

Impact of Local Government Authorities' Development Budget on Project Performance in Tanzania: A Case of Muheza District Council

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Abstract

The study examined the impact of Local Government Authorities' (LGAs) development budgets on project performance in Tanzania, with a specific focus on Muheza District Council. A descriptive research design was employed, and 64 respondents were selected through purposive sampling. Quantitative data were analysed using descriptive statistics and multiple linear regression in SPSS Version 27.0 to determine the effects of project planning, project management, budget allocation, and budget utilisation on project performance. The findings revealed that project planning, project management, and budget allocation each had a significant positive effect on project performance, contributing to improvements of 75%, 55%, and 65% respectively. Conversely, budget utilisation was found to have an insignificant influence on project performance. These results underscore the importance of comprehensive planning, effective managerial practices, and timely budget allocation in enhancing the performance of development projects, while inefficiencies in budget utilization continue to present challenges. The study contributes to the literature on public administration and development planning by providing insights that can assist policymakers in strengthening resource allocation, project planning, and management within LGAs to improve project outcomes.

Keywords: Local Government Authorities, Development Budget and Project Performance.

INTRODUCTION

Background of the study

Development budgets have played a significant role in shaping project performance and implementation practices across local government authorities globally. In Africa, the influence of development budgets has produced mixed outcomes. While increased financial support from international aid and development agencies has enabled the

implementation of vital infrastructure and social projects, challenges such as corruption, weak institutional capacity, inadequate planning, insufficient budget allocation, inefficient budget utilisation, and political instability have frequently undermined project effectiveness (African Development Bank, 2021).

In Tanzania, project performance trends reveal both progress and persistent constraints. Major emphasis has been placed on infrastructure development in sectors such as transportation, education, health, water, and energy. These investments reflect the government's commitment to stimulating economic growth and improving public service delivery (World Bank, 2021). However, despite these efforts, issues including poor project planning, delays, inadequate budget allocation, cost overruns, and ineffective budget utilisation continue to impede project outcomes. Such challenges are often linked to logistical barriers and limited institutional capacity (Smith, 2023).

This study offers meaningful contributions to the fields of public administration and development planning. The findings provide valuable insight into the effectiveness of local government authorities' budgeting practices and their influence on project performance. These insights can support policymakers in strengthening resource allocation, enhancing budget utilisation, and improving project implementation processes. Furthermore, the study enriches the existing literature on budgeting and project management within the context of Tanzania's local government authorities.

The purpose of this paper was to evaluate the impact of development budgets on project performance in Tanzania, with a particular focus on Muheza District Council.

Statement of the Problem

Local Government Authorities (LGAs) play a critical role in driving socio-economic development in Tanzania, with development budgets serving as the primary mechanism for financing local projects and improving service delivery. These funds are intended to enhance project performance, strengthen infrastructure, and support community welfare (Collin, 2020). However, despite these expectations, many LGAs, including Muheza District Council, continue to experience persistent challenges such as poor project outcomes, financial mismanagement, and limited utilisation of allocated resources. Such challenges weaken the

capacity of LGAs to implement development projects effectively and contribute to delays in improving essential public services (Bakker, 2019).

Although the Government of Tanzania has introduced several budgeting and financial accountability reforms aimed at improving planning and promoting effective use of development funds, performance gaps remain evident at the council level. Current evidence (Mnyawi & Kessy, 2021; Mrope, 2020) indicates that limited clarity regarding budget allocation processes, inefficiencies in budget utilisation, and weaknesses in project planning and management practices continue to hinder the successful implementation of development initiatives. These shortcomings highlight the need for systematic evaluation of whether development budgets result in improved project performance, as well as an assessment of how allocation, utilisation, planning, and management practices specifically contribute to project outcomes.

This study therefore seeks to address these gaps by examining the impact of development budgets on project performance in Muheza District Council. Specifically, the study aims to assess how budget allocation affects project performance, determine the contribution of budget utilisation to project outcomes, examine the role of project planning in shaping project performance, and analyse how project management practices influence the overall achievement of project goals.

Research Objectives

General Objective

The main objective of this study is to evaluate the impact of Local Government Authorities' development budgets on project performance in Tanzania, with a specific focus on Muheza District Council.

Specific Objectives

The study was guided by the following specific objectives:

- i) To assess the effect of budget allocation on project performance in Muheza District Council.
- ii) To determine the effect of budget utilization on project performance in Muheza District Council.
- iii) To examine the role of project planning in influencing project performance in Muheza District Council.
- iv) To analyse the effect of project management practices on project performance in Muheza District Council.

LITERATURE REVIEW

Theoretical Literature Review

Public Finance Theory, developed by Simon Kuznets in the 1960s, explains how governments allocate and manage public funds to promote economic and social development. The theory emphasises efficient resource allocation, financial accountability, and budgetary discipline, enabling governments to determine appropriate ways to finance and implement development projects that yield the greatest social benefit. It underscores the value of cost-benefit analysis and transparent budgeting processes to ensure that limited public resources are directed towards high-impact initiatives. Despite its strengths, the theory has limitations, as it focuses primarily on financial efficiency and may overlook long-term sustainability considerations such as institutional capacity, stakeholder engagement, social equity, and environmental protection. These dimensions are essential for achieving durable and inclusive development outcomes.

Empirical Literature Review

Project planning has consistently been identified as a key determinant of successful project outcomes. Ocharo and Kimutai (2018) describe planning as a systematic process involving the definition of objectives, identification of activities, resource estimation, and establishment of monitoring frameworks, all of which reduce uncertainties and strengthen coordination. Empirical evidence confirms that robust planning improves implementation outcomes by enabling strategic resource allocation and effective responses to emerging constraints (Ocharo et al., 2018; Hyera & Tonya, 2022). Scholars further argue that performance-based budgeting depends heavily on well-structured planning to enhance accountability and execution, demonstrating that comprehensive planning directly influences the pace and quality of development results (Mutinda & Wanyoike, 2021).

Evidence from project management literature also underscores the importance of managerial effectiveness in shaping project performance. Studies from Kenya's power sector show that planning, monitoring, evaluation, and stakeholder engagement significantly enhance implementation outcomes (Ocharo et al., 2018; Muturi & Ngari, 2020). Additional research grounded in institutional and resource-based perspectives highlights that strong leadership, efficient communication, and adaptive management contribute to timely and cost-effective project delivery (Karanja & Wanyoike, 2021; Mugo & Njenga, 2022). However,

many of these studies give limited attention to the financial dimension of project execution, overlooking how allocation and utilisation influence development outcomes within Local Government Authorities budget.

Budget allocation has also received considerable empirical attention as a key driver of project performance. Arzanlou and Sardroud (2024) define allocation as the process through which public funds are distributed and expenditure limits are established. Evidence shows that adequate, timely, and predictable budget allocations are essential for ensuring project continuity and quality, while delayed or insufficient allocations often lead to implementation setbacks and reduced outputs (Lima et al., 2021; Kabiru & Ndiritu, 2020). Nonetheless, studies conducted in business settings frequently fail to account for the governance, institutional, and political complexities inherent in public-sector budgeting, limiting their relevance to Local Government Authorities (Lima et al., 2021; Mtey & Simba, 2023).

Budget utilisation is similarly recognised as a critical factor influencing project outcomes, particularly in public-sector development contexts. The National Audit Office (NAO, 2023) defines utilisation as the extent to which allocated resources are spent efficiently and in alignment with planned activities. Empirical studies indicate that efficient utilisation enhances implementation quality through stronger accountability, timely execution, and adaptive management (Molaei, Bosch-Rekveldt & Bakker, 2019; Chepkemboi & Nyang'au, 2021). Research on infrastructure and construction projects further demonstrates that project performance improves when funds are transparently managed and directed towards intended purposes (Ong'ondo, Gwaya & Masu, 2019; Chirchir & Bwisa, 2020). However, several studies overlook challenges such as under-utilisation, misallocation, and delays in expenditure, revealing gaps in understanding how weak execution of budgets affects project performance in Local Government Authorities. This gap underscores the need for focused research on utilisation patterns within decentralised government systems.

Research Gap

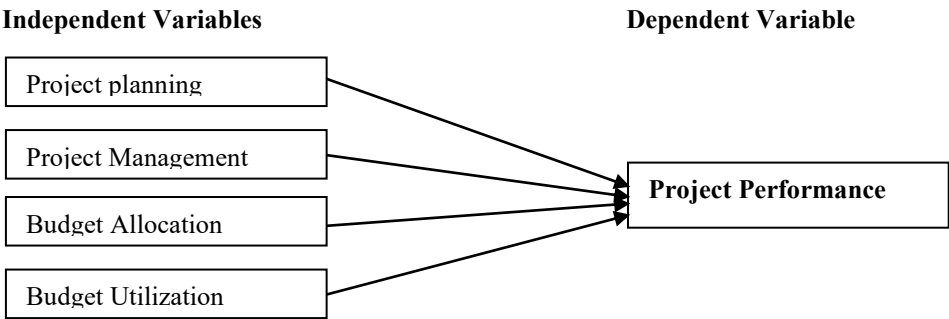
Despite the existing studies, there is a research gap that still need to be addressed, which is the lack of comprehensive studies that comprehensively examine the impact local government authority's development budgets on project performance in Tanzania. Moreover, the limited empirical evidence on specific challenges during budget

implementation, monitoring, and evaluation mechanisms restricts policymakers and practitioners from making informed decisions to enhance the effectiveness of budgeting practices and improve project outcomes. Closing the research gap, the study intended to contribute significantly to the knowledge base on local government authority development budgets in Tanzania. It also provides insights into effective budget allocation, implementation, and monitoring practices to improve project performance.

Conceptual Framework

The conceptual framework illustrates how project planning, project management, budget allocation, and budget utilization collectively influence project performance in Local Government Authorities. Effective project planning provides clear objectives and structured implementation pathways, while strong project management ensures coordination, supervision, and timely decision-making throughout the project cycle. Adequate and transparent budget allocation supplies the necessary financial resources for activities, and efficient budget utilization ensures those resources are used appropriately and economically to achieve intended results. When these four factors function effectively, they enhance the overall performance of development projects in terms of timeliness, quality, efficiency, and sustainability (World Bank, 2020).

Figure1
Conceptual framework



RESEARCH METHODOLOGY

The study was guided by a post-positivist research philosophy, which promotes objective inquiry while recognising the possibility of researcher bias (Creswell & J. David, 2023). A quantitative descriptive approach was adopted to examine the relationship between development budgets and

project performance (Creswell et al., 2023). The descriptive research design was appropriate for assessing variables such as project planning, project management, budget allocation, and budget utilisation. The study was conducted in Muheza District Council, selected due to recurring challenges of unutilised and incomplete development projects highlighted in recent CAG reports (NAO, 2023; 2024). The target population comprised 2,242 public employees, and a sample size of 64 respondents was determined using Yamane's (1967) formula. Purposive and simple random sampling techniques were used to select key officials involved in budgeting and project implementation (Nyimbili & Nyimbili, 2024). Data were collected using structured questionnaires administered through Kobo Toolbox, targeting heads of departments, planning and budgeting officers, project supervisors, engineers, and accountants (Taherdoost, 2021). Completed questionnaires were coded and analysed in SPSS Version 27 using descriptive statistics and multiple linear regression to assess the influence of the independent variables on project performance (Alita, Putra & Darwis, 2021). Validity was enhanced through triangulation, while reliability was tested using Cronbach's alpha, applying a threshold of 0.7 for acceptable internal consistency (Creswell & J. David, 2023). Ethical procedures—including informed consent, confidentiality, and adherence to institutional guidelines—were strictly observed throughout the study.

Multiple linear regression model

To examine the strength and direction of the relationship between development budget components and project performance, the study employed an econometric model estimated using multiple linear regression. The model allows for inexact relationships between variables by incorporating an error term (ϵ), which captures all unobserved factors that may influence project performance but are not included explicitly in the model.

The general form of the regression model used in this study is expressed as:

$$y = \beta_0 + \beta_1 X_1 + \beta_1 X_1 + \beta_1 X_1 + \beta_1 X_1 \dots \beta_n X_n + \epsilon \dots \dots \dots (1)$$

Applied to this study, the model specified as:

$$y = \beta_0 + \beta_1 PPlan + \beta_1 BUti + \beta_1 Pman + \beta_1 Ballo \dots \beta_n X_n + \epsilon \dots (2)$$

Where,

y = project performance

PPlan = Project planning

Pman = Project management
BALlo =Budget allocation
BUti =Budget utilization
 ϵ = Residual (“error term”).

FINDINGS AND DISCUSSION

Demographic information of the respondents

This section presents an analysis of the demographic characteristics of the respondents who participated in the study. These characteristics are crucial for assessing the validity and reliability of the data collected the informations includes Age, gender, educational level working experience in project planning and implementation, and designation position of respondents.

Table 2
Demographic information of the respondents

Variable	Category	Frequency	Percent (%)
Sex	Male	38	59.4
	Female	26	40.6
	Total	64	100.0
Age	18–25 Years	1	1.6
	26–35 Years	21	32.8
	36–45 Years	27	42.2
	Above 45 Years	15	23.4
	Total	64	100.0
Education Level	Diploma	9	14.1
	Degree	44	68.8
	Masters	11	17.2
	Total	64	100.0
Working Experience	1–5 Years	8	12.5
	6–10 Years	26	40.6
	11–15 Years	10	15.6
	16–20 Years	12	18.8
	Above 21 Years	8	12.5
	Total	64	100.0
Designation / Position	Head of Department/Unit	8	12.5
	Planning & Budgeting Officer	16	25.0
	Accountant	2	3.1
	Project Supervisor	33	51.6
	Engineer	5	7.8
	Total	64	100.0

Source: Research field Data (2024)

Age of Respondents

The results indicate that the majority of respondents were aged between 36 and 45 years (42.2 percent), followed by those aged 26 to 35 years (32.8 percent) and those above 45 years (23.4 percent). Only 1.6 percent were between 18 and 25 years. This distribution suggests that project planning and management roles within Muheza District Council are predominantly occupied by mature professionals who are likely to possess substantial technical and managerial experience. This finding aligns with Anderson and Brown (2021), who observed that individuals within this age range often demonstrate strong leadership and sound decision-making abilities. The limited participation of younger respondents reflects institutional constraints that restrict youth involvement in strategic functions, as highlighted by Taylor et al. (2023).

Gender of Respondents

The analysis shows that 59.4 percent of respondents were male, whereas 40.6 percent were female. This gender imbalance corresponds with findings by Mwangi and Omondi (2021) and Ahmed et al. (2023), who noted that structural and cultural dynamics continue to influence gender representation in public sector project environments. Although female participation remains comparatively lower, their involvement indicates progressive movement towards more inclusive engagement. Kabeer and Ngozi (2022) emphasised that balanced gender participation enhances decision-making and strengthens accountability within project settings.

Education Level of Respondents

The findings reveal that most respondents held a bachelor's degree (68.8 percent), followed by those with master's qualifications (17.2 percent) and diplomas (14.1 percent). This suggests that the personnel involved in planning and budgeting processes are academically well prepared. Okeke and Eze (2021) observed that higher levels of education enhance analytical capability and improve contributions to technical tasks. Adeyemi and Oluwaseun (2020) further emphasised that well-qualified individuals significantly reinforce the credibility and robustness of research outputs.

Working Experience of Respondents

A total of 40.6 percent of respondents reported having 6 to 10 years of working experience, while 34.4 percent had between 11 and 20 years. This reflects a strong representation of mid-career and experienced professionals who are well positioned to provide informed insights into

project management practices. Smith et al. (2022) underscored the role of experienced personnel in ensuring effective project delivery. The presence of both early-career and highly experienced respondents enriches the diversity of perspectives, consistent with observations by Martinez et al. (2023).

Designation of Respondents

The results show that Project Supervisors constituted the largest proportion of respondents (51.6 percent), followed by Planning and Budgeting Officers (25 percent). This highlights the central role of operational and financial personnel in influencing project performance. Carter and Evans (2021) noted that supervisors are essential in ensuring timely and efficient implementation of project activities, while Thompson and Patel (2022) emphasised the importance of budgeting officers in guiding resource allocation. The smaller proportions of Heads of Departments, Engineers, and Accountants suggest that specialist contributions complement broader project management functions.

Results and discussion on key components of the budget performance process

The discussion focused on the independent variables (project planning, project management, budget allocation, and budget utilization) in relationship to the independent variable (project performance) as discussed below.

Table
Effect of project planning on project performance

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Effective project planning contributes to improved project performance	16 (25%)	31 (48%)	7 (11%)	0 (0%)	10 (16%)
Project planning has a significant effect on project performance	31 (48%)	24 (38%)	0 (0%)	0 (0%)	9 (14%)
Proper project planning affects the overall success of a project	15 (23%)	37 (58%)	12 (19%)	0 (0%)	0 (0%)

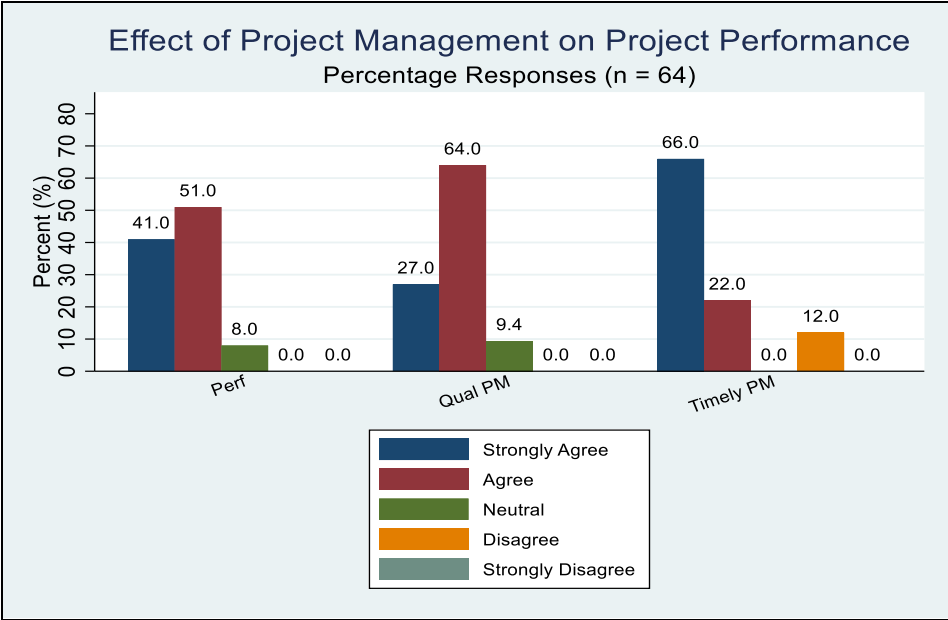
Source: Research field Data (2024)

Results from Table 4.5 indicate that respondents consistently view project planning as a central determinant of project performance. A large proportion agreed that effective planning enhances implementation, reduces uncertainty, and supports coordination, reflecting views similar to Anderson and Brown (2021) and Taylor et al. (2023), who highlight planning as essential for efficient project execution. The majority also affirmed that planning significantly influences project outcomes, a finding that aligns with Lee and Smith (2022) and PMI (2021), who emphasize that planning strengthens resource allocation and risk management. Furthermore, respondents largely agreed that proper planning contributes to overall project success, supporting the arguments of Johnson and Lee (2021) and Anderson et al. (2021), who note that structured planning improves predictability and increases the likelihood of achieving intended results.

Effect of Project Management on Project Performance

Results presented in Figure 2 indicate a strong recognition among respondents that project management practices play a central role in achieving successful project outcomes within Local Government Authorities. The distribution of responses across the three indicators demonstrates a consistent pattern of agreement on the importance of management quality, timeliness, and efficiency. With respect to the significance of quality project management, Figure 2 shows that most respondents agreed or strongly agreed that high-quality management improves project performance, suggesting that effective coordination and decision-making are crucial for project success. This finding aligns with Carter and Evans (2021), who emphasized the role of competent managerial practices in strengthening project execution. With respect to the timeliness of management activities, Figure 2 further illustrates that a substantial majority affirmed the importance of timely project management in improving performance, although a small proportion disagreed. This pattern reflects the observations of Thompson and Patel (2022), who argued that schedule adherence enhances efficiency but must be supported by adequate resources and operational capacity. With respect to the dependence of project performance on efficient and effective management, Figure 2 shows strong agreement that management efficiency is closely linked to project outcomes. This consensus supports the views of Smith et al. (2022) and Taylor (2023), who found that efficient resource use, clear communication, and oversight significantly enhance the likelihood of successful project performance in public sector settings.

Figure 2
Effect of Project Management on Project Performance



Source: Research field data (2024).

Effect of Project Management on Project Performance

Results from Table 4 show that respondents strongly acknowledge the importance of project management practices in influencing project performance within Local Government Authorities, with consistently high levels of agreement across all three indicators. Regarding the significance of quality project management, 41 respondents (64 percent) agreed and 17 respondents (27 percent) strongly agreed that high-quality management improves project performance, while only 6 respondents (9.4 percent) were neutral, indicating widespread recognition that coordination, supervision, and informed decision-making are essential drivers of project success, consistent with Carter and Evans (2021). Similarly, 42 respondents (66 percent) strongly agreed and 14 respondents (22 percent) agreed that timely project management enhances performance, although 8 respondents (12 percent) disagreed, suggesting that while timeliness is broadly valued, some respondents believe additional factors influence outcomes, a perspective supported by Thompson and Patel (2022), who noted that schedule adherence improves efficiency but relies on adequate resources and institutional capacity. With respect to the dependence of project performance on efficient and effective management, 33 respondents (51 percent) agreed and 26 respondents (41 percent) strongly

agreed that project outcomes rely on efficient resource use and effective oversight, with only 5 respondents (8 percent) remaining neutral; this strong consensus reinforces the view presented by Smith et al. (2022) and Taylor (2023) that efficient process management and clear communication are fundamental to achieving positive project results.

Table 4
Effect of Project Management on Project Performance

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Quality project management has a significant impact on project performance	17 (27%)	41 (64%)	6 (9.4%)	0 (0%)	0 (0%)
Timely project management contributes to improved project performance	42 (66%)	14 (22%)	0 (0%)	8 (12%)	0 (0%)
Project performance depends on efficiency and effective project management	26 (41%)	33 (51%)	5 (8%)	0 (0%)	0 (0%)

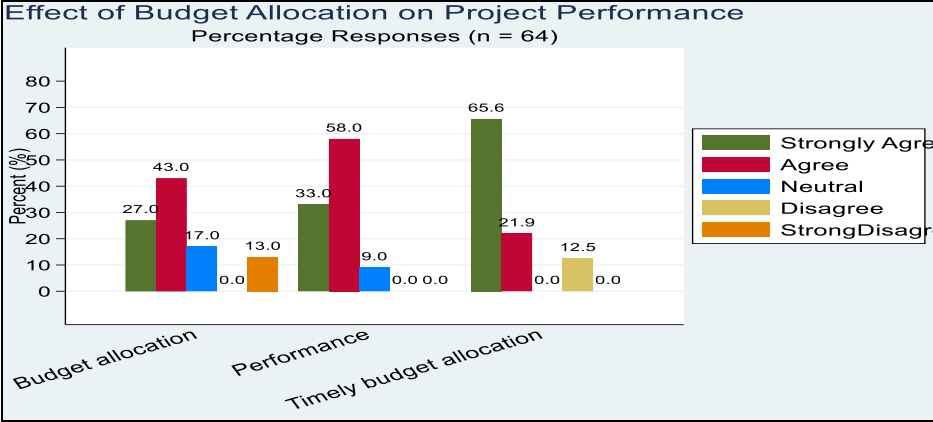
Source: Research field Data (2024)

Effect of Budget Allocation on Project Performance

Results from Figure 3 show that respondents strongly acknowledge budget allocation as an important factor influencing project performance in Local Government Authorities, with consistently high levels of agreement across all indicators. With respect to the timeliness of budget allocation, 42 respondents (65.6 percent) strongly agreed and 14 respondents (21.9 percent) agreed that timely disbursement of funds improves project performance, while 8 respondents (12.5 percent) disagreed; this suggests that delays in funding disrupt activities and reduce efficiency, a pattern consistent with Banda and Chirwa (2022), who found that timely funding enhances implementation speed and output quality. With respect to whether budget allocation significantly affects project performance, 28 respondents (43 percent) agreed and 17 respondents (27 percent) strongly agreed, whereas 11 respondents (17 percent) remained neutral and 8 respondents (13 percent) disagreed, indicating broad recognition that allocation processes shape outcomes but that some respondents believe other factors may contribute; this aligns with Muthoni and Kariuki (2021), who emphasized that effective allocation mechanisms support adequate resource distribution and improved project results. Finally, with respect to the dependence of project performance on budget allocation, 37 respondents (58 percent) agreed and 21 respondents (33 percent) strongly agreed that performance

relies heavily on how budgets are allocated, with only 6 respondents (9 percent) neutral, demonstrating strong consensus that well-planned allocations are central to successful implementation; these findings correspond with Nkrumah and Boateng (2020), who highlighted that appropriate financial resource distribution strengthens implementation capacity and supports the achievement of intended results.

Figure 3
Effect of Budget Allocation on Project Performance



Source: Research field data (2024).

Effect of Budget Utilization on Project Performance

Results from Table 5 show that respondents strongly recognize budget utilization as a key factor influencing project performance in Local Government Authorities, with consistently high agreement across all indicators. With respect to whether project performance depends on efficient and effective utilization of materials and financial resources, 40 respondents (63 percent) agreed and 15 respondents (23 percent) strongly agreed, suggesting a strong belief that proper resource use is essential for achieving project goals; this aligns with Mwangi and Opiyo (2022), who found that efficient resource utilization improves implementation quality and strengthens project success. With respect to insufficient budget utilization as a hindrance to project outcomes, 28 respondents (43 percent) agreed and 17 respondents (27 percent) strongly agreed, indicating that most respondents view underutilization as a barrier to effective project delivery, consistent with Chikonde and Banda (2021), who observed that unspent or poorly allocated funds often lead to delays and reduced performance. With respect to the overall effect of budget utilization on project performance, 32 respondents (50 percent) agreed and 20 respondents (31.3 percent) strongly agreed that utilization patterns

significantly influence project outcomes, underscoring the belief that effective use of allocated funds enhances performance; this corresponds with Osei and Boateng (2020), who emphasized that transparent and efficient utilization mechanisms increase efficiency, accountability, and the overall success of development projects.

Table 5:
Effect of Budget Utilization on Project Performance

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Project performance depends on efficient and effective utilization of materials and financial resources	15 (23%)	40 (63%)	3 (5%)	6 (9%)	0 (0%)
Insufficient budget utilization is a major hindrance to project outcomes	17 (27%)	28 (43%)	8 (13%)	0 (0%)	11 (17%)
Budget utilization affects the overall performance of a project	20 (31.3%)	32 (50%)	0 (0%)	12 (18.8%)	0 (0%)

Source: Research field data (2024).

Results and discussion on multiple linear regression outputs

Table 6
Descriptive Statistics Results

Variables	Mean	Std. Deviation	N
Project planning	4.56	.534	64
Project management	4.70	.441	64
Budget allocation	4.70	.393	64
Budge utilization	4.72	.390	64
Project performance	4.33	.730	64

Source: Research field data (2024).

The findings from the descriptive statistics indicate that independent variables project planning, project management, budget allocation, and budget utilization exhibit relatively high average scores, with means ranging from 4.33 to 4.72 on the scale. This suggests that these factors are perceived positively in relation to project performance. Also, the dependent variable, project performance, has a mean score of 4.33, indicating a generally favorable perception of project performance across the sample. The standard deviations for all variables are relatively low,

indicating that the responses are tightly clustered around the mean, suggesting consistency in how participants evaluated these factors.

Table 7
Model Summary

Model	R	R Square	AdjustedR Square	Std. Error of the Estimate
1	0.584	0.75	0.743	0.321

Source: Research field data (2024).

Table 7, indicates that, the R-value is 0.584 indicates a moderate positive correlation between the dependent variable (project performance) and the independent variables (budget utilization, budget allocation, project planning, and project management). Since it is greater than 0.4, it is acceptable for further analysis. The R-square of 0.75 suggests that 75% of the variation in project performance can be explained by the independent variables, indicating that the model is effective in establishing the relationship. The Adjusted R-square is 0.743, which is close to the R-square value of 0.75, meaning the results generalize well from the sample to the population, further strengthening the model's explanatory power. The model demonstrates a significant relationship between project performance and the key predictors.

Table 8
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.436	4	2.859	7.626	.000 ^b
Residual	22.120	59	.375		
Total	33.556	63			

b. Predictors: (Constant), project planning project management, budget allocation, budget utilization.

The ANOVA table above determines whether the model is significant enough to explain the outcome. In this case, the significance value (p-value) is .000, which is less than the chosen significance level of 0.05, indicating that the result is statistically significant. The F-ratio is 7.626, which is greater than 1, signifying that the model efficiently improves the prediction of project performance after accounting for the inaccuracy in the model. Since the p-value is below the acceptable threshold, we can consider the study for further analysis. This implies that the independent variables (project planning, project management, budget allocation, and budget utilization) significantly predict project performance.

Table 9

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	P value	Sig.
	B	Std. Error	Beta			
(Constant)	0.783	1.203		0.651	0.001	
Project planning	0.68	0.145	0.75	1.250	0.001	***
Project management	2.27	0.276	0.55	1.420	0.000	***
Budget allocation	0.45	0.288	0.65	1.033	0.000	***
Budget utilization	-1.38	0.339	-0.11	3.138	0.25	-

Statistically significant *** p<0.01, ** p<0.05, * p<0.1

In the analysis of the coefficients, the relationship between project planning, project management, budget allocation, and budget utilization on project performance is evaluated. The results indicate that project planning (Sig. = 0.001), project management (Sig. = 0.000), and budget allocation (Sig. = 0.000) have statistically significant effects on project performance, as their significance values are below the 0.05 threshold except for budget utilization which falls outside the probability value 95% interval since (sig=0.25) higher than 0.05 interval.

These significant variables imply that changes in these factors contribute significantly to variations in project performance. The results suggest that a 1% increase in project planning leads to a 75% improvement in project performance holding all other variables constant. Also, a 1% increase in project management effectiveness is associated with a 55% increase in project performance keeping all other variables constant, also findings suggest that a 1 % increase in budget allocation leads to an increase in project performance by 65% holding other variables constant. On the other hand, budget utilization, with a Sig. value of 0.25, does not exhibit a statistically significant effect on project performance indicating that for every 1% change in budget utilization decreases the project performance by 11%. Since this value exceeds the 0.05 significance level indicating that variations in budget utilization do not have a significant impact on project performance in this study.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study contributes to the understanding of how development budgeting practices influence project performance within Local Government Authorities in Tanzania. The findings indicate that effective project planning, sound management, and timely budget allocation play

important roles in strengthening project execution and improving performance outcomes. Although budget utilization did not show a significant statistical effect, its practical relevance remains important because the efficient use of financial resources underpins credible service delivery and implementation effectiveness. Overall, the study reinforces that project performance results from the interaction between financial inputs and the institutional, managerial, and governance systems that guide how those resources are planned and administered.

Policy Recommendations

The study recommends that government authorities ensure timely and adequate budget allocations for development projects by improving transparency and strengthening accountability mechanisms. Diversifying funding sources, including public–private partnerships, may also enhance project financing capacity. Strengthening project planning processes is essential and should involve conducting needs assessments, feasibility studies, and risk analyses while ensuring stakeholder participation. Governments should also establish realistic timelines and measurable objectives to improve implementation consistency. In addition, investing in continuous capacity building for project managers and operational teams is crucial, alongside adopting modern project management tools and institutionalizing monitoring and evaluation practices that enable timely adjustments and support the attainment of project objectives.

Areas for Further Research

Future research should explore the specific factors influencing budget utilization and its relationship with project performance, especially in other districts where contextual differences may exist. Since budget utilization was found to be statistically insignificant in this study, further investigations could examine challenges related to fund disbursement, expenditure tracking, and administrative or oversight constraints that may hinder efficient financial use. Such studies may reveal underlying barriers, including bureaucratic delays, weak financial management systems, or gaps in accountability, which could inform more targeted policy interventions aimed at improving budget efficiency and enhancing development project outcomes across local governments.

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