SCHOOL OF GRADUATE STUDIES
MA PROGRAM IN PROJECT MANAGEMENT

Determinants of Agricultural Projects Implementation Delays: The Case of Agricultural Projects Financed by Development Bank of Ethiopia

BY

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A THESIS SUBMITTED TO ST. MARY UNIVERSITY'S SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF MASTER OF ARTS DEGREE IN PROJECT MANAGEMENT

MAY 2018

ADDIS ABABA ETHIOPIA

ST. MARY UNIVERSITY'S

SCHOOL OF GRADUATE STUDIES

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Declaration

I hereby declare that the study which is being presented in this thesis entitled "**Determinants of Agricultural Projects Implementation Delays: The Case of Agricultural Projects Financed by Development Bank of Ethiopia**". It is conducted by Adane Semere for the partial fulfillment of the requirements for the award of master's degree in Project Management. To the best of my knowledge it is original work carried by him, it had not been presented for a partial fulfillment for any educational qualification at this university or any other and in any projects by any means.

Declared by:	**Confirmed by:**
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May 2018

Addis Ababa

Article I. Table of Contents

ACKNOWLEDGEMENTS

I would like to express my gratitude to my thesis advisor Marue Shete (PHD) for his useful comments, suggestions, intellectual guidance, remarks, and engagement through the learning process of this study. I also would like to thank the participants in my survey, who have willingly shared their precious time during the process of filling questionnaire. I would like to thank my wife Martha Kifetew, who has supported me throughout entire process, both by keeping me motivated and helping me putting pieces together. I will be grateful forever for your love.

LIST OF ABBREVIATIONS AND ACRONYMS

CSA: Central Statistical Agency of Ethiopia

DBE: Development Bank of Ethiopian

EIA: Environmental Impact Assessment

GDP: Gross Domestic Product

GTP: Growth Transformation Process

P.I.P: Project Implementation Profile

PMI: Project Management Institution

PMB: Project Management Body

PMBOK: Project Management Body of Knowledge Areas

PMTT: Project Management Tool and Techniques

SPI: Schedule Performance Index

SPSS: Statistical Package for Social Sciences

WBS: Work Breakdown Structure

Abstract

This study focused on identifying the determinants of agricultural projects implementation delays in Gambella Regional State. It examined 35 agriculture (cotton) projects that were financed by the Development Bank of Ethiopia. Quantitative research approach with a causal research design was adopted for the investigation. The multiple linear regression analysis was carried out to identify the factors that determine delay. The schedule performance index was used as indicator for the dependent variable (project implementation delay).The research is cross sectional in nature and the unit of analysis is the individual agricultural projects. The major findings include extremely poor implementation follow up by the relevant staff, frequent land over lapping, improper utilization of disbursed fund by promoters, low and limited capacity of the bank staff to assist the promoter regularly, poor time management and scheduling operational activities (work breaking down), lack of well-developed system of resources (natural, human, financial, social, physical and informational).To improve the performance of the agricultural projects, and future projects that have similar nature, the Bank and the project owners should give due attention to the correlates identified determinant variables for the delay of agricultural projects implementation by this study that determine project success.

Keywords: Schedule performance index, project delay, determinants, Development Bank of Ethiopia, Gambella Regional State, Ethiopia

CHAPTER I: INTRODUCTION

1.1 Background of the Study

Development Bank of Ethiopia has paramount important in financing government development priority areas which are believed as engine of growth like Manufacturing Industry, Agro-Processing, Commercial Agriculture, and Mining & Energy. The Bank has been offering medium and long term loans to different kinds of viable projects. Following the GTP-II formulation at national level the Bank has designed its second five year strategic plan in line with national GTP-II. The Federal Government of Ethiopia has given great emphasis for Small and Medium Enterprises as they are foundation to industrialization. Therefore, the DBE is entrusted to support SMEs along with medium and large-scale industrial projects which are in the area of export including generate foreign exchange earnings, facilitating a speedy technological transfer, improve the country's competitiveness, support the growth of the agriculture sector and also import substitution. The support of export trade is also contributed by providing credit for export guarantee. The Bank also supports the development of micro and small scale industries through lease financing and provision of loan able fund for projects that produce import substituting products through the Bank's External fund and credit management so as to contribute to the reduction of poverty in rural Ethiopia through sustainable access to a range of financial services including savings, credit, micro insurance and money transfers and thereby assuring sustained increase in income and assets of poor rural households.

Moreover, DBE supports the country's economic development by on-lending the fund obtained from international lending organizations to microfinance institutions and private sectors targeted on women entrepreneurship development and market development for renewable energy technologies. The Bank is also playing a great role in supporting Grand Ethiopian Renaissance Dam Construction project through sales and promoting of *Hidase* Bond. The bank also played a critical role in creating public awareness about importance of *Hidase* and saving bond. The Bank's performance in the areas of approval, disbursement, collection and NPL for fiscal year 2016/17 is the Bank's loan approval in preceding plan period was Birr 18.78 Billion, while the actual performance is Birr 12.08 Billion, showing 64% achievement. The loan disbursement plan was Birr 14.08 Billion while the actual performance is Birr 5.38 Billion with 38% achievement

of the target. Furthermore, the loan collection plan for the year was Birr 6 Billion, and the actual collection is Birr 4.56 Billion which is 76% of the target. In addition, the total loan outstanding plan of the Bank during the plan period is Birr 42.46 Billion and the actual loan position amounting Birr 33.82 Billion which shows an achievement of 80%. With regards to the NPLs performance, the Bank has planned to cope with 9.76 %, but went up to 24.98%, which indicates lower performance in terms of reducing the NPLs.

The credit operations performances in 2016/17, therefore, shows that there is an ardent need for improvement for the upcoming fiscal year and subsequent periods in terms of NPLs reduction along with protecting fresh entrants, improving loan disbursements, and implementing better strategy in loan collection, project follow up and taking prompt action to rescue the Bank from any kinds of financial loss. Generally, the credit operations of the Bank need to be further strengthened in order to meet its stakeholder's interest, and to ensure efficient utilization of financial capital and its developmental impact in the country. Comparison of actual performance of 2016/17 against actual performance of 2015/16 indicated that there is a weak progress or insignificant improvement. Particularly loan disbursement showed decline.

The loan approval, disbursement, collection and loan outstanding performance of the Bank under the Agriculture sector against the set target shows achievement of 15%, 36%, 48% and 86%, respectively, the performance of manufacturing sector in terms of loan approval, disbursement, collection and outstanding position as compared to the plan target also show 94%, 61%, 85% and 93%, respectively, the performance of Mining & Energy in terms of loan approval, disbursement, collection and outstanding position as compared to the plan target also show 24%, 105%, 100% and 28%,respectively, the performance under the External fund credit management (EFCM) of the Bank against the target indicates 534%, 161%, 125% and 80%, respectively and the performance of SME as compare to the target plan is 58%, 9%, 1% and 5% for approval, disbursement, collection and outstanding, respectively. In addition to the above, the achievements of the performance under the Service in terms of disbursement, collection and outstanding position as compared to the plantar get also show15%, 143% and 151%, respectively. Therefore, out of the above four DBE's priority sectors, the performance of the agriculture sectors is under performance with the measurement of loan approval, disbursement, collection and outstanding position as compare to the target plan. For this low performance

agricultural project financed by DBE in Gambella regional state has a great contribution. Out of a total of 600 developers in Gambella, 200 of them received loans from the DBE. From these 200 developers, 28 from the head office and the remaining 7 from Jimma district were financed. To achieve the intended purposes, DBE provided 2.76 billion Br. But with disappointing results of productivity that is a fraction of the investments due to their implementation delay.

1.2 Statement of the Problem

The mission of DBE establishment is to promote the national development agenda through development finance and close technical support to viable projects from the priority areas of the government by mobilizing fund from domestic and foreign sources while ensuring its sustainability. The vision of DBE is "100% Success for All Financed Projects by 2020" To achieve its vision and mission, identifying determinant factors which causes agricultural project implementation delay and effects on loan recovery performance of the bank is vital. In the last few years, many investors have traveled to Gambella regional state, investing on agricultural development projects following the various investment incentives given by the government such as banking and tax free services.

Evidence showed that most DBE financed agricultural projects experienced implementation schedule lag compared to what was planned in the feasibility studies submitted by the project owners to the Bank and the revised appraisals studies of the Bank. As a result of delays, there are frequent request for an additional loan for missing items and incomplete construction works and a subsequent loan repayment rescheduling request by most huge and large sized cotton farm projects. Out of the total 200 agricultural projects which are financed by development bank of Ethiopia, 28 from the head office and 7 from Jimma district requested for loan repayment rescheduling, interest capitalization and additional working (DBE, 2017).

In addition to this, currently it is common to see foreclosure advertisement of different project newspapers, which indicates the failure of many cotton farm projects. This situation resulted great apprehension on the part of potential investors not to look for Bank finance with the perception that credit is the main determinant factor for project failure. Moreover, the failure of projects increases sunk cost of the country irrespective of their ownership since fixed investments of cotton farm projects are purpose oriented and require high switching cost. Understanding the prevailing situation in the country, DBE has set zero tolerance for project

failure in the year 2018 G.C. as the Bank's vision is to implement "100% Success for All Financed Projects by 2020".This is assumed to be achieved through developing and tightening the credit management system of the Bank. However, it is obvious that hundred percent project successes are impossible in project finance because of uncertainty and dynamism in the global economy, and the internal weakness of the projects especially agricultural projects.

1.3 Gap analysis

There is almost no systematic study carried out in Gambella region with respect to this particular research topic. The limited availability of patterned findings in the area challenged the researcher to evaluate the gap versus the research topic in order to make a comparative analysis of preceding findings against their respective gaps however, the delay of the implementation of agricultural projects in general and cotton projects in particular is visible, requires scholarly attention, systematic research and gap analysis. In the region even though there is limited research or lack of systematically recorded findings that might not be accessed by any interested group or individual. The prevalence, rate and incidence of implementation delays of cotton project due to Shortage of equity contribution, low capacity of the promoter to cover uneven costs while planning the project, slowness in decision making process by the owner managers, conditions for effectiveness of the loan are not fulfill in time, Poor implementation schedule on land development activities, Management problems such as personnel, labor and contractor disputes mismatch of equipment etc., Lack of comprehensiveness of appraisal study submitted by the bank to the promoters, Lack of sufficient project management body of knowledge by agricultural project, participants, High rate of inflation, Utilization of low unit price of civil works in estimating the cost, Providing low technical advice (guidance and support of the client), Unintended negative weather impacts (erratic rain fall, scanty amount, unpredictable rain fall distribution and intensity), Delay in project collateralizing activities in the concerned governmental office, Delay in obtaining the required machineries and raw materials from concerned suppliers and High frequency of social unrest around the project areas are observable, researchable, policy makers, decision makers, practitioners, potential investors and relevant stakeholders.

1.4 General objective

The general objective of this study is to identify the factors responsible for delay in the implementation of agricultural project in Gambella regional state.

1.5 Specific Objectives

To achieve the aims of this study, specific objectives are identified as following:

i. to assess the extent of the time overrun on implementation of agricultural project Gambella regional state.

ii. to assess the determinant factors causing delays implementation of in agricultural project implementation and Gambella regional state.

iii. to rank the significant factors with respect to contribution to delays..

1.6 Research questions

Taking the above statement of the problem and research objectives into consideration, this study is intended to answer the following major research questions:

1. What is the extent of time over run from the schedule to implement agricultural projects which are financed by Development Bank of Ethiopia in Gambella regional state?
2. What are the determinant factors that affecting for the delay of agricultural projects implementation which are financed by development bank of Ethiopia in Gambella regional state?
3. Which factor Rank on the top as the significant factors with respect to contribution to agricultural projects implementation delay which are financed by Development Bank of Ethiopia?

1.7 Significance of the Study

This study is believed to have the following significance:

- ☑ Yet until now, there appeared to be no attempt to investigate the causes for agricultural projects implementation delay by considering time over and schedule performance index as indicators.
- ☑ This study is believed to contribute to the academic knowledge on how to effective project implementation scheduling and project work break down during assumption development.
- ☑ The result of the study shall also contribute as a source document to project implementation policy.

1.8 Scope and Limitations of the Study

1.8.1 Scope of the study

This study focused mainly on identifying the determinant factors that influence the cotton farm projects implementation delay financed by development bank of Ethiopia from 2014/15 G.C to 2015/16 G.C, the case of Gambella regional state. The target population involved Officers, senior officers and team managers from customer relationship directorate, project appraisal directorate and project follow up directorate of DBE head office and Jimma district office. Beside to this, 35 agricultural projects financed by DBE in Gambella regional state and project owners are involved. This focused on professionals involved in agricultural projects implementation in Gambella regional state.

1.8.2 Limitation of the study

The lack of systematic data sources, relevant literature, shortage of studies, lack of well-organized back ground of the projects, lack of the detailed biophysical, demographic and socio economic data, shortage of systematically analyzed periodic reports, intimidation of the government officials to disclose genuine detailed facts and figures about each project, association of the projects to embezzlement, fear of the consequence of accountability, shortage of culture of transparency, the informal relationships of different actors, limitation of time and relevant resources of the researcher (I am engaged in role strain /stress/multiple roles), the physical location of the projects and the researcher. Inter disciplinary (collective wisdom) is required to integrate different issues.

1.9 Organization of the study

This study is organized into five chapters. Chapter one introduces the study beginning with a brief background about DBE, a statement of the research problem, the objectives and research questions, the significance and scope of the study. Chapter two presents a detailed review of relevant literature written about theory of project, the concept of project management, Credit appraisal study, credit approval, credit documentation, project implementation period,. Main Implementation Period, project period, conceptual frame work of the study and finally an empirical literature review is presented. Chapter three provides the methodology used to obtain data and how the data is analyzed. Chapter four gives the findings of the study and a brief interpretation of the results with respect to the objectives of the study. Chapter five is devoted for conclusions and recommendations for further research.

1.10 Hypotheses

To test the association between the dependent variable time over run or delay and the determinant factors (independent variables) the following hypostases were tentatively developed. Time over run for agricultural/cotton projects implementation delays in *Gambella* region financed by DBE might be the functions of:

- ✓ Shortage of prior socioeconomic impact assessment and environmental impact assessment,
- ✓ Land overlapping issues during collateral the agricultural project,
- ✓ Shortage of equity contribution,
- ✓ Low capacity of the promoter to cover uneven costs while planning the project,
- ✓ Slowness in decision making process by the owner managers,
- ✓ Conditions for effectiveness of the loan are not fulfill in time,
- ✓ Poor implementation schedule on land development activities,
- ✓ Management problems such as personnel, labor and contractor disputes mismatch of equipment etc.,
- ✓ Lack of comprehensiveness of appraisal study submitted by the bank to the promoters,
- ✓ Lack of sufficient project management body of knowledge by agricultural project, participants,
- ✓ High rate of inflation,
- ✓ Utilization of low unit price of civil works in estimating the cost,
- ✓ Providing low technical advice (guidance and support of the client),
- ✓ Unintended negative weather impacts (erratic rain fall, scanty amount, unpredictable rain fall distribution and intensity),
- ✓ Delay in project collateralizing activities in the concerned governmental office,
- ✓ Delay in obtaining the required machineries and raw materials from concerned suppliers
- ✓ High frequency of social unrest around the project areas,
- ✓ Lack of development of systems for easy facilitation for communication, facilitation and cooperation and
- ✓ Shortage of exhaustive assessment of the resource bases (natural, human, financial, physical, social and informational).

1.11 Definition of significant terms used in the study

Assessment - scientifically measure the existing knowledge and practices of DBE, DBE's cotton farm owners and external environment around them.

Cotton - a crop grow in Gambella regional state with temperature range of between 180C and 430C and annual rain fall requirement between 700mm and 1000mm.

Determinant factors – the causal elements (activities) that make decision on the delay of cotton farm project implementation

Development Bank of Ethiopia – financer and technical supporter for those cotton farm projects at Gambella regional state of Ethiopia.

Delay - Delay is a tactic of slowing down the cotton farm project activation period in order to maintain the status quo.

Farm – production of crops from a minimum net cultivable land of 200 ha by using rain fed agricultural system.

Gambella Region – one of Ethiopian regional state and identified its agro ecological suitability for the production cotton by the Ethiopian Investment Agency.

Implementation - the action that must follow any preliminary activities in the project appraisal final report in order for the planned report to actually happen.

Project - an individual or collaborative agricultural farm enterprise that is carefully planned and designed to achieve it's a particular aim by the financial and technical support of Development Bank of Ethiopia.

CHAPATUR II: LITERATURE REVIEW

2.1 Theory of project

Turner (1993) referenced in the Project Management Book (PMB) Guide as starting point for a reconstruction of the theory of project. According to Turner, scope management is the raison of project management. He describes the purpose of scope management as follows: (1) an adequate or sufficient amount of work is done; (2) unnecessary work is not done; (3) the work that is done delivers the stated business purpose. Scope is defined through the work breakdown structure (WBS). Firstly, he (absolutely) claims that project management is about managing work; this is the conceptualization. Secondly, he claims that work can be managed by decomposing the total work effort into smaller amount of work, which is called activities and tasks in the PMB Guide. Thirdly, he claims that this conceptualization and the principle of decomposition serve three essential purposes of project management. Even if not mentioned by Turner, there is an important, but implicit assumption associated with decomposition, namely that tasks are related if at all by sequential dependence. Indeed, a review of the PMB Guide reveals that activities and tasks are the unit of analysis in the core processes of project management, like scope management, time management, and cost management, and that their management and control is centralized. This is also supported by the description by Morris about the classic - and still current - project management approach (Morris, 1994).

2.2 The concept of project management

A theory consists primarily from concepts and causal relationships that relate these concepts Whetten (1989). It is possible to broadly characterize a target theory of production/operations management (Koskela 2000). This categorization applies also for project management, being a special type of production/operations management. A theory of project management should be authoritarian: it should disclose how action contributes to the goals set to it. On the most general level, there are three possible actions: design of the systems employed in designing and making, control of those systems in order to realize the production intended and improvement of those systems. In fact Project management and all production, have three kinds of goal. Firstly, the goal of getting intended products produced in general. Secondly, there are internal goals, such as cost minimization and level of utilization. Thirdly, there are external goals related to the needs of the customer, like quality, dependability and flexibility. In today's business environment, two

factors have become common: change and complexity. The nature of business has incorporated these factors into our everyday lives. We work in an environment of constant change and increasing complexity, and must be competitive, productive, customer-focused, and profitable. Business has also become extremely complicated. This complexity is related to the number of factors involved in the effort, the global scope of markets, and the sheer size of the efforts being undertaken. Even small decisions often involve the interplay of hundreds of variables.

Project management is both art and a science. The science consists of a systematic approach using a standard methodology. The art consists of "soft skills" including leadership, trust, credibility, problem solving, and managing expectations. The art of project management is developed through experience, practice, and intuition. The processes presented in this book illustrate the science of project management. A project manager who is skilled in the art instinctively knows how and when to react to project problems. Project management is equally divided between the art and science and a successful project manager utilizes and refines both skill sets to effectively manage projects (Tadesse, 2016).

2.3 Key financing procedures in banking sector

2.3.1 Credit appraisal study

This is the basic stage in the lending process. Anjichi (1994) describes it as the 'heart' of a high quality portfolio. This involves gathering, processing and analyzing of quality information as way of discriminating the client's credit worthiness and reducing the incentive problems between the lenders as principals and the borrowers as agents. The Bank's credit policy, procedures and directives guide the credit assessment process. Banks should base their credit analysis on the basic principles of lending which are Character, Capacity, Capital, Collateral and Conditions (Matovu and Okumu, 1996). It is designed to ensure lenders take actions which facilitate repayment or reduce repayment likely problems. This information about the riskiness of the borrower makes the financial institution to take remedial actions like asking for collateral, shorter duration of payment, high interest rates and other form of payment (Stiglitz and Karla, 1990) when a financial institution does not do it well, its performance is highly affected. Edminster (1980) stressed the importance of credit analysis when he observed that its abandonment often resulted into several Banks using credit card to process. The variable in the researcher, according to Hunte (1996) included the length of time taken to process applications,

credit experience and proportion of collateral security to the loan approved.Once the investment decision is taken - and often even while the formulation and appraisal are being done - it is necessary to do detailed implementation planning before commencing the actual implementation. Such planning should, inter alia, seek to:

- Develop a comprehensive time plan for various activities like land acquisition, tender evaluation, recruitment or personnel, construction of buildings, erection of plan, arrangement for utilities, trial production run, etc.
- Estimate meticulously the resource requirements (manpower, materials, money, etc.) for each period to realize the time plan.
- Define properly the inter-linkages between various activities of the project.
- Specify cost standards.

2.3.2 Credit approval

The loan approval process is the first step towards, holding of good portfolio quality. When individual credits are underwriting with sound credit principles, the credit quality of the portfolio is much more likely to be sound. The primary means to control loan quality is strengthen the approval process. The process should be compatible with the Bank's credit culture, its risk profile, and the capability of its lenders, further, the system for loan approvals needs to be establishing accountability. An effective loan approval process establish minimum requirement for the information and analysis upon which accredit decision is based, it provides guidance on the documents needed to approve new credit, renew credit, increase credit to existing borrowing, and changes terms is previously approved credit. (DBE, 1998).

2.3.3 Credit Documentation

Credit documentation and disbursement is another aspect of credit assessment process. It encompasses the conduct of key exposure control measures that ensures securities and documentation is obtained before funds are disbursed, and that modification on all credit facilities is approved within credit policy. It also includes the maintenance of orderly updated credit files and the imposition of relevant fee's, updating of records and prompts notification of credit reviews and renewal dates (McNaught on et al, 1996). Loan documentation involves the legal drafting, document review, collateral checks and the waiver of terms. While the

disbursement function involves checking the validity of notes as well as ensuring that the documentation for the credit facilities are properly executed. Loan documentation defines the necessary security and covenant before the loan is made. It provides risk protection by providing grounds for the Bank to take legal action when borrowers fail to honor their obligations (Dayetal, 1996). Credit documentations clearly states the credit terms which are the conditions attached to the loan after the borrower's.

2.4 Project implementation period

The projects are considered delayed when their stipulated completion durations have not been achieved. Project Implementation can be classified in to three main periods which is the inception, main implementation and final period (Gmbh, 2002).

2.4.1 Inception Period

Project implementation begins with the inception period often covering a period of several months during which project organization including administrative, financial and technical responsibilities are set up, and the initial planning of the appraisal phase is updated and refined. The mechanisms and tools developed for this purpose are then used throughout the following periods of implementation. The inception period usually consists of the following elements: (1)Set-up of the project office and staff recruitment; (2)If required, implementation of a study to update baseline information; (3)Discussions with major stakeholders, if possible including target groups, to complete and update the Logical Framework, to prepare the Overall Work Plan and the Activity and Resource Schedules. Ideally, this should be done in a participatory workshop session, which wills last 3 – 5 days, depending on the complexity of the project. Additionally, Preparation and submission of the Overall Work Plan (incorporating the project's internal Monitoring and Evaluation Plan) and of the first Annual Work Plan.

2.4.2 Main Implementation Period

The main implementation period begins with the implementation of the first annual work Plan. In relation to the contract/financing agreement, the implementing agency will have particular responsibility for: The preparation of work plans covering each year of the project, taking into account the time taken up by the approval process;

- ☑ Planning and monitoring of implementation;
- ☑ The preparation and submission of progress reports, usually quarterly;
- ☑ The preparation and submission of an annual report every twelve months from the start of the project;
- ☑ The collaboration with external consultants responsible for evaluations and audits, if required.

2.4.3 Final Period

The final period involves carrying out all the necessary steps to finalize the project. It will usually consist of arranging the deployment of human resources and handing over goods procured under the project budget to those stipulated in the relevant agreement. In addition, a final report should be prepared taking care to provide concrete recommendations for any subsequent possible action in the same field. The lessons learned and conclusions drawn from the project should allow a decision to be made as to whether or not a follow-up of the project should take place. After passed those the above mentioned steps if the project is not implemented its operation the projects are considered delayed due to their stipulated completion durations have not been achieved. As a result the projects have faced time overrun and incurred additional costs without generating cash inflow from the project. Loan processing diagram of DBE is presented here under:

2.4.4 Project delays

Project success can be defined as meeting goals and objectives as prescribed in the project plan. A successful project means that the project has accomplished its technical performance and maintained (Yaw et al 2003).Delay could be defined as an act or event that extends the time required to perform the tasks under a contract. It usually shows up as additional days of work or as a delayed start of an activity (Sweis et al 2007). According to Assaf et al 2004in construction, delay could be defined as the time overrun either beyond completion date specified in a contract, or beyond the date that the parties agreed upon for delivery of a project.

Time and cost over-runs of projects are very common in developing countries, particularly in the public sector. According to Chandra (2003) among the 184 central projects monitored in India: 119 projects (about 65 percent of the total) have suffered time over-runs, which have gone as

high as about 200 percent - the average delay in commissioning these projects was about 3 years. A similar analysis of state projects in developing countries like Ethiopia would perhaps reveal an even more dismal picture. Due to such time and cost over-runs, projects tend to become uneconomical, resources are not available to support other projects, and economic development is adversely affected.

2.4.4.1 Types of delay

Theodore (2009) mentioned that there are four basic ways to categorize type of delays:

1. Critical or noncritical
2. Excusable or non-excusable
3. Compensable or non-compensable
4. Concurrent or non-concurrent

In the process of determining the causes of a delay on the project, the analyst must determine whether the delay is critical or noncritical. The analyst must also assess if delay are concurrent. All delays that are identified in the analysis will be either excusable or non-excusable. Delay can be further categorized into compensable or non-compensable delays.

1. Critical Versus Non-Critical Delays

Delays that affect the project completion, or in some cases a milestone date, are considered as critical delays, and delays that do not affect the project completion, or a milestone date are noncritical delays. If these activities are delayed, the project completion date or a milestone dater will be delayed. The determining which activities truly control the project completion date depends on the following:

a. The project itself
b. The contractor's plan and schedule (particularly the critical path)
c. The requirement of the contract for sequence and phasing
d. The physical constraint of the project, i.e. how to build the job from a practical perspective.

2. Excusable versus Non-Excusable Delays

All delays are either excusable or non-excusable. An excusable delay is a delay that is due to an unforeseeable event beyond the contractor's or the subcontractor's control. Normally, based on common general provisions in public agency specifications, delays resulting from the following

events would be considered excusable delays: General labor strikes, Fires, Floods, Acts of God, Owner-directed changes, Errors and omissions in the plans and specifications, Differing site conditions or concealed conditions, Unusually severe weather, Intervention by outside agencies and Lack of action by government bodies, such as building inspection.Non-excusable delays are events that are within the contractor's control or that are foreseeable. These are some examples or non-excusable delays: Late performance of sub-contractors, Untimely performance by suppliers, Faulty workmanship by the contractor or sub-contractors, a project-specific labor strike caused by either the contractor's unwillingness to meet with labor representative or by unfair labor practices.

3. Compensable Delays versus Non-Compensable Delays

A compensable delay is a delay where the contractor is entitled to a time extension and to additional compensation. Relating back to the excusable and non-excusable delays, only excusable delays can be compensable. Non-compensable delays mean that although an excusable delay may have occurred, the contractor is not entitled to any added compensation resulting from the excusable delay. Thus, the question of whether a delay is compensable must be answered. Additionally, a non-excusable delay warrants neither additional compensation nor a time extension.

4. Concurrent Delays

The concept of concurrent delay has become a very common presentation as part of some analysis of agricultural delays. The concurrency argument is not just from the standpoint of determining the project's critical delays but from the standpoint of assigning responsibility for damages associated with delays to the critical path. Owners will often cite concurrent delays by the contractor as a reason for issuing a time extension without additional compensation. Contractors will often cite concurrent delays by the owner as a reason why liquidated damages should not be assessed for its delays. Unfortunately, few contract specifications include a definition of concurrent delay and how concurrent delays affect a contractor's entitlement to additional compensation for time extension or responsibility for liquidated damages.

2.4.4.2 Causes of Delays

Delay in implementation of projects and cost increase are common phenomena in projects worldwide. However, these are especially severe in developing countries. Delayed implementation gives a project a difficult star. Literatures review was made for this particular

research study on the causes and effects of delay in agricultural projects since agricultural projects are the most studied projects for which model for delayed implementation was developed and this model can be applied to the current study. Accordingly, generally, there are many factors that contributed to causes of delays in agricultural projects, these range from factors inherent in the technology and its management, to those resulting from the physical, social, and financial environment. There are in total of seven groups of causes for delay in construction project (Theodore, 2009).

Group 1: Causes of delay by client

Delay in progress payments by owner

Delay to furnish and deliver the site

Change orders by owner during construction

Late in revising and approving design documents

Delay in approving shop drawing and sample materials

Poor communication and coordination

Slowness in decision making process

Conflicts between joint-ownership of the project

Suspension of work

Group 2: Causes of delay by contractor

Difficulties in financing project by contractor,

Conflicts in sub-contractors schedule in execution of project

Rework due to errors during construction

Conflicts between contractor and other parties (consultant and owner)

Poor communication and coordination

Ineffective planning and scheduling of project

Improper construction methods implement

Delays in sub-contractors work

Inadequate contractor's work

Frequent change of sub-contractors

Poor qualification of the contractor's technical staff

Delays in site mobilization

Group 3: Causes of delay by Consultant

Delay in approving major changes in the scope of work

Poor communication and coordination

Inadequate experience of consultant

Mistakes and discrepancies in design documents

Delays in producing design documents

Unclear and inadequate details in drawings

Insufficient data collection and survey before design

Un-use of advanced engineering design software

Group 4: Causes of delay by materials

Shortage of construction materials in market

Changes in material types and specifications during construction

Delay in material delivery

Damage of sorted material while they are needed urgently

Delay in manufacturing special building materials

Late procurement of materials

Group 5: Causes of delay by equipment

Equipment breakdowns

Shortage of equipment

Low level of equipment-operator's skill

Low productivity and efficiency of equipment

Lack of high-technology mechanical equipment

Group 6: Causes of delay by labors

Shortage of labors

Working permit of labors

Low productivity level of labors

Personal conflicts among labors

Group 7: Causes of delay by external factors

Effects of subsurface conditions (e.g. soil, high water table, etc.)

Delay in obtaining permits from municipality

Hot weather effects on construction activities

Traffic control and restriction at job site

Accident during construction

Changes in government regulations and laws

Delay in providing services from utilities (such as water, electricity)

Delay in performing final inspection and certification by a third party

2.5 Conceptual framework

The conceptual framework illustrates the causal relationship between the independent variable and the dependent variable. The delay of agricultural project implementation is dependent on independent variables. Agricultural project implementations are considered completed successfully when executed within schedule and time frame. When any of the independent variables fail, then there is a higher likely would that the dependent variables will also fail. This research seeks to justify these. It is therefore imperative to ensure that the independent variables are done to the satisfaction of stakeholders (DBE & project owners), consequently ensuring on time agricultural projects implementations completion. In this research the independent variables which constitute project objectives, include the extent of the time overrun on implementation of agricultural projects in Gambella regional state, the determinant factors causing implementation of agricultural projects in Gambella regional state and ranking the significant factors which contributes to the agricultural projects implementation delay.

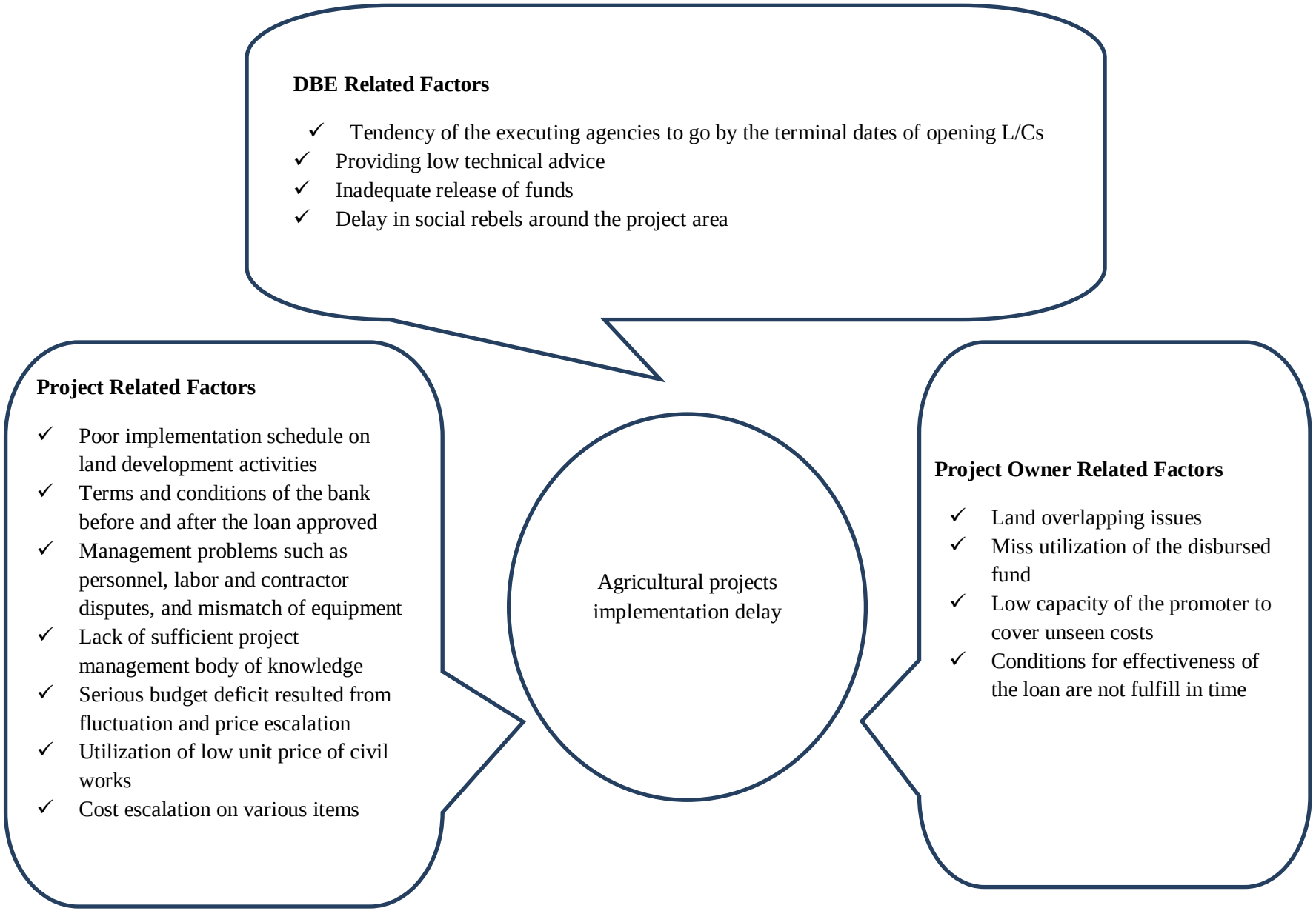


Figure 2.1: Conceptual framework for factors contributing to agricultural project implementation delay

CHAPTER III: RESEARCH METHODOLOGY

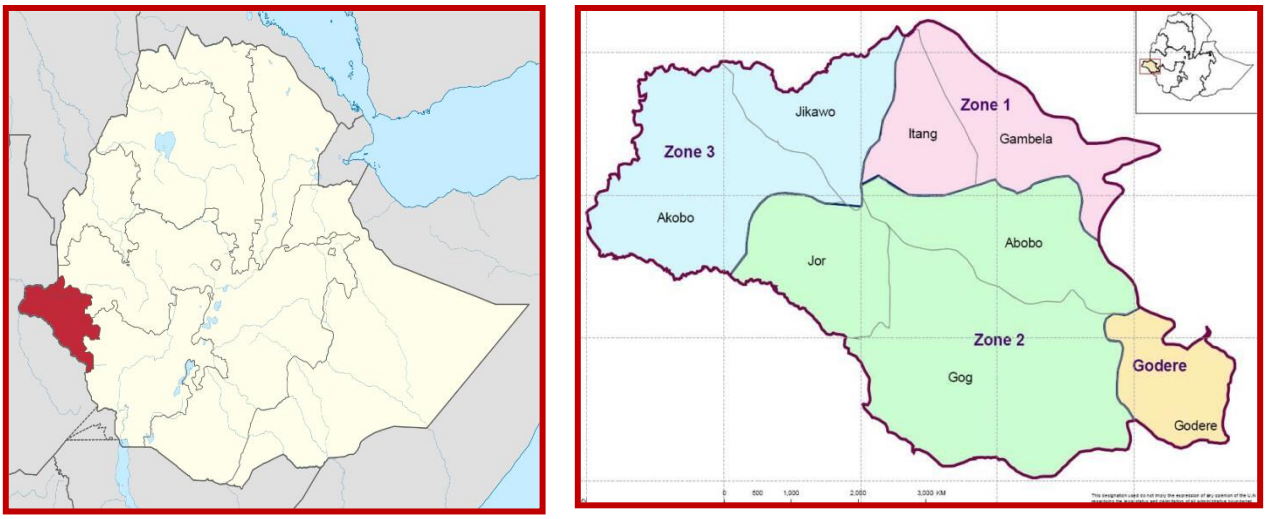
3.1 Research Design and Approach

This study employed a causal research design, cross sectional survey method to be done at a single time. It assesses the determinant causes for the delay of implementing agricultural projects financed by development bank of Ethiopia in Gambella Region. The unit of analysis for this particular evaluative research was at project level and an individual project owner level. A quantitative research approach was adopted.

3.2 Study setting and target population

The study was conducted on 35 Ethiopian Development Bank funded cotton projects in Gambella regional state. The study area is situated along the Baro River. Based on 2007 human population Census conducted by the Central Statistical Agency of Ethiopia (CSA), the region has an estimated area of 29,782.82 square kilometers, with an estimated population density of 10 people per square kilometer. Gambella regional state is among the major cotton producing areas of Ethiopia. The region possesses a tropical ecology with vast water resources and productive soil, which are conducive parameters for cotton farming. From fiscal year 2003/04 to June 2014, 420 land deals were made, adding up to 545,178.3 hectares in Gambella. LSLAs have occurred in eight weredas of the region. Anuak Zone has the largest number of investors and total land area leased, followed by Nuer Zone and then Majang Zone. If the comparison is made on a wereda-by-wereda basis, the largest numbers of investors are located in Gambella Zuria Wereda (147), ollowed by Itang Special Wereda (93) and then Abobo Wereda (84). When it comes to total land leased, however, Itang overtakes first place (115,070 hectares) from Gambella Zuria (77,505.6 hectares), and Abobo takes third stage with 69,590 hectares. In the case of 35 agricultural projects which were financed by DBE in the region, out of the total 35 study projects 8 projects found in Itang woreda; 5 found in Abobo woreda; 6 in Gog woreda; 2 in Akobo woreda; 1 in Jikawo woreda and 13 Gambella woreda. Total land leased, net land size, total budget, disbursed loan amount and actual value of thirty five (35) projects are discussed in (See annex -1).

Map 3.1: Map of Gambela Region, in Ethiopia - Wikipedia



Target population is defined as all the members of a real or hypothetical set of people, events or objects to which a researcher wishes to generalize the results of the research study (Borg & Gall, 1989).The study was carried out in cotton agricultural farms found in Gambella regional state, which are financed by DBE of Addis Ababa and Jimma districts. There are 28 cluster of private farms financed by Addis Ababa DBE districts and 7 financed by Jimma DBE districts. All agricultural projects financed by Addis districts and by Jimma districts are included. Accordingly, there were total of 35 study population, which are agricultural firms financed by DBE. The unit of analysis for this study is agricultural projects and all important information was retrieved from the project document and progressive report that is available at each district of DBE.

Table 3.1: Target and study population for this study, Addis Ababa, 2018

Information Sources	Financed agricultural projects		TOTAL
	Addis Ababa DBE	Jimma DBE	
1. Development Bank of Ethiopia	40	14	54
Project appraisal officer	-	-	-
Project implementation officer	-	-	-
Project team managers	-	-	-
2. Project owner	20	-	20
3. Project document	28	7	35
Total information sources assessed	**88**	**21**	**109**

The study units are limited to all the member staffs of Development Bank of Ethiopia at Head office and Jimma DBE districts , who are directly involved in the project financing operation of the bank. Out of these thirty-five (35) agricultural projects, twenty-eight (28) agricultural projects were taken from core process of the Bank at Corporate level and seven (7) agricultural projects were selected from Jimma district of Development Bank of Ethiopia. However, the study excludes other Regional and Branch office's data as large scale agricultural projects mostly financed by head office and other districts. Moreover, assessments were made on the status of active agricultural projects under implementation in the customer relationship directorate of the Bank, and those agricultural projects which face the problem and found under the Project Rehabilitation and Loan Recovery directorate.

3.3 Data collection and study instrument

At the beginning of data collection the DBE officers were approached for permission to collect the necessary data. Letters requesting for Permission to gather information about the project were delivered by hand to the personnel in-charge of the projects. The letters also explained the purpose and usefulness of the research and the type of information that was needed Data collection was done by using a questionnaire with the help of four research assistants. The characteristic of the data were predominantly quantitative, and this needed a method of recording

to avoid loss or forgetting the data. The objective of the questionnaire was to solicit information from project records regarding the causes of project delays.

The research assistants were trained for two days on how to fill in the questionnaire to be able to record data carefully in the same way the researcher himself would have done. They were also trained on how to conduct a successful research interview of DEB officers, project managers and owners. Interviewee on project managers and owners will be conducted via telephone interview. The survey involves examining site reports of the projects and project proposal appraisal reports. The questionnaire was designed in such a way that the stratification of the data was easy for analysis. The questions involved recording the number of days that each variable caused delays in the project. These were later ranked on a rating scale. The questions were both closed ended the questions concentrated on past phenomena on the project. The interest was to show how the past events had affected the projects. Such as respondent background and causes of project Delays.

3.4 Data management and analysis

The collected data were analyzed by using multiple linear regression analysis. It was estimated using the Statistical Package for the Social Sciences (SPSS) version 16 software. After collecting the date from the respondents of the study the data were tabulated, edited, coded, calculated and analyzed for the their respective independent-dependent variables relationships in order to show the level of significance each variables has for its determinant factors. The 95% level of confidence was used to interpret the significance of the findings for each dependent and independent variables. This data analysis examined the extent of the time overrun on implementation of agricultural project Gambella regional state, to the determinant factors causing delays implementation of in agricultural project implementation and Gambella regional state, and to rank the significant factors with respect to contribution to delays. There consists of 2 steps to analyze the data:

a) Calculating the Relative Importance index (RII),
b) Ranking of factors in each category based on the Relative Importance Index (RII)

3.5 Ethical consideration

Permission letter were obtained from the university and all concerned bodies to conduct the study. Participants were informed of the confidentiality in the study so to ensure respect for the dignity of participants in the study. Their confidential information will be only accessed by the researcher and the supervisor. The objective of the research was communicated to the respondents as it is intended as a partial fulfillment of the master of art degree in project management at Saint Marry University. The respondents were communicated in advance not to answer any question partly or fully to with draw from the interview section with or without the data collectors their privacy and self-determination were clearly communicated before the interview session. Pseudo (fiction) name were provided to each respondent to maintain the confidentiality of the information.

CHAPTER VI: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

This chapter presents results and discussions. It is organized in to two major sections. The first section reports on backgrounds of the respondents. The second part is concerned with analysis of the determinant factors that contribute for the delay of agricultural projects implementation financed by DBE in the Gambella regional state. The ordinary regression outputs are presented, interpreted, and discussed.

4.1 Results of Analysis

4.1.1 Implementation performance of the project

Based on the schedule performance index analyses from 35 agricultural (cotton) projects output, the researcher employed the SPI as an indicator, mean, maximum, minimum, standard deviation and percent of delay to standardized values against the findings of the study and identify weather there is significance or not. The detailed SPI is discussed in (annex -3)

Table 4:1

Indicator	Mean	Max.	Min.	St. dev.	% of delay
SPI	0.74	1.1	0.2	0.25	26%

Source: own survey result as of April 2018

The average Schedule Performance Index result of DBE's financed agricultural projects at Gambella region is 0.74.This result depicted that 26% of the agricultural projects in Gambella region was under schedule and is the major sources for the increment of non-performing loan of the bank. As a result, agricultural projects financed in Gambella region have a great impact on the bank's vision to achievement. Which shows great failure in project management therefore, critical review of the time management policy of the bank is indispensable? Since wasting national (public) resource is followed by serious accountability this greet lesson imparts for all relevant stake holders to have the perspective are an inward looking strategy.

4.1.2 Summary of factors that affect performance

Table 4.2

Independents	Frequency	Percentage	Ranking
Tendency of the executing agencies to go by the terminal dates of opening L/Cs	42	57%	1
Cost escalation on various items	38	51%	2
Serious budget deficit resulted from fluctuation and price escalation	33	45%	3
Shortage of equity contribution	32	43%	4
Utilization of low unit price of civil works in estimating the cost	32	43%	4
Poor implementation schedule on land development activities	30	41%	5
Percentage of delay from estimated project duration	28	38%	6
Providing low technical advice (guidance and support of the client)	27	37%	7
Management problems such as personnel, labor and contractor disputes mismatch of equipment etc	27	37%	7
Land overlapping issues during collateral the agricultural project	26	35%	8
Conditions for effectiveness of the loan are not fulfill in time	26	35%	8
Lack of sufficient project management body of knowledge by agricultural project participants	25	34%	9
Low capacity of the promoter to cover uneven costs while planning the project	23	31%	10
Lack of comprehensiveness of appraisal study submitted by the bank to the promoters	22	30%	11
Social unrest around the project site	22	29.7%	11
Miss utilization of the disbursed fund	16	22%	12
Delay in project collateralizing activities in the concerned governmental office	14	19%	13

Source: own survey result as of May 2018

4.1.3 Summary of the performance of the projects from the above table

Tendency of the executing agencies to go by the terminal dates of opening L/Cs scored the highest of all factors of the delay which is more than two fold of the acceptable standard of delay this requires critical review the past practice, establishing strong international relationship with foreign banks, suppliers and manufacturers to facilitate and smoothen payments through L/Cs and the shorten the time of items arrival on the project site.

Regarding cost escalation on various items and serious budget deficit resulted from fluctuation and price escalation, liquidated damaged due to loss of financial expenditure expended by the

owner can be claimed and it is referred to as concurrent delay by the writer Theorto (2009). But practically this creates a negative relationship between the bank and owners of the projects. Owners of the projects will be offended when they are repaid what they have lost due to the investment in these types of projects. Therefore, assessment of smooth working procedure which can unlock the problem must be worked on. The measurement for this factor from the responses indicates that it is 4% below the standard value. Even though, it has to be corrected and intervened in the future the factor is insignificant.

The other factor found to be significant according to the findings low capacity of the project owner to react to unforeseeable costs which is 5% above the acceptable rate of delay. This delay categorized in to excusable delay which is manageable by the relevant partners.

The findings indicate 35% of delay due to the over lapping issues which is greater than the standardized delay ratio 26% by 9%. This reference and delay requires review of the factors of land issues from the relevant bodies to detail assess project sites by geo reference (GPS)location, land use classification, land capability evaluation, and land use planning, conjointly with detailed socioeconomic impact assessment with all primary, secondary and potential stakeholders. This factor is inconsistence with the literature by Theorto (2009) and future planners must take in to account the question of land issues from the policy, the constitution itself, regional polies, customer use right of the local community from the stand point of private, state ownership, communal ownership and tragedy of the commons.

Time management is one of critical delay which is 15% above the acceptable range of delay by existing literature. Since time management meant above delay standardization of every activity, event, action, procedure…etc is invaluable and requires detailed scientific research to assist investors in the future and intervene with the ones in order to improve the efficiencies infectiveness and dissatisfaction by all the concerned stake holders.

4.1.4 Results of regression analysis

Table 4.3

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Land overlapping issues	-0.09	0.048	-0.187	-1.87	0.065
Shortage of equity contribution	0.081	0.049	0.168	1.669	0.098
Low capacity of the project owner	0.105	0.054	0.195	1.947	0.054
Conditions for effectiveness of the loan are not fulfill in time	0.187	0.092	0.209	2.037	0.045
Poor implementation schedule on land development activities	-0.229	0.09	-0.282	-2.558	0.013
Miss utilization of the disbursed fund	.130	.069	.193	1.878	.064
Management problems such as personnel, labor and contractor disputes mismatch of equipment etc	-0.053	0.032	-0.282	-1.664	0.106
Lack of sufficient project management body of knowledge by agricultural project participants	0.104	0.049	0.21	2.105	0.038
Serious budget deficit resulted from fluctuation and price escalation	-0.046	0.027	-0.285	-1.683	0.102
Utilization of low unit price of civil works in estimating the cost	-0.164	0.084	-0.218	-1.947	0.055
Providing low technical advice (guidance and support of the client)	0.091	0.059	0.156	1.549	0.125
Tendency of the executing agencies to go by the terminal dates of opening L/Cs	-0.143	0.049	-0.287	-2.937	0.004
Delay in project collateralizing activities in the concerned governmental office	-0.019	0.029	-0.114	-0.65	0.52
Delay is social unrest around the project area	0.127	0.073	0.197	1.744	0.085

*Statistically significant at 0.05

The result of the liner regression analysis discovered that the relation between the dependent variable project implementation effectiveness and fifteen (15) independent variables (Land overlapping issues, Shortage of equity contribution, Low capacity of the project owner, Conditions for effectiveness of the loan are not fulfill in time, Poor implementation schedule on land development activities, Management problems such as personnel, labor and contractor disputes mismatch of equipment etc, Lack of sufficient project management body of knowledge by agricultural project participants, Serious budget deficit resulted from fluctuation and price escalation, Utilization of low unit price of civil works in estimating the cost, Providing low technical advice (guidance and support of the client), Unforeseeable reasons such as adverse natural calamities, etc, Delay is social unrest around the project area, Delay in obtaining the required machineries and raw materials from concerned suppliers) was fund to be statistically significant ($p<0.05$). Similarly this research supported by the research of Wysocki (2009) has also identified many reasons for project implementation delay. According to him, the major reasons for project implementation delay are the project itself, the contractor's plan and schedule (particularly the critical path), the requirement of the contract for sequence and phasing and the physical constraint of the project, i.e. how to build the job from a practical perspective. Therefore, all the above factors which significantly affect the dependent variables are included in these categories.

CAPTURE V: CONCUSSION AND RECOMMENDATION

5.1 Conclusion

From the finding of the study it is possible to eliminate project implementation and follow up was one of the basic causes for the delay in the implementation of agricultural projects in Gambella regional state. In ward looking of each member of the project implementation and follow up team is extremely important. Everyone who is the member of this team has to have a lens of assessing his or her limitation, periodic self-development plan, scheduling of each activity assigned to his or her is invaluable. The other causal factor for the delay of agricultural projects in Gambella region is the challenge caused by the development bank of Ethiopia itself. DBE has to review its long standing organizational culture which hinders the progressive development of agricultural projects in the region under the study. It has to review what is working well and what the worst side of its practices is. The other factor posed to the respondents was the time ratio that contributes to the delay of the projects. Time management, consulting on breaking down of the operational activities in to phases, yearly bases, bi annual, quarterly, monthly, weekly, days and even hours has to be the tradition and the time management limitation which is universal in our nation is so also the major problem in the project implementation, lack of proper utilization of disbursed fund was also one of the causal factors that attributed to the delay of agricultural projects implementation in the Gambela region. Financial management requires strict follow integral, professional, personality and accountability and trust worthiness. Therefore, system based financial management which is accessible legitimate bodies at any time and space was found to be one of the limitations of the bank which has to be corrected to improve the performance of agricultural projects in the region and elsewhere. The capacity of the project promoters to be proactive, manage uncertainness, reduce risk, self-reliance and oversee to the future un intended positive and negative consequence was found to be one the major factor contributed for the delay in agriculture project implementation in the Gambella region. Land capability classification, land evaluation, land use planning, land cover charge and identification of the potential agricultural projects was to be one of the major factor that attribute to the delay of agriculture projects implementation in the Gambella region. To sum up the knowledge of the resource base (human capital, financial capital, natural resource, physical capital, social capital and informational capital) are one of the major cause for the delay of agricultural projects implementation in the study region.

Management problem of the staff of the project, labors and contractors conflict miss match of equipment to the relevant project was also one of the major cause factors that contributed for the delay of agricultural projects in the study area. Hence the human record policies with trust worthy professionals who are loyal and honest for their profession and respect ethical standards is invaluable in promoting in agricultural projects in the region and minimize or eliminate implementation delay in the future.

To conclude, the project implementation and follow up working culture of DBE availability of data base on each and every resources that can be accessed immediately, land over lapping and genuine identification of geo referencing, time management, limitation in productive policies, lack of effective and efficient utilization of available resources, procrastination, lack of accountability, transparency, integrity, genuine monitoring and follow up, lack of precedence of socioeconomic and impact assessment, EIA where the basic determinant factor for the delay of agricultural projects implementation in the Gambella region.

5.2 Recommendations

Based on the findings I have recommended the following:

1. The lack of project implementation follow up requires critical review and inward looking strategy from all the concerned organs that are committed for the success of the project.
2. Everybody who is involved or going to involve in the agriculture projects in the future has to have a lenses of assisting his or her limitation(s), periodic safe development plan, scheduling of each activity assigned to him or her is invaluable.
3. The development bank of Ethiopia has to review its working standing organizational culture which hinders progressive development of agricultural projects in the region.
4. Development bank of Ethiopia has to review what is working when and what is worst in its practice
5. Time management, consulting on breaking down of operational activities in to phases, yearly bases, bi-annual, quarters, months, weeks, days, and even hours has to be tradition and time management limitation which is the universal problem in our nation is so also the major problem in the project implementation.
6. Proper utilization of fund at the right time, for the right purpose is recommended and short of obedience has to be followed by respective, accountability and corrective measures.
7. Training of the owners of the project, primary, secondary and potential stake holders and periodic assessment of implementation gaps has to the tradition of the bank in the future.
8. Land use planning and interdisciplinary approach which is vital for the implementation of the project has to have properly recommended land use for the proper human services.
9. The holistic and systematic assessment of the resource base (human capital, financial capital, natural resource, physical capital, social capital and informational capital) has to be the tradition of the bank.
10. Socioeconomic impact assessment and environmental impact assessment must precede any future project appraisal and I recommend socioeconomic and environmental impact assessment for the existing projects to review the status and suggest for their success and full performance from where they are.

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APPENDIX-A

QUESTIONAIRE FOR SURVEY

ST.MARRY UNIVERSITY SCHOOL OF GRADUATE STUDIES

COLLEGE OF BUSSINESS ADMINSTRATION

DEPARTMENT OF PROJECT MANAGEMENT

TITLE OF THE THESIS "ASSESSMENT ON THE DETERMINANT FACTORS FOR DELAYED AGRICULTURAL PROJECTS IMPLIMENTATION FINANCED BY DEVELOPMENT BANK OF ETHIOPIA IN GAMBELLA REGION"

Dear participant

This questionnaire is meant to collect information on assessment on the determinant factors for delayed agricultural projects implementation financed by Development Bank of Ethiopian in Gambella region. The research intends to enhance the success of implementation of agricultural projects which are financed by development bank of Ethiopia at Gambella region state by assessing determinant factors which will contributing to implementation delay, eliminate rework on loan repayment rescheduling and additional working capitals due to their implementation delay. With sincerity we would like to extend our deep appreciation to you for the willingness and cooperation in undertaking this valuable research. We ask your kind cooperation in answering the questions as truthfully as possible and your response will be highly confidential. For further questions pertaining to this project, please contact saint marry university school of graduate studies, department of project management.

Yours sincerely

Thank you for your cooperation

By: Adane Semere

Mobile: +251986549133

Advisor: Maru Shete (PhD)

QUESTIONNAIRE

This questionnaire consists of 2 sections

SECTION 1: Respondent Background

SECTION 2: Factors that contributing to the agricultural project implementation Delays

NOTE:

Your answer will be treated confidentially. The findings of the study will be used for academic purposes. Your name is optional in this questionnaire. Thank you for your corporation.

SECTION – 1

Respondent Back ground

1. Sex Male ☐ Female ☐
2. Age 26-30 ☐ 31-40 ☐ 41-50 ☐ Above 50 ☐
3. Your Area of Profession
4. Educational Qualification

Diploma		BA/BSC degree		MA/MSC		PHD		Others, please	

5. Respondent organization/company ----------
6. State respondent position in the organization/company. In which position you are currently working?

   Officer ☐

   Senior officer ☐

   Manager ☐

   Project owner ☐

   Consultant ☐
7. State the number of year respondent has experienced in the industry/Bank /. For how long have you been working in the Industry/Bank?

   1 to 5 years ☐

   6 to 10 years ☐

11 to 15 years ☐

16 and above ☐

8. State the number of agricultural project/s that respondent contact / supervised

1-3 project/s ☐

4-6 projects ☐

7-9 projects ☐

10 and above ☐

9. State the sector of project which involved the most frequent for its implementation delays.

Agriculture ☐

Industry ☐

Agro processing ☐

Mining excavation ☐

10. State the percentage of delay from estimated project duration.

0 – 5 % ☐ 6 – 10% ☐ 11 – 15% ☐ 16 – 20% ☐ 21 and above ☐

11. Did you involved in agricultural project/s implementation in Gambella region?

Yes ☐ ☐

11.1 If your response is yes, what was your contribution?

Document processing ☐

Project appraising ☐

Project implementations follow up ☐

11.2 What was/were the major source of challenges during your contribution?

Development Bank of Ethiopia

Project owner

Gambella regional state offices

Others please specify it ----------

SECTION - 2

Internal and external Factors

Please tick and fill in the blanks if you select others. Each scale represents the following rating:

(5) Very highly contributing (4) highly contributing (3) Medium contributing
(2) Low contributing (1) Very low contributing

Question:

Which of the following related to internal and external determinant factors stated below that contribute to the implementation delays of agricultural projects financed by the DBE?

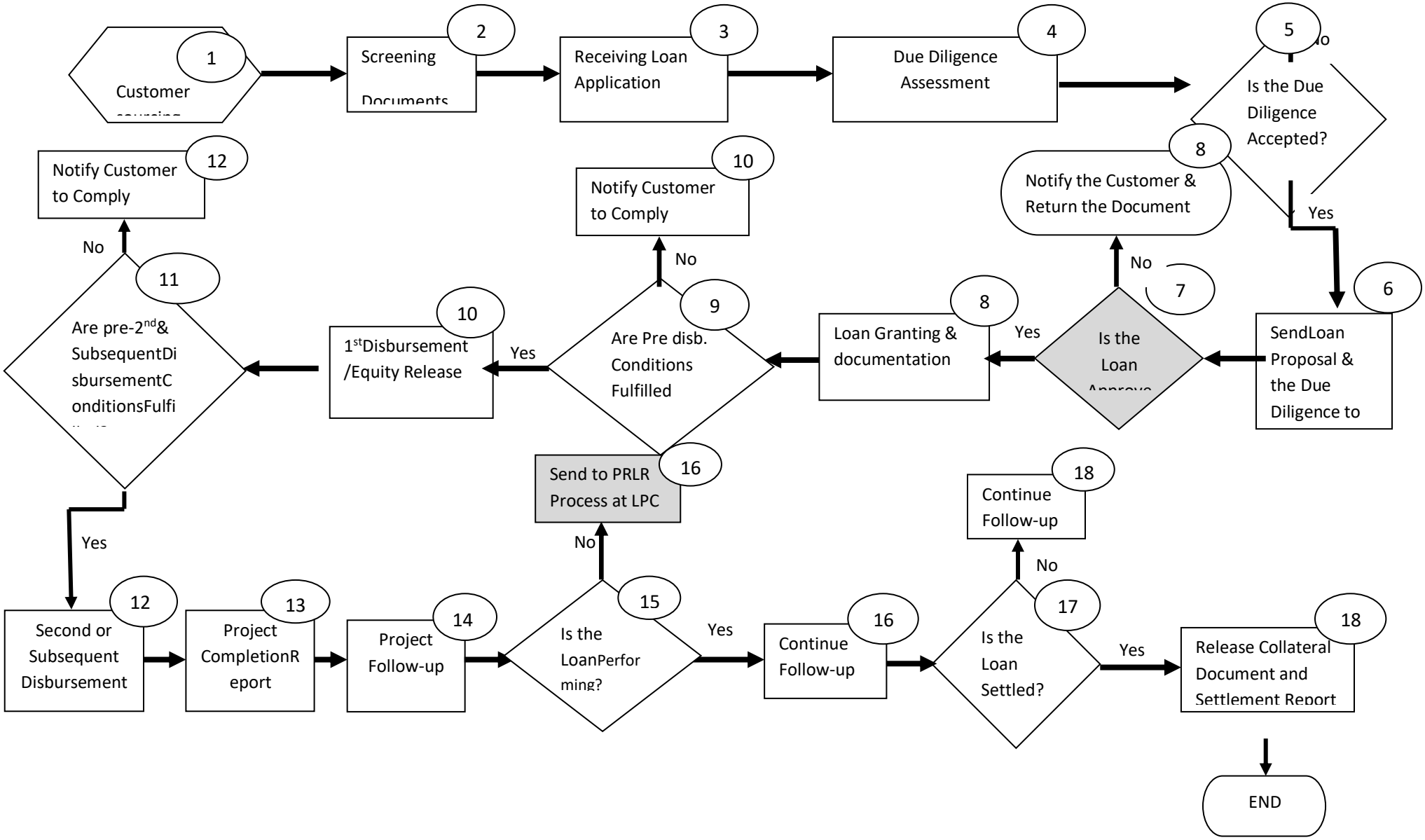
Categories	No	Factors of delay	1	2	3	4	5
Internal Factors							
Project Owner related	1	Land overlapping issues during collateralizing the agricultural project.					
	2	Shortage of equity contribution.					
	3	Miss utilization of the disbursed fund					
	4	Low capacity of the promoter to cover unseen costs while planning the project					
	5	Conditions for effectiveness of the loan are not fulfill in time					
	6	Slowness in decision making process by the owner managers					
	7	Low capacity of the promoter to cover unseen costs while planning the project					

Categories	No	Factors of delay	1	2	3	4	5
Project related							
	1	Poor implementation schedule on land development activities					
	2	The occurrence of lots of missed out items (machineries and equipment) and civil works					
	3	Terms and conditions of the bank before and after the loan approved					
	4	Management problems such as personnel, labor and contractor disputes, mismatch of equipment, etc.					
	5	Serious budget deficit resulted from fluctuation and price					
	6	Utilization of low unit price of civil works in estimating the					
	7	Cost escalation on various items					

DBErelated							
	1	Exception and devation of the bank's presidant in relation to agricultural project implimentation					

	2	Providinglowtechnicaladvice(guidanceandsupportofthecli ent)					
	3	Inadequatereleaseoffunds					
	4	Tendencyoftheexecutingagenciestogobytheterminaldatesof openingL/Cs					
	5	Delay in obtaining the required machineries and raw materials from concerned suppliers					
	6	Delay in project collateralizing activities in the conceerned govermental office					
	7	Delay in social rebles around the project area					

ANNEX -1


1
Customer
2
Screening
Documents
3
Receiving Loan
Application
4
Due Diligence
Assessment
5
Is the Due
Diligence
Accepted?
No
Yes
6
SendLoan
Proposal &
the Due
Diligence to
7
Is the
Loan
8
Loan Granting &
documentation
Yes
9
Are Pre disb.
Conditions
Fulfilled
No
10
Notify Customer
to Comply
Yes
10
1stDisbursement
/Equity Release
11
Are pre-2nd&
SubsequentDi
sbursementC
onditionsFulfi
No
12
Notify Customer
to Comply
Yes
12
Second or
Subsequent
Disbursement
13
Project
CompletionR
eport
14
Project
Follow-up
15
Is the
LoanPerfor
ming?
No
16
Send to PRLR
Process at LPC
Yes
16
Continue
Follow-up
17
Is the
Loan
Settled?
No
18
Continue
Follow-up
Yes
18
Release Collateral
Document and
Settlement Report
END
No
8
Notify the Customer &
Return the Document

ANNEX- 2

Pseudo Name of the Project	Land Leased hector (Per Hector)	Size of land proposed for Loan (per Hectare)	Total Investment approved by DBE	Loan disbursed by DBE	Actual asset of each projects during valuation
Ps-1	1500	540	34,663,207	30,543,214.6	30,169,704
Ps-2	638	450	26,337,896	15,746,496.0	14,920,937
Ps-3	1000	450	32,291,759	35,015,092.0	33,736,012
Ps-4	663	450	21,850,471	15,912,853.0	15,090,933
Ps-5	1500	540	46,044,226	35,049,117.9	27,026,361
Ps-6	1000	450	26,557,106	14,444,191.0	17,781,381
Ps-7	600	450	24,321,805	23,642,186.8	20,883,736
Ps-8	1268	450	34,465,992	30,986,301.1	31,763,534
Ps-9	1000	500	36,022,360	27,053,104.7	18,072,669
Ps-10	3012	750	99,207,711	25,790,606.8	22,157,032
Ps-11	1000	450	30,149,023	28,156,809.7	28,560,427
Ps-12	1000	450	36,463,801	30,741,490.3	32,096,100
Ps-13	500	450	22,714,759	16,093,024.5	12,576,535
Ps-14	500	450	21,672,518	13,124,171.0	13,034,061
Ps-15	1070	450	36,867,096	30,756,842.8	32,378,361
Ps-16	1200	450	28,643,929	22,305,991.5	16,190,332

Ps-17	700	450	38,659,273	30,680,597.5	27,290,190
Ps-18	2000	450	28,875,326	22,050,464.5	20,481,327
Ps-19	2000	630	50,264,565	38,081,138.3	30,945,497
Ps-20	1260	900	38,071,533	14,038,546.0	7,949,827
Ps-21	1000	450	27,838,134	22,233,584.8	20,698,323
Ps-22	1040	450	19,156,279	9,678,308.3	9,300,008
Ps-23	1200	450	38,415,360	33,134,415.8	31,342,923
Ps-24	1000	343	21,665,908	16,517,143.8	18,059,814
Ps-25	500	450	32,925,707	26,510,752.6	22,809,983
Ps-26	1000	1000	264,133,406	128,021,918.2	141,134,265
Ps-27	1000	540	35,395,268	27,142,847.7	18,741,175
Ps-28	500	500	63,800,764	63,200,764.4	52,888,819
Ps-29	1000	500	26,435,574	10,609,121.0	5,426,736
Ps-30	1200	400	13,641,051	11,731,317.3	2,818,313
Ps-31	500	200	15,865,046	15,865,046.4	15,125,294
Ps-32	500	300	19,394,251	17,062,305.6	16,050,962
Ps-33	350	350	7,257,367	6,702,382.5	5,737,382
Ps-34	400	200	12,366,248	11,780,440.6	11,186,459
Ps-35	500	300	13,267,026	13,042,602.9	12,339,734

ANNEX-3

Pseudo Name of the Project	SPI (EV/PV)
Ps-1	0.9
Ps-2	0.6
Ps-3	1.1
Ps-4	0.7
Ps-5	0.6
Ps-6	0.7
Ps-7	0.9
Ps-8	1.0
Ps-9	0.5
Ps-10	0.2
Ps-11	1.0
Ps-12	1.0
Ps-13	0.6
Ps-14	0.7
Ps-15	1.0
Ps-16	0.6
Ps-17	0.8
Ps-18	0.8
Ps-19	0.7
Ps-20	0.2
Ps-21	0.8
Ps-22	0.5
Ps-23	0.9
Ps-24	0.9
Ps-25	0.8
Ps-26	0.6
Ps-27	0.6
Ps-28	0.9
Ps-29	0.2
Ps-30	0.2
Ps-31	1.0
Ps-32	0.9
Ps-33	0.9
Ps-34	1.0
Ps-35	1.0