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Fadama III Beneficiaries' Adherence to Project Guidelines in Ogun State, Nigeria

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Abstract

Fadama III project in Nigeria like other community driven development projects is faced with a lot of challenges in spite of the laudable goals and approach. A major challenge of the projects is non-adherence to implementation guidelines among the implementers and beneficiaries. This study therefore assessed the adherence of project beneficiaries in Ogun state to the Fadama III implementation guidelines in order to make necessary recommendations to the implementers for proper management. Ijebu division was randomly selected out of the four (4) divisions in Ogun state. Two (2) out of the six (6) local government areas (LGAs) constituting the division were randomly sampled for the study. All the eight (8) registered Fadama Community Associations (FCAs) in the two LGAs were sampled. Eight focus group discussions (FGDs) and four in-depth interviews with key informants (IDIs) were used to verify secondary data obtained from the records of the FCAs. Adherence to project implementation guidelines ranged from fair to high while adherence to procurement guidelines and Fadama users' equity fund (FUEF) requirements needed to be improved. Beneficiaries were over expectant of the benefits accruable from the project, which led to reduction in their enthusiasm towards the project because of its slow implementation. It was recommended that the implementers should keep up their efforts at sensitising beneficiaries on the implementation guidelines of the project, re-work their strategies at addressing procurement and FUEF inadequacies among the beneficiaries and fast-track the delivery of project benefits in the communities.

Key words: *Beneficiaries' adherence, implementation guidelines and Fadama users' equity fund compliance*

Introduction

Fadama III is a World Bank assisted project aimed at alleviating the poverty situation among rural people in Nigeria. It has the development objective of increasing the income of users of rural land and water resources on a sustainable basis. By increasing the incomes of the users, it hopes to reduce the prevalence of rural poverty and increase food security. This is expected to contribute to the achievement of the Millennium Development Goals (MDGs). The project adopts a demand-driven approach whereby all users of Fadama resources are encouraged to develop participatory and socially-inclusive local development plans (LDPs). Approved eligible sub-projects contained in the LDPs are financed by the implementing agency (Fadama, 2009).

As in many other community driven development (CDD) projects, Fadama III project gives control of decisions and resources to community groups called fadama community associations (FCAs) and fadama user groups (FUGs). This control could be abused if not properly monitored hence, the need for the implementation guidelines to eliminate or reduce the abuse.

The project implementation manual (PIM) which contains the guidelines was designed to guide staff of the National and State Fadama Coordination Offices (NFCO & SFCOs), the National Food Reserve Agency (NFRA), and other stakeholders in implementing the Third National Fadama Development Project. It was also designed to assist project-contracted facilitators and participating LGAs to undertake project-related activities at the level of FCAs and other beneficiary groups. In essence, implementation guidelines are frameworks which are intended to promote the smooth running of projects. They guide the implementers and beneficiaries in the delivery of project benefits to intended beneficiaries. With respect to the beneficiaries, these guidelines can be divided into two broad categories;

1) Administrative and corporate existence guidelines
2) Fiduciary management and procurement guidelines

The administrative and corporate existence guidelines are explained in the form of eligibility guidelines or selection criteria for FCAs and FUGs. According to OGSFCO (2009), they include the following;

a) FCAs and FUGs must be formed on the basis of voluntary membership;
b) Members of the FCAs and FUGs are from the same local government;
c) Family members can be registered in more than one FUG;
d) FCAs and FUGs must have due legal status and have written constitution;
e) FCAs and FUGs must have elected leadership with at least three designated authorities;
f) They must not have more than one member of a family in a leadership position;
g) FCAs and FUGs must have operational bank accounts;
h) FCAs and FUGs prove commitment to adhere to CDD principles; and
i) Are ready to comply with other requirements made, through a specific subproject financing agreement, in relation to the use of matching grants received from the project e.g. operation of the FUEF.

The second category of guidelines, fiduciary management and procurement guidelines are vital to the success of the CDD approach when one considers the fact that CDD confers the control of resources on the community members, which makes handling of finances and procurement of goods and services to take a center stage. Therefore, how the groups handle finances and procurement of goods and services can be a critical indicator of the successful utilisation of the CDD approach by the community. Like it is for other World Bank assisted projects, fiduciary management and procurement guidelines are put in place and expected to be complied with to promote best practices. These guidelines, if properly followed will distinguish the project from other government or donor funded projects which preceded it.

According to World Bank (2004), the objectives of the procurement guidelines are efficiency and cost-effectiveness, quality of goods and services, transparency, and competition among qualified suppliers. These are expected to promote the provision of excellent services at appropriate costs or in other words, having value for the money expended; check fraud and sharp practices by ensuring accountability and transparency at all levels and providing a level playing ground for all the service providers. However, since these procurement procedures are developed for larger institutions, they do not always fit perfectly at the community level where the project is being implemented. This is because the transactions may be too frequent and small to warrant the methods and attendant costs usually considered to be good practice for the larger and less frequent transactions which the guidelines were designed for. This therefore makes the management of procurement responsibilities in CDD guided community projects such as Fadama to be faced with a lot of challenges because:

i. CDD embraces a range of projects, and CDD projects often have a multiplicity of actors.

ii. Communities and subprojects are scattered, sometimes in remote locations with poor communications.

iii. Bank policies and procedures are typically constructed to respond to larger-scale initiatives than those undertaken at the community level. CDD procedures thus need to be tailored to project-specific situations while remaining consistent with Bank procedures.

In spite of the challenges, the implementers of the project are fully aware of the fact that the project could not have been said to have succeeded without complying with the procedures. They were thus simplified and tailored to the prevailing local situation without compromising the core values espoused by the guidelines.
Nkonya et al (2008), report that the precursor of the project i.e. Fadama II project increased the incomes of beneficiaries by 60% as against the 20% it set to achieve while Fadama (2012) reported that as at mid line, Fadama III is on track towards achieving the 40% increase in income target set for 75% of its beneficiaries. However, scanty information is available on the adherence or otherwise of the project beneficiaries to the implementation guidelines, thus the need for this study.

Objectives
This study was designed to assess Fadama III beneficiaries' adherence to project implementation guidelines in Ogun state. The specific objectives were to:

1. examine the enterprise characteristics of the FCAs;
2. ascertain the corporate statuses of the FCAs and constituent FUGs;
3. assess adherence to fiduciary management and procurement guidelines; and
4. find out the beneficiaries' compliance with the FUEF requirements.

Methodology

The study was carried out in Ogun state. Ijebu division was randomly selected out of the four divisions in Ogun state. Two out of the six LGAs constituting the division were also randomly sampled. All the eight registered FCAs in the two LGAs were sampled. This study was essentially based on secondary data derived from the physical verification of groups' records. However, eight FGDs (adult male 2, adult female 2, male youth 1, female youth 1, aged 1 and People Living with HIV/AIDS

(PLWHA) 1 and four IDIs were conducted to verify information generated from records.

Measurement of variables

Adherence to project implementation guidelines was measured by considering the four different components constituting implementation guidelines separately. These included; enterprise characteristics made up of enterprise types and mix, corporate status, adherence to fiduciary and procurement guidelines and compliance with FUEF requirements.

Enterprise characteristics were measured by asking the respondents to state the types of enterprises the FUGs specialised in. These could be crop, livestock, fish, processing, marketing, artisans and vulnerable. The more the types of enterprise constituting the FCA, the higher the score assigned.

Corporate status was measured by asking the respondents to provide information on their legal status and this was ascertained by verifying the registration status of the FCAs and FUGs as registered (which was scored 1) or not registered (scored 0). Statements of bank account were verified to know if the FCAs and FUGs had operational bank accounts (operational account scored 2, non-operational scored 1 while no account scored 0), and minutes of the first meeting were scrutinised to ascertain the democratic election of group leaders (democratic leadership scored 1 and undemocratic leadership scored 0). Furthermore, other minutes of meetings were checked to determine regularity of meetings (regular scored 2, less regular 1 and moribund scored 0).

Adherence to fiduciary management and procurement guidelines was measured by enquiring into the process of financial records keeping (proper filing of receipts, invoices, bills of quantities etc. scored 2, improper filing scored 1 and no filing scored 0). Respondents were also asked to describe the steps followed in procuring what they had benefitted so far from the project with a view to comparing those with the standard procedure (the use of committee system in procurement scored 1, FCA/FUG chairmen's handling procurement scored 0).

Compliance with FUEF requirements was measured by asking the group leaders to state the last amount deposited in their FUEF account as well as the last date of making deposit. Physical verification of bank documents was also done to ascertain the regularity as well as correctness of the amount given (highly operational FUEF account scored 3, moderately operational FUEF account scored 2, non- operational FUEF account scored 1 and no FUEF account scored 0).

Results and discussion
Enterprise characteristics

Table1 shows that the modal enterprise type in the study area was fisheries (27.0%) while the least was agro forestry (4.0). Majority of the FUGs (78.3%) were involved in direct production while 14.9% were into marketing and 6.8% into processing. This shows that the project is on track towards achieving the second project development objective which is to record a 20 percent increase in the yield of agricultural produce at the end of the project year (World Bank, 2008). Meanwhile, some level of inclusion of groups responsible for value addition (processing) and marketing was also noticed. These are expected to stimulate continuous production by increasing the access of the producers to the market, thereby solving a major problem encountered during the first phase of the project as reported by Nkonya et al (2008). This is further explained in Table 2 which shows that the FCAs were evenly mixed as 50 percent each of the FCAs had medium and high enterprise mix. This implies that efforts of the project implementers to attain social inclusion are being. This will assist in making the project sustainable in the long run.

FGDs revealed that among the enterprise types, some of the groups were classified as vulnerable groups. These included the aged, physically challenged, widows and people living with HIV/AIDS (PLWHA). It was also revealed that the community facilitators made conscious effort at mainstreaming the vulnerable groups within the FCA to promote social inclusion.

Table 1
Distribution of FUGs based on enterprise types

Enterprise type	FUGs	Percent
Crop	17	23.0
Livestock	18	24.3
Fisheries	20	27.0
Agro forestry	3	4.0
Marketing	11	14.9
Processing	5	6.8
Total	**74**	**100**

Table 2
Distribution of FCAs based on enterprise mix

FCA	Number of FUGs	Number of enterprises	Enterprise mix
Akalaopo Isiwo	13	6	High
Ayonitemi Obalende	7	4	Medium
Temidayo Onirugba	10	5	High
Ifowosowopo Irawo	10	5	High
Igbile	9	5	High
Itanrin	8	4	Medium
Imosan	6	4	Medium
Akio	11	4	Medium

Corporate status

Table 3 shows that the FCAs and FUGs performed highly (90.6% and 83.5%, respectively) with respect to their corporate statuses. Further breakdown shows that all the FCAs (100.0%) and 90.5% of the FUGs satisfied legal registration status. The performance with respect to bank status was high (75.0%) among the FCAs and fair (51.4%) among the FUGs. All the FCAs and FUGs (100.0%) had democratic leadership status. Meanwhile, FCAs and FUGs recorded high level of regularity at meetings (90.6 and 83.5% respectively). These imply maintenance of high level of corporate status among the FCAs and FUGs. This will enhance the chances of the groups to benefit from facilities such as bank and government loans as well as assistance from non-governmental organisations who may be interested in providing assistance to registered rural groups.

FGDs and IDIs also confirmed that the groups did not merely exist on paper but met regularly to discuss issues of common interests. It was also found that group members actively participated in the election of their leaders. However, election had not been held recently in most of the groups contrary to the provisions of the bye-laws that elections should be held periodically. This was explained by the absence of a need to do so by the members who saw nothing wrong in overstaying leadership of the groups. On enquiry, most of the members were not aware of the provisions of the cooperative bye-laws stipulating the need for periodic election of executives.

Table 3
Distribution of respondents' corporate status

Corporate status	FCA		Percent	FUG		Percent
	Maximum Obtainable	Scores Obtained		Maximum Obtainable	Scores Obtained	
Legal status	8	8	100	74	67	90.5
Bank status	16	12	75.0	148	76	51.4
Democratic leadership status	8	8	100	74	74	100
Regularity of meeting	16	14	87.5	148	136	91.9
Average performance			90.6			83.5

Adherence to fiduciary management and procurement guidelines

Table 4 shows that the FCAs and the FUGs recorded high adherence (62.5 and 82.1% respectively) to fiduciary and procurement guidelines of the project. Although group records showed that there is high adherence to fiduciary and procurement guidelines among the groups, FGD however revealed that in some cases, the procurement committees were sometimes dispensed with and fewer service providers were engaged in the procurement of services and equipments than expected. Further scrutiny of the group records showed that a single service provider won all the contracts awarded by a particular FCA, while two service providers were responsible for the supply of equipments to another FCA. This development is unusual considering the fact that the 'shopping' exercise took place on different days and the coincidences appear questionable.

In addition, FGD revealed that the lower score recorded by the FCAs in contrast to the FUGs was as a result of the FCAs being more active in procurement activities than the FUGs, thereby predisposing the leadership to making more mistakes in the area of procurement than the FUGs.

Table 4
Distribution of respondents' adherence to fiduciary management and procurement guidelines

Fiduciary and procurement status	FCA		Percent	FUG		Percent
	Maximum Obtainable	Scores Obtained		Maximum Obtainable	Scores Obtained	
Financial management	16	10	62.5	148	95	64.2
Procurement management	16	10	62.5	148	148	100
Average performance			62.5			82.1

Compliance with FUEF requirements

Table 5 shows a fair compliance with FUEF requirements among the FCAs and FUGs (50.0 and 51.8% respectively). FGD and IDIs confirmed a fair compliance of the groups with FUEF requirements, while, a high level of understanding of the essence of the FUEF component was displayed by the groups. Meanwhile, participants at the FGDs complained about the non-meeting of their bloated expectations by the project which led to some group members withdrawing their membership in a few of the FCAs and many others being skeptical of future expectations from the project, thus affect affecting their willingness to fulfill their FUEF obligations.

Table 5
Distribution of respondents based on compliance with FUEF requirements

FCA			FUG		
Maximum Obtainable	Scores Obtained	Percent	Maximum Obtainable	Scores Obtained	Percent
24	12	50.0	222	115	51.8

Conclusion and recommendations

This study revealed that groups in the study area generally have a fair to high level of adherence to the four measures of project implementation guidelines. Adherence to procurement guidelines and FUEF requirements are areas where much improvement is needed. The project is however, expected to achieve its stated objectives in the study area if the implementers uphold their own side of the covenant and the policy environment remains stable. It is therefore recommended that the Fadama III project implementers reward beneficiaries' adherence to the implementation guidelines by disbursing funds promptly to the groups while ensuring the gaps noticed in the area of adherence to procurement guidelines and FUEF requirements are improved upon to maintain standards.

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