

WERE WINNIE (2008-M102-20083)

Budgeting and Performance of Donor Funded Projects: A Case Study of Youth Alive Uganda.

Donor funded projects are organisations which are born out of a need to address development shortcomings, are time bound often in remote locations. They also tend to be funded by limited
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budgets and set-up in an ad hoc manner especially when addressing emergencies to meet the beneficiaries' needs. These challenges have resulted in a spontaneous approach to operational issues with projects involving staff in developing budgets for priority activities to fit in the limited funding so as to achieve organisational performance through achieving the planned targets with the available funds. The aim of the research was to establish if there is a relationship between budgeting and performance of donor funded projects in Uganda. The Youth Alive project has reported unsatisfactory results from the period 2005 to 2008. Accordingly, there was concern as to whether performance achieved by donor funded projects in Uganda had any relationship with the budgeting conducted therein, and hence, the need to establish this relationship. The objectives of the research covered the examination of the budgetary process in relation to performance of donor funded projects, establishment of the relationship between budgeting and performance of donor funded projects and investigation of the relationship between financial management practices and performance of donor funded projects in Uganda. The purpose of the study was for the donor funded projects in Uganda to appreciate the impact of budgeting on performance of projects and thereafter they would take corrective action. The research is expected to optimise and compliment efforts of the donor funded projects' managers and bring knowledge considering several factors such as involvement of project staff and setting clear policies during budgeting in order to achieve performance. A number of studies were reviewed to assess the advantages and limitations of integration, some successful and failed case studies, approaches to integration, specific examples of challenges in donor funded projects and a review of frameworks and their suitability in this research. The study was conducted as a case study and adopted a cross sectional analytical and ex-post facto design because most of the data were obtained from different categories of selected respondents and from already existing data from the end of project report. The sampling techniques used were purposive, simple random and stratified sampling. The tools used for data collection were the interview methods and questionnaire. The results of the survey were presented in tabular and graphical formats with narrative explanations. The results were analysed to establish the link between budgeting and performance of donor funded projects and it was found out that budgeting was not a significant determinant of performance of donor funded projects. In conclusion, donor funded projects can enhance their services in order to accomplish and harmonise the intended objectives. There is also need for donors to have flexible preferences.

Key words: Budgeting, Youth, Project, Performance