

IMPACT OF PROJECT FUNDING ON THE IMPLEMENTATION OF LEEMP DEVELOPMENT PROJECTS: A SITUATIONAL STUDY

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Abstract

Project success depends on good planning and implementation strategy. The implementation process could make a project succeed, fail or even abandoned midstream. Information gathered from LEEMP in Imo State indicates that out of the 258 development projects embarked upon by LEEMP, only 24.4% have been completed while 75.6% are at their various completion stages after committing a lot of resources to them. Many factors have been identified as problems faced during development project implementation. They include Project Funding (X_1) and Community Sensitization / Support (X_2). Fifteen (15) respondents assessed the influence of these independent variables on the success level of project implementation of LEEMP development projects (Y). The students' t- test was used to analyze the data collected which showed calculated values of 5.39 for X_1 and 6.12 for X_2 showing their significance on the success level of project implementation of LEEMP. The t- test was also used to analyze the effects of LEEMP and community contributions on LEEMP project delivery. The results also reflect their significance on successful project implementation. In view of these findings, the study recommends improved funding by encouraging the benefiting communities to pay their counterpart funds promptly. LEEMP should intensify community sensitization and seek their support and participation through the Community Driven Development (CDD) approach.

Key words: Project, implementation, Counterpart funds, Development, community – driven approach.

Introduction

Government at all levels exists mainly to provide the necessary conditions that would aid the positive growth of the social welfare and functions of the populace. National development is predicated on the development of the rural areas. This positive growth is achieved through the use of development projects.

The existence of poor implementation culture is an anti-thesis to development. For projects to be fully implemented, they must be adequately budgeted for and funded. Failed projects throw a nation backward through different ways and these include:

- i) The financial loss of the failed projects,
- ii) The loss of the alternative projects,
- iii) The mortgaging of future development of the nation through the servicing of the debts used in funding the failed project from sources other than internally generated revenue (Okorafor, 1997).

The panacea for the under-development of the social welfare of the populace is the institution of sound project planning and implementation culture and practices.

National development depends on the level of development of the rural areas which reduces poverty. Unfortunately, the development level of rural areas through development projects in Imo State is relatively low. This is evident in Appendix I. It was observed that out of the 258 rural development projects embarked upon by LEEMP in Imo State, only 63 (24.4%) have been completed as at 31st October, 2007, while the other 195 (75.6%) are yet to be completed. This is in spite of the huge sums of money committed to them.

It is believed that poor sensitization of the benefiting communities on the project objectives have resulted in conflict among the Community Project Management Committee (CPMC) members, Town Unions and the people who these projects are made for. Some people ask: “are these not government projects? Why should we contribute money after paying tax? These conceptions and misunderstanding have posed problems in project implementation. The relevance of LEEMP project funding in rural development project delivery and their real impacts on the lives and developmental needs of the rural communities constitute a major problem of this study. The following questions x-ray these problems:

- a) How does the funding of LEEMP projects contribute to the proper and functional development project implementation?
- b) What is the level of participation of the benefiting communities in the implementation of LEEMP projects?
- c) What can be done to improve the level of LEEMP project delivery through proper funding?

In the light of the above, this study has the objective of examining the effectiveness of the funds budgeted for LEEMP projects since inception by the World-Bank (LEEMP-Sponsor) and the community contributions in project delivery. The key objective is to determine ways to improve the quality of project implementation of rural development projects, given that projects require to meet cost, time and performance specification.

Research Hypothesis

H₀₁: Project funding is not a limiting factor to successful delivery of LEEMP projects.

H₀₂: Community awareness and participation does not have any positive effect on the implementation of LEEMP project.

H₀₃: The actual LEEMP contributions do not have a significant impact on the successful implementation of micro –projects

H₀₄: The actual community contribution does not have any positive impact on the success level of LEEMP micro-project delivery.

Methodology

Data for the study were collected from primary and secondary sources. Questionnaire was designed based on Likert’s five point scales, such that respondents could indicate how strongly they agree or disagree with each of the statements (strongly disagree, disagree, neutral, agree, strongly disagree), for example, strongly agree = 5, agree = 4, neutral = 3, disagree = 2, strongly Disagree = 1.

The drafted questionnaires were distributed to twenty respondents out of which fifteen were returned. The questionnaire allocation is shown below,

Table 1: Allocation of Questionnaire to Respondent Groups.

Category of Respondents	Allocation
Medium-senior staff of LEEMP, Imo State	3
Project Management / Officers	2
Community leaders /Supporters in Orsu, Obowu and Ezinihitte L.G.As.	7
Rural Dwellers	8
Total	20

Method of Data Analysis

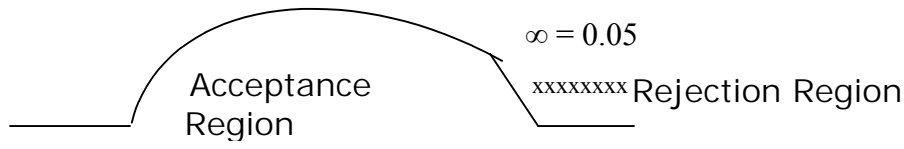
The data collected is analyzed using the student’s t–test at 5% level of significance. Nworuh (2001) then defines the test statistics as:

$$t = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{SP \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$$

Where $SP = \sqrt{\frac{(n_1 - 1)S_1^2 + (n_2 - 1)S_2^2}{n_1 + n_2 - 2}}$

With $n_1 + n_2 - 2$ degrees of freedom and Sp is the pooled variance. X_1 and X_2 are sample means computed from samples of sizes n_1 and n_2 respectively, S_1^2 and S_2^2 are sample variances for the samples.

Decision Rule:



Reject H_0 if the calculated t- value is outside the acceptance region, otherwise accept H_0 and reject H_A .

Theoretical and Conceptual Framework

Projects realization within time, cost and specification are the criteria for judging project success. However, Kezner (2003) added that a successful project planning and implementation occurs if the project:

- * Comes on-schedule,
- * Comes in on-budget,
- * Achieves all the goals originally set for it,
- *Is adopted and used by the clients, for whom the project is intended.

Local Empowerment and Environment Management Projects (LEEMP): An Overview.

LEEMP is the Federal Government's response programme to the need to aggressively tackle development issues and environmental degradation by using a more beneficial approach that incorporates institutional mechanism for transferring development resources to communities in order to enable them finance their own development priorities. It emphasizes the sustainable management of the environment as a pre-requisite to sustainable livelihood and development.

Thus LEEMP is a World Bank- assisted project with a poverty reduction focus designed to address four strategic environmental objectives namely:

- (i) To examine the use of Nigeria's renewable resources;
- (ii) To minimize the depletion of non- renewable resources;
- (iii) To minimize pollution and its attendant negative impact, and
- iv) To decentralize the responsibility for management of natural and financial resources. (LEEMP Handbook, 2005)

Ejiofor (2007) added that LEEMP reduces poverty by empowering communities to improve their natural and economic resources through effective management, thereby making rural dwellers to implement and manage their development agenda. LEEMP facilitates these ideas by teaching the people to learn by doing things by and for themselves.

Hence, The Board of the World Bank approved LEEMP in July 2003 for implementation in Nigeria. However, it was on 29th April, 2004, that LEEMP became effective. The Federal Government of Nigeria launched the project on 15th July 2004. On 27th July, 2004, the Imo state Government launched it.

LEEMP Implementation Strategy

The Local Empowerment and Environmental Management Project (LEEMP) adopt the Community Driven Development (CDD) approach. Ejiofor (2007) explained that the CDD strategy makes it possible for beneficiaries to play leading roles in:-

- a) Identification and prioritization of their needs;
- b) Deciding and preparing of micro- projects required to address the identified needs;
- c) Co- financing the micro- projects;
- d) Continue to operate and maintain the micro- projects thereby ensuring sustainability;
- e) Learn to do things for themselves and in so doing their capacities are built;
- f) Ownership of the micro- projects is guaranteed by active participation of beneficiaries in all the phases of the micro-projects cycle (identification, planning, prioritization, designing, implementing and maintenance of intervention measures).

LEEMP Communities

According to Okonkwo (2005), a LEEMP community must meet the following criteria;

- i) A population size of 1000 – 3000 people or corresponding to an area of 1000- 1800 ha.
- ii) Level of environment degradation (SEAP) and other existing reports.
- iii) Evidence of community cooperation in the last three years culminating in a development project which should have been completed or at least 50% completed and on – going.
- iv) Level of infrastructural development:-
 - Lack of functional portable water within 1km,

- Lack of functional government schools within 2kms,
- Lack of functional primary health care facilities within 5kms,
- Lack of motorable access and or feeder roads (navigable water ways for reverine areas).
- Lack of active market centers within 5kms.

He emphasized that criteria (ii) and (iii) above are used in providing clear indication of communities to be chosen.

Many local Governments and communities in Imo state are beginning to adopt the strategies of LEEMP in developing their infrastructure and reducing poverty. Table 2 below shows the number of LGAs and communities that are benefiting from LEEMP developing projects.

Table 2: Participating LGA’s and Number of Benefiting Communities in Imo State.

S/N	LGA	NO OF BENEFITING COMMUNITIES	NO OF COMMUNITY DEVELOPMENT PLANS (CDPs) EXPECTED	NO OF CDP PRODUCED
1	Aboh Mbaise	22	22	22
2	Ezinihitte Mbaise	23	25	25
3	Ihitte / Uboma	14	14	14
4	Ngor Okpala	11	11	11
5	Njaba	18	18	18
6	Obowo	21	21	21
7	Ohaji/ Egbema	10	10	10
8	Onuimo	12	12	12
9	Orsu	22	22	20
	Total	150	156	153

Source: LEEMP Status Report and Profile of Micro- Projects, December 2007: 64.
LEEMP is intervening in nine (9) LGA’s and 150 communities in Imo State.

Data Presentation And Analysis

Table 3: Relation of Project Funding (X₁) and Community Sensitization/ Support (X₂) to successful project Implementation.

Respondent	X ₁	X ₂	Y
1	25	17	39
2	19	14	38
3	25	25	40
4	21	21	38
5	25	25	41
6	23	16	38
7	23	16	38
8	18	18	38
9	19	25	40
10	22	15	27
11	19	19	39
12	25	25	40
13	14	19	32
14	25	25	40
15	25	19	43
Total (Σ)	328	302	567

Source: Field Survey, 2008

Hypothesis I (Ho1):

Project funding is not a limiting factor to successful delivery of LEEMP projects.

at 00 = 0.05 level of significance

$t_c = 5.39$ while $t_{0.05} (28) = 1.70$

Since $t_c = 5.39 > t_{0.05} (28) = 1.70$, we reject H_{O1} and say that project funding is a limiting factor to successful delivery of LEEMP projects.

Hypothesis II (Ho2).

Community sensitization and participation do not have any positive effect on the implementation of LEEMP development projects

$t_c = 6.12$ while $t_{0.05} (28) 1.70$,

$t_c > t_{0.05(28)}$, so we reject H_{O2} and conclude that community sensitization and participation have a positive effect on the implementation of LEEMP development projects.

From the analysis above, it means that, if the benefiting communities are well sensitized and allowed to participate fully in LEEMP project implementation, they will understand the need to pay their counterpart funds, thus helping LEEMP to effectively implement their development projects.

To check the validity of the research data, the summary of disbursement for micro projects (CDPs) by sector since inception in Imo State (see table below) is analyzed using the t- test.

Table 4: Summary of Disbursement of Funds to CDPS by Sector.

S/N	SECTOR	NO OF MICRO PROJECT	TOTAL PROJECT COST (N)	ACTUAL COMMUNITY CONTRIBUTION (N)	ACTUAL LEEMP CONTRIBUTION (N)	NO OF PROJECTS COMPLETED	NO OF PROJECTS NOT COMPLETED
1.	Education	29	100,449,471.38	3,575,087.40	58,830,621.43	8	21
2	Health	24	111,840,852.27	4,458,735.00	48,173,007.30	5	19
3	Water	58	192,713,727.00	7,264,785.00	114,274,911.24	12	46
4	Road/Transport	16	88,354,352.40	1,061,500.00	48,345,820.74	6	10
5	Electrification	27	125,245,848.40	9,267,399.00	87,610,048.48	5	22
6	Socio economic	72	252,690,964.11	4,398,000.00	72,424,051.19	24	48
7	Environment Not. Resources	32	90220,120.29	1,885,100.00	47,517,491.74	3	29
	GRAND TOTAL	258	734,093,435.70	41,464,106.40	412,175,591.34	63	195.
	Mean (\bar{x})		104,870,490.80	5,923,443.80	58,82,227.33		
	STD.DEV.(S)		39,637,319.80	2,238,851.30	24,038,565.62		

Source: LEEMP Project Implementation Profile

If the benefiting communities can pay their counterpart funding and project funds released on time and adequately, the low level of project implementation of 24.4% witnessed so far by LEEMP could be improved upon. The t- test analyses for the following hypothesis include :

HYPOTHESIS III(H₀₃):

The actual LEEMP contributions do not have a significant impact on the successful implementation of micro-project.

at $\alpha = 0.05$ level of significance,

$t_c = 2.61$ while $t_{0.05}(12) = 1.78$

Since $t_c > t_{0.05}$, reject H_{03} , and accept H_{A3} which says that the actual LEEMP contribution is significant to the successful implementation of micro-projects.

HYPOTHESIS IV (H₀₄)

The actual community contributions do not have any positive impact on the success level of LEEMP Micro –Project delivery.

at $\alpha = 0.05$ level of significance,

$t_c = 6.54$ while $t_{0.05} = 1.78$

Since the calculated value (t_c) = 6.54 fell outside the acceptance region, we reject H_{04} and accept H_{A4} which says that the actual community contribution has positive impact on the success level of LEEMP micro-project delivery.

From the analysis of H_{03} and H_{04} , the results corroborate with hypotheses H_{01} and H_{02} . The significance of H_{A3} and H_{A4} means that prompt disbursement of project funds is very important to allow the smooth implementation of micro-projects.

The confirmation that community contributions play a role in the successful implementation of LEEMP development project suggests the need to intensify the sensitization of the benefiting communities and seek their support for timely contribution of the counterpart funds. This will help to speed up the implementation of LEEMP development projects. Since proper funding is the bedrock of project implementation, project funds need to be disbursed timely and adequately to enable LEEMP carry out its poverty reduction programmes through effective and efficient delivery of rural development projects in Imo State and the nation in general.

Conclusion

The study reveal that the success level of LEEMP project delivery is 24.4%. Poor project funding and community sensitization/support mostly interacted to achieve the low level. From the findings of the analyzed data, the following conclusions can reasonably be drawn.

- (i) Timely and sufficient injection of funds is critical for proper project implementation. But LEEMP most times experiences late and insufficient supply of fund from the recipient communities.
- (ii) Adequate orientation and participation of the benefiting communities are needed for successful implementation of rural projects. Unfortunately, this is not sufficient in some LEEMP intervention communities, hence resulting to misunderstanding between LEEMP officials, CPMC and Town Union members.

Recommendations

The study therefore recommends as follows:

There should be sufficient sensitization of the communities to make the community counterpart funding a priority and on time too. This will help to ensure prompt disbursement of project funds. Again, the Local Government Council should be admonished to assist the poor communities in paying their counterpart funds.

LEEMP and other rural development promoters should enhance their orientation programmes to properly create awareness among the selected communities. This will create a sense of understanding among the rural dwellers. They will see the project as their project, and hence contribute to its successful implementation.

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APPENDIX I
SUMMARY OF DISBURSEMENT OF FUNDS FOR SOME LEEMP SELECTED MICRO PROJECTS IN IMO STATE

S/N	COMMUNITY	TITLE OF MICRO PROJECT	TOTAL COST OF PROJECT	EXPECTED COMMUNITY CONTRIBUTION	EXPECTED LEEMP CONTRIBUTION	ACTUAL COMMUNITY CONTRIBUTION	LEEMP CONTRIBUTION 3 RD QTR. (₦)	ACTUAL LEEMP CONTRIBUTION TO DATE. (₦)	% COMPLETION
1	UHI	Ajabo Uhi Water borehole project	3,205,428.50	320,452.85	2,884,883.85			1,442,441.93	10
2	UBA Nab	Water Borehole	2,841,185	284,118.50	284,118.50	100,000	1,287,533	1,287,533	10
3	UMUEZEAGU AMAINYI	Water Borehole	2,840,518.80	248,081.88	248,081.88		1,888,278	1,888,278	15
4	AMAINYINTA	Road Rehab/ Erosion Control	3,205,707	180,285.35	180,285.35	10,000		1,522,710.82	10
5	NKUMEATO	Road Rehab/ Erosion Control	7,205,990.04	720,599	720,599	30,000		3,242,695.52	10
6	AMA ASSA	Completion of Electricity Project.	3,767,500	376,750	376,750			1,017,225	10
7	IFE	Palm Plantation	696,850	209,055	209,055			330,750	
8	UMUOSOCHIE	Palm Plantation	1,595,000	472,500	472,500			188,149.50	
9	UMUNAMAH	Cassava Produce /Palm kernel ind.	2,489,500	746,850	746,850			414,014.06	0
10	OKWUFURUAKAU	Oil Mill	2,123,149	638,944.70	638,944.70			414,014.06	0
11	AMARURU	Modem Oil Mil	1,995,000	598,500	598,500		1,098,854.80	1,757,587.65	0
12	AMAGBO	Palm Plantation	1,128,800	338,040	338,040			304,238	0
13	AMAEBU EBENATOR	Flood Control	3,312,00	463,600	463,600			943,920	0
14	MBUTU NWKWOW	Flood Control/ Road Rehab	3,999,999	399,999.90	399,999.90		1,754,999	3,754,999	10
15	AGUNAEZE, OBOWO	Flood Control/ Road Rehab.	3,700,000	185,000	185,000		1,757,500	3,757,500	10

Source: Magazine of LEEMP 3RD Year Anniversary. December 2007.