Proportion of Own Source Funds Allocated to Development Projects over Past Five Years in Ikungi District Council Singida Region, Tanzania

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Abstract

The study assessed the proportion of own source funds in facilitating effective cash injections in development projects in Ikungi District Council in Singida Region. Specifically, the study examined the allocation of own source funds to development project over the past five financial years guided by the resource-based view theory. The study adopted a mixed-methods research approach and descriptive research design. Simple random and purposive sampling methods were used. Data were collected from a sample of 100 respondents selected from a target population of 132 stakeholders. Structured questionnaires, interviews, and document review methods were used for data collection. Quantitative data were analyzed using descriptive statistics and multiple linear regression analysis through statistical package for social sciences while qualitative data were analyzed using thematic analysis. The findings revealed that allocation of own source funds to development projects had a significant positive effect (B = 0.287, p = 0.000). Documentary review findings showed that own source revenue collection increased from TZS 2.1 billion in 2020/2021 to TZS 4.5 billion in 2024/2025, while project completion rates improved from 66.7% to 88.9%. The study concludes that increasing development allocations, significantly enhance development project financing and implementation within local government authorities. The study recommends strengthening digital revenue collection systems, increasing allocation of own source funds towards development projects, and improving financial monitoring and accountability mechanisms to ensure effective utilization of local revenues for sustainable socio-economic development.

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1. Introduction

Development strategies are multidimensional informed by internal and external strategies. These also apply to local governments which internally orient efforts as paramount to their development projects. Looking to the developed societies, scholars like Müller and Krause (2018) conducted a study in Germany to examine how municipal governments allocate internally generated revenues to development projects. The study used a comparative analysis of municipal budget data from 50 cities combined with econometric modelling to determine the relationship between own source revenues and capital investment. The results revealed that municipalities with clear revenue earmarking policies allocated more than 40% of their internally generated revenues to infrastructure projects such as education facilities, transport networks, and urban utilities. The study concluded that strict financial regulations and transparent budgeting frameworks enhance the use of local revenues for development purposes. However, the study focused mainly on developed municipalities with strong fiscal institutions, which limits the generalization of findings to developing countries where governance structures and financial accountability mechanisms may be weaker. The present study addresses this limitation by examining how own source revenues are allocated to development projects in a developing country context, specifically within Ikungi District Council in Tanzania. Francisco and Manasan (2021) conducted a study in the Philippines to examine how internally generated revenues support local development planning. The study employed time-series analysis using local government financial reports and expenditure records from several municipalities. The findings showed that municipalities with higher internally generated revenues were able to allocate larger shares of their budgets to infrastructure projects such as roads, water systems, and public buildings. The study concluded that stable local revenue streams enhance development planning and reduce dependence on central government transfers. However, the study focused mainly on aggregate expenditure data and did not provide detailed analysis of how specific local governments prioritize development allocations. The current study addresses this limitation by examining the proportion of own source funds allocated specifically to development projects at Ikungi District Council over a five-year period.

Eze and Harrison (2019) conducted a study in Nigeria. The study adopted a cross-sectional research design and collected data through financial expenditure reviews and interviews with local government officials. The findings indicated that although local governments collected internally generated revenues, a large portion of these funds was frequently diverted to recurrent expenditures such as salaries and administrative costs rather than development projects. The study concluded that weak financial planning and limited fiscal discipline reduce the developmental potential of internally generated revenues. However, the study relied primarily on cross-sectional data and did not analyze revenue allocation trends over time. The present study addresses this gap by analyzing the proportion of own source funds allocated to development projects at Ikungi District Council across five financial years. Kalolo and Ndyetabula (2021) conducted a study in Morogoro and Dodoma Regions. The study used financial document analysis and interviews with council finance officers to evaluate how internally generated revenues were incorporated into development planning. The findings revealed that many councils allocated a relatively small proportion of own source revenues to development projects due to unclear budgeting frameworks and competing operational expenditures. The study concluded that participatory budgeting and stronger financial oversight mechanisms could improve development-oriented revenue allocation. However, the research covered only selected councils and did not specifically assess allocation

patterns within Singida Region. The present study addresses this limitation by focusing on Ikungi District Council and examining the proportion of own source funds allocated to development projects over the past five financial years.

2. Statement of the Problem

Many existing studies on own source revenues (OSR) emphasize national or regional trends, often neglecting district-level contexts such as Ikungi District Council (Mwakalinga, 2020; Kalolo & Ndyetabula, 2021). Research in Kenya and Nigeria has highlighted the importance of OSR but tends to generalize findings without considering local administrative capacity or financial practices (Ndunda & Ngahu, 2017; Eze & Harrison, 2019). Moreover, most studies analyze either collection or utilization independently, without linking OSR to measurable development outcomes (Shayo & John, 2023). This creates a gap in understanding the real impact of OSR at the grassroots level. Few studies explore how OSR evolves over time within specific councils. Furthermore, local governance factors such as leadership, community engagement, and policy enforcement are often underexamined (Owusu & Abdulai, 2020). Therefore, this study is necessary to assess revenue trends, allocation practices, and development impacts in Ikungi District. It aims to provide an empirical and localized contribution to OSR literature in Tanzania. This study was conducted with the intention of assessing the proportion of own source funds allocated in facilitating effective cash injections in development projects in Ikungi District Council. The justification for the study stemmed from the increasing reliance on internally generated funds by local government authorities to implement development initiatives amidst delayed or insufficient central government disbursements. As the government continued to emphasize financial independence and accountability among district councils, it became essential to evaluate how effectively these own source funds were mobilized and utilized in driving local development. The study helped to identify trends in fund collection and usage over a five-year period and established whether these funds translated into tangible benefits for local communities. This provided both financial and development justification for prioritizing and reforming own source fund strategies. The study specifically focused on development projects financed using the council's own source funds. The research examined the amount of own source funds collected, the proportion allocated to development projects, and the resulting impacts of these allocations on development outcomes such as improvement of local infrastructure, implementation of public projects, and enhancement of service delivery to communities. Temporally, the study analyzed financial data covering the past five financial years in order to assess trends in revenue collection and allocation patterns over time. Theoretically and conceptually, the study focused on the relationship between own source revenue mobilization and development project implementation at the local government level. The analysis therefore concentrated on three main aspects: trends in own source revenue collection, and allocation of these revenues to development projects within the district.

3. Resource-Based Theory

Resource-Based Theory (RBT) was developed by Birger Wernerfelt and later expanded by Jay Barney to explain how organizational performance depends on the strategic utilization of valuable resources and capabilities (Wernerfelt, 1984; Barney, 1991). The theory assumes that organizations achieve superior performance when they possess and effectively utilize valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). These resources may include financial resources, institutional systems, human skills, and managerial capabilities that

support organizational effectiveness and sustainability (Grant, 1991). The theory is relevant to this study because own-source revenues can be viewed as strategic financial resources that enhance the ability of local governments to finance and sustain development projects (Chiwanga & Msuya, 2023). When effectively mobilized and allocated, own-source funds strengthen the council's capacity to initiate, implement, and monitor development projects even in situations where external funding is inadequate or delayed (Lema & Mwakalobo, 2022). The theory further emphasizes that institutional competence, planning capacity, and efficient resource allocation are important factors in determining whether internally generated revenues translate into successful development outcomes (Sanga & Mzenzi, 2024). However, Resource-Based Theory also has limitations that should be acknowledged in this study (Kraaijenbrink et al., 2010). RBT focuses on the internal strategic capabilities needed to utilize own source funds effectively. The theory primarily focuses on internal organizational resources and tends to overlook external factors such as political influence, regulatory environments, policy limitations, and community participation that may affect project implementation and resource utilization within local governments (Tibenda & Mgonja, 2022). In addition, the theory assumes that organizations have the capacity to strategically deploy resources effectively, which may not always be possible in under-resourced local authorities with limited technical and managerial capacity (Mgonja & Poncian, 2023). Despite these limitations, RBT remains relevant because it highlights the importance of strategic financial management, institutional capacity, and effective utilization of own-source revenues in facilitating development financing and project implementation at the local government level (Sanga & Mzenzi, 2024).

4. Methodology

The study was conducted in Ikungi District Council in Singida Region, Tanzania, selected purposively due to its relevance in examining own source fund (OSF) performance within the fiscal decentralization framework (URT, 2015). The district operated under national public financial management reforms aimed at strengthening local revenue mobilization and accountability (URT, 2021). Financial reports indicated that OSF constituted a modest share of total council revenue, raising questions about its adequacy for development financing (Fjeldstad, 2023). LGRCIS records further showed structured revenue collection and reporting systems that allowed trend analysis (LGRCIS, 2024). The study adopted the pragmatism research philosophy, which emphasizes the use of multiple methods and perspectives to address complex real-world problems. This philosophy was suitable for the study because it allowed the researcher to combine both quantitative and qualitative data in analyzing OSR trends, allocation practices, and development outcomes. Pragmatism was preferred due to its problem-centered focus, flexibility in method selection, and emphasis on practical solutions (Creswell & Cresswell, 2018). The pragmatic approach guided the researcher to draw conclusions from both statistical patterns and stakeholder insights, enabling a balanced interpretation of how own source revenues contribute to development at the local level. It avoided rigid adherence to a single epistemological stance by allowing integration of diverse data sources. This approach was particularly relevant to studies in public finance and decentralization, where both administrative behavior and empirical evidence needed to be understood contextually (Saunders, Lewis, & Thornhill, 2019).

The study adopted a descriptive research design. This design was appropriate because it enabled the researcher to systematically describe the current status of own source revenue trends, usage, and associated development outcomes in Ikungi District. A descriptive design is widely used when

the aim is to observe, explain, and report conditions as they exist, particularly when relationships between variables are assessed without manipulation (Komba, 2021). This design supported both qualitative and quantitative data collection, allowing for comprehensive analysis. The design was used to describe the impact of own source funds on effective cash injections for selected development projects in Ikungi District Council, Singida Region.

This study applied a mixed-methods approach, combining quantitative and qualitative techniques to investigate own source revenue (OSR) in Ikungi District. Quantitative data were collected from financial records to analyze trends in revenue collection and allocation to development projects. Statistical tools were used to measure relationships between revenue levels and project funding. The qualitative component involved interviews with finance officers, ward executive officers (WEOs), and beneficiaries to gather insights on fund management and challenges. These two methods were applied sequentially, with quantitative methods conducted first, followed by qualitative methods to explain the numerical patterns. This approach allowed for triangulation of data and enhanced the validity of findings. It ensured that both measurable evidence and contextual understanding were captured. The method was ideal for evaluating the real impact of OSR at the grassroots level (Mtani, 2023).

The target population of this study comprises all key stakeholders directly involved in own source fund collection, allocation, and development project implementation within Ikungi District Council. The total accessible population within these categories was estimated at 132 individuals based on administrative records obtained from Ikungi District Council. Specifically, the district has 12 finance officers, 10 planning and development officers, 22 Ward Executive Officers (WEOs) (corresponding to the number of wards), 38 village leaders actively involved in project oversight, and approximately 50 identifiable project beneficiaries linked to OSF-funded projects. Rather than selecting an arbitrary figure of 100 respondents, the study adopts Yamane's (1967) formula for sample size determination at a 5% margin of error:
The sample size was determined using Yamane (1967) simplified formula:

$$n = \frac{N}{1 + N(e)^2}$$

Table 1: Study Population and Sample Distribution

Category of Respondents	**Population (N)**	**Sample Size**
District Finance Officers	12	9
Planning & Development Officers	10	8
Ward Executive Officers	22	17
Village Leaders	38	29
Project Beneficiaries	50	37
Total	**132**	100

The sampling frame consisted of the official list of finance staff, ward executive officers, and community representatives involved in the district's development initiatives as presented in Table 1. The list was obtained from district council records to ensure relevance and accuracy in respondent selection (Kipacha, 2022). This study used both purposive and simple random sampling techniques to ensure comprehensive data collection. Purposive sampling targeted eight key informants such as finance officers, planning officers, and ward executive officers due to their specialized knowledge in managing own source revenues. This technique provided in-depth insights about fund collection, budgeting, and utilization practices. Simple random sampling was used to select community members and project beneficiaries, ensuring equal selection chances and minimizing bias. This approach allowed general views on development impacts to be gathered from the grassroots level. The two methods complemented each other by capturing both expert and community perspectives. Purposive sampling ensured relevance, while random sampling enhanced representativeness. Together, they strengthened the validity and reliability of the study findings (Lugendo, 2021; Kothari, 2014). Structured questionnaires were administered to finance officers, WEOs, and community members in Ikungi District. This method was used because it allowed collection of standardized, quantifiable data on own source revenue (OSR) collection, allocation trends, and outcomes of funded development projects. It was particularly suitable for capturing broad patterns and perceptions from a large group of respondents within a limited timeframe. The questionnaires included both closed-ended questions to facilitate statistical analysis and open-ended questions to allow brief elaboration on responses. This approach enabled the researcher to gather consistent data across diverse respondent categories and compare responses effectively (Shabani, 2023).

Semi-structured interviews were conducted with planning officers, finance officials, and selected project beneficiaries. This method was used to gain deeper qualitative insights into OSR management processes, decision-making practices, and the perceived developmental impact of OSR-funded initiatives. It was chosen because it allowed flexibility in exploring complex issues, probing beyond surface-level responses, and clarifying ambiguous answers. The interview format encouraged respondents to reflect on experiences, challenges, and success factors in fund utilization, thereby complementing the quantitative data gathered through questionnaires. This technique was especially useful for collecting detailed, context-specific information from individuals with practical involvement in project planning and implementation (Mlelwa, 2022). The study collected secondary data through document review to complement and validate primary findings. This method was used because it provided objective, historical, and verifiable information essential for understanding long-term patterns in own source revenue (OSR) collection, allocation, and utilization. It also helped in triangulating data obtained from questionnaires and interviews, thereby enhancing the overall validity of the study (Mbise, 2021).

The specific types of documents reviewed included annual revenue collection reports, financial statements, budget implementation reports, internal audit reports, and district development plans covering the past five financial years. These documents were sourced from Ikungi District Council's finance and planning departments. Reviewing these records enabled the researcher to assess trends in OSR generation and utilization, identify deviations in fund allocation, and understand institutional financial practices that influenced project outcomes. A pilot study was conducted in one selected ward outside the main sample area to pre-test the questionnaire and interview guides. This helped refine the data collection instruments for clarity, reliability, and

effectiveness before full deployment. Feedback obtained from the pilot study informed adjustments made to improve question framing and flow (Nchimbi, 2020). Quantitative data were coded and analyzed using the Statistical Package for the Social Sciences (SPSS) software. Descriptive statistics such as frequencies, percentages, means, and standard deviations were generated to summarize data on own source revenue (OSR) collection, allocation trends, and project funding levels. This type of analysis was appropriate because it provided a clear and systematic presentation of the general patterns and distribution of responses among the sampled population, thereby facilitating objective comparisons across variables (Saunders, Lewis, & Thornhill, 2019).

In addition, inferential statistical techniques such as Pearson correlation and multiple regression analysis were used to examine relationships between OSR amounts and development outcomes. This helped determine the extent to which OSR influenced the success of funded projects in Ikungi District. The use of quantitative analysis therefore supported the study's objective of establishing evidence-based linkages between revenue data and developmental performance (Kothari, 2014). To assess the beneficial impact of cash transfers on selected development projects, the study examined the utilization rate of transferred amounts, service improvement levels, and stakeholders' satisfaction with cash transfers over the past five years. Qualitative data collected from interviews with planning officers, finance officers, and project beneficiaries were analyzed using thematic analysis. This method was appropriate because it allowed the researcher to identify, interpret, and report recurring patterns, ideas, and perceptions related to OSR utilization and project implementation. Themes were developed inductively from participant responses and aligned with the research objectives to provide contextual explanations of statistical findings. Thematic analysis was chosen for its flexibility in capturing in-depth meanings and enabling triangulation with quantitative results (Braun & Clarke, 2021).

To ensure validity, the data collection instruments were reviewed by academic experts and research supervisors to assess whether the questionnaire and interview guide adequately captured the intended study variables and research objectives. The pilot study findings were also used to identify and revise ambiguous, unclear, or repetitive items in the instruments before actual data collection. Content validity was ensured by aligning questionnaire items with the conceptual framework and operational indicators of the study variables. In addition, triangulation of data collection methods, including questionnaires, interviews, and document review, enhanced the credibility and validity of the study findings by allowing verification of information from multiple sources. Reliability refers to the consistency and stability of research instruments in measuring study variables. To ensure reliability, the researcher conducted a pilot study and administered questionnaires consistently to all respondents under similar conditions. Cronbach's alpha coefficient was used to assess the internal consistency of quantitative instruments. According to Mboya (2023), a Cronbach's alpha value of 0.70 or above is considered acceptable for social science research.

The study adhered to ethical principles of informed consent, confidentiality, voluntary participation, and respect for participants. Participants were briefed on the purpose and objectives of the study before participating in the research process, and written consent was obtained from all respondents. Ethical clearance was sought from the Directorate of Research and Publications at the Tanzania Institute of Accountancy and respective government authorities responsible for

research clearance before commencement of data collection activities. The researchers ensured that participation in the study was entirely voluntary, and respondents were free to withdraw from the study at any stage without any negative consequences. Confidentiality of information provided by respondents was maintained throughout the study, and collected data were used strictly for academic purposes. In addition, respondents' identities were anonymized in the final report to protect their privacy and institutional integrity. The researcher also ensured that no physical, psychological, or social harm was posed to participants during the research process (Ngirwa, 2023).

5. Results and Discussion

5.1 Proportions of Own Source Funds Allocated to Development Projects

This section presents findings related to study, which sought to determine the proportion of own source funds allocated to development projects at Ikungi District Council over the past five financial years. The analysis focused on respondents' perceptions regarding allocation of own source funds to development projects, prioritization of development expenditures, budget support for capital projects, and alignment of allocations with community development priorities. Descriptive statistics including frequencies, percentages, and mean scores were used to summarize respondents' responses. Higher mean scores indicate stronger agreement among respondents regarding effective allocation of own source funds toward development projects. The findings are presented in Table 2.

Table 2: Allocation of Own Source Funds to Development Projects (n = 92)

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
A significant proportion of OSF is allocated to development projects.	4 (4.3%)	7 (7.6%)	10 (10.9%)	45 (48.9%)	26 (28.3%)	4.00
Development projects receive priority over recurrent expenditures.	6 (6.5%)	9 (9.8%)	12 (13.0%)	42 (45.7%)	23 (25.0%)	3.75
Budget allocations clearly show OSF support for capital projects.	3 (3.3%)	8 (8.7%)	11 (12.0%)	46 (50.0%)	24 (26.1%)	3.87
Allocation decisions reflect community development priorities.	5 (5.4%)	7 (7.6%)	9 (9.8%)	44 (47.8%)	27 (29.3%)	3.88

5.1.1 Allocation of Significant Proportion of OSF to Development Projects

The findings in Table 2 indicate that 45 respondents (equivalent to 48.9%) agreed and 26 respondents (equivalent to 28.3%) strongly agreed that a significant proportion of own source funds is allocated to development projects. The statement recorded a mean score of 4.00, indicating strong agreement among respondents. This finding implies that Ikungi District Council allocates a considerable share of internally generated revenue toward financing development activities such

as infrastructure, education, health, and water projects. The allocation of own source funds to development projects demonstrates the council's commitment to improving socio-economic conditions within the district. The findings further suggest that own source funds play an important role in supplementing external grants and supporting local development priorities. Increased allocation to development projects enhances the council's capacity to implement projects in a timely manner and improve service delivery outcomes. These findings are consistent with Mwakalinga (2020), who found that own source revenue significantly contributes to financing local government development projects in Tanzania.

Qualitative findings from interviews also supported the quantitative results. One Planning Officer stated that:

"A large share of the council's internally generated funds is now directed toward development activities because the council aims to improve infrastructure and social services at community level."

Similarly, one Village Leader explained that:

"Most visible projects in villages such as classrooms, roads, and health facilities are partly financed using the council's own revenues."

5.1.2 Priority of Development Projects over Recurrent Expenditures

The findings in Table 2 further show that 42 respondents (equivalent to 45.7%) agreed and 23 respondents (equivalent to 25.0%) strongly agreed that development projects receive priority over recurrent expenditures. The statement recorded a mean score of 3.75, implying moderate to strong agreement among respondents. The findings suggest that the council increasingly prioritizes capital development expenditures over administrative and operational expenses. Prioritization of development projects is important because it ensures that financial resources directly contribute to long-term socio-economic improvements within communities. However, the relatively lower mean score compared to other variables may imply that recurrent expenditures still consume a substantial portion of available funds in some financial years. The findings indicate that balancing between recurrent and development expenditures remains an important challenge in local government financial management. Effective prioritization of development projects improves infrastructure delivery and enhances public confidence in local government administration. These findings support Bukenya (2022), who reported that allocation priorities in local governments significantly influence development performance and service delivery outcomes.

Interview findings further confirmed the quantitative results. One Finance Officer stated that:

"The council has recently increased emphasis on development spending, although recurrent expenditures such as salaries and administration still require substantial funding."

Another respondent added that:

"There is growing pressure from communities and higher authorities for councils to allocate more resources toward visible development projects rather than routine expenditures."

5.1.3 Budget Allocations Showing OSF Support for Capital Projects

The findings in Table 2 indicate that 46 respondents equivalent to 50.0% agreed and 24 respondents (equivalent to 26.1%) strongly agreed that budget allocations clearly show own source fund support for capital projects. The statement recorded a mean score of 3.87, indicating strong agreement among respondents. This finding implies that budget documents and financial plans within Ikungi District Council clearly identify the contribution of own source funds toward financing development projects. Clear budget allocations improve accountability and transparency in public financial management because stakeholders can easily track how local revenues are utilized. The findings further suggest that the council has improved budget planning and reporting mechanisms related to development financing. Transparent allocation practices may also strengthen community trust and improve participation in local development planning processes. Proper identification of OSF support for capital projects enhances monitoring and evaluation of project implementation outcomes. These findings are consistent with Kalolo and Ndyetabula (2021), who found that transparent budget allocation systems improve accountability and effectiveness of local government development financing.

Qualitative findings from interviews also supported these results. One Ward Executive Officer explained that:

"Current council budgets clearly indicate which projects are financed through own source revenues, making it easier to monitor implementation at ward level."

One Planning Officer further noted that:

"Budget transparency has improved because development allocations are now openly discussed and documented during planning and budgeting meetings."

5.1.4 Allocation Decisions Reflecting Community Development Priorities

The findings in Table 2 reveal that 44 respondents (equivalent to 47.8%) agreed and 27 respondents (equivalent to 29.3%) strongly agreed that allocation decisions reflect community development priorities. The statement recorded a mean score of 3.88, indicating strong agreement among respondents. This finding implies that allocation of own source funds in Ikungi District Council is largely guided by the needs and priorities identified by communities. Consideration of community priorities in budget allocation is important because it enhances relevance, acceptance, and sustainability of development projects. The findings further suggest that participatory planning mechanisms are increasingly used in determining local development priorities within the district. Community-oriented allocation decisions improve public satisfaction and strengthen accountability in local government administration. The findings also indicate that involvement of local stakeholders contributes to more equitable distribution of development resources across wards and villages. These findings are supported by Thompson and Clark (2021), who found that participatory budgeting improves alignment between local government expenditures and community development needs.

Interview findings also supported the quantitative results. One Village Leader stated that:

"Communities are now more involved in identifying priority projects, and this has helped ensure that funds are allocated to projects that address real local needs."

Another respondent explained that:

"Ward and village meetings provide opportunities for citizens to propose development priorities before final budget allocations are made by the council."

5.1.5 Regression Coefficients Results

Regression coefficient analysis was conducted to determine the individual contribution of each independent variable toward effective cash injection in development projects. The analysis examined the direction, magnitude, and significance of the relationship between each predictor variable and the dependent variable. The findings are presented in Table 3.

Table 3: Regression Coefficients Results

Variables	Unstandardized Coefficients (B)	Std. Error	Beta	T	Sig.
(Constant)	0.914	0.327		2.796	0.006
Allocation of OSF to Development Projects	0.287	0.076	0.305	3.776	0.000

The findings in Table 3 indicate that all independent variables had positive and statistically significant effects on effective cash injection in development projects since all p-values were less than 0.05. Allocation of OSF to development projects had a positive and statistically significant effect on effective cash injection in development projects (B = 0.287, p = 0.000). This indicates that increasing the proportion of internally generated funds allocated to development activities enhances project financing effectiveness. The findings imply that prioritization of development expenditures contributes positively to implementation of infrastructure and social service projects. Effective allocation of OSF also improves continuity of project activities and strengthens service delivery within communities. These findings are supported by Mwakalinga (2020), who found that allocation of local revenues toward development projects improves project implementation in Tanzanian local governments. Similarly, Francisco and Manasan (2021) observed that stronger fiscal allocation toward development expenditures enhances local infrastructure development outcomes. These results on allocation of OSF to development projects imply that local government policies should emphasize increased allocation of internally generated funds toward capital development expenditures rather than excessive recurrent spending. This would improve implementation of infrastructure and social service projects that directly benefit communities. The findings also suggest the need for stronger participatory budgeting policies to ensure allocation decisions reflect community development priorities.

5.1.6 Documents Review on the Proportion of OSF Allocated to Development Projects

In addition to questionnaire and interview findings, documentary review was conducted using council financial reports and budget implementation reports from Ikungi District Council for the period of five financial years. The analysis focused on the proportion of own source funds allocated to development projects, specifically examining the percentage of OSF allocated to capital projects and the ratio of development expenditure to recurrent expenditure. The documentary review was important because it provided objective financial evidence regarding trends in allocation and utilization of own source funds within the council. The findings are presented in Table 4.

Table 4 Proportion of OSF Allocated to Development Projects at Ikungi District Council

Financial Year	Total OSF Collected (TZS Billion)	Amount Allocated to Capital Projects (TZS Billion)	Percentage of OSF Allocated to Capital Projects (%)	Development Expenditure (TZS Billion)	Recurrent Expenditure (TZS Billion)	Ratio of Development to Recurrent Expenditure
2020/2021	2.1	0.8	38.1	1.2	2.5	0.48
2021/2022	2.6	1.1	42.3	1.5	2.7	0.56
2022/2023	3.0	1.4	46.7	1.8	2.8	0.64
2023/2024	3.8	1.9	50.0	2.2	2.9	0.76
2024/2025	4.5	2.4	53.3	2.6	3.0	0.87

Source: Ikungi District Council Budget Implementation Reports (2020–2025)

The findings in Table 4 indicate that the percentage of own source funds allocated to capital development projects increased steadily from 38.1% in the financial year 2020/2021 to 53.3% in the financial year 2024/2025. This trend implies that Ikungi District Council has increasingly prioritized development projects in allocation of internally generated funds over the past five years. The increase in allocation to capital projects demonstrates improved commitment by the council toward infrastructure development and public service improvement. The findings further suggest that increased own source fund collection has enabled the council to dedicate more financial resources toward long-term development investments. Higher allocation to development projects is important because it contributes to improved implementation of projects related to roads, schools, health facilities, and water services within the district. These findings support Maseko and Makotoko (2021), who found that increased allocation of internally generated revenues toward development projects improves local government service delivery outcomes.

The documentary review findings also reveal that the ratio of development expenditure to recurrent expenditure increased progressively from 0.48 in 2020/2021 to 0.87 in 2024/2025. The findings imply that although recurrent expenditures remained significant, the council gradually increased the share of resources directed toward development activities. The upward trend in the ratio indicates improved balance between operational expenditures and development financing within the council. Increased development expenditure reflects growing emphasis on capital investments and socio-economic transformation at community level. However, the ratio remaining below 1.0 suggests that recurrent expenditures still consume a larger share of financial resources than development expenditures. The findings therefore imply that while progress has been made, the council still faces challenges in fully shifting financial priorities toward development spending. These findings are consistent with Francisco and Manasan (2021), who argued that stronger fiscal capacity enhances local governments' ability to increase development expenditure relative to recurrent spending.

5.2 Theoretical Linkage

Generally, the Resource-Based Theory provide critical frameworks for this study. RBT focuses on the internal strategic capabilities needed to utilize own source funds effectively. By employing this theory, this study examined not only how funds are collected by Ikungi District Council but also how internal capabilities and decision-making influence the success of development projects over a five-year period. This study was conducted with the intention of assessing the influence of own source funds in facilitating effective cash injections in development projects. The justification for the study stemmed from the increasing reliance on internally generated funds by local government authorities to implement development initiatives amidst delayed or insufficient central government disbursements. As the government continued to emphasize financial independence and accountability among district councils, it became essential to evaluate how effectively these own source funds were mobilized and utilized in driving local development. The study helped to identify trends in fund collection and usage over a five-year period and established whether these funds translated into tangible benefits for local communities. This provided both financial and development justification for prioritizing and reforming own source fund strategies.

6. Conclusion

The study also established that allocation of own source funds to development projects had a positive and statistically significant influence on effective cash injection in development projects. The findings indicated that increased allocation of internally generated funds toward development activities improved implementation of infrastructure and social service projects such as roads, classrooms, health facilities, and water projects. Documentary review findings further revealed that the proportion of OSF allocated to capital development projects increased progressively over the five-year period, reflecting growing commitment toward development financing within the council. Qualitative findings showed that participatory budgeting and improved planning mechanisms contributed to better allocation of local revenues toward community development priorities. The findings therefore highlighted the importance of prioritizing development expenditures in improving socio-economic welfare and public service delivery within Ikungi District Council. The study concludes that allocation of own source funds to development projects significantly determines the effectiveness of development financing within Ikungi District Council. Increased allocation of internally generated funds toward capital investments improved implementation of infrastructure and social service projects that directly benefit communities. The findings also demonstrated that participatory budgeting and alignment of allocations with community priorities contributed positively to development outcomes and improved service delivery. Consequently, prioritizing development expenditures over excessive recurrent expenditures remains essential for improving socio-economic welfare and ensuring sustainable development within local government authorities.

7. Recommendations

Based on the findings of this study, several recommendations are provided to improve the effectiveness of own source funds in facilitating cash injections in development projects at Ikungi District Council and other local government authorities in Tanzania. The council should strengthen local revenue collection systems by improving supervision of revenue sources, enhancing accountability mechanisms, and expanding the use of digital revenue collection systems. This will help minimize revenue leakages, improve transparency, and increase the amount of own source

revenue available for financing development projects. The council should also continue conducting awareness campaigns to encourage taxpayers and community members to comply with local revenue payment requirements. The council should increase the proportion of own source funds allocated to development projects, particularly projects that directly improve public service delivery such as education, healthcare, roads, and water supply. Greater emphasis should be placed on balancing recurrent expenditures and development expenditures to ensure that local revenues contribute effectively to long-term socio-economic development within communities. Furthermore, the council should strengthen financial monitoring and project supervision mechanisms to ensure effective utilization of allocated funds. Timely disbursement of funds, proper financial reporting, and regular monitoring of project implementation should be enhanced to reduce delays and improve completion rates of development projects financed through own source funds. The government should continue strengthening fiscal decentralization policies that empower local government authorities to mobilize and manage their own revenues more effectively. Policies aimed at enhancing local government financial autonomy can improve sustainability of development financing and reduce overdependence on central government transfers. The government should also support local government authorities in adopting modern digital revenue collection systems and financial management technologies. Provision of technical support, training, and infrastructure for digital systems can improve efficiency, accountability, and transparency in local revenue administration across councils in Tanzania. Additionally, policymakers should establish stronger policy guidelines that encourage increased allocation of internally generated revenues toward development expenditures rather than excessive recurrent spending. Such policies would enhance implementation of development projects and improve delivery of public services at grassroots level.

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