



Socio - Cultural Factors Influencing Sustainable Performance Of Shell Funded Agricultural Projects In The Niger Delta, Nigeria

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Abstract:

The study examined the socio-cultural factors that influenced the performance of Shell Petroleum Development Company's agricultural projects in the Niger Delta. The paper determined the level of performance of agricultural projects executed between 2004 and 2008 and identified factors that influenced their performance. The study used primary data from the respondents, gathered with a structured questionnaire and responses recorded during Focus Group Discussion (FGD) with the community leaders. A multi-stage sampling technique was used to select 16 communities where 4 agricultural projects (aquaculture, poultry, cassava and rice processing) were carried out across three states of Shell operation. Through random sampling, 10 persons in each project were selected and a total of 160 respondents were sampled for the study. The findings revealed that only 31.25% of the projects were functional and effective at the time of study. Three major socio- cultural factors influencing agricultural projects' effectiveness were identified. These were: contractors (NGOs) – related factors; Community –related factors and Sponsors (SPDC)-related factors.

Most of the construction work done by the contractors was faulty while some were not done to specification. This hindered project performance.

No proper training was given to the beneficiaries while some were not trained at all. This did not allow for efficiency in project administration and management. Also, the gap between project approval and actual implementation was often too wide that it affected contract sum, prices of products, and sometimes run-off season. This affected performance. Again, Projects performance was marred by lack of start-up capital as there was no funding beyond the 'pilot' stages. There was generally low community involvement and ownership of projects as community projects belonged to nobody. It was concluded that proper engagement with community people in developmental projects meant for them will bring about ownership and enhanced sustained performance.

Key words: *Agricultural projects, Niger Delta, Performance, Shell, Sustainable Development.*

1.Introduction

Shell Petroleum Development Company (SPDC) has operated in Niger Delta for over fifty- six (56) years since the first discovery of oil in commercial quantity in Oloibiri in the present Bayelsa State (SPDC,2004a). Its activities primarily focus on oil and gas drilling. These activities have impacted both positively and negatively on the host communities. Some of the positive impact include; execution of projects/programmes on economic empowerment (EE) such as the establishment of agricultural projects for the communities, institution of micro-credit schemes for community beneficiaries, Human Capital Development (HCD) such as scholarship awards to students in various institutions of learning, skill acquisition for the youth, special scholarship programmes like the newly instituted cradle-to-career scheme for educationally disadvantaged children; Community Health Delivery (CHD) programmes such as the establishment of cottage hospitals, giving medical attention to physically challenged people and community people in general and massive infrastructural development such as provision of electricity, pipe borne water, borehole water, construction of accessible roads, good and proper drainage system, etc.

On the other hand, oil and gas drilling has involved massive land takes, relocation of families, noise pollution and there have been incidents of gas flares and oil spills on arable lands, rivers and creeks, generating lots of agitations and quarrels amongst the inhabitants.

SPDC, as part of its Corporate Social Responsibility (CSR) coupled with the demands by the people of the region, has been compelled to strenuously contribute to the development of the Niger Delta region. Therefore, SPDC has embarked upon massive intervention programmes in the Niger Delta region especially in the three core areas of her operation through its Sustainable Development and Community Relations (SDCR) department. The objectives of these projects are to; promote wealth creation activities; build community capacity for sustainable development; and promote peace and security in the region.

Despite many years of oil and gas operations and revenue generation, most of the over 31 million people living in the Niger Delta remain poor (SPDC, 2008a). Poverty in the Niger Delta region encompasses the issues of discrimination, neglect and the lack of a voice (NDHDR, 2006). According to Ikejiaku (2009) and Oviasuyi *et al* (2010), the level of poverty in the Niger-Delta Region has gone beyond the level of absolute poverty to the level of poverty qua poverty, a term describing the practical absolute poverty where

the majority find life excruciating because it is difficult to meet or satisfy their basic needs, such as food, clothing, shelter and education beyond primary school level. SPDC's support for community development (CD) therefore, is based on a desire to reduce poverty in the Niger Delta, promote economic empowerment amongst its people and stimulate employment for its youths (SPDC, 2004b). The goal is to make social investment that will promote sustainable development and economic independence for the people of the Niger Delta while securing a peaceful environment to carry out their business.

1.1.Shell's Agricultural Project Implementation Strategy

Shell's contribution to sustainable community development is geared towards the attainment of the Millennium Development Goals (MDGs) for poverty reduction and human development in the Niger Delta. This involves the establishment of agricultural farms and processing centres for host communities, which are managed by community representatives called the Project Management Committee (PMC). The Committee receives training on capacity building and works directly with the implementing NGO (contracted by Shell to implement the projects). The PMC was expected to manage the community project when the NGO finally withdraws. Such agricultural related activities included; establishment of poultry farms (Broilers/layers), Aquaculture, and processing mills (cassava, oil palm and rice processing mills). SPDC provides seed funds, equipment or material supply. It also monitors its projects through field visit and review of reports submitted by the contractors (NGOs).

In order to effectively implement and achieve this goal, SPDC employs the services of licensed Contractors (NGOs), who are experts in the subject matter, to partner with the beneficiaries. They also give feedback to SPDC through monthly/quarterly reporting of activities of the programme. It is on records that about two hundred and thirty-seven (237) projects from Economic Empowerment unit have been executed and completed in the communities between 2002 and 2009.

This study identified the impact of socio- cultural factors in the successful execution of the agricultural projects. Studies have shown that cultural factors influence the success of rural development projects (Villarreal, 2000; Papageorgiou, 2007; Brennan, 2012). Ogueri, Nwachukwu and Unamma (2010) observed that, SPDC's rural development programmes were unsustainable and ineffective. The objective of this study therefore,

was to identify the factors influencing sustainable performance of the agricultural projects.

2.Methodology

2.1.Study Area

Niger Delta region of Nigeria is situated in the humid tropics areas where differences in mean annual temperatures between three warmest and three coldest months are less than 5 °C. It lies between longitudes 4° 18'' and 9° 24'' E of the Greenwich Meridian and latitudes 4° 12'' and 7° 48'' N of the equator.

From the 2006 census figure, the population of Niger Delta region is estimated at 31,277,901 million (NPC, 2006). According to UNDP's report of 2006, about 33 million people are in this region, and from this report also the figure is expected to rise to 46 million in 2020 with the oil industry as a key contributor to the surge in population. The Niger Delta region is made up of 9 states with 188 Local Government Areas and over 40 ethnic groups in 3,000 communities. The region has four ecological zones which are: coastal barrier (uplands), mangroves; freshwater swamp forests; and lowland forests.

The Niger Delta area is endowed with abundant natural resources; large crude oil and gas deposits, extensive forests, good agricultural land and rich fish resources. Most exploited in the region is the crude oil, which places Nigeria among the leading petroleum producing nations of the world. Oil and gas exploit have also polluted and devastated the natural resources

2.2.Sampling Method

The study used multi-stage sampling technique. At first stage, purposive sampling technique was used to select SPDC's core operational communities which are, communities in Rivers, Bayelsa and Delta states. At the second stage, a purposive sampling technique was employed to select projects executed by Economic Empowerment Unit of Sustainable Development and Community Relations (SDCR) team. At the third stage, a total of 16 out of 32 agricultural projects implemented and completed within the period under study (2004-2008) were selected by simple random sampling technique. At the fourth stage, 10 persons in each project were selected and a total of 160 respondents were sampled for the study.

Both primary and secondary data were used. Secondary data were from projects' documents (objectives and expected outcomes) and quarterly reports by the implementing agencies (NGOs), while primary data were collected by means of structured questionnaire, responses from interview schedule during the Focus Group Discussions (FGD) session as well as field observation. The data were analyzed using descriptive statistics. The study was basically qualitative. First, a nominal scale was used to measure performance based on respondents' responses to statements on 6 identified project performance indicators. Then, field observation was employed to classify intervention into functional, non-functional and partially functional.

3.Results And Discussion

3.1.Assessment Of Performance Of SPDC's Agricultural Projects

As shown in Table 1, out of 8 aquaculture projects implemented by SPDC in the study area, 2 were functional, 3 were non-functional, while 3 were partially functional. Also, out of 4 poultry projects, 3 were functional, while 1 was partially functional. Again, none of the 3 cassava processing mills was functional and the only rice mill studied was not functional. On the whole 5 projects were functional and successful, 7 partially functional, while 4 were not functional.

On the basis of percentage, it was further shown in Table 1 that, 31.25% of all the agricultural projects was functional, 25% was non-functional while 43.75% was partially functional. The partially functional projects were those not operated by SPDC at the time of field visit but which facilities were being utilized by individuals from the community for their personal use, to avoid collapse and wastage of such facilities. These communities included; Omavorvwe fish farm, Tombia fish farm and Ovrode cassava processing mill. Going by this, it can therefore be said that, 31.25% of the agricultural projects was functional and effective whereas, 68.75% was non-functional and ineffective. This finding disagrees with the External Stakeholders' Review of Economic Empowerment (EE) projects in 2005, which stated that SPDC's projects were 85% functional.

Item	Project Type	No.	Functional		Non-Functional		Partially Functional	
			Freq.	%	Freq.	%	Freq.	%
1	Aquaculture	8	2	12.5	3	18.75	3	18.75
2	Cassava Mill	3	-	-	-	-	3	18.75
3	Rice Mill	1	-	-	1	6.25	-	-
4	Poultry	4	3	18.75	-	-	1	6.25
Total		16	5	31.25	4	25	7	43.75

Table 1: Distribution of Projects Based on functionality

Source: Field survey, 2011

3.2. Response Analysis on the elements of SPDC's Agricultural project's performance

As shown in Table 2, 75.6% of the respondents agreed that projects had provided employment for some community members, 78.8% stated that project had provided products which attracted people to the community, 65% affirmed that project had helped improve the lives of the people in the community, while 58.8% stated that the establishment of agricultural projects in their communities opened them up for business transactions. Also, 79.4% stated that through the establishment of the projects in the community, social amenities had been brought into the community, while 88.8% accepted that implementation of the agricultural projects had made the community popular.

This shows that the level of SPDC's agricultural projects performance in Niger Delta Communities was high especially at the inception where most of the projects were functional. However, this result did not contradict the findings shown in table1 which revealed that SPDC's agricultural projects were 31.25% functional and 68.75% non-functional. A critical look on the chain of implementation revealed that when the projects were actively funded by the sponsors and managed by the contractors (NGOs), the performance level was high but with the exit of the NGOs, withdrawal of financial commitments by sponsors and taking over of the projects management by the PMC members, the performance level reduced leading to a low percentage of functional projects. Again, SPDC had excellent performance in terms of implementation of projects but the social interaction between the intermediaries and the community members could be the hidden factor that caused increased in non functionality of projects hence the low performance. This portrayed SPDC's sustainable community development (SCD)

strategy or approach to community development as not being appropriate as it failed to bring about sustained performance.

Item	Statement	Yes		No	
		Freq.	%	Freq.	%
1	Project has provided employment for some people	121	75.6	39	24.4
2	Project has provided products that people come in to buy	126	78.8	34	21.2
3	Project has helped to improve the lives of the people	104	65.0	56	35.0
4	Project has open up the community for people to come in and do business	94	58.8	66	41.2
5	Brought social amenities to the community	127	79.4	33	20.6
6	Made many people to know about the community	142	88.8	18	11.2

Table 2: Respondents response on the performance of SPDC's agricultural projects

Source: Field survey, 2011

3.3.Socio-Cultural Factors Influencing The Performance Of Agricultural Projects

3.3.1.Contractors- Related Factors

3.3.1.1.Poor Construction Work

During the field visit, it was observed that most of the construction work done by the contractors were faulty and some, not to specification. For instance, the fish pond project for Polaku Community in Bayelsa State suffered fish loss during rainy season as no nettings were provided on the earthen ponds. There was the problem of pond and taps leakages at Tombia Fish Farm, Bayelsa State. At Erhoike in Delta State, there were problems of poor drainage resulting from poor construction of the septic tank for the cassava processing mill. There was leakage which caused the whole area to be flooded with stagnant smelly water and the installed grater was rusted and malfunctioned. According to the community, the mill lacked patronage because the equipment installed

were those commonly used by local mills in the neighbourhood, thus the people in the neighbouring communities did not see the need to leave theirs for SPDC's installed graters. This led to low patronage which resulted to low income generation which could not cater for the payment of salaries to operators. At Ovrode Cassava Processing Mill in Delta State, some of the newly installed machines were non-functional, while the installation of some equipment was faulty thereby causing its operations to be difficult and people were discouraged. Also, Rumuezeolu's Poultry Pen in Rivers State was poorly constructed. The floor was breaking due to poor works and the building needed to be partitioned by the managers.

3.3.1.2. Capacity Building or Business Literacy Training (BLT)

- The result in figure 1 revealed that 64.6% of the PMC members were trained by the NGOs. This may seem a good number but the fact that all PMC members were to be trained to be fit for the management of the projects portrayed that the implementation process of the interventions was not strictly adhered to by the Implementing Agencies. The mandatory Business Literacy Training (BLT) was not carried out as the contract terms specified. During the field visit, it was gathered that, no proper training was given to the PMC members for the management of Tombia fish farm in Bayelsa State. Also, there was no training at all for the people of Ogboloama community as regards its cassava processing mill. Ovrode cassava processing mill in Delta State had no manpower training for the operation of the machine and project management.

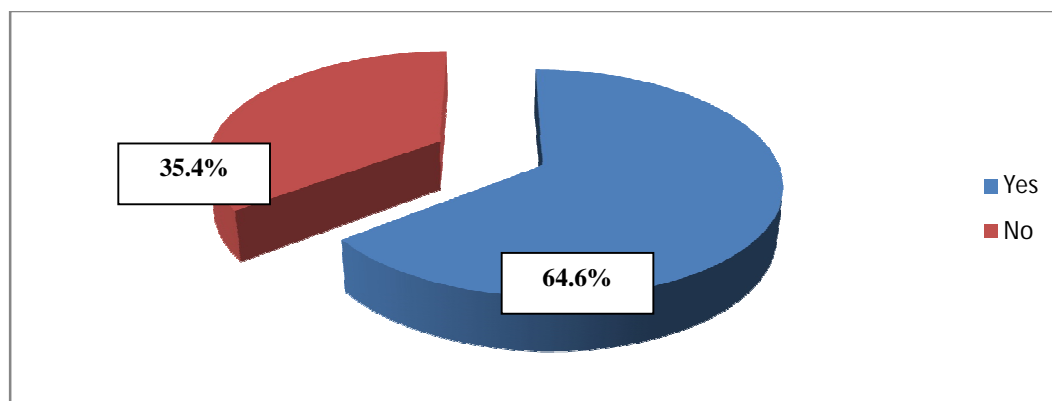
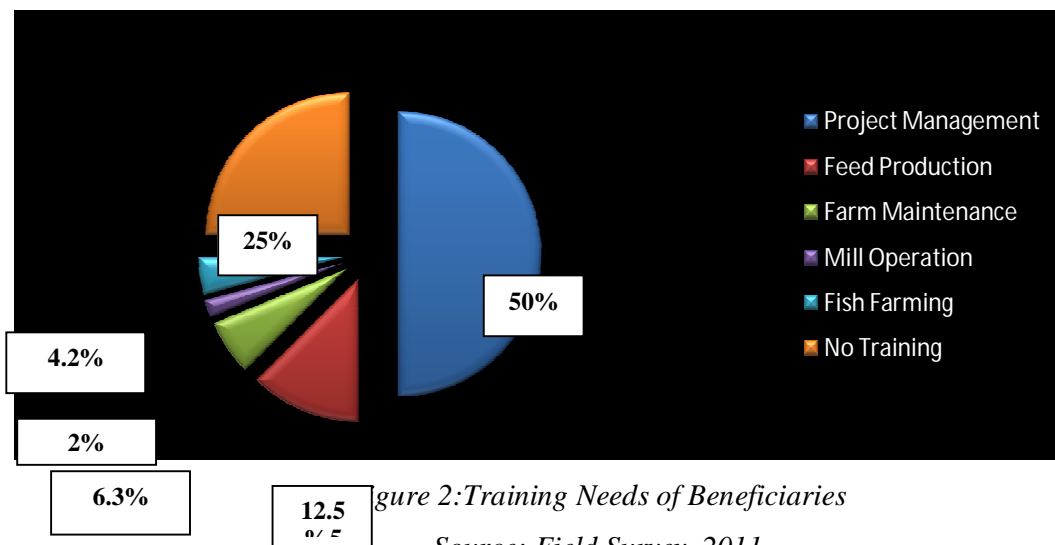


Figure 1: Distribution of Respondents based on PMC Training Received

Source: Field Survey, 2011

- Training Needs of Beneficiaries

The findings of the study in figure 2 showed that though a greater percentage of the PMC members agreed that they were trained by the NGOs, 75% of them still indicated that they needed more training on diverse areas of project management. This is so because they believed, continuous and consistent training builds and strengthens capacity for continued good management practices and performance. It may imply that in order for SPDC's interventions to be effective and sustainable, SPDC should factor in periodic training



3.3.1.3. Lack Of Proper Projects' Implementation

Another constraint to the smooth running of the project as posed by the NGO was that of stocking of wrong species of fish in the ponds. From the FGD held at Polaku for Polaku fish farm, it was revealed that the ponds were not adequately stocked with fingerlings. This made the project unprofitable, and the people abandoned it. Tombia fish pond also experienced stocking of wrong species of fish, stocking not in accordance to specification.

3.3.1.4. Improper Feeding

There were reported cases of improper feeding of the fish by the contractors. Ayama fish project, Tombia fish project, Polaku and Omavovwe reported these cases. It was quite

noticeable that the different contractors that handled different projects ended up having short-falls on the same areas.

3.3.1.5. Supply Of Sub-Standard Equipment

The feed production machine supplied to Ayama and Polaku fish farms for production of local fish feeds got spoilt six weeks after the contractor handed it over to the people. Ovrode and Erhoike cassava processing mills suffered installation of sub-standard machines. This hindered smooth operation of the mills which later led to abandoning the project.

3.3.1.6. Lack Of Supervision By The NGOs

Lack of supervision of the project by some of the contractors after implementation contributed to the poor performance of some of the projects that attempted to survive beyond one year. This lack of follow up process may have contributed to the ineffectiveness of otherwise viable project as expertise advice may have helped put projects back on course.

NGOs' performances as rated by the beneficiaries in Fig.3 had majority of them rated as poor. Monitoring or supervision is a very vital tool in projects' success. NGOs were more interested in project completion and handover than in project performance and sustainability.

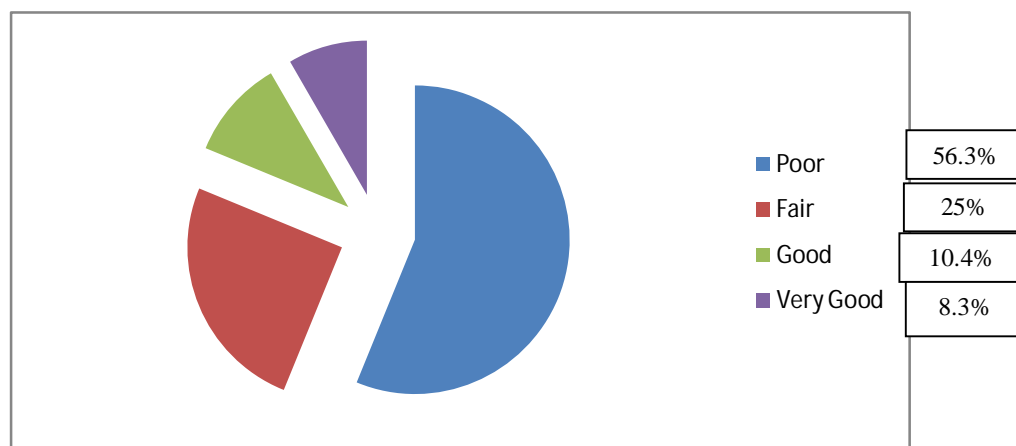


Figure3: Beneficiaries Rating of NGOs' Performance
Source: Field Survey, 2011

3.3.2. Community- related Factors

3.3.2.1. Community Leadership Conflict

Projects were marred by political crisis in many of the communities. An example was Ovrode community cassava processing mill which was cited at the entrance to the community. This location was in contention among the sections of the community. As at the time of study, the mill was not functioning optimally. This faction marred a functional rice mill at Patani, Delta state whereby some sections of the community hijacked the project from those who were trained on the project. The new people took over and lacked the managerial skill to sustain the project. This led to the total failure of the rice project. In Ogboloma, because of conflict, there was visible evidence that none of the items provided was ever used. This was a major setback on project performance as effective community development requires strong local leadership and support (Taiwhenua, 2011)

3.3.2.2. Community Interest

It was also gathered that whoever was in the traditional leadership position at the time of the project would select management team of the project to suit his interest. This led to the leaders selecting PMC members who were either a son, nephew, cousin or relative to them. These selected management members were neither experienced in agriculture, nor had interest for the projects therefore, were ready to work out of the project at the slightest challenge.

3.3.2.3. Leadership Change

It was gathered that some projects were affected as community leadership changed. When new leaders emerged, the PMC members were changed thereby bringing up those who were not trained to manage the projects. This affected the growth of the project and in some cases, led to the folding-up of the project.

3.3.2.4. Lack Of Ownership

The extent to which beneficiaries can assume ownership of the activities of the project at the expiration of the technical and functional assistance provided, determines its

sustainability. The enthusiasm or otherwise with which beneficiaries react or respond to the interventions in general predisposed them to succeed and sustain the interventions. Once there was projects' ownership, management commitment, maintenance and drive for success is relatively assured. Culturally, community projects belong to nobody. Therefore, there is the tendency to abandon what belongs to all. For instance, there was the issue with Polaku fish farm which did not perform well and was abandoned at first harvest, while the Chairman of the PMC owned a fish farm that was doing well and on-going in the same community. This issue calls to question SPDC's strategy of community project delivery.

Again, issues of ownership were clear in Rumuobiokani and Rumuezeolu agricultural interventions whereby a youth each from the communities were trained to establish and manage the projects. These two farms were performing optimally and expanding rapidly. In a review by ESR (2005), it was reported that SPDC's projects had 85% ownership. The finding of this study disagrees with it but is in agreement with an impact assessment report of (2003) on Economic Empowerment (EE) programmes of SPDC's projects which revealed that only 8.3% accepted ownership of the projects.

3.3.3.SPDC- Related Factors

3.3.3.1.Work Scope

The first problem posed by SPDC which affected its agricultural projects' success was the design of scope of work. The gap between project approval and actual implementation was often too wide that it affected contract sum, prices of products, and sometimes run-off season. For instance, information in the database showed that, sometimes it took up to a year or more to implement a well- contracted project because of the in-built processes in the system. This affected the prices of input thereby influencing the contractors to use inferior materials to do poor quality job. Again, a scope of work which has the construction of 4 concrete fish ponds, a borehole and one overhead tank to feed the 4 ponds without electricity or power generating set seems not well conceived. An overhead tank cannot feed 4 ponds successfully without a standby generator or electricity to pump water. This, in turn, contributed to the failure of the projects.

3.3.3.2.Improper Monitoring Of NGO

Field study and FGD results showed that proper monitoring of the NGOs and the projects was a major challenge for SPDC. SPDC relied on reports (monthly or quarterly) from NGOs which sometimes were not received on time except pressure was put on the NGOs to submit them. This gap may have aided the NGO to execute the contract without abiding by the contract terms. Going by the statistics on frequency of project monitoring by SPDC in Figure 4, 85.4% of the respondents confirmed that there was no monitoring. One would have expected Shell to be more involved in the practical project implementation before any milestone payment, rather than depend majorly on reports submitted to them by NGOs.

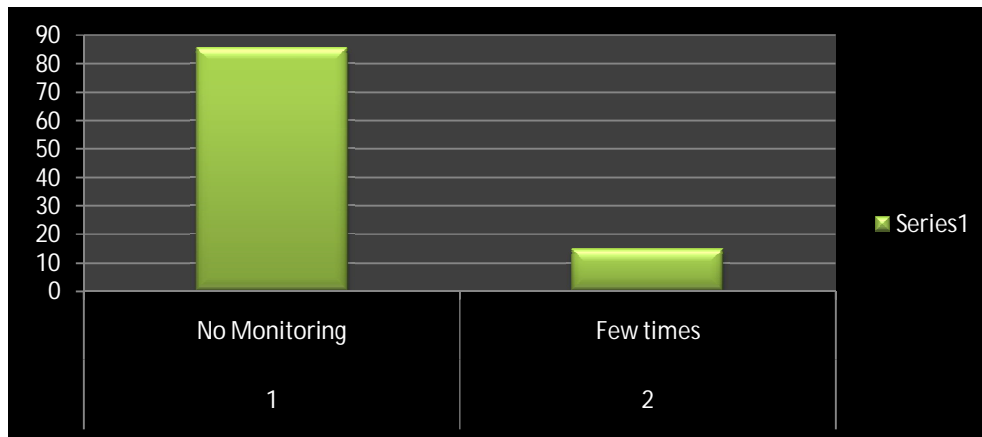


Figure 4: Project Monitoring by Sponsor

Source: Field Survey, 2011

3.3.3.3.Inadequate Funding

Project needed to run before generating its income. Enough capital was needed to pay staff salaries and carry out maintenance. This was lacking in almost all the projects studied. It was only in Erhoike cassava milling project that the people made mention of the sum of N100, 000 promised them by the NGO as a start-up capital which was never given to them. In most of the projects, sustaining the project between the period the contractors handed over the project and first sales was quite a challenge because workers salaries needed to be paid, the farms maintained and other management commitments. Since the projects were not for individuals, no individual commitments were made.

3.3.3.4.Improper Community Engagement

Participation in any community development programme is key to the success and sustainability of such programmes. The community people were not fully engaged throughout the process of projects' implementation. At the implementation stage, it was wholly the work of the contractors as most of the community's suggestions were not considered. This created a gap in accepting the ownership of the projects. The people saw themselves as being called upon to manage a project for SPDC, while it was actually their own project. As observed by Taiwhenua, (2011), Clarity around the roles and responsibilities of the key stakeholders is vital and should be established at the project outset. A direct relationship between the project sponsor/funder and the community group appears to be valued by communities and can assist with role clarity.

4.Conclusion And Recommendations

In conclusion, 31.25% of all the agricultural intervention was functional and effective. This finding disagrees with the ESR (2005) report, which stated that SPDC's projects were 85% functional but agrees with Ogueri, Nwachukwu and Unamma (2010) who stated that; SPDC's rural development programmes were unsustainable and ineffective. Therefore the following recommendations were made:

- Implementing community projects through NGOs (contractors) and community representatives does not allow for project ownership. Culturally, community projects belong to nobody. Without communities gaining ownership of projects meant for them, there can be no effectiveness. SPDC should therefore re-strategize their community development initiatives by training individuals in the community to establish their own means of livelihood. In this way, project effectiveness will be ensured and other people will be impacted either by gaining employment or earning their means of livelihood.
- Sustainability of projects is very important in bringing about the desired change. Therefore, a critical look at the issue of management of the projects by individuals and not by a committee for the community may bring solution to this long pending problem.
- Training of individuals for community development programmes should be done by qualified personnel. SPDC should liaise with Extension Departments in the Universities or States' Agricultural Development Programmes, who will prepare

adequate training materials to suit the people the projects were meant for and employ a standard extension teaching approaches.

- The involvement of SPDC in the management and supervision of the project is very important. As a financing organization, SPDC should therefore exercise its oversight responsibility more objectively without much dependency and reliance on any third party.
- SPDC should undertake periodic independent monitoring and evaluation of the intervention to ensure compliance, effectiveness and sustainability.
- SPDC should continue with and consistently provide training and such capacity building skills and expertise as may be essential for continued good management of the intervention by the individuals.

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