



**INFLUENCE OF THE MODERATING ROLE OF LEGAL & REGULATORY
FRAMEWORK ON PROJECT GOVERNANCE AND SUSTAINABILITY OF DONOR-
FUNDED PROJECTS IN THE HEALTH SECTOR IN KENYA**

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ABSTRACT

Purpose: The study sought to determine the moderating influence of legal & regulatory framework on project governance and sustainability of donor-funded projects in the health sector in Kenya.

Methodology: This study adopted the positivism research philosophy and an explanatory research approach to identify the precursors of sustainability of donor-funded programs in Kenya's health sector. The unit of analysis for the study was eight (8) non-profit making health service provider entities in the health sector in Kenya. The unit of observation was 652 employees working in the health sector. A sample size of 248 which was 38% of the population was used.

Findings: The results indicated project governance has a significant influence on sustainability of donor-funded projects in the health sector in Kenya. There is no significant moderating influence of legal & regulatory framework on the relationship between project governance and sustainability of donor-funded projects in the health sector in Kenya.

Recommendations: To review the prevailing laws and regulations to tighten and align projects sustainability constructs to emerging and future trends in the healthcare industry.

Keywords: project governance, legal & regulatory framework, precursor of sustainability, donor-funded projects

BACKGROUND OF THE STUDY

As Kenya works towards achieving the global Sustainable Development Goals (SDGs) that aim to improve aid effectiveness by 2030, external donors and aid recipients are increasingly concerned about durability of project outcomes beyond donor support. Sustainability would imply that systemic benefits are conferred to both present and future generations through resilient health structures, practices, and systems for effective service delivery (Potluka & Svecova, 2019). Sustainability in development projects is a dominant concern that affects decisions and actions that shape donor policies. Sustaining project outcomes beyond a donor funded project's implementation period is a major development challenge in developing countries (Oino et al., 2015). Donor-funded projects either perform poorly or get into non-operational status upon termination of external support, facing challenges in sustaining their operations in the long term (Hassan and Forhad, 2018), attributed partly to people and process management (Ramirez, 2014).

Project governance supports an organization in aligning its project objectives with organizational goals to ensure that projects are effectively planned, executed, monitored, and controlled throughout their lifecycle (PMI, 2017). Effective project governance ensures that stakeholders are engaged, risks are managed, and projects are delivered successfully within the defined constraints. Tailoring governance practices to suit the specific needs and complexity of each project is crucial for achieving project success. Project governance framework defines structures that effectively respond to the project organization's strategic goals, culture, and ethics; the donor's funding policies; and the host government's policies, laws and regulations, in a balanced manner. Projects driven by local stakeholders align easily with local priorities, cultural norms, and health systems, influencing integration and long-term sustainability. Aligning donor-funded projects with the project host institution's and host country's systems promotes locally led, locally-managed and locally owned projects, increasing the likelihood of sustainability. Inclusion of the strategic leadership role of collaborating institutions such as government and donors in the overall project governance framework is important for project success and sustainability (Madsen, 2019).

For each project to be implemented, there are rules that govern the rights and responsibilities of governments, private sector, and citizens. Together these rules are called a legal framework, or the legal architecture. Who is involved in making these rules and what documents they use to define them differs from country to country (Geneva: World Health Organization, 2017). Advancing the right to health: the vital role of law A well-designed legal architecture should provide rules for how state institutions are structured; how private sector industry businesses acquire and manage licenses and the fiscal terms governing payments between private sector and the state. According to Kickbusch and Gleicher (2014) it also encompasses environmental management, relationships between project funders and neighboring communities, the behavior of public officials active in the sector, public information disclosure and accountability, and how the government would manage resource revenues (WHO Regional Office for Europe, 2016).

Funding diversification in project sustainability is about securing financial support from multiple sources to sustain a project or initiative over time. It involves securing alternative funding sources to support project operations. Relying on a single source of funding can pose risks to the sustainability of a project, as changes in that funding source (such as budget cuts, policy shifts, or economic downturns) can jeopardize the project's continuity. This reduces dependency on any single donor or funding stream and increases resilience to financial shocks; manages risks associated with funding uncertainties, ensuring continuity of project operations and benefits, even if one funding stream is affected. Ensuring a steady inflow of resources, not only contributes to

continued operations and project benefits, but also enhances reach to a wider populace or addresses different aspects of health goals, leading to a broader impact as it allows adaptation to changing needs and priorities (Fryatt, Bennett, & Soucat, 2017).

In a study on the link between leadership and strategy in enhancing project sustainability, findings suggest close linkage between the strategic plan of an institution and the project leadership practices particularly in resource mobilization and project execution. It concluded that project governance is needed to establish a secure and sustainable resource mobilization base and partnerships for the design and delivery of sustainable project services (Khieng & Dahles, 2014). Project sustainability is achieved through visionary leadership that sets a clear vision of sustainability, inspiring teams to adopt sustainable practices from the project's inception, and setting long-term goals aligned with sustainable objectives ensuring that project activities are designed with sustainability in mind. It provides the inspiration, direction, roadmap and framework for project success and sustainability. Sustainability also calls for ethical leadership where leaders uphold ethical principles and integrity in all project activities, ensuring transparency, accountability, and respect for human rights, prioritizing the well-being of both present and future generations in decision-making processes (Daft, 2014).

For sustainability, good governance facilitates collaboration and partnerships with other organizations, governments, and NGOs working towards similar sustainability goals. By leveraging collective expertise and resources, they can scale up the impact of the project and promote knowledge sharing. They also build capacity of local communities and stakeholder organizations while ensuring that they are actively involved in implementing sustainable solutions. This is facilitated through effective communication, cooperation, teamwork and trust (Kerzner, 2019).

STATEMENT OF THE PROBLEM

Donor aid is time-bound and so is a project's life. Donor funds facilitate delivery of planned outcomes. The donors then withdraw funding as the government or supported local entity is expected to develop the capacity to sustainably deliver the intended benefits (USAID, 2015). Sustaining outcomes beyond the funding lifecycle has often been a challenge (Ejughemre, 2013), with most project outcomes beginning to deteriorate soon after the external funding has terminated (WB, 2013).

According to OECD, (2015) health projects in public hospitals collapse one year after completion. The Kenya National Bureau of Statistics (KNBS) reports that 63% of health projects fail shortly after implementation (Kenya National Bureau of Standards, 2014). The project benefits have been lost soon after external funding has ended (USAID, 2015). A decline in financing from external sources requires either a corresponding increase from local sources or efficiency gains to reach the same goals with fewer, more streamlined resources. In most developing countries the remaining presence of incomplete/unutilized physical structures are evidence of failed projects or lack of sustainability beyond donor support (Scheerens et al., 2021).

A study conducted in Kenya by Nzinga et al. (2018) showed that most health projects are led by project managers who are heads of institutional departments. These are substantively medical doctors, surgeons or other paramedics who are highly trained in the respective health areas but exhibit little knowledge and familiarity on health systems management and organizational management techniques. The study observed further that both pre-service and on-the-job training have inadequately addressed the management training gap. Nzinga et al. (2018) also observed that

clinical managers in Kenya are ill-prepared for administrative roles and are hesitant to assume these roles. Many hospitals noted the leadership and management gap for medical personnel and started developing different programs aimed at improving requisite skills (Nyikuri et al., 2020).

From the literature reviewed, there is limited systematic study conducted to examine how the skills imparted by programs have shaped the quality of project governance of donor funded projects in the hospitals or health sector organizations. Project leaders can enhance the likelihood of achieving lasting sustainability outcomes in donor-funded projects by integrating the constructs of sustainability in project management. Their proactive approach helps to embed sustainability principles into project planning, implementation, and evaluation processes, ultimately contributing to positive environmental, social, and economic impacts.

OBJECTIVE OF THE STUDY

The objective of the study was to determine the moderating influence legal & regulatory framework on project governance and sustainability of donor-funded projects in the health sector in Kenya.

Research Hypothesis

H₀: Legal & Regulatory framework does not have a significant influence on the relationship between project governance and sustainability of donor-funded projects in the health sector in Kenya.

THEORETICAL REVIEW

The Transformational Leadership Theory, first introduced in the late 1970s by Burns (1978) and Bass (1985), focuses on how leaders inspire followers to accomplish great tasks. It involves engaging with others to raise motivation and morality. It involves strong personal identification with the leader and a shared vision of the future, going beyond self-interest and individual rewards (Burns, 1978). Transformational leaders inspire followers to achieve valuable outcomes by defining shared values and beliefs. They help followers develop strategies for achieving goals, providing a strong support platform. The Transformational Leadership Theory emphasizes the importance of trust, motivation, and inspirational nature in leaders. Leaders' charismatic personalities and flexible rules provide a sense of belonging, enabling followers to easily identify with the leader and their purpose (Rosenbach & Sashkin, 2014). Transformational leaders foster shared values and beliefs, enabling followers to commit to organizational goals and develop strategies for success, promoting effective institutions and variable project governance.

Academic research on regulations has led to two main schools of thought: positive theories of regulation and normative theories of regulation. Positive theories focus on regulation's emergence, transformation, and implementation, while normative theories examine industry regulation (Joskow and Noll, 1981; Spulber, 1989). The normative theory of regulation suggests that regulators should encourage collaboration, minimize costs, and have well-structured regulations to improve performance (Owen & Braeutigam, 1978). These laws should meet indicators like independence, transparency, predictability, legitimacy, and credibility (Vogelsang, 2002). The theory also supports the concept of normative decision theory, which emphasizes the importance of making the right decisions and ensuring morality before implementing regulations. This theory supports the variable legal and regulation framework.

CONCEPTUAL FRAMEWORK

In this framework, the independent variable is project governance the dependent variable is project sustainability. Legal & regulatory framework is the moderating variable. This is illustrated in Figure 1 below.

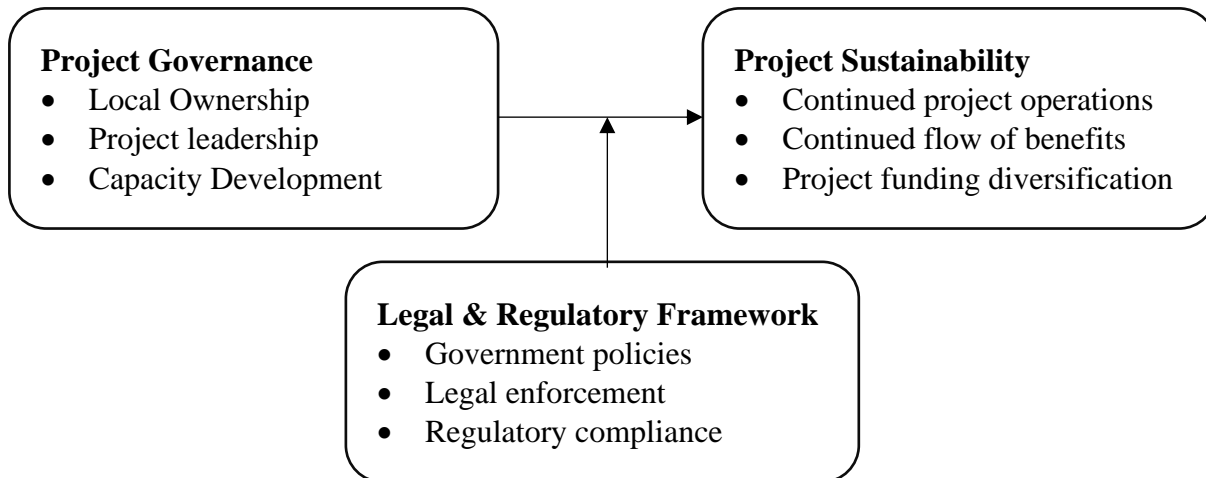


Fig 1: Conceptual Framework

Project Governance

The project governance structure determines the extent to which a project may be led or controlled by the external funding agency, or by the project hosting organization (PMI, 2017). A structure that allows locally driven project implementation phase from inception through close-out, fosters a sense of ownership and commitment by the project hosting organization and associated local stakeholders. It ensures that projects are aligned with local priorities thereby facilitating sustainability beyond the lifespan of donor funding. A sustainability mechanism that encompasses continuous injection of government financial support prior to termination of a donor funded project, coupled with effective stakeholder participation is a clear pathway to sustainability in project management, with both serving as contributing factors in sustaining project benefits (Adam & Adam, 2015).

Locally owned, led and managed projects prioritize strategic local partnerships that share resources to contribute to a more sustainable project and long-term delivery of a public good. Locally managed projects promote local employees and partnerships. In planning for sustainability, securing political buy-in is critical. Equally, adopting a working definition for local project ownership and sustainability is important while prioritizing resource mobilization (Itiola & Agu, 2018). This happens by engaging key stakeholders in identifying funding priorities, through a strategically consultative process.

The local partners work towards a common goal to facilitate a development agenda through shared resources, risks, with mutual benefits, reducing individual resource contribution thereby achieving a common goal more cost-effectively and sustainably. Well-structured partnerships with government, external donors, private sector or other local entities at strategic level helps to maintain focus, coherence, and momentum throughout the project lifecycle, increasing its likelihood of sustainability beyond the donor funding period (UNAIDS, 2007).

The visionary leadership of the project host organization is key for the sustainability of a project. The institution's leadership articulates a compelling vision and strategic plan for the project's impact and sustainability, establishing a roadmap for achieving long-term success and project sustainability. Leadership integrates the project goal into the larger vision of the organization and clearly articulates it to internal and external stakeholders. It provides strategic vision and direction aligning the project with the institution's goals and objectives while providing an enabling internal environment for project operations. It is important to have a leader in the executive with the belief, energy, and time to spearhead fund-raising efforts to sustain project benefits after the initial funding phase has ended (Flandez, 2018).

Capacity development of the project team, staff of the project organization, and collaborating stakeholders is an important activity that should be planned strategically. The host organization mentors and empowers local stakeholders, providing opportunities for skills development, knowledge transfer, and leadership growth. The ability, potential, and capacity to strengthen teams through coaching and mentorship, networking and feedback, and strategy management and vision casting, is critical for advancing locally led, locally managed and locally owned projects (Leal et al., 2020). Fostering a culture of learning, innovation, and continuous improvement strengthens the project organization's resilience and self-reliance of communities and institutions. This enables them to take ownership of their health and well-being. Locally managed projects involve intentional capacity development of local institutions, healthcare workers, and communities to manage and sustain project interventions, enhancing the success and sustainability of project benefits (Madsen, 2019).

Legal & Regulatory Framework

When donor agencies, private sector entities, and non-governmental organizations (NGOs) begin to engage in a country's health sector projects, they must check that they comply, or follow, all the rules in the legal framework of a country (Geneva, 2018). Legal frameworks comprise a set of documents that include the constitution, legislation, regulations, and contracts. How these documents relate to one another could lead to a legal hierarchy. National policies and laws usually provide a coherent set of strategies and rules to govern behavior in each sector.

Legislation is the legally binding set of rules that govern the vision established in a policy (Geneva: World Health Organization, 2017). Many countries draft formal health sector policies to define a core set of principles and goals that would then underpin all other rules and activities. Some policies are approved by a national legislature, while others are promulgated by the executive alone. Technical and programmatic policies are developed and approved by state ministries and programs. The best-designed policies are developed through a process of broad-based consultation that incorporates stakeholder feedback and provides a clear explanation of public strategy.

Regulations are usually the implementing rules created by an executive body of government to make legislation practical. They are most often tied to a law but provide significantly more detail. Often the legislation would give some guidelines about what the regulations should cover (Ozorhon et al., 2007). An enabling operating environment, a country's political stability and the overall legal and regulatory framework highly influence sustainability of project gains. Socio-cultural and social-economic dimensions common in developing countries also influence sustainability of donor funded projects.

Project Sustainability

Sustainability is about fulfilling present goals and needs without jeopardizing future ability to fulfill them (UN, 1987). A development activity that tries to meet the requirements of the present, without sacrificing the capacity of the future to meet its needs, is said to be sustainable (World Bank, 2011). Sustainability has various dimensions based on the target impact such as environmental, institutional, social, and economic impact. These dimensions are often interconnected and address the long-term impacts and viability of projects.

Environmental impact focuses on preserving and protecting natural resources, ecosystems, and biodiversity for current and future generations. Social impact involves creating equitable, inclusive, and healthy communities where people can thrive, promoting social justice, human rights, and addressing social inequalities such as access to healthcare and basic services. Socially sustainable practices emphasize community engagement, cultural diversity, and promote social cohesion and well-being (World Bank, 2011). Institutional impact to sustainability examines the governance structures and institutional frameworks that support the project's sustainability. These include stakeholder engagement, accountability, and transparency. It also emphasizes the importance of embedding sustainability in project management education, disciplines, and in practice (Tite, Pontin & Dacre, 2021).

Economic sustainability focuses on fostering financial stability through generation of sufficient economic resources to cover project costs and provide long-term value to stakeholders. Samsuddin et al. (2023) submitted that health sector project sustainability is influenced differently depending on the funding source, which may be own institutional funds, or from governments, NGOs, or contributions from well-wishers.

Diversifying funding sources is crucial in mitigating financial risks and enhancing institutional sustainability. Funding sources include donations, grants, investments and earned income. Financial management practices and strategies for diversifying funding sources include reducing reliance on a single stream of funding. Reducing such reliance mitigates financial risks and promotes long-term sustainability. This is achieved through strategically leveraging the various funding sources to support project objectives and organizational goals and sustainability plans while managing and mitigating risks effectively (Zietlow, Hankin & Seidner, 2012).

A funding diversification strategy requires strategic planning to identify potential sources, building relationships with funders and ensuring alignment with the project's goals and mission. Overall, funding diversification is crucial in helping organizations navigate financial challenges for continued success and impact of project initiatives. Relying on a single source of funding can pose risks to the sustainability of a project, as changes in that funding source (such as budget cuts, policy shifts, or economic downturns) can jeopardize the project's continuity (Zietlow, Hankin, & Seidner, 2012).

EMPIRICAL REVIEW

Project governance has strategic complexity having effects at the strategic, leadership and technical levels. It should therefore be a direct concern of institution's leadership and all those engaging with them, and not the domain of project managers only (Biesenthal and Wilden, 2014; Pitsis et al. 2014). An organization's leadership articulates the vision for what the organization is set to achieve in the long term, what will be the indicator and impact of success, and how the interest of the potential funders will be realized without compromising the organization's mission

(Tennyson & Harrison, 2018). Most project failures begin when top-down directives constrain and conflict with the actual issues and needs of the community that a project is meant to address (Monday, Adadu, & Usman, 2019).

Dreher et al. (2011) established that donor policies have a large contribution to project sustainability. In assessing the aid allocation policies for a group of donors the researcher found that not only do donors disregard merit in aid allocation but also overblow the concerns of commercial self-interest leading to distortion of both the allocation of aid and the objective oversight of project management. Non-profit making organizations (NPOs) face peculiar leadership complexities different from those faced by governments or the for-profit sector. When they pursue money-driven projects, donors often dictate the scope and direction of their activities or otherwise withhold funding to the organization (Akumu, 2018). The increasing role and importance of NPOs in developing countries imply that the leadership of such organizations confronts increasingly complex problems (Smillie & Hailey, 2017).

A study involving the National Health Services (NHS) with a sample of 3,447 respondents found that leadership is associated with clear team objectives, high levels of participation, commitment to quality of care, and support for innovation (Wang, et al, 2014); all being key considerations for project success and sustainability. Where there was conflict about leadership within the team, processes, and outcomes were poor. Leadership development is vital for healthcare, with considerable resources dedicated from budgets towards it (Wang et al., 2014).

In a study carried out by Gosling, et al. (2013) and Othman (2012), it was established that regulatory agencies have the highest probability of impacting the cost and schedule of a project towards compliance with set parameters. The findings further indicated that failure to identify and comply with regulatory requirements can result in a product being considered substandard to regulators and require the project team to rework portions or even to completely start the project all over again. The study concluded that unplanned costs will negatively impact earned value and return on investment, and lead to incomplete development of the work breakdown structure and schedule with potential knock-on effects to other critical processes. This was found to be true in waste remediation projects where it is asserted that it is not uncommon for projects to exceed 30 to 50% of the original cost estimate due to non-compliance problems.

Mbicha's 2019 study showed that regulation of healthcare systems, regardless of the negative connotations associated with the term regulation, is now a common feature worldwide. Regulation is important as it addresses the welfare losses that are associated with market failures and provides protection to consumers. With regulation, there is government involvement in healthcare provision which has been because of market failures in healthcare provision. By regulating healthcare, there is a pursuit of various objectives such as equity for consumers and counteract strong professional interests that may be detrimental to the consumers of healthcare (Goddard, 2003).

The importance of the right to health and its role in protecting the most vulnerable in society is highlighted by Mbicha (2019) who sought to investigate the judicial enforcement of the constitutional rights to health. He noted that the Kenya judiciary can contribute to the growing jurisprudence of enforcement of the right to health and highlighted that, although the justiciability of the right to health as provided in the Kenyan constitution is not in contention, the major challenge faced is the scarcity of resources. The government of Kenya must ensure that the available resources are utilized, based on the given legal framework, to provide the basic primary healthcare for people.

RESEARCH METHODOLOGY

This study adopted the positivism research philosophy since the positivistic philosophy and models are grounded on the premise that human behaviour should be done in the same way as studies conducted for natural sciences (Blaxter et al., 2010). The explanatory research approach was used in the study since its goal was to identify the precursors of sustainability of donor-funded programs in Kenya's health sector. The unit of analysis for the study was eight (8) non-profit making health service provider entities in the health sector in Kenya. They comprise government entities at the national and county level, non-profit and faith-based organizations that collectively contribute to over 70% of health services and/or health products and technologies to the public and mission health facilities. The unit of observation was 652 employees working in the institutions with the understanding that they had a project management role and/or the knowledge to appropriately respond to the research questions and statements. Yamane's (1967) formula was used to calculate the sample size of 248 which was 38% of the population and thus adequate as suggested by Mugenda and Mugenda (2018). The study adopted stratified, purposive, and simple random sampling techniques to ensure that the sample size was representative of the population.

RESEARCH FINDINGS AND DISCUSSION

This study distributed a total of 248 questionnaires but only 210 questionnaires were duly filled and returned translating to a response rate of 84.7% which was considered excellent and suitable for further analysis and reporting. Figure 1 below shows the response rate.

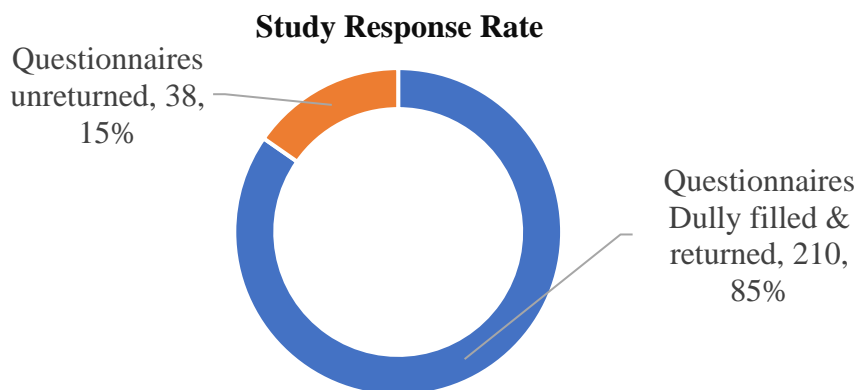


Figure 1: Response Rate

Descriptive Statistics

Based on the responses from the 5-point Likert scale, frequencies, means, and standard deviations were computed and used to interpret the results.

Project Governance

The respondents were asked to indicate their level of agreement with statements on local project governance. The results in Table I indicate that 45.2% of respondents disagreed with the assertion that their institution engaged with other institutions to resource and oversight the project (M=3.225, SD=1.430). A further 49.1% of the respondents disagreed with the statement that their

leadership ensured that staff members were well coached to understand and implement the project successfully at (M=3.291, SD=1.512), while another 42.1% disagreed with the statement that their leaders gave timely and regular feedback during the project life cycle to staff and stakeholders at (M=3.412, SD=1.481). The findings further indicate that a majority, 56.7%, agreed with the statement that the leaders clearly articulated the organization’s vision and regularly resounded that projects must align to it at (M=3.813, SD=1.624), while another 44.5% agreed that project management processes were integrated in the institution’s systems at (M=3.617, SD=1.162) with 30.2% remaining neutral on the statement. Another 49.1% of the respondents agreed with the statement that their leadership supported capacity development and empowerment of staff and stakeholders at (M=3.837, SD=1.142), another majority of 56.8% agreed with the statement that project governance influences sustainability of projects (M=3.710, SD=1.201).

The findings indicate that there were mixed opinions among the respondents. The findings agree with those of other scholars. Akumu (2018) contends that having technically competent professionals, a supportive leadership, good project design, state of the art equipment and facilities, technology, and supplies, does not guarantee optimal performance in implementing a project or assurance of sustainability, hence mixed feelings on institutional leadership.

Table 1: Descriptive Statistics on Project Governance

Statements	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
My institution engaged with other institutions to resource and oversight the project	22.1	23.1	9.9	22.9	20.2	3.225	1.430
The institution’s leaders ensured that staff members were well coached to understand and implement the project successfully	22.5	26.6	15.9	20.6	14.4	3.291	1.512
The leaders gave timely and regular feedback during the project life cycle to staff and stakeholders	20.7	21.4	08.4	20.4	18.6	3.412	1.481
My leaders clearly articulated the organization’s vision and regularly resounded that projects must align to it	11.2	10.0	22.1	34.6	22.1	3.813	1.624
The project management processes were integrated in the institution’s systems.	13.2	12.1	30.2	23.6	20.9	3.617	1.162
My leadership supported capacity development and empowerment of staff and stakeholders	24.7	14.7	11.5	28.9	20.2	3.837	1.142
Project governance influences sustainability of projects	13.5	15.2	14.5	43.6	13.2	3.710	1.201

Qualitative data on project governance was guided by the statement on how else institutional leadership and management influences sustainability of donor funded projects in the health sector in Kenya. The respondents suggested that organizations, their programs and projects rise and fall at the hands of the institution’s oversight on the project. Hence the need to gravitate towards strengthening governance towards locally led, locally managed and locally owned projects to ensure implementation aligned to local interests and goals. Other suggestions pointed to local

staffing and technical expertise in terms of skills, qualifications, and ability to champion activities aligned to project sustainability. Leaders need to keep abreast with needed practices like conflict handling, mentorship, analytical ability, and budgeting. Others suggested that leaders need to have expertise in budget planning, implementation, monitoring and reporting to ensure team members are well guided.

On suggesting ways by which project governance can be used to enhance project sustainability in the health sector in Kenya, the respondents indicated that the host government should plan and budget in such a way as to ensure donor-funded projects are sustained through substantial government contribution. Other suggestions around having good rapport with the host government, private sector and external donors were made, indicating opportunities for funding and leverage. The respondents also suggested that there was need for leaders to be more inspiring and intentional in institutionalizing an organizational culture that motivates staff and builds capacity of project beneficiaries and community stakeholders. Others who responded advised executives of project hosting institutions to incorporate work-life balance activities into the project life cycle while recognizing workers as assets rather than just a means of accomplishing objectives.

Legal and Regulatory Framework

The respondents were asked to indicate their level of agreement with statements on the legal and regulatory framework. According to the results in Table II, 52.1% of respondents agreed with the statement that implementation of health projects was governed by the laid down laws and regulations of donor and host government at (M=3.901, SD=1.442). Most respondents, 68.2%, agreed that there were clear funding and technical policies guiding their institutions in managing health projects (M=3.932, SD=1.291); however, there were mixed feelings about the claim that policies were broken down into straightforward guidelines that were adhered to, with 28.9% agreeing, 20.7% disagreeing and 40.2% are neutral with the statement at (M=3.483, SD=1.324). The results also show that in terms of being supportive to the laws, policies, and guidelines in project implementation, respondents agreeing with the statement were 50% (M=3.897, SD=1.241) for the national government project leadership support, 43.5% at (M=3.790, SD=1.921) for the project host institution leadership support, and 35.8% for the county government project leadership at (M=3.132, SD=1.390). Respondents agreeing that the legal and regulatory framework affects sustainability of projects were 53.8% at (M=3.902, SD=1.320).

These findings agree with those of other scholars. Mbicha (2019) observes that regulatory compliance issues should be planned and integrated into project planning. The project culture should position regulatory compliance as a responsibility of all the parties involved in the project, and not a game of hide and seek with those deemed to 'own' compliance risk. Regulatory engagement pays. Institutions have suffered due to conflicting opinions on legal and regulatory framework compliance and application (Mbicha, 2019).

The question on "How else does Kenya's legal and regulatory environment affect the sustainability of donor-funded projects in the health sector?" served as the framework for the qualitative section. In response to this question, the respondents emphasized how the legal and regulatory framework had standardized project-related operations. Additionally, it provided guidance on how to incorporate stakeholders into the project in a flexible way.

Regarding the statement, 'Suggest ways the legal and regulatory framework can be used to enhance project sustainability in the Kenyan health sector,' the respondents emphasized the need for greater

adherence to the policies, laws and regulations by all project team members given that health is a delicate issue that, if handled improperly, could lead to significant and irreparable losses including mortalities. However, 36% of respondents stated that rigorous policies and procedures need to be developed cooperatively to address current demands in donor-funded initiatives in the health sector.

Table II: Descriptive Statistics on Legal & Regulatory Framework

Statements	1	2	3	4	5	Mean	Std. Dev.
	%	%	%	%	%		
Health projects implementation was governed by the laid down laws and regulations of donor and host government	22.1	16.1	9.7	28.9	23.2	3.901	1.442
There were clear funding and technical policies guiding my institution on managing health projects	11.3	10.3	10.2	43.4	24.8	3.932	1.291
The policies were broken down into simple technical guidelines that were followed	10.5	10.2	40.2	15.4	13.5	3.483	1.324
The county government project leadership was supportive of the laws, policies, and guidelines in project implementation	21.2	20.0	23.0	20.7	15.1	3.132	1.390
My institution project leadership was supportive of the laws, policies, and guidelines in project implementation	13.2	11.1	32.2	22.6	20.9	3.790	1.921
The national government project leadership was supportive of the laws, policies, and guidelines in project implementation	14.2	12.3	23.5	26.8	23.2	3.897	1.241
The legal & regulatory framework influences sustainability of projects	13.5	16.2	16.5	40.2	13.6	3.902	1.320

Project Governance and Project Sustainability

Regression coefficients were computed for unmoderated and moderated variables. The findings are presented in Table III. The findings reveal the t-statistic (8.066) which is greater than the t-critical (± 1.971) and a p-value (0.00) which is less than the study's level of significance (0.05) as shown in the model I. Thus, project governance has a significant influence on the sustainability of donor funded projects in the health sector in Kenya. the findings are also supported by Khieng et al., (2014). that project governance is needed to establish a secure and sustainable resource mobilization base for the design and delivery of sustainable project services. After moderation findings indicate that project governance*legal and regulatory framework has a positive and insignificant influence on sustainability of donor funded projects in the health sector in Kenya at ($\beta = .080$) and p-value ($P = .438$) as shown in regression model 2. This influence is greater than without moderation at ($\beta = .308$) and p-value ($P = .026$) as shown in regression model 1.

Table III: Coefficients for Project Governance, Legal & Regulatory framework, and Project Sustainability,

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.328	0.161		14.493	.000
Project governance	0.357	0.044	0.488	8.066	.000
Project governance	-.136	.342	-.186	-.398	.691
Project Governance * Legal & Reg. Framework	.080	.103	.606	.776	.438

a. Dependent Variable: Project Sustainability

Based on the findings since t-calculated (0.776) and p (0.438>0.05) then we fail to reject the null hypothesis that ‘Legal & Regulatory does not have a significant influence on the relationship between project governance and sustainability of donor-funded projects in the health sector in Kenya.’ The findings are contrary to Gosling, et al (2013) and Othman (2012), who established that regulatory agencies have the highest probability of impacting the cost and schedule of a project towards compliance to set out parameters. They further added that failure to identify and comply with regulatory requirements can result in a product being considered substandard to regulators and require the project team to rework portions or even to completely start the project all over again.

CONCLUSION OF THE STUDY

The results found a positive significant relationship between project governance and sustainability of donor funded projects in the health in Kenya. However, project governance interception with the legal and regulatory framework was insignificant. This implies that the legal and regulatory framework had no moderating effect on the relationship between project governance and sustainability of donor funded projects in the health sector in Kenya. The study therefore concludes that an improvement in project governance will lead to an improvement in sustainability of donor funded projects in the health sector in Kenya though the improvement is insignificant. This relationship will further be enhanced if the variable legal and regulatory framework is strengthened.

RECOMMENDATION OF THE STUDY

Projects to prioritize sustainability in implementing all phases of the project management cycle, considering environmental and social impacts across all stages, from project startup to decommissioning and follow-on project operations. This involves integrating sustainability considerations into project planning, design, and implementation from the outset, and improving communication with and capacity development for staff and stakeholders during the project cycle. In addition, review the prevailing laws and regulations to tighten and align projects sustainability constructs to emerging and future trends in the healthcare industry. Further, to develop, review and implement policies, regulations and standard operating procedures in order to facilitate compliance to project implementation standards in terms of quality, cost, scope, and time; and to implement for sustainability.

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