correlation in responses between the two groups existed, from the majority responses, it is imperative to infer that inadequate experience, irrelevant qualification to positions and low qualification of the staff were consecutively identified as major reasons for staff inefficiency. It can be recalled from the data in Table 3 that the majority of respondents from both groups were below 5 years of service in their current positions which may indicate that most of the personnel lacks sufficient experience in handling education projects budget that goes in line with the above conclusion from Table 7 of item 3.

It is now crystal clear that personnel's (both management and employees) incapability greatly hampered the utilization of education projects budget in the region. It could be wise to identify as to which functional areas of project activities were more affected by shortage of inefficient personnel. The following Table 8 has embarked on discussion of this issue.

In Table 8, 6 functional areas were given to respondents so as to identify in which of the items that there existed serious shortage of manpower in education projects implementation. Accordingly, project design and specification (76.00%), project monitoring and supervision (72.00%), project planning (57.33%), project finance management and accounting (54.67%), procurement service (54.67%) and project contract administration (42.67%) were ranked from 1<sup>st</sup>

to 6<sup>th</sup> in ascending order of seriousness of areas of function with shortage of personnel by education experts.

**Table 8: Functional Areas of Shortage of Capable Manpower**

No	Items	Responses in frequencies and percentages						D = r1-r2	D <sup>2</sup>
		Education Experts (N = 75)			FED experts (N = 64)				
		f	%	r <sub>1</sub>	f	%	r <sub>2</sub>		
1	Project finance management and accounting.	41	54.67	4.5	30	48.88	4	0.5	0.25
2	Project monitoring and supervision	54	72.00	2	32	50.00	3	-1	1
3	Project contract administration	32	42.67	6	23	35.94	6	0	0
4	Project design and specification	57	76.00	1	49	76.56	1	0	0
5	project planning	43	57.33	3	42	65.63	2	1	1
6	Procurement service	41	54.67	4.5	26	40.63	5	-0.5	0.25

$r_s$  - (Spearman's rank Order correlation coefficient) = 0.929

$r_s$  - critical = 0.886,  $n = 6$ ,  $\Sigma D^2 = 2.50$ ,  $\alpha = 0.05$ , significant difference

Project design and specification (76.56%), project planning (65.63%), project monitoring and supervision (50.00%), project finance management and accounting (48.88%), Procurement service (40.63%), and project contract administration (35.94%) were ranked from 1<sup>st</sup> to 6<sup>th</sup> in ascending order of seriousness of functional areas where there was shortage of capable personnel by FED experts. The ranking order by the two groups of respondents was different except for items 3 and 4. Therefore, it was essential to conduct a test using a spearman's rank order correlation coefficient so as to see whether there is statistically significant difference between rankings of the two groups or not. The test at  $\alpha = 0.05$  (two - tailed)  $N = 6$ , indicates that the difference in ranking is statistically significant ( $r_s$ - obtained 0.929 >  $r_s$  critical = 0.886). In other words, the education experts and FED experts believed that the functional areas have different degrees of seriousness in shortage of capable manpower except for those items which stand 1<sup>st</sup> and 6<sup>th</sup> in the rank order (items 3 and 4).

In general based on the information in Table 8, it is possible to conclude that all the functional areas faced shortage of capable manpower at varying degrees. But, according to the majority

responses, project design and specification, monitoring and supervision and project planning consecutively were functional areas where there was serious shortage of manpower in education projects implementation. Having this premise at hand, it can also be concluded that it was hardly possible to have effective budget utilization in education projects in the area under study that converges with conclusion of the ESDP Implementation Manual (1998: 33) and the study report by Public Investment Programme Team(MoCB,2000: 642).

**Table 9: Problems Related to Manpower in Education projects as Ranked by Respondents**

No	Items	Respondents	Rank frequencies and percentages										Mean	Rank
			1	%	2	%	3	%	4	%	5	%		
1	In availability of required number of personnel	Education experts (N=75)	27	36.00	17	22.67	5	6.67	14	18.67	12	16.00	3.44	2
		FED Experts (N = 64)	18	28.13	18	28.13	6	9.38	4	6.25	18	28.13	3.22	3
		Total (139)	45	32.45	35	25.18	11	7.91	18	12.95	30	21.58	3.34	2
2	Absence of required qualification	Education experts	26	34.67	23	30.67	12	16.00	4	5.33	10	13.33	3.68	1
		FED experts	39	60.94	8	12.50	6	9.34	4	6.25	7	10.94	4.06	1
		Total	65	46.76	31	22.30	18	12.95	8	5.76	17	12.23	3.86	1
3	Lack of proper human resource management	Education experts	25	33.33	5	6.67	24	32.00	13	17.33	8	10.67	3.35	3
		FED experts	11	17.19	13	20.31	12	18.75	18	28.13	10	15.63	2.95	4
		Total	36	25.90	18	12.45	36	25.90	31	22.30	18	12.91	3.17	3
4	Lack of commitment of available personnel	Education experts	7	9.33	8	10.67	17	22.67	14	18.67	29	38.67	2.33	5
		FED experts	8	12.50	7	10.94	14	21.86	12	18.75	23	35.94	2.45	5
		Total	15	10.79	15	10.79	31	22.30	26	18.71	52	37.41	2.39	5
5	High turnover of personnel	Education experts	22	29.33	5	6.67	4	5.33	11	14.67	33	44.00	2.63	4
		FED experts	29	45.31	8	12.50	6	9.38	5	7.81	16	25.00	3.45	2
		Total	51	36.69	13	9.35	10	7.19	16	11.51	49	35.25	3.01	4

As it can be observed in Table 9, 38.67% of education experts and 35.94% of FED experts were in complete agreement with Item 4, lack of commitment of available personnel, as the least serious problem in relation to manpower in education projects. On another extreme, only 9.33% of education experts and 12.50% of FED experts stood against this notion stating that lack of commitment was number one serious problem. Again, significant proportion of respondents (44.00% of education and 25.00% of FED experts) believed that turnover of personnel in education projects was the least serious problem. But, 29.33% and 45.31% of education and FED experts respectively disagreed at this view and believed that turnover of personnel was the most serious problem.

Whereas, absence of required qualification (34.67% education and 60.94% of FED experts), in availability of required number of personnel (36.00% of education and 28.13% of FED experts),

and lack of proper human resource management (33.33%) of education and 17.19% of FED experts) were declared as the most serious problems related to manpower in education projects consecutively. On the contrary, 13.33% of education and 10.94% of FED experts rejected the above belief and accepted that absence of required qualification was the least serious problem. Similarly, 16.00% and 28.13% of education and FED experts respectively, agreed that in availability of required number of personnel was not serious problem in education projects in the region. 10.67% of education and 15.63% of FED experts announced that lack of proper human resource management was the least serious problem in this regard.

In conformity with the majority responses, the mean, its rank and weighted mean at the right edge of Table 9 reveals that absence of required qualification, availability of required number of personnel, and lack of proper human resource management were the most serious problems consecutively in education projects, whereas, lack of commitment of available personnel and turnover of personnel were considered as the least serious problems in education projects. To check whether there is statistically significant difference or not between the rankings of the two groups of respondents, spearman's rank order correlation coefficient was employed based on the computed mean scores as the detail appears in Table 10 below.

**Table 10: Rank Order of Problems Related to Manpower in Education Projects**

No	Items (Problems)	Respondents				Wighted mean	Rank
		Education experts		FED experts			
		mean	Rank <sub>1</sub>	Mean	Rank <sub>2</sub>		
1	In availability of required number of personnel	3.44	2	3.22	3	3.34	2
2	Absence of required qualification	3.68	1	4.06	1	3.86	1
3	Lack of proper human resource management	3.35	3	2.95	4	3.17	3
4	Lack of commitment of available personnel	2.33	5	2.45	5	2.39	5
5	High turnover of personnel	2.63	4	3.45	2	3.01	4

*Spearman's Rank Order correlation coefficient = 0.700,  $\Sigma D^2 = 6$*

*rs- Critical = 1.000 at  $\alpha = 0.05$  (Two tailed), number of pairs = 5*

In Table 10, it can be observed that weighted mean for Items 4 and 5 is below the average mean (3.15) and for the rest of Items, is above the average. As the data presented in Table 10 indicates, the test at  $\alpha = 0.05$  level of confidence (two - tailed), resulted in calculated value of 0.700 which is less than that of table

value (1.00) implying that the difference between the two groups of respondents in ranking items (1, 3 and 5) is not statistically significant.

Therefore, based on the confirmation achieved from the majority respondents and statistical test that entails the existence of strong agreement between rankings, it is high time now to conclude that absence of required qualification, in availability of required number of personnel, and lack of proper human resource management were the most serious problems which may adversely affected the effective utilization of the allotted budget to education projects.

**Table 11: Institutional Capability**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	What is the degree of coordination among education, finance and economic development and works and urban development bodies in proper utilization of education projects budget?						
	A. Very High	4	5.33	3	4.69	7	5.04
	B. High	4	5.33	6	9.38	10	7.19
	C. Satisfactory	17	22.67	21	32.81	38	27.34
	D. Unsatisfactory	33	44.00	29	45.31	62	44.60
	E. Very unsatisfactory	17	22.67	5	7.81	22	15.83
	Total	75	100.00	64	100.00	139	100.00
2	Who is mainly responsible to carry out monitoring and supervision of education project?						
	A. Regional Education Bureau	21	28.00	8	12.50	29	20.86
	B. Regional works and urban development Bureau	2	2.67	2	3.12	4	2.88
	C. Zone works and urban development departments	12	16.00	10	15.63	22	15.83
	D. Woreda education offices	18	24.00	26	40.63	44	31.65
	E. Regional Education Bureau and works and Urban Development Bureau	22	29.33	18	28.12	40	28.78
	Total	75	100.00	64	100.00	139	100.00
3	How often is super vision of education projects carried out?						
	A. Always	15	20.00	9	14.06	24	17.27
	B. Sometimes	14	18.67	22	34.38	36	25.89
	C. Seldom	40	53.33	31	48.44	71	51.08
	D. Not at all	5	8.00	2	3.12	8	5.76
	Total	75	100.00	64	100.00	139	100.00

1.  $\bar{X}_1 = 2.27$   $\bar{X}_2 = 2.58$   $Sd_1 = 1.04$ ,  $sd_2 = 0.93$ ,  $t - obtained = -1.856$

$t - critical (at \alpha = 0.05) = 1.960$ , not significant

3.  $\bar{X}_1 = 1.51$   $\bar{X}_2 = 1.59$ ,  $sd_1 = 0.90$ ,  $sd_2 = 0.76$ ,  $t - obtained = -0.568$ ,  $t - critical (at \alpha = 0.05, two - tailed, = 1.960, not significant$

Execution of education projects, particularly school construction projects, is not entirely the job of one organization. Different line offices are responsible and take part in different activities of the projects. BoFED, for example, is responsible to earmark the necessary budget, hold and

release it for payments as per the request from REB and woreda education offices. WUDB and its zonal tiers are responsible to undertake and approve bidding for construction works, carryout monitoring and supervision of projects, prepare take - off sheets and subsequently payment certificates. REB and its woreda tiers, the owners of education projects, conduct site handover, monitor and supervise projects in conjunction with WUDB and its zonal extensions, effect payments as per the payment certificate, and make acceptance of project deliverable at the time of completion.

This shows that the issue of having strong coordination among these executing bodies becomes very pressing for the successful implementation of projects and effective utilization of their budgets. But, this is not to deny the fact that coordination among different agencies can be time - consuming and unproductive if it is made to have superficial coordinating committee composed of more senior staff and officials (Baum, W. C and S. M. Tolbert, 1985: 505).

Item 1 of Table 11 raises the issue of the degree of coordination among executing bodies of education projects in BGRS. In this regard, 10.66% of education and 14.07% of FED experts asserted that coordination among education, finance and economic development, and works and urban development bodies was high and very high. Significant proportion of respondents (22.67% education and 32.81% of FED experts) believed that it was satisfactory. The majority of the respondents (66.67% of education and 53.12% of FED experts) rejected the above belief by stating that there was unsatisfactory and very unsatisfactory coordination.

To the open - ended question, these groups of respondents provided the main reasons for weak coordination as explained below:

- Absence of formal systems and procedures to form and strengthen the coordination,
- Lack of transparency and close relationship among the concerned bodies,
- Lack / absence of collective or joint planning,
- Lack of commitment and accountability on the sides of managers,
- Management inefficiency, and
- Rendering low heed or disregard to the need and importance of coordination,

By the same token, interviewees were asked whether or not there was strong coordination among the implementing bodies of education projects. Almost all of them agreed that there was no deliberately set strong coordination except that happened in ad - hoc basis as a result of one's

formal mandate requirements. According to the most of the interviewees, formulating strategies to establish strong coordination, convene regular conferences of all stakeholders to discuss as to how coordination will be strengthened among them may serve to ameliorate the prevailing problem of weak coordination.

The test employed confirms that the difference between the opinions of respondents about the degree of availability of coordination was not statistically significant ( $t$  - obtained =  $-1.856$  is less than  $t$  - critical =  $1.960$ ). Therefore, from the majority responses and interviewees replies, it is possible to conclude that coordination among education projects implementing bodies was unsatisfactory. Having weak coordination among executing organs where core activities of projects scattered, may be one of the causes for execution delays and under utilization of projects' budgets.

Monitoring and supervision of projects are essential components of project implementation. They can help to detect implementation problems as early as possible and at a given interval. Without sufficient monitoring and supervision practice, managers cannot have reliable information to make informed decisions. Item 2 of Table 11 deals with the issue as to who was mainly responsible to carryout monitoring and supervision of education projects. In this regard, 28.00% and 12.50% of education and FED respondents respectively agreed that it was the REB that was responsible. Minority respondents of both groups (2.67% of education and 3.12% of FED experts) asserted that WUDB was the one responsible to do monitoring and supervision. ZWUDD was responsible to do the same for certain proportion of respondents (16.00% education and 15.63% of FED experts). Again, significant proportion of respondents (29.33% of education and 28.12% of FED experts) asserted that REB and WUDB were responsible to carry out the task. The majority of both respondents (31.65%) declared that woreda education offices were the main entities to carryout monitoring and supervision activities of education projects. The pattern of the above responses shows that there was certain confusion and fluid demarcation as to who was mainly responsible to do the task.

As Item 3 of Table 11 indicates, 8.00% of education and 3.12% of FED experts didn't know how frequently the monitoring and supervision was carried out. About 20.00% and 14.06% of the two groups of respondents respectively accepted that supervision of education projects was carried out frequently, whereas, for 18.67% education and 34.38% of FED experts, there was sporadic

supervision. The majority of respondents (53.33% of education and 48.44% of FED experts) agreed that supervision activities were carried out very often. The t- test applied at  $\alpha = 0.05$  (two-tailed) shows that the obtained t-value (-0.568) is less than that of the critical value (1.960) justifying that the opinion difference between the two groups was not statistically significant.

On the same issue, interviewees were asked to reply whether there was sufficient monitoring and supervision of education projects or not and reasons for insufficiency if agreed upon. All of them agreed that there were no sufficient monitoring and supervision activities. One of the interviewees responded that monitoring and supervision of projects was done as stimulated by the contractors' request for payment and otherwise there was no planned and deliberate work of monitoring and supervision. The major reasons for insufficient monitoring and supervision in education projects, according to responses of interviewees were as follows:

- Lack of coordination in monitoring and supervision works,
- Shortage of personnel,
- Lack of qualified personnel to carryout the task,
- Shortage of vehicles for field works,
- Role conflicts in monitoring and supervision of education projects among implementing bodies.

Based on the majority responses, result of the test and replies from the interviewees, it can be concluded that the responsibility of undertaking monitoring and supervision of education projects were not well - demarcated and defined and there was no sufficient and frequent monitoring and supervision activities existed in education projects, which may greatly affected their implementation and budget utilization.

In Table 12, Item 1 indicates budget allocation process to education projects to woredas. It reveals that there was the practice of both bottom- up and top - down approaches in budget allocation to woredas. The majority of respondents who were in favor of bottom - up approach were 33.33% of education and 54.69% of FED experts. Those who stood against this view and declared that major approach was top-down were 26.67% and 10.94% education and FED experts respectively. Still significant proportion of respondents (24.00% of education and 21.88% of FED experts) accepted that the prevailing processes of budget allocation were both bottom up

and top - down approaches. 16.00% of education and 12.50% of FED respondents preferred to keep reluctant to the question.

#### 4.2.4 Budget Allocation to Education Projects and its Contribution in Achieving Educational Objectives.

**Table 12: Allocation of Budget to Education projects**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	What is the approach followed to allocate education projects budget to woredas?						
	A. Bottom - up	25	33.33	35	54.69	60	43.17
	B. Top - down	20	26.67	7	10.94	27	19.42
	C. Both bottom - up and top down	18	24.00	14	21.88	32	23.02
	D. Don't know	12	16.00	8	12.50	20	14.39
	Total	75	100.00	64	100.00	139	100.00
2	Who decide the amount of budget to education projects in woredas?						
	A. Regional council of people's representatives	27	36.00	5	7.81	32	23.02
	B. BOFED	9	12.00	-	-	9	6.48
	C. The woredas themselves	20	26.67	42	65.63	62	44.60
	D. REB	4	5.33	9	14.06	13	9.35
	E. WUDB	2	2.67	1	1.56	3	2.16
	F. Don't know	13	17.33	7	10.94	20	14.39
	Total	75	100.00	64	100.00	139	100.00
3	Budget appropriation to woredas is carried out after adequate assessment of needs of beneficiaries						
	A. Strongly agree	12	16.00	13	20.31	25	17.99
	B. Agree	18	24.00	15	23.44	33	23.74
	C. Undecided	6	8.00	6	9.38	12	8.63
	D. Disagree	24	32.00	23	35.94	47	33.81
	E. Strongly disagree	15	20.00	7	10.94	22	15.83
	Total	75	100.00	64	100.00	139	100.00

1.  $\chi^2$  - obtained = 8.540,  $\chi^2$  - critical (at  $\alpha = 0.05$ ,  $df = 3$ ) = 7.815, significant difference

3.  $\bar{X}_1 = 2.84$   $\bar{X}_2 = 3.06$ ,  $Sd_1 = 1.40$   $sd_2 = 1.36$

$t$  - obtained = /-0.938/

$t$  - critical (at  $\alpha = 0.05$ - two tailed= 1.960

\* No significant difference

This might be due to their recent assignment to the posts. A chi-square ( $\chi^2$ ) test was employed to see whether there was statistically significant different between the opinions of the two groups concerning the approach of budget allocation to woredas. The test shows that there was significant difference. This difference may be due to varying perceptions of both respondents

about the recent devolution of the roles and responsibilities of education projects administration to woredas.

According to the majority responses, bottom -up budget allocation approach was the dominant one followed by top -down approach. The reason for favoring the bottom up approach to budget allocation may be due to recent trends of woredas to prepare their own budgets and pass it to regional council through BoFED for appropriation.

The sign of dominance of bottom - up approach is a good start since the process improves the quality of work done, increases effective utilization of the available resource and brings about sense of ownership of the projects.

Item 2 of table 12, poses question about who decide the amount of budget to be allocated to education projects in woredas. In this regard, regional council of people's representatives was the one to decide on the issue for 36.00% of education and 7.81% of FED experts.

For only 12.00% of education experts, it was BoFED that decide budget to woredas. Again, 5.33% of education and 14.06% of FED experts, and 2.67% of education and 1.56 % of FED experts accepted that it was REB and WUDB respectively who decide the amount of education project budget in woredas. 17.33% of education and 10.94% of FED experts didn't know as to who decide the amount of budget. The woredas themselves had the power of deciding the amount of education projects budget in woredas for 26.67% of education and 65.63% of FED experts. The general practice of allocation of budget to woredas in the region goes in agreement to this majority opinion. The regional government allocates the total budget to woredas as a block grant based on the apportionment formula. It is the woedas at present who decide the amount of budget to be allocated to their sector offices.

Though the majority of both respondents put - together (44.60%) accepted that the decision was confined to woredas, it can be observed from the data in Table 12 Item 2 that there was confusion about the decision- enter for apportionment of budget to education projects in woredas.

In open-ended question, respondents were asked to identify major problems related to the education projects budget allocation in woredas. Their replies summarily listed as follows:

- ♦ Not giving sufficient heed to the utilization capacity particularly to that of manpower in woredas,

- ◆ Lack /absence of sufficient study about woredas before budget allocation,
- ◆ Absence of formula or formal apportionment procedure in woredas to allocate budget to different sector offices in woredas,
- ◆ Lack / absence of participation of beneficiaries in the allocation process,
- ◆ Limited capacity of government to allocate sufficient budget to all projects from the very outset,
- ◆ Low awareness in woredas about regional priorities in education and giving less attention to the developmental issues.

Item 3 of Table 12 raises the issue of need assessment of beneficiaries prior to budget allocation to woredas. Accordingly, 40.00% of education and 43.75% of FED experts asserted that there was adequate need assessment of beneficiaries before budget appropriation. 8.00% of education and 9.38% of FED experts did not have made up their minds about the issue in question. On the contrary, the majority of respondents (52.00% of education and 46.88% FED experts) believed that budget appropriation to woredas was carried out without undertaking adequate assessment of beneficiaries. To check whether there is statistically significant difference between the opinions of the respondents, t- test was employed the result of which indicated that statistically no significant difference between the responses of the two groups of respondents existed (t - obtained /-0.938/< t - critical = 1.960).

Therefore, it can confidently be concluded based on the majority responses that the budget appropriation in most cases didn't consider the need of beneficiaries. In the absence of need assessment of beneficiaries, there is no surprise for budget overruns, lack of effective utilization of budget, and subsequently failure to complete education projects within planned budget, time and specification. The dominance of bottom- up approach to budget allocation and the shift of decision- center from the region to woredas in allocating budget to education projects as discussed in Items 1 and 2 of Table 12, didn't penetrate into the beneficiaries at grassroots level to incorporate their needs assessment. Had an objective need assessment of the community and pertinent resources of the particular areas been made, the amount of budget unused and misused during the fiscal year could at least had been reduced.

**Table 13: Apportionment Factors and Timely Dispatch of Education Projects**

**Budget**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	The most important factor considered in allocation of education projects budget is:						
	A. Last years' budget	40	53.33	21	32.81	61	43.88
	B. Capacity of personnel in woredas	10	13.33	10	15.63	20	14.39
	C. Size of population in woredas	30	40.00	31	48.44	61	43.88
	D. Woreda priorities	32	42.67	21	32.81	53	38.13
	E. Magnitude of problems in woredas	19	25.33	18	28.13	37	26.62
2	The approved and appropriated budget of education projects timely released						
	A. Strongly agree	3	4.00	7	10.94	10	7.19
	B. Agree	18	24.00	28	43.75	46	33.10
	C. Undecided	10	13.33	4	6.25	14	10.07
	D. Disagree	35	46.67	18	28.13	53	38.13
	E. Strongly disagree	9	12.00	7	10.94	16	11.51
	Total	75	100.00	64	100.00	139	100.00

1.  $\Sigma D^2 = 6.50$ ,  $r_s$  - obtained = 0.675,  $r_s$  - critical (at  $\alpha = 0.05$ , two tailed, no of pairs = 5) = 1.00, no significance

2.  $\bar{X}_1 = 2.61$ ,  $\bar{X}_2 = 3.16$ ,  $Sd_1 = 1.09$ ,  $Sd_2 = 1.25$ ,  $t$  - obtained =  $-2.741$ ,  $t$  - critical (at  $\alpha = 0.05$ , one - tailed,) = 1.645

. Significant difference

As Table 13 Item 1 discloses, last years budget allocation and the size of population found in woredas were given high attention during budget allocation to woredas. For 25.33% education and 28.13% FED experts, magnitudes of problems found in woredas were given more heed during apportionment. Again, for significant proportion of respondents (42.67% of education and 32.81% of FED experts) priorities set by woredas were given more focus over other factors. Only 13.33% of education and 15.63% of FED experts believed that capacity of personnel was considered during the budget allocation to education projects. A spearman's rank order correlation coefficient was applied to see whether or not there was statistically significant difference between responses by the two groups of respondents. The test revealed that  $r_s$  - obtained (0.675) is less than that of  $r_s$  - critical (1.00) at  $\alpha = 0.05$  - two - tailed) which implies that no statistically significant difference was found between the responses of the two groups.

By the same token, a more or less similar question was posed to the interviewees as to what criteria were used to allocate budget to woredas. According to responses from most of them,

population size, expenditure requirement and revenue collection efforts of woredas were the major factors considered during budget apportionment to woredas. Many of the interviewees believed that apportionment criteria had strengths such as: it avoids personal bias and help to apportion budget to wordas based on the objectively set formula, give greater attention to the size of population or beneficiaries, and encourage increasing own revenue collection efforts of woredas. Disregard to the capacity of personnel and low heed to needs assessment of beneficiaries were pointed out as weaknesses of these criteria.

Based on the majority responses and replies from interviewees, it is safe to conclude that less attention was given to the capacity and availability of personnel during allocation of budget to woredas. However, the allocated budget could hardly end - up with fruitful outcome unless otherwise this most important factor is given full account during budget apportionment. This can be considered as one of the factors that greatly contribute to the poor utilization of the allocated budget to education projects.

The execution capability of the existing personnel in woredas should have been considered during budget allocation. Appropriation and dispatching the budget where there are no capable personnel could result in an ineffective utilization of the budget and hence the stated educational objectives could not be realized. Furthermore, budget allocation to the lower tiers (woredas) with sheer unfamiliarity of implementing capacity of manpower results in the confusion and frustration as to what and how to do with the allocated budget.

Item 2 of Table 13 deals with the issue of timely dispatch of education projects budgets. Once a budget is allocated to a given organization, many obstacles occur that hinder the effective utilization and achieve the stated objectives. Lack or absence of proper utilization of the available budget affects the purpose for which the budget has been meant. The utilization problem may arise even before the budget reaches the implementing body that means the budget allocated may not be released as scheduled. According to the proclamation No. 8/1997, Financial Administration Proclamation of the Benishangul - Gumuz National Regional State, Article 16, the budget appropriation shall be approved by the regional council by Sene 30<sup>th</sup> and all public bodies shall be notified by Hamle 7 (BGRS, 1997: 21). But significant proportion of respondents (58.67% of education and 39.07% of FED experts) disagrees and strongly disagrees of the notion of timely release of the approved budget. About 13.33% and 6.25% of education and FED

experts respectively hesitated to respond to the question. About 28.00% of respondents from education experts and 54.69% from FED declared that there was timely dispatch of approved budget to education projects. When a close look at the data in Item 2 of Table 13 made, it seems that FED experts favored or leaned toward the opinion of timely release of budget. To check the existence of favoritism, a t - test was employed and the result indicated that t-obtained ( $-2.741$ ) is greater than value of t - critical (1.645) at  $\alpha = 0.05$  one -tailed, which indicates that there is a sort of favoritism on the sides of FED experts about the timely dispatch of the budget. This may be because of the fact that releasing budget timely was the responsibility of FED experts and it is less likely that one criticizes ones own work.

It is therefore, possible to conclude that budget delays were prevalent which serves as a spring - board to deduce that these delays negatively affected the effective utilization of the allocated budget.

It is clear that budget is very important to the planning process because the objectives of the projects and development programmes contained in the plan cannot be implemented without the budget. The main aim of budget allocation is to achieve the planned targets in educational objectives. Item 1 of Table 14 takes up this issue and the majority of respondents (66.67% of education and 60.94% of FED experts) believed that education projects budget allocated so far resulted in improvements of education through increasing access, equity and quality. But, only 24.00% and 26.57% of education and FED experts respectively opposed this notion and said that education projects budget allocated so far did not bring about improvements in access, equity and quality. The rest of the total respondents (3.60%) were uncertain about the issue. It can therefore, be possible to broadly conclude that education projects budget allocated so far helped to improve access, equity and quality of education.

Item 2 of Table 14 also makes clear that the allocation of budget to education projects has got a vision of improving access where 96.00% of education and 87.50% of FED experts believed in this fact. The minority of respondents (17.33% education and 23.44% of FED experts) accepted that the main aim of allocation budget was to achieve equity in resource distribution. But, over looking the issue of equity principle might not be possible where the beneficiary children (students) are situated in similar manner or differently in relation to resource distribution. Equally

**Table 14: Contribution of Education Projects Budget**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	Education projects budget allocated so far resulted in improvements of education through increasing access, equity and quality						
	A. Strongly agree	11	14.67	3	4.69	14	10.07
	B. Agree	39	52.00	36	56.25	75	53.96
	C. Undecided	7	9.33	8	12.50	15	10.79
	D. Disagree	15	20.00	15	23.44	30	21.58
	E. Strongly disagree	3	4.00	2	3.13	5	3.60
	Total	75	100.00	64	100.00	139	100.00
2	What do you think the main aim of allocation budgets to education?						
	A. Increase access	72	96.00	56	87.50	128	92.09
	B. Improve quality of education	45	60.00	28	43.75	73	52.52
	C. To reduce poverty	33	44.00	25	39.06	58	41.73
	D. To achieve equity in resource distribution	13	17.33	15	23.44	28	20.14

situated children should be treated equally, whereas, those children who are situated differently must be treated differently (Nebiyu, 2000 ). The final aim of budget allocation to education sector in general and to education projects in particular is to reduce poverty. In this regard, 44.00% and 39.06% of education and FED experts respectively attested that the main purpose of budget allocation to education projects was to reduce poverty. Another significant proportion of respondents (60.00% and 43.75% of education and FED experts respectively) asserted that the main purpose of allocation of budget to education was to improve quality of education. A t - test employed indicated that there was no statistically significant difference between the opinions of the two groups of respondents ( $t$  - obtained  $0.963 < t$  - critical =  $1.960$ )

Therefore, it is possible to make a sound generalization as indicated in Table 14 that the education projects budget allocated so far met the demands of educational programmes through increasing access and to some extent, improving quality of education and equitable distribution of educational opportunities.

#### **4.2.5 Factors that Affect the Utilization of Education Projects Budget**

This sub - section deals with major factors or problems that affect the proper utilization of education projects budget including the core reasons for budget overrun.

Item 1 of Table 15 deals with the degree of agreement or disagreement of the respondents about the effective utilization of budget allocated to education projects in the past five consecutive years. Accordingly, 33.81% of the respondents agreed with this opinion, whereas, 15.83% of both respondents preferred to be neutral to the issue. But, the majority of respondents (50.67% of education and 50.00% of FED experts) didn't accept this belief and stated that the education projects budgets allocated in the last five consecutive years were not effectively utilized.

Item 2 in Table 15 takes up the major factors or problems that may affect the effective utilization of education projects budget. In this regard, shortage of personnel was regarded as major factor for only 24.00% of education and 28.13% of FED experts. The capacity of personnel was asserted as a major factor that affected utilization of budget by 60.00% and 54.69 % of education

**Table 15: Utilization Problems**

No	Items	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
1	Most of the education projects budgets allocated in the last five consecutive years were utilized effectively.						
	A. Strongly agree	-	-	-	-	-	-
	B. Agree	24	32.00	23	35.94	47	33.81
	C. Undecided	13	17.33	9	14.06	22	15.83
	D. Disagree	38	50.67	25	39.06	63	45.32
	E. Strongly disagree	-	-	7	10.94	7	5.04
	Total	75	100.00	64	100.00	139	100.00
2	What is the major factor/problem that affect the effective utilization of education projects budget?						
	A. Delays in budget disbursement	57	76.00	39	60.94	96	69.06
	B. Shortage of Personnel	18	24.00	18	28.13	36	25.90
	C. Capacity of Personnel	45	60.00	35	54.69	80	57.55
	D. Managerial inefficiency	53	70.67	47	73.44	100	71.94
	E. Weak coordination among executing bodies	41	54.67	41	64.06	82	58.99
3	How frequently do education projects completed within the planned time frame?						
	A. Always	3	4.00	1	1.56	4	2.88
	B. Sometimes	10	13.33	17	26.56	27	19.42
	C. Seldom	28	37.34	22	34.38	50	35.97
	D. Not at all	30	40.00	22	34.38	52	37.41
	E. Don't know	4	5.33	2	3.13	6	4.32
	Total	75	100.00	64	100.00	139	100.00

and FED experts respectively. Managerial inefficiency (71.94%), delays in budget disbursement (69.06%), and weak coordination among education projects executing bodies (58.99%) were considered as first, second and third major factors that affected the effective utilization of budget for the majority of the respondents.

By the same token, interviewees were provided with five constraints supposed to be causes for poor budget utilization. These were: Managerial inefficiency, delays in budget allocation and disbursement, personnel inefficiency, shortage of personnel and prolonged bureaucracies. For most of the interviewees, 18 (62.07%) personnel inefficiency and delays in budget allocation and disbursement were the major problems that affected the proper utilization of the budget. Only few number of interviewees (4) regarded managerial inefficiency (13.79%), shortage of personnel and prolonged bureaucracies (24.14%) as obstacles to effective utilization of education projects budget. Less regard to managerial inefficiency by the majority of interviewees might be to conceal the weaknesses of the management, as they were part of it.

Item 3 of Table 15 also discusses the related issue of frequency of completion of education projects within planned time frame. From the total respondents, 4.32% remained uncertain about the question. Whereas, Only 2.88% of the respondents attested that education projects were completed within the planned time frame. For 13.33% of education and 26.56% of FED experts, timely completion of projects was sporadic. Whereas, 37.34% of education and 34.38% of FED experts claimed that education projects were rarely completed within planned schedule. On the contrary, the majority of the respondents (40.00% of education and 34.38% of FED experts) advocated that education projects were never completed within the planned timetable.

To the open - ended question posed to these groups of respondents to justify their replies as seldom and not at all, they gave reasons summarily as: low capacity of contractors, lack of knowledge on the sides of contractors about the physical topography of the region, delays in budget release, absence of commitment on the sides of management, lack of qualified personnel, lack of sufficient monitoring and supervision of projects and inaccessibility of project sites.

Based on the information extracted from data in Table 15, it is possible to conclude that education projects budgets allocated in the last five consecutive years were not effectively utilized. It is also imperative to conclude that managerial inefficiency, delays in budget disbursement, weak coordination among projects' executing bodies and personnel inefficiency were some of the major problems that aggravated this poor utilization of education projects budgets. Finally, these problems resulted in absence of timely completion of education projects that in turn adversely affected the proper utilization of the budget.

Table 16 consolidates the conclusion made based on the data in Table 15. The utilization of capital budget as revealed in Table 16 clearly shows that there existed poor utilization of allocated budget within the last five years in BGRS. Causes or factors that negatively affected the proper utilization of education projects budgets could be many and varied. So, selecting some significant number of factors that were supposed to hinder the effective utilization of the budget would be essential-as tabulated and ranked by respondents in the table 17.

**Table 16: The Trend of Capital Budget Utilization in BGRS in the Past Five Years.**

<b>Fiscal year</b>	<b>Allocated Budget (in birr)</b>	<b>Utilized Budget (in birr)</b>	<b>Utilized (in %)</b>
2005/06	20,168,859.00	8,287, 018.61	41.11
2004/05	20,118,004.50	12,772, 352.47	63.49
2003/04	20,641,578.00	11,519, 153.27	55.81
2002/03	25,353, 005.00	12, 705, 210.92	50.11
2001/02	19,452,989.00	11, 100, 696.75	57.06
<b>Total</b>	<b>105, 734, 435.50</b>	<b>56, 384, 432.02</b>	<b>53.33</b>

Source: BGRS, BOFED Disbursement Accounts (Regional Government Treasury)

Table 17 treats some factors that were supposed to affect the effective utilization of education projects budgets. The respondents, both education and FED experts, were asked to rank factors according to the seriousness of the problems. Based on the responses mean score and weighted mean, thirteen factors were ranked corresponding to the mean scores of both respondents in the Table. Both respondents considered lack of government commitment and absence of sufficient community mobilization as least serious factors to affect the effective utilization of education projects budgets since the combined weighted mean scores of both groups of respondents are far below average weighted mean (3.26). Similarly, inaccessible project sites, complicated and complex procedures and requirements of donors and prolonged bureaucratic processes of both government and donor agencies were also considered as less serious factors to affect effective utilization of education projects budgets as compared to the remaining factors. Protracted civil works and material procurement, weak coordination among the implementing bodies, low capacity of contractors and shortage of capable staff were considered as factors significantly

affected the proper utilization of the budget since their weighted mean scores are situated ranging from 5<sup>th</sup> to 8<sup>th</sup> ranking consecutively.

Lack of timely monitoring and supervision of projects, delays in budget disbursement, late commencement of projects and managerial inefficiency were considered by majority of both respondents as the most serious factors / problems that hindered effective utilization of education projects budgets in BGRS since their weighted mean scores are located ranging from 1<sup>st</sup> to 4<sup>th</sup> in ranking consecutively.

**Table 17: Causes/factors that Hinder Effective Utilization of Education Projects Budget**

No	Items (Problems)	Respondents				Wighted mean	Rank
		Education experts		FED experts			
		Mean	Rank <sub>1</sub>	Mean	Rank <sub>2</sub>		
1	Low capacity of contractors	3.60	5	3.13	7	3.38	7
2	Managerial inefficiency	3.49	8	3.45	3	3.47	4
3	Shortage of capable staff	3.51	7	3.14	6	3.34	8
4	Delay in budget disbursement	3.80	1	3.23	5	3.54	2
5	Protracted civil works and material procurement	3.71	2	3.06	9	3.41	5
6	Lack of regional government commitment	2.48	13	2.63	13	2.55	13
7	Weak coordination among the implementing bodies	3.27	9	3.53	2	3.39	6
8	Late commencement of projects	3.61	4	3.42	4	3.53	3
9	Absence of sufficient community mobilization	2.95	12	3.02	11	2.98	12
10	Inaccessible project sites	3.21	10	2.84	12	3.04	11
11	Lack of timely monitoring and supervision of projects	3.55	6	3.77	1	3.65	1
12	Complicated and complex procedures and requirement of donors	3.07	11	3.08	8	3.07	9.5
13	Prolonged bureaucratic processes of both government and donors	3.64	3	3.03	10	3.07	9.5

Rank- Order Correlation Coefficient ( $r_s$ ) obtained = 0.363,  $r_s$ - critical = 0.484  
 No significant positive correlation  
 $\alpha = 0.05$  (one - tailed),  $n = 13$

To indicate the degree of agreement between the two study groups for the ranking order of these factors, the spearman's rank - order correlation coefficient was calculated based on the computed mean scores. The result of the calculation showed that  $r_s$  - obtained = 0.363 and  $r_s$  - critical (at  $\alpha = 0.05$ , one tailed) = 0.484 which showed that there is no significant positive correlation between

the rankings of factors by the two groups of respondents which might be emanated from their varying degrees of experience and exposure to the education projects activities and factors that affected them.

The interpretation that can be made from the above premise is that lack of timely monitoring and supervision of projects, delays in budget disbursement, late commencement of projects, and managerial inefficiency were the major serious factors followed by protracted civil works and material procurement, weak coordination among the implementing bodies, low capacity of contractors and shortage of capable staff that were considered as factors significantly affected the effective utilization of the education projects budgets in BGRS. If a careful look - through the above factors is made, it would be clear that every thing boils down to the single determinant factor that is capacity of manpower. Therefore, building the capacity of the staff and managers, creating conducive environment to sustain the available manpower and attract additional capable personnel may prepare fertile ground to better solution.

**Table 18: Budget Overruns**

No	Item	Responses in frequencies and percentages					
		Education Experts (N = 75)		FED experts (N = 64)		Total (N = 139)	
		f	%	f	%	f	%
	Many education projects in the region / zone/ woreda face budget overruns						
	A. Strongly agree	26	34.67	26	40.63	52	37.41
	B. Agree	38	50.67	30	46.88	68	48.92
	C. Undecided	10	13.33	5	7.81	15	10.79
	D. Disagree	-	-	3	4.69	3	2.16
	E. Strongly disagree	1	1.33	-	-	1	0.72
	Total	75	100.00	64	100.00	139	100.00

The time, cost, and performance of projects cannot be analyzed separately, since variance in one parameter affects another. The discussion made so far indicated that there were problems that dragged the effective project performance that might also cause cost overrun. Being successful in one of the parameters (time, cost and performance) does not entail progress in project implementation as a whole. Being within budget at the right time would be meaningless when project performance is at lower level. Similarly, completing a project within planned time and performance standard may not be satisfactory where greater cost overrun is incurred. This goes in line with the expression stated by Harold Kerzner (1995: 802), " we might win the battle but lose

the war". Tables 18 and 19 deal with education projects cost overrun and reasons for their prevalence.

Accordingly, in Table 18, the majority of respondents (85.34% of education and 87.51% of FED experts) declared that many education projects in the region faced budget overrun. Only 1.33% of education and 4.69% of FED experts stood against this opinion and accepted non-existence of cost overrun. About 10.79% of all respondents were indifferent toward the issue. Therefore, it can be concluded based on the majority responses that budget overrun in education projects was the most prevalent problem.

Table 19 shows the responses of the study groups in terms of their agreement, neutrality or disagreement to the supposed causes of education projects budget overrun. Accordingly, 86.67% of education and 84.38% of FED experts advocated that schedule delays were number one cause for budget overrun. Similarly, insufficient monitoring and supervision was also major cause for 82.66% of education and 84.38% of FED experts. The computed value of chi-square test of association for these two items  $X^2 = 3.42$  and  $X^2 = 5.21$  revealed that there is no statistically significant difference existed between the responses obtained from the two study groups. Despite the absence of variation in test statistic, 6.67% of education and 6.25% of FED experts refused schedule delays and 6.66% of education and 9.38% of FED experts rejected insufficient monitoring and supervision as major causes for budget overrun.

Furthermore, about 74.67% of education and 81.25% of FED experts as major cause of budget overrun attested initial underestimation of the volume of work. But, 78.67% of education and 68.75% of FED experts believed that problems related to procurement were the cause for budget overrun. But, 13.34% of education and 10.94% of FED experts, 14.67% of education and 21.88% of FED experts rejected initial underestimation of the volume of work and procurement problems as causes of budget overrun respectively. A chi-square test was employed to see whether or not statistically significant difference existed between the views of respondents. The result of  $X^2$  test for the four degrees of freedom at 0.05 level of significance, the critical value of  $X^2$  (9.49) was less than the calculated value of  $X^2$  (22.16) implying that there was statistically significant difference between education and FED experts about initial underestimation of the volume of work as cause of budget overrun. As to item 10, procurement problems,

**Table 19: Causes of Education Projects Budget Overruns**

Items	Respondents	Responses infrequencies and Percentage										Cal X <sup>2</sup>	df	critical value
		SA		A		UD		DA		SDA				
		f	%	f	%	f	%	f	%	f	%			
Inadequate Management	Educ. Experts	21	28.00	26	34.67	12	16.00	11	14.67	5	6.67			
	FED experts	23	35.94	29	45.31	-	-	7	10.94	5	7.81			
	Total	44	31.65	55	39.57	12	8.63	18	12.95	10	7.19	*12.37	4	9.49
material price escalation	Educ. Experts	22	29.33	29	38.67	10	13.33	9	12.00	5	6.67			
	FED experts	16	25.00	21	32.81	14	21.86	9	14.06	4	6.25			
	Total	38	27.34	50	35.97	24	17.27	18	12.95	9	6.47	2.15	4	9.49
Scheduled delays	Educ. Experts	26	34.67	39	52.00	5	6.67	5	6.67	-	-			
	FED experts	28	43.75	26	40.63	6	9.38	3	4.69	1	1.56			
	Total	54	38.85	65	46.76	11	7.91	8	6.47	1	0.72	3.42	4	9.49
Deficient technical design and specification	Educ. Experts	9	12.00	38	50.67	17	22.67	6	8.00	5	6.67			
	FED experts	27	42.19	18	28.13	8	12.50	5	7.81	6	9.38			
	Total	36	25.90	56	40.29	25	17.99	11	7.91	11	7.91	*18.80	4	9.49
Initial underestimation of the volume of work	Educ. Experts	17	22.67	39	52.00	9	12.00	5	6.67	5	6.67			
	FED experts	36	56.25	16	25.00	5	7.81	7	10.94	-	-			
	Total	53	38.13	55	39.57	14	10.07	12	8.63	5	3.60	*22.16	4	9.49
Insufficient monitoring and supervision	Educ. Experts	28	37.33	34	45.33	8	10.67	4	5.33	1	1.33			
	FED experts	18	28.13	36	56.25	4	6.25	2	3.13	4	6.25			
	Total	46	33.09	70	50.36	12	8.63	6	4.32	5	3.60	5.21	4	9.49
Poor initial cost estimation	Educ. Experts	23	30.67	27	36.00	14	18.67	8	10.67	3	4.00			
	FED experts	21	32.81	22	34.38	8	12.50	12	18.75	1	1.56			
	Total	44	31.65	49	35.25	22	15.83	20	14.39	4	2.88	3.18	4	9.49
In adequate planning	Educ. Experts	23	30.67	25	33.33	9	12.00	11	14.67	7	9.33			
	FED experts	25	39.06	23	35.94	8	12.50	6	9.38	2	3.13			
	Total	48	34.53	48	34.53	17	12.23	17	12.23	7	5.04	3.63	4	9.49
Political interference	Educ. Experts	11	14.67	19	25.33	16	21.33	14	18.67	15	20.00			
	FED experts	8	12.50	12	18.75	18	28.13	12	18.75	14	21.86			
	Total	19	13.67	31	22.30	34	24.46	27	19.42	29	20.86	1.52	4	9.49
Procurement problems	Educ. Experts	26	34.67	33	44.00	5	6.67	8	10.67	3	4.00			
	FED experts	19	29.69	25	39.06	6	9.38	10	15.63	4	6.25			
	Total	45	32.37	58	41.73	10	7.19	18	12.95	7	5.04	1.78	4	9.49
In accessibility of project sites	Educ. Experts	19	25.33	28	37.33	7	9.33	19	25.33	2	2.67			
	FED experts	13	20.31	26	40.63	9	14.06	9	14.06	7	10.94			
	Total	32	23.02	54	38.85	16	11.51	28	20.14	9	6.47	6.96	4	9.49
Variation resulted from additional works or project scope change	Educ. Experts	9	12.00	35	46.67	17	22.67	7	9.33	7	9.33			
	FED experts	6	9.38	23	35.94	8	12.50	16	25.00	11	17.19			
	Total	15	10.79	58	41.73	25	17.99	23	16.55	18	12.95	*9.93	4	9.49
Uncontrolled and overambitious requirements of contractors	Educ. Experts	29	38.67	25	33.33	11	14.67	6	8.00	4	5.33			
	FED experts	28	43.75	18	28.13	4	6.25	9	14.06	5	7.81			
	Total	57	41.01	43	30.94	15	10.79	15	10.79	9	6.47	4.30	4	9.49

\* Significant difference, SA = strongly agree, A = Agree, UD = Undecided, DA = disagree, SDA = strongly disagree

the result of the chi - square test revealed that there was no statistically significant difference between the opinions of the two groups of respondents.

Again the majority of both respondents positively replied that uncontrolled and overambitious requirements of contractors (71.95%), inadequate management (71.22%), inadequate planning of projects (69.90%) deficient technical design and specification (66.19%), material price escalation (63.31%), inaccessibility of project sites (61.87%), and variation resulted from additional works or project scope change (52.52%) also caused project cost overruns.

A chi- square test was calculated for these items to check whether or not statistically significant difference existed between the two study groups. The results of the test for Items 1, 4 and 12 show that there was statistically significant difference between the two groups of respondents perception toward the causes. For the rest of the Items, there was no significant difference. From thirteen items listed, only for item 9, political interference, that the respondents negatively responded. Hence, about 40.28% of all respondents refused political interference as a cause for education projects budget overrun. But, 35.97% of all respondents positively responded to the political interference as a cause of projects budget overrun. A chi- square test calculated for this item shows that there was no statistically significant difference between the responses of the two groups.

All of the interviewees also agreed at the prevalence of budget overrun and stated the main reasons as: lack of accurate cost estimation, price fluctuation and escalation, limited capacity of the government to allocate all the budgets required for projects from the very outset and corrupt management and some employees.

Generally, based on the information derived from Table 19 and interviewee responses, it can be concluded that all the listed Items in Table 19 except Item 9, caused budget overrun in education projects at varying degrees. But, schedule delays, insufficient monitoring and supervision, initial underestimation of the volume of work and procurement problems were the top four factors that caused budget overrun. Baum, W.C. and S.M. Tolbert (1985: 371-373) also give similar conclusion where all of the above factors are the major causes for budget overruns in many projects.

# CHAPTER FIVE

## Summary, Conclusions and Recommendations

This is the last chapter of the study that deals with summary of the major findings up on which conclusions are drawn and recommendations are forwarded.

### 5.1 Summary

This study was undertaken to identify factors that affect education projects budget allocation and utilization in Benishangul-Gumuz Regional State. The main purpose of the study was to identify major factors that affected the allocation and effective utilization of education projects budget in the last five years (2001/02-2005/06) and forward some possible solutions. In this regard, six basic questions were formulated before the study was launched.

The research methodology employed to carryout the study was descriptive survey method. The instruments employed were questionnaire, interview and focus group discussion. Experts in REB, BoFED, ZED, ZFEDD, WEOs and WFEDO who were expected to have know- how on education projects and their budgets responded to the questionnaire, whereas, the interview was conducted with the officials of the above mentioned bureaus, zones and woredas. The focus group discussion on the other hand, was made with the representatives of the community who took part in the community participation in different forms. The questionnaire covered thirteen experts from REB and BoFED, twenty-four experts from ZED and ZFEDD, and one hundred-two experts from WEOs and WFEDOs.

Similarly, the interview covered three officials from REB and BOFED, five officials from ZED and ZFEDD, and twenty-one officials from WEOs and WFEDOS, whereas, the focus group discussion covered sixty community representatives from six woredas.

In addition to primary sources, books, education statistical abstracts, official reports and proclamations were used as secondary data sources for the study. The raw data secured through questionnaires were analyzed and interpreted using percentages and statistical tests such as normal curve t- test, chi-square test and spearman's rank order correlation coefficient. According to the results of data presentation and analysis, the following major findings of the study are presented as follows:

**5.1.1** Out of the total respondents, 93.33% of education and 89.06% of FED experts were males and the remaining very small proportion of 6.67% of education and 10.94% of FED experts were females. This signifies very low participation of women in the regional civil service in general and in education and finance and economic development services in particular. Regarding age of respondents, the majority of education experts (72.00%) were within the age range of 31-45 years. Whereas, 46, 88% of FED experts were found within the same age range, but the majority of them (48.44%) were found below age of 30 years. The implication of these data is that education experts were more matured and assumed to shoulder responsibilities compared to those of FED who can serve longer time in the future. As far as their service is concerned, the majority of education experts (66.67%) and FED experts (73.44%) had service years below 5 in their current positions which may indicate lack of experience of personnel in the proper implementation of education projects and their budget utilization. But, the majority of education experts (77.33%) and significant proportion of FED experts (43.08%) were well - above 11 years in their total service which might compensate short comings due to their current positions. As for the academic profile, it indicated that the majority of both groups of respondents were below what has been stipulated by regional civil service. Only 20.00% of education and 7.81% of FED experts were at the level of BA/ BSC and above qualification.

**5.1.2** According to the finding of the study, the major source of budget for education projects was the government followed by foreign aid and loan with meager amount of the community contribution. It was also found that the internal source of income to education was very low in the region as stated by the majority of the respondents (62.67% of education and 53.13% of FED experts).

**5.1.3** Community participation in financing education projects was found to be low due to low economic level of the community, low level of awareness, dependency syndrome and "let the government do every thing "sentiment of the community, lack of commitment by the management, absence of procedures and regulations to mobilize the community as a vision of the community participation as developmental strategy, and disregard to the community contribution in education projects implementation.

**5.1.4** It was found that the managerial and staff capabilities in handling education projects budget were not satisfactory and the major reasons particularly for staff incapability were identified as inadequate experience, irrelevant qualification to positions and low qualification of the staff.

**5.1.5** The major areas of functions in education projects that were more affected by shortage of capable manpower were found to be education projects planning, design and specification, and monitoring and supervision.

**5.1.6** According to the findings, the three most serious problems related to manpower in education projects were: 1. Absence of required qualification, 2. Unavailability of required number of personnel and 3. Lack of proper human resource management.

**5.1.7** With regard to the coordination among education projects execution parties (education, finance and economic development, and works and urban development entities) was concerned, it was found to be unsatisfactory and weak due to lack of transparency and close relationship among the concerned bodies, lack of collective or joint planning, lack of commitment and accountability on the sides of managers, managerial inefficiency and disregard to the need for coordination.

**5.1.8** The finding of the study indicated that the responsibility to monitor and supervise education projects was not clearly defined and demarcated. The task of monitoring and supervision of projects was not sufficient due to weak coordination and role conflicts among implementing bodies, lack of qualified personnel and absence/ lack of amenities such as vehicles to undertake the task.

**5.1.9** As it was found from the data analysis that the budget allocation approaches to education projects were both top - down and bottom - up with the latter taking upper hand due to recent devolution of education projects management roles to woredas. But this transfer of decision center from the region to woredas didn't go further down to grassroots level to incorporate wider community participation.

**5.1.10** It was found that budget as a block grant was allocated to woredas by regional government and it was the woredas themselves who decide the amount of budget to be allocated to a specific project. It was also found that budget appropriation and allocation to woredas by the region did not consider the need assessment of beneficiaries. The block grant budget apportionment by

woredas to their respective offices also didn't follow formal procedures that may affect education projects budget share.

**5.1.11** With respect to budget allocation criteria, it was found that the size of population found in woredas, last year's budget allocation, woreda priorities and the magnitude of problems in woredas were considered as major factors. But the decisive factor, the capacity and availability of personnel in woredas, which ought to have been given much attention during budget allocation, got very low consideration.

**5.1.12** As clearly stated in proclamation No. 8/1997, Financial Administration Proclamation of Beneshangul-Gumuz National Regional State, Article 16, the budget appropriation and notification be completed between Sene 30<sup>th</sup> and Hamle 7, but the finding in this study disclosed that budget delays in education projects were the most prevalent problem that partly resulted in poor utilization of education projects budget.

**5.1.13** According to the majority of respondents (66.67%) of education and 60.94% of FED experts, it was found that education projects budget allocated so far resulted in increasing access, quality and equity of education at varying degrees. It was also found that the greatest achievement of budget allocation to education projects was increased access to education for the needy (as confirmed by 96.00% of education and 87.50% of FED experts).

**5.1.14** As per the majority responses, it was found that education projects budget allocated in the past five consecutive years were poorly utilized as a result of the following major factors / problems: lack of timely monitoring and supervision, managerial inefficiency, delays in budget disbursement, staff inefficiency, late commencement and completion of projects and protracted civil works and material procurement processes.

**5.1.15** The finding of the study revealed that the majority of respondents (85.34% of education and 87.51% of FED experts) declared the prevalence of budget overruns in education projects. It was also found that the following four factors were the top causes for the prevalence of budget overruns: 1. Schedule delays, 2. Insufficient monitoring and supervision, 3. Underestimation of the volume of work in the projects, and 4. Procurement problems.

## 5.2 Conclusions

Based on the presentation and analysis of data and core findings stated above, it is possible to draw some major conclusions.

Managerial efficiency is believed to be one of the most decisive factors to project success. So, to have fruitful achievement in projects implementation and their budget utilization, the availability of managers with adequate and appropriate skill and competence are very essential. But data analysis and interpretation disclosed that managerial capacity in different levels was not satisfactory. Similarly, personnel available to handle education projects activities lacked adequate experience. Furthermore, there was virtually no consideration to match relevant qualification of personnel to the requirements of positions during assignments. Lack of personnel with required qualification was also one of the pervasive problems in the sector.

In addition, delays in budget disbursement, late commencement and difficulties in timely completion of education projects, weak coordination among implementing bodies, lengthy material and civil works procurement processes and unsatisfactory monitoring and supervision activities were some of the salient problems that adversely affected the performance of education projects.

It is obvious that community participation is very useful to the proper functioning of development projects. Problems that caused low level of the community participation were twofold: one problem was originated from the community itself where dependency syndrome and lack of awareness were widely prevailed; and the second problem was at the side of the management that disregarded the need for the community participation in successful completion and sustainable operation of education projects.

Both top-down and bottom-up approaches in budget allocation were practiced in the region. The practice of devolving education projects management to woredas and transfer of decision-making power to allocate budget to their respective offices were encouraging though this didn't go deep to incorporate need assessment of the beneficiaries and done without commensurate efforts to build the capacity of personnel found in woredas to make effective implementation of projects and their budget utilization.

Generally, based on the above supportive premises, it is now possible to conclude that the implementation of education projects was entangled with several problems and subsequently their budget was poorly utilized in the past five consecutive years in BGRS. Even though, poor utilization of budget in education projects was prevailed, undeniably, many schools were constructed and students' gross and net enrolments were significantly increased within the past decade. Therefore, education budget allocated so far helped to improve access to education and by so doing it partly contributed to the achievement of objectives contained in the educational programmes in the region.

### **5.3. Recommendations**

Based on the findings and conclusions made the following recommendations which are assumed to be operational are forwarded:

**5.3.1** Reasons to the low level of community participation were varied and multifaceted many of which cannot be solved within short period of time. What is very essential would be giving sufficient focus to the community participation as the major important developmental strategy. Therefore, one possible recommendation that can be put forward in this regard is to have region specific "community participation Guide line" that may indicate when, how and by whom community participation be maximized in education projects in particular and in all educational activities in general. This may avoid spontaneous, haphazard and compulsive measures to have community participation increased. It also helps to boost the practice of planned and willful participation of the community in education projects.

**5.3.2** Shortage of manpower in terms of quality and quantity is a nation - wide problem that cannot be up rooted in the near future. As data analysis in this study revealed, the problem of personnel inefficiency was more pervasive in education projects management in BGRS. Lack of experience and required qualification were found to be major problems in this respect. Therefore, one possible recommendation to ameliorate the problem may be providing training to the personnel in areas of project planning, design and specification, project finance management and accounting, project related procurement, monitoring and supervision of projects and other areas based on the training need assessment. As it was indicated in the study, education projects budget administration to woredas devolved without commensurate capacity building of personnel found in woredas. Therefore, the training scheme stated above should be done focusing to the staff and

management found in woredas. To secure fund, training projects can be formulated and submitted to the World Bank and African Development Bank Country Representatives and to other "soft programmes" donors such as UNICEF by making the preparation of document relevant to their respective interventions.

**5.3.3** To solve the problems related to manpower capacity in education projects in the long - run, preparing and applying regional "incentive scheme" to uphold and attract professionals in selected fields of specialization like engineering, project finance and accounting etc may serve. In addition, by having long-range training plan, it may be possible to produce medium level professionals like building technicians, project accountants, procurement officers, etc., by making use of technical and vocational training institutes found in the region and /or in neighboring regions.

**5.3.4** It was found in the analysis and interpretation of data that coordination among education projects implementing bodies was very weak. The possible recommendation to reduce the problem is to create "education projects execution coordinating committee" comprising senior experts from REB, BoFED and WUDB and Office of Regional Capacity Building. Similar committee can be established at woreda level comprising experts from WEOs WFEDOs and Woreda Council. These committees may help to coordinate and facilitate tasks of monitoring and supervision of projects, examine the status of project performance at a given interval and provide feedbacks to their respective management.

**5.3.5** As the finding of the study disclosed, protracted procurement processes partly affected the effective utilization of education projects budget. This problem was originated partly from the shortage of capable manpower and partly from absence of institutionalized focal point to undertake procurement activities. Creating "Procurement Unit" in the organizational structure of the REB may solve the problem in this regard.

**5.3.6** As it was revealed in the data analysis, absence of proper management of the available personnel was one of the problems related to manpower. The problem of poor utilization of education projects budget may partly be solved through making organizational structure appropriate and using the available manpower effectively. It was also indicated in the finding that project planning, design and specification, monitoring and supervision and project finance management and accounting were major areas that faced serious shortage of personnel.

The available manpower in these areas that has been scattered in different services and departments within the REB should be brought to one point and put together to maximize collective efforts. The recommendation in this regard is, improve organizational structure of the REB by merging planning and programme service with project accounting (in Finance and Administration Service) and Education Support Services Department (Particularly with Engineering Team) to avoid role conflicts and duplication of efforts in education projects implementation and their budgets administration.

**5.3.7** As evidenced in the finding of the study, education projects monitoring and supervision was insufficiently carried out in the region. To partly solve this problem, it is recommended that it would be wise to avoid contractor payment request - initiated monitoring and supervision of projects by having planned task of monitoring and supervision for each project.

**5.3.8** It was learnt in the finding that assessment of available manpower and the felt need of the community were disregarded during budget allocation to woredas. But, without making synopsis of the executing capacity of the manpower and the needs of the beneficiaries, making allocation of budget may end up with no result to the intended community. Therefore, to get - rid- off budget rolling, overruns and subsequent poor utilization of projects budget, it is recommended that much attention be given to consider and incorporate assessment of beneficiaries and capacity of manpower available in each woreda before undertaking budget allocation.

## BIBLIOGRAPHY

- \_\_\_\_\_ (1933), **The Oxford English Dictionary**. (Vol. VIII). Oxford: Oxford University Press.
- Anderson, M. B.(1992). **Education for All: what are we waiting for?** New York: UNICEF.
- Ayalew Shibeshi (a) (2000). Educational Policy and Management of Change, Addis Ababa: AAU (Unpublished Supplementary Reading Material).
- Ayalew Shibeshi (b) (2000). Educational Policy and Management of Change, Addis Ababa: AAU (Unpublished Teaching Material Module One and Two)
- Baum, W. C. and S. M. Tolbert (1985). **Investing in Development: Lessons of World Bank Experience**, New York: World Bank.]
- BGNRS (1997). Lissane, Hig Gazeta: Proclamation No.8/1997: Financial Administration Proclamation of the Benishangul Gumuz National Regional State, Assosa.
- Brigham, E. (1982). **Financial Management: Theory and Practice**, (3rd ed.), Chicago: The Dryden Press.
- Caryforth, C. and Maureen, R. (1997). **Administration, NQV Level 3**, Madrid: Heinemann Educational Publishers.
- Dejnozka, E. L.(1983). **Educational Administration Glossary**, London: Greenwood Press.
- Elbeik, S. and mark, J. (1998). **Project Skills**, Boston: Butter Worth Heinemann.
- EPA (2007). The Ethiopian Herald, Vol. LXIII, No, 253, Addis Ababa: Ethiopian Press Agency.
- FDRE (1994). GFDRE, **Education and Training Policy**, Addis Ababa: St. Georg Printing Press.
- FDRE (1995). Federal Negarit Gazeta: Proclamation No. 1/ 1995: a Proclamation to Pronounce the Coming in to Effect of the Constitution of the Government of Federal Democratic Republic of Ethiopia, Addis Ababa. Berehanna Selam Printing Press.
- Forojalla, s. B. (1993). **Educational Planning for Development**, London: McMillan Press Ltd.
- GFDRE (1994). GFDRE. **Education Sector Strategy**, Addis Ababa: St. Gorge Printing Press.

- GFDRE (2001). Federal Negarit Gazeta: Proclamation No.256/2001 for Reorganization of Federal Executive Organs of Government of Federal Democratic Republic of Ethiopia, Addis Ababa, Brehanena Selam Printing Press.
- Good, C. V. (1973). **Dictionary of Education**, New York: McGraw Hill Book Company.
- Hailemichael Liq (1996). Community Consultation and participatory Development, Ethiopia Social Sector Study Report: Policy and Human Resource Development Project: Addis Ababa (Unpublished Study Report).
- Hallak, J. (1990). **Investing in the Future: Setting Educational Priorities in the Developing Countries**, Paris: UNESCO, IIEP.
- Harrison, F. L. (1992). **Project Management: A Structured Approach (3<sup>rd</sup> ed)**, New Delhi: Gower Publishing Company Limited.
- Jones, A. M. E. (1993). **Educational Planning in a Frontier Zone: Dependence, Domination and Legitimacy**, Alder Shot: Avebury, Ashgete Publishing Ltd.
- Kerzner, H. (1995). **Project Management: A Systems Approach to Planning, Scheduling, and Controlling**, (5<sup>th</sup> ed.) New York: Van Nostrand Reinhold - An international Thomson Publishing Company.
- Magnen, A. (1991). **Education Projects: Elaboration, Financing and Management**, Paris: UNESCO, International Institute for Educational Planning.
- Malan, T. (1987). **Educational Planning as a Social Process**, Paris: International Institute for Educational Planning (IIEP).
- Mayor, H. (1999). **Project Management (2<sup>nd</sup> ed.)**, London: Financial Times Pitman Publishing.
- MoCB (1998). Budget Reform Design Manual: Civil Service Reform Program Expenditure Management and Control Sub - Program- Budget Processes and Preparation (Vol. 4, Section2), Addis Ababa: Ministry of Capacity Building (un published).

- MoCB (2000). Civil Service Reform Program Expenditure Management and Control Sub - program: Implementing a Public Investment or Expenditure program In the National Regional States ( Vol. 4, Sec. 3), Addis Ababa: Ministry of Capacity Building (Unpublished).
- MoCB (2004). Budget Reform Manual (Vol.1), Budget Preparation and Management: A Guide for Benshangul Gumuz Region (Amharic Version), Decentralization Support Activity Project. (Project Report: B - 123), Addis Ababa: Ministry of Capacity Building (unpublished).
- MOE (2004). Education Sector Development Programme: Programme Implementation Manual, Planning, Programming and Finance(Chapter1) Revised Draft (for PIM Review workshop, Addis Ababa: Ministry of Education. (Unpublished).
- MoE (1998). GFDRE Education Sector Development Program: Implementation Manual, Addis Ababa: Ministry of Education (Unpublished).
- MoE (1999). GFDRE, Education Sector Development program: Action Plan, Addis Ababa: Ministry of Education (Unpublished).
- MOE (2002). Education Sector Development Program "Consolidated National Performance Report, Addis Ababa: Ministry of Education (Unpublished).
- MOE (2002). Education Sector Development Program: Action Plan, Addis Ababa: MoE (Unpublished)
- MOE (2004). Education Sector Development Programme: Programme Implementation Manual, Financial Management, (Chapter 5) Revised Draft (for PIM Review workshop, Addis Ababa: Ministry of Education. (Unpublished).
- MOE (2005). **Education Annual Abstract: Education Management Information System (EMIS) (December)**, Addis Ababa: Ethio Tikur Abay Printers.
- MOE (2005). **Education Annual Abstract: Education Management Information System(EMIS) (January)** Addis Ababa: Ethio Tikur Abay Printers.

- MOE(2001), Educational Management and Organization, Community Participation and Finance Guideline, Addis Ababa: Ministry of Education: (Unpublished).
- Nebiyu Tadese (1999). Educational materials and Finance Management, Addis Ababa: AAU (Unpublished Supplementary Material).
- Needham, N. et al (1999). **Business for Higher Awards** (2<sup>nd</sup> ed.).Melbourne: Heinemann Educational Publishers.
- Oakley, P. et al. (1991). **Projects with People: The Practice of Participation in Rural Development**. Geneva: International Labour Organization.
- Pscharopoulos, G. (1987). **Economics of Education: Research and Studies**, Oxford: Pergamon Press.
- Pscharopoulos, G. (1991). **Education for Development: Analysis of Investment Choices**, New York: Oxford University Press.
- REB (2005). Education Statistics Annual Abstract 1998 E.C. (2005/06). Education Management Information Systems, Assosa: Benishangul Gumuz Education Bureau (Unpublished).
- The World Bank (2003). World Development Report 2004: Making Services Work for Poor People, New York: A Co-publication of the World Bank and Oxford University Press.
- Wysocki, R. K. et al (2002). **Effective Project Management 2<sup>nd</sup> ed.**, New York: John Wiley and Sons, Inc.
- <http://news.bbc.co.uk/2/hi/africa/countryprfile>.

# APPENDICES

## APPENDIX - I

Test on opinions of respondents toward internal sources of income to finance education

No	Items	Responses in frequencies and percentages					
		Education Experts (N=75)		FED Experts (N = 64)		Total (N = 139)	
		F	%	F	%	F	%
1	Does the region/ zone/ woreda has internal source of income to support financing education?						
	A. Yes	20	26.67	20	31.25	40	28.78
	B. No	47	62.67	34	53.13	81	58.27
	C. I don't know	8	10.67	10	15.62	18	12.95
	Total	75	100.00	64	100	139	100.00

$$X^2 = \sum \frac{(fo - fe)^2}{fe} =$$

$$= \frac{(20 - 21.58)^2}{21.58} + \frac{(47 - 43.71)^2}{43.71} + \frac{(8 - 9.71)^2}{9.71} + \frac{(20 - 18.42)^2}{18.42} + \frac{(34 - 37.29)^2}{37.29} + \frac{(10 - 8.29)^2}{8.29}$$

$$= 1.443$$

$$df = (c - 1) (r-1) = (2-1) (3-1)=2,$$

$$X^2 \text{ critical (at } \alpha = 0.05) = 5.991$$

= No significance

- fo = frequency observed.
- fe = frequency expected.
- c = column.
- r = row
- df = degree of freedom

## APPENDIX- II

Test on the respondents' perception about the degree of community contribution in financing education projects

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	Community contribution in financing education projects is:								
	A. very high	5	1	5	25	5	2	10	50
	B. High	4	5	20	80	4	13	52	208
	C Satisfactory	3	20	60	180	3	12	36	108
	D. Low	2	35	70	140	2	28	56	112
	E. Very low	1	15	15	15	1	9	9	9
	Total	-	75	170	440	-	64	163	487
	Mean	2.27				2.55			
	Standard deviation (Sd)	0.85				1.06			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}, \quad s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \frac{2.27 - 2.55}{\sqrt{\frac{(0.85)^2}{75} + \frac{(1.06)^2}{64}}} = \frac{440}{75} - \frac{(170)^2}{(75)^2} = 0.85$$

$$= \frac{-0.28}{\sqrt{0.0096 + 0.0176}} \quad s.d_2 = \sqrt{\frac{fx^2}{n_2} - \frac{(fx)^2}{(n_2)^2}}$$

$$= /-1.698/ \quad = \sqrt{\frac{487}{64} - \frac{(163)^2}{(64)^2}} = 1.06$$

t - critical [at  $\alpha = 0.05$ , two - tailed,

$$df = 137 (\infty)] = \pm 1.960$$

- No significant difference

## APPENDIX- III

Test on respondents' views about managerial capacity in education projects

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	Managerial capability in education projects is:								
	A. Very high	5	0	0	0	5	0	0	0
	B. High	4	3	12	48	4	4	16	64
	C. Satisfactory	3	15	45	135	3	23	69	207
	D. Unsatisfactory	2	29	58	116	2	27	54	108
	E. Very Unsatisfactory	1	28	28	28	1	10	10	10
Total		-	75	143	327	-	64	149	389
Mean		1.91				2.33			
Standard deviation (sd)		0.85				0.81			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}, \quad s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \frac{1.91 - 2.33}{\sqrt{\frac{(0.85)^2}{75} + \frac{(0.81)^2}{64}}} = \sqrt{\frac{327}{75} - \frac{(143)^2}{(75)^2}} = 0.85$$

$$= -2.981/ \quad s.d_2 = \sqrt{\frac{389}{64} - \frac{(149)^2}{(64)^2}} = 0.81$$

t - critical [at  $\alpha = 0.05$ , two - tailed,

$$df = 137) = \pm 1.960$$

- Significant difference

## APPENDIX - IV

Test on respondents' views on the degree of staff capability to handle education projects budget

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	Staff capacity to handle education projects budget:								
	A. Very high	5	1	5	25	5	0	0	0
	B. High	4	4	16	64	4	12	48	192
	C. Satisfactory	3	28	84	252	3	17	51	153
	D. Unsatisfactory	2	26	52	104	2	25	50	100
	E. Very Unsatisfactory	1	16	16	16	1	10	10	10
Total		-	75	173	461	-	64	159	455
Mean		2.31				2.48			
Standard deviation (sd)		0.91				0.97			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}$$

$$= \frac{2.31 - 2.48}{\sqrt{\frac{(0.91)^2}{75} + \frac{(0.97)^2}{64}}}$$

$$= /-1.063/$$

$$s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \sqrt{\frac{461}{75} - \frac{(173)^2}{(75)^2}} = 0.91$$

$$s.d_2 = \sqrt{\frac{455}{64} - \frac{(159)^2}{(64)^2}} = 0.97$$

t - critical (at  $\alpha = 0.05$ , one - tailed,

$$df = 137) = 1.645$$

- No significant difference

## APPENDIX - V

Test on respondents' opinions on reasons for staff inefficiency

No	Item	Education	Experts	FED		D=r <sub>1</sub> -r <sub>2</sub>	D <sup>2</sup>
		f	r <sub>1</sub>	f	r <sub>2</sub>		
1	In adequate experiences	28	1	22	2.5	-1.5	2.25
2	Low qualification	22	3	23	1	2	4
3	Lack of Motivation	13	4	16	4	0	0
4	Irrelevant qualification to position	27	2	22	2.5	-0.5	0.25
				ΣD <sup>2</sup> = 6.50			

$$\begin{aligned}
 r_s &= 1 - \frac{6 \Sigma D^2}{n(n^2-1)} \\
 &= 1 - \left( \frac{6 \times 6.5}{4(16-1)} \right) \\
 &= 0.350
 \end{aligned}$$

- No strong positive correlation

## APPENDIX - VI

Test on the respondents' opinions on the degree of coordination among education projects execution bodies

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	What is the degree of coordination among education projects execution bodies?								
	A. Very high	5	4	20	100	5	3	15	75
	B. High	4	4	16	64	4	6	24	96
	C. Satisfactory	3	17	51	153	3	21	63	189
	D. Unsatisfactory	2	33	66	132	2	29	58	116
	E. Very Unsatisfactory	1	17	17	17	1	5	5	5
Total		-	75	170	466	-	64	165	481
Mean		2.27				2.58			
Standard deviation (sd)		1.04				0.93			

$$\begin{aligned}
 t - \text{obtained} &= \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}, & s.d_1 &= \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}} \\
 &= \frac{2.27 - 2.58}{\sqrt{\frac{(1.04)^2}{75} + \frac{(0.93)^2}{64}}}, & &= \sqrt{\frac{466}{75} - \frac{(170)^2}{(75)^2}} = 1.04 \\
 &= -1.856/ & s.d_2 &= \sqrt{\frac{481}{64} - \frac{(165)^2}{(64)^2}} = 0.93
 \end{aligned}$$

t - critical (at  $\alpha = 0.05$ , two tailed,  $df = 137$ ) = 1.960

- No significant difference

## APPENDIX - VII

Test on respondents' opinions on the frequency of education projects supervision

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	How often is supervision of education projects carried out?								
	A. Always	3	15	45	135	3	9	27	81
	B. Sometimes	2	14	28	56	2	22	44	88
	C. Seldom	1	40	40	40	1	31	31	31
	D. Not at all	0	6	0	0	0	2	0	0
Total		-	75	113	231	-	64	102	200
Mean		1.51				1.59			
Standard deviation (sd)		0.90				0.76			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}$$

$$= \frac{1.51 - 1.59}{\sqrt{\frac{(0.90)^2}{75} + \frac{(0.76)^2}{64}}}$$

$$= -0.568$$

$$s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \sqrt{\frac{231}{75} - \frac{(113)^2}{(75)^2}} = 0.90$$

$$s.d_2 = \sqrt{\frac{200}{64} - \frac{(102)^2}{(64)^2}} = 0.76$$

t - critical (at  $\alpha = 0.05$ , two - tailed)

$$= \pm 1.960$$

- No significant difference

## APPENDIX - VIII

Test on the opinions of respondents on the timely dispatch of education projects budget

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	The approved and appropriated budget of education projects timely released:								
	A. Strongly agree	5	3	15	75	5	7	35	175
	B. Agree	4	18	72	288	4	28	112	448
	C. Undecided	3	10	30	90	3	4	12	36
	D. Disagree	2	35	70	140	2	18	36	72
	E. Strongly disagree	1	9	9	9	1	7	7	7
Total		-	75	196	602	-	64	202	738
Mean		2.61				3.16			
Standard deviation (sd)		1.09				1.25			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}$$

$$= \frac{2.16 - 3.16}{\sqrt{\frac{(1.09)^2}{75} + \frac{(1.25)^2}{64}}}$$

$$= -2.741$$

$$s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \sqrt{\frac{602}{75} - \frac{(196)^2}{(75)^2}} = 1.09$$

$$s.d_2 = \sqrt{\frac{738}{64} - \frac{(202)^2}{(64)^2}} = 1.25$$

t - critical (at  $\alpha = 0.05$ , one-tailed) = 1.645

- Significant difference

## APPENDIX - IX

Test on opinions of respondents toward the contribution of education projects budget in achieving educational programmes objectives

No	Item	Education Experts (N = 75)				FED Experts (N = 64)			
		x	f	fx	fx <sup>2</sup>	x	f	fx	fx <sup>2</sup>
1	Education projects budget allocated so far resulted in improvement of education								
	A. Strongly agree	5	11	55	275	5	3	15	75
	B. Agree	4	39	156	624	4	36	144	576
	C. Undecided	3	7	21	63	3	8	24	72
	D. Disagree	2	15	30	60	2	15	30	60
	E. Strongly disagree	1	3	3	3	1	2	2	2
Total		-	75	265	1025	-	64	215	785
Mean		3.53				3.36			
Standard deviation (sd)		1.09				0.99			

$$t - \text{obtained} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{(s.d_1)^2}{n_1} + \frac{(s.d_2)^2}{n_2}}}, \quad s.d_1 = \sqrt{\frac{fx^2}{n_1} - \frac{(fx)^2}{(n_1)^2}}$$

$$= \frac{3.53 - 3.36}{\sqrt{\frac{(1.09)^2}{75} + \frac{(0.99)^2}{64}}} = \frac{\sqrt{1025}}{75} - \frac{(265)^2}{(75)^2} = 1.09$$

$$= 0.963 \quad s.d_2 = \sqrt{\frac{785}{64} - \frac{(215)^2}{(64)^2}} = 0.99$$

t - critical (at  $\alpha = 0.05$ , two- tailed) = 1.645

\* No significant difference

## APPENDIX - X

*Addis Ababa University  
School of Graduate Studies  
College of Education*

### *Department of Educational Planning and Management*

**Questionnaire to be distributed and collect information from relevant experts of education, and Finance and Economic Development Bureaus, zone education, and Finance and Economic Development departments; and Woreda Education, Finance and Economic Development Offices.**

This study is aimed at identifying those major factors that affect the allocation and utilization of education project budget in Benishangul - Gumuz Regional state. The information that will be secured through this questionnaire will be used only for the research purpose. In addition, all your responses given in this questionnaire will be kept confidential. The responsible and committed participation in providing responses to all the items in complete form has a paramount importance for the fruitful completion of this study. You are therefore, kindly requested to complete the questionnaire carefully and honestly.

Please read each item in the questionnaire carefully and mark an "X" mark in the space provided to indicate your response and when necessary write brief and precise statements / phrases. Please note that writing your name is not necessary.

Many thanks for your cooperation

### **Part I: Personal Information**

1. Your bureau / zone department / woreda \_\_\_\_\_
2. Your Place of work      A. Bureau       B. zone       C. Woreda
3. Sex      A. Male       B. Female
4. Your age (in years)  
A. 20 and below       B. 21-25       C. 26-30       D. 31-35   
E. 36-40       F. 41-45       G. 46-50       H. 51 and above
5. Position you are currently holding \_\_\_\_\_

6. Service years in your current position
- A. 5 years and below       B. 6-10 Years       C. 11-15 years   
 D. 16-20 Years       E. 21-25 Years       F. 26 and above
7. Your total service years
- A. 5 years and below       B. 6-10 Years       C. 11-15 Years   
 D. 16-20 Years       E. 21-25 Years       F. 26 and above
8. Your educational status
- A. Grade 12 complete and below       B. TTI graduate       C. Diploma   
 D. B.A/ B.SC       E. M. A/ M.SC       F. Ph. D

**Part II: Budget sources for education projects**

9. What is the main source of budget for education projects in your region/ zone/ woreda?
- A. Foreign aid       B. Foreign loan       C. Government   
 D. The community contribution       E. I don't know \_\_\_\_\_
10. Does the region/ zone/ woreda has internal sources of income to support financing education?
- A. Yes       B. No       C. I do not know
11. If your reply to the question number 10 is "Yes" would you please mention the major internal sources of income? \_\_\_\_\_  
 \_\_\_\_\_

**Part III: Participation of the community in the implementation of education projects**

12. According to your opinion, the community contribution in financing education projects is:
- A. Very high       B. High       C. Satisfactory   
 D. Low       E. very low
13. How frequently does the local community participate in selection of school construction sites?
- A. Always       B. Sometimes       C. Seldom   
 D. Not at all       E. I do not know

14. According to your opinion, what are the major obstacles that hinder wider community participation in supporting education projects finance? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

15. The largest contribution the community made to support education projects is in the form of

A. Labor       B. Material       C. Financial

D. Others (Please Specify) \_\_\_\_\_

**Part IV: Personnel and institutional capacity to manage and control education projects**

16. According to your opinion, the managerial capability in education projects is

A. Very high       B. High       C. Satisfactory

D. Unsatisfactory       E. Very unsatisfactory

17. In your opinion, the staff capability in your bureau /zone/ woreda to handle education projects budget is

A. Very high       B. High       C. Satisfactory

D. Unsatisfactory       E. Very Unsatisfactory

18. If your response to the question number 17 is "unsatisfactory or very unsatisfactory what do you think are the major reasons?

A. Inadequate experience       B. Low qualification       C. Lack of motivation

D. Irrelevant qualification to position       E. Others (please specify) \_\_\_\_\_

19. In which area of function do you think that there is serious shortage of capable manpower in education projects implementation? (more than one response is possible)

A. Project finance management and accounting

B. Project monitoring and supervision

C. Project contract administration

D. Project design and specification

E. Project planning

F. Procurement service

20. Please rank order the following problems in relation to manpower in education projects by assigning number 1 to the most serious problem down to number 5 to the least serious problem

- A. In availability of required number
- B. Absence of required qualification
- C. Lack of proper human resource management
- D. Lack of commitment of available personnel
- E. High turnover of personnel

### Part V: Coordination among Implementing Bodies

21. What is the degree of coordination among education, finance and economic development, and works and urban development bodies in proper utilization of education projects budget?

- A. Very high
- B. High
- C. Satisfactory
- D. Unsatisfactory
- E. Very unsatisfactory

22. If your response to question number 21 is "unsatisfactory or very unsatisfactory" what are the main reasons for weak coordination among these executing bodies? \_\_\_\_\_

---

---

### Part VI: Education Project Monitoring and Supervision

23. Who is mainly responsible to carryout monitoring and supervision of education projects?

- A. Regional Education Bureau
- B. Regional Works and Urban Development Bureau
- C. Zone works and urban development departments
- D. Woreda education offices
- E. Regional education Bureau and Works and Urban Development Bureau
- F. Any other (Please specify) \_\_\_\_\_

24. How often is supervision of education projects carried out?

- A. Always
- B. Sometimes
- C. Seldom
- D. Not at all

## Part VII: Budget Allocation to Education Projects

25. The most important factor considered in the allocation of education projects budget is  
(More than one response is possible):

- A. The last year's budget
- B. Capacity of personnel found in woredas
- C. The size of population in woredas
- D. Woredas priorities
- E. The magnitude of the prevailing problems in woredas
- F. Others (Please specify) \_\_\_\_\_

26. Budget appropriation to woredas is carried out after making adequate assessment of the needs of beneficiaries

- A. Strongly agree
- B. agree
- C. Undecided
- D. Disagree
- E. Strongly Disagree

27. What is the approach followed to allocate education projects budget to woredas?

- A. Bottom - up approach
- B. Top - down approach
- C. Both bottom - up and top - down approaches
- D. I do not know

28. Who decide the amount of budget to be allocated to education projects in woredas?

- A. Regional council of people's representatives
- B. Bureau of Finance And Economic Development
- C. The woredas themselves
- D. Regional Education Bureau
- E. Regional works and Urban Development Bureau
- F. I do not know

29. In your opinion, what are the major problems related to the education projects budget allocation to woredas? \_\_\_\_\_

---

30. The approved and appropriated budgets of education projects timely released

- A. Strongly agree       B. Agree       C. Undecided   
D. Disagree       E. Strongly disagree

**Part VIII: The contribution of education projects budgets to fulfill the educational programmes**

31. Education projects budget allocated so far resulted in the improvements of the education through increasing access, equity and quality of education.

- A. Strongly agree       B. Agree       C. Undecided   
D. Disagree       E. Strongly disagree

32. What do you think the main aim of allocation budgets to education projects? (More than one response is possible)

- A. Increase educational access   
B. Improve quality of education   
C. To reduce poverty   
D. To achieve equity in resource distribution   
E. Others (Please specify) \_\_\_\_\_

**Part IX: Factors that affect the utilization of education Projects Budgets**

33. Most of the education projects budgets allocated in the last five consecutive years were utilized effectively.

- A. Strongly agree       B. Agree       C. Undecided   
D. Disagree       E. Strongly disagree

34. What is the major factor that affect the effective utilization of education projects budget? (More than one response is possible)

- A. Delays in budget disbursement or release   
B. Shortage of personnel   
C. Capacity of personnel   
D. Managerial inefficiency   
E. Weak coordination among education projects executing bodies

35. In your opinion, what are the major problems related to donors that hinder the proper utilization of education projects budget? \_\_\_\_\_

36. How frequently do education projects completed within the planned time frame?

- A. always                       B. Sometimes                       C. Seldom   
 D. Not at all                       E. I do not know

37. If your response to question number 36 is " seldom" and "not at all" would you mention the major reasons for not completing education projects within the planned time? \_\_\_\_\_

38. The following statements represent opinions on the causes that hinder the effective utilization of education projects budget. You are kindly requested to rank each of the opinion depending on its seriousness starting from number 1 for the most serious cause down to number 5 for the fifth least cause. Make an "X" mark only in one of the boxes in front of each opinion.

No	Causes that hinder the effective utilization of education projects budget	1	2	3	4	5
A	Low capacity of contractors					
B	Managerial inefficiency					
C	Shortage of capable staff					
D	Delay in budget disbursement					
E	Protracted civil works and material procurement					
F	Lack of regional government commitment					
G	Weak coordination among the implementing bodies					
H	Late commencement of projects					
I	Absence of sufficient community mobilization					
J	Inaccessible project sites					
K	Lack of timely monitoring and supervision of projects					
L	Complicated and complex procedures and requirements of donors					
M	Prolonged bureaucratic processes of both government and donors.					

## Part X: Causes of Education Projects Budget Overruns

39. Many education projects in the region /zone/ woreda face budget overruns.

A. Strongly agree       B. Agree       C. Undecided

D. Disagree       E. Strongly disagree

40. The following statements represent opinions on the causes of education projects budget overruns. You are kindly requested to indicate your agreement, neutrality, or disagreement by putting an "x" mark in the squared space provided against each statement

A. I strongly agree      B. I agree      C. I am undecided

D. I disagree      E. I strongly disagree

	<b>Causes for Education Projects Budget Overruns</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
1	Inadequate management					
2	Material price escalation					
3	Schedule delays					
4	Deficient technical design and specification					
5	Initial underestimation of the volume of work required					
6	Insufficient monitoring and supervision					
7	Poor initial cost estimation					
8	Inadequate planning					
9	Political interference					
10	Procurement problems					
11	In accessibility of project sites					
12	Variations resulted from additional works or project scope change					
13	Uncontrolled and over ambitious requirements of contractors					

*Appendix-XI*  
*Addis Ababa University*  
*School of Graduate Studies*  
*College of Education*  
*Department of Educational Planning and Management*

This interview is designed to collect relevant information for the study entitled "Factors that Affect allocation and Utilization of education Projects budget in Benishangul - Gumuz Regional State". The focuses of the interview are officials of Education Bureau and Finance and Economic Development Bureaus, their corresponding departments and heads of Twelve Woreda Education and Finance and Economic Development Offices.

The honest and complete response of the interviewees to all items in the interview is essential for the successful completion of the study.

Thank you for your cooperation

1. What criteria are used to allocate budgets to woredas at present?
2. In your opinion, what are the strengths and weaknesses in these budget allocation criteria?
3. What is the status of community participation in supporting the financing of education projects?
4. What are the major problems that hinder wider community participation in the region/ zone/ woreda?
5. To what extent do you think that the managerial capacity is affecting the implementation of education projects in the region/ zone/ woreda?
6. Do you think that there are sufficient personnel to make effective utilization of education projects budget? a) In terms of quantity B) Items of qualification
7. If you agree that there is shortage of personnel in terms of both in number and qualification
  - a) In which functional areas are the problems more serious?
  - b) What possible measures should be taken to curve problems related to personnel?
8. Accordidng to your opinion, do the capacity of personnel and needs of beneficiaries taken into consideration before appropriation of budget to education projects?

9. Do you think that the utilization of education projects budgets is satisfactory? If not what are the major causes of poor utilization for education projects budget?
- a) Would you rank order the following causes of poor utilization of budget in accordance with their seriousness (assigning number 1 to the most serious and so on)
- A. Managerial in efficiency
  - B. Personnel inefficiency
  - C. Delays in budget allocation and Disbursement
  - D. Shortage of personnel
  - E. Prolonged bureaucracies of the government and donors
10. Do you agree that many education projects faced serious problems of budget overruns?
11. If there were budget overruns in many education projects, what were the main reasons?
12. What are the major constraints related to donor- funded education projects in relation to their budget utilization?
13. Do you think there is strong coordination among education projects implementing bodies? If not, how could the coordination be strengthened?
14. In your opinion, is there sufficient monitoring and supervision of education projects? If not, what are the sole reasons for insufficient monitoring and supervision of education projects?

*Appendix-XII*  
*Addis Ababa University*  
*School of Graduate Studies*  
*College of Education*  
*Department of Educational Planning and Management*

These are items prepared to conduct focus group discussion. Focus Group discussion is conducted with community members who have been participated in financing and supporting education projects specially school construction projects through contributing money, material, labour and other resources. Ten community members are selected from each randomly selected six woredas from sample twelve woredas. The aim of the discussion is to gather information for the study to be conducted under the title of "Factors That Affect The Allocation and Utilization of Education Project Budget in Benishangul - Gumuz Regional State.


Therefore, the focus group members are kindly requested to participate actively in the discussion and provide honest and frank responses to the questions provided below.

**Discussion questions for focus groups:**


1. Have you ever been participated voluntarily in supporting education projects by contributing money, material, labour or other resources?
2. Are you and/ or your local community consulted in selection of school construction sites?
3. Have you and / or your local community ever been participated in education projects evaluation and supervision?
4. What major problems do you think that hinder participation of you and your local community in supporting education projects implementation?
5. What major problems do you observe in school construction projects in your locality?

## DECLARATION

I undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university. All sources of material used for the thesis have been dully acknowledged.

Name                      TEFERA ESHETE YIMER  
Signature                  
Place                      Addis Ababa University, Addis Ababa  
Date of Submission    16-07-2007

This thesis has been submitted for examination with my approval as a university advisor.

Name                      AYALEW SHIBESHI  
Signature                  
Date of Submission    16-07-2007