

**EVALUATION OF WORLD BANK ASSISTED LOW-INCOME HOUSING  
PROJECT IN OWERRI, NIGERIA.**

**Uchenna Ebi, Ph.D., FNIVS, RSV,** Project Management Department  
Babcock University, Ilisan-Remo, Nigeria.  
08033087231, ebiu@babcock.edu.ng

**Abstract:**

Housing projects come with problems of quality, quantity and the environment. These manifest in overcrowding, pressure on infrastructure, quality of construction, deterioration in environmental quality, uneven distribution of accommodation, unaffordable rents, high construction costs, non-availability of housing finance, among other factors. This work seeks to examine the success or otherwise of the planning of the now implemented World Bank urban housing project in Owerri, Imo State and to suggest remedial measures that will help prevent the large housing estate from turning into a degeneration issue, as well as, suggest ways of avoiding planning errors for future similar projects. This work is based on the author's participation during the pre-implementation planning and execution of the project. Flaws were identified in pre-investment planning, time scheduling, budget estimates, process manipulation and follow-up actions, and these gave rise to overruns and other failures. Recommendations were made on management of the estate, infrastructural improvement and completion, encouragement and enlightenment of the residents and putting in place a strategic plan for the future of the estate as some of the actions that should prevent degeneration.

**Keywords:** implementation planning, success, failure, housing, blight, World Bank projects.

**1.0 Introduction.**

At any given point in time, there are several projects in various phases of the cycle, such as planning, implementation and start-up. The completion of such projects depends on several factors. Plans are sometimes based on the assumption that the project environment is stable but changes, and contingencies that originate within the system, the project owner, the sub-contractor, socio-political and economic environment or even the management may create problems that derail the project.

Planning is often done without adequate data and the personnel for planning may not be technically or professionally qualified or equipped to draw up project plans. Inadequate data concerning forms of tasks, costs, timing and apportionment of responsibilities are some of the problems of planning. Success of projects would depend on how good or otherwise the plan is. Housing projects are special and therefore require good planning, among other factors, in order to succeed. One of the major problems facing developing countries today is housing. According to Egan (2003), the need for housing is far more difficult to quantify and has deeper social significance. Nigeria has about 16 million housing deficit (Gemade, 2013), and this has contributed to urban degeneration. A minimum of one million housing units are required annually if Nigeria is to avert serious housing crisis by 2020 (Okoye, 2013). In 2014, former President Goodluck Jonathan announced that Nigeria faced a bleak future in housing. He disclosed that government required \$30 million per annum to provide adequate shelter for the populace (Okoye, 2013). This shortage is daily aggravated by terrorism, wars, natural disaster and global inflation, coupled with the normal problems that beset housing projects.

Acknowledgement is made of efforts made towards alleviating housing problem, one of which was the World Bank Assisted Low-Income Housing Scheme, which forms the case study.

Often, projects are completed on schedule, within planned quality levels, but in majority of cases with budget overruns. Pre-investment planning and inadequate implementation planning usually resulted to unsatisfactory project realisation. Certain aspects of pre-investment planning and implementation planning were not properly addressed in the World Bank Assisted Urban Low-Income Housing Project in Owerri. What could have been done to address this in the planning would be looked into in this paper. The estate is fast degenerating into slum and there is need for urgent action.

One is tempted to ask if there were steps in pre-investment and investment planning that were not adequately taken into consideration. Did the planners consider the suitability of survey plans and building plans issued out to beneficiaries? Was Nigerian local factor taken into account in pre-investment plan? Was there a strategic plan to show what the estate would look like 10 years after project shutdown? Was it proper to mix new building designs with old buildings in traditional core villages? Was Nigerian inflationary trend considered specially in inputting cost of project?

## **2.0 Case study: World Bank Assisted Low-Income Housing Project in Owerri, Imo State.**

Coming after the Bauchi project, the Imo State project was the second urban development project in Nigeria, to be financed by the World Bank. It was aimed at supporting government efforts in finding new solutions by which shelter and urban services affordable to low-income groups can be provided in efficient and replicable manner. Negotiations were made in June, 1981, but the loan became effective in 1986 at the initial cost of \$44,770,000 and was to cover Owerri, Umuahia and Aba towns (then in Imo State). While the Federal Government and Imo State would bear 30% each of the cost, the World Bank would provide 40%. Proceeds from Federal Government and World Bank would be channelled through Federal Mortgage Bank of Nigeria. The project time was put at three and half years (1985-1989). Off-site infrastructure would be completed in 1982, while on-site infrastructure would continue up to end of 1983. First house construction loan would be disbursed at the beginning of 1982. Objectives include provision of urban infrastructure and serviced plots for about 60,000 people. From 150 hectares of land each at Owerri and Aba, 3,650 plots each would be carved out, while in Umuahia, 1,500 plots would be carved out from 50 hectares of land. Plots would also be allotted to high income groups at the rate of 143 in Owerri, 153 in Aba and 203 in Umuahia. Existing houses and infrastructure in some indigenous villages of Owerri would also be upgraded. Social services and employment opportunities would be generated. Six different building plans ranging from 2-bedroom to 4-bedroom detached and semi-detached bungalows were designed. Some were more than others and plan type would be determined by land size. Loans were to be advanced to the low-income beneficiaries not just for house construction but also for plot development cost. While the whole of Damp Proof Course would be constructed, only a core unit of one bedroom, kitchen and toilet areas are expected to be financed through loan.

The project was delayed for four years. It eventually took off in 1986 and by 1998, it was still running. In the year 1998, Federal Mortgage Bank of Nigeria/Federal Mortgage Finance Limited stopped granting both regular and World Bank mortgages due to lack of loanable funds. By 2002, over 50% of plot beneficiaries started selling their plots to the high-income group and traders who were not carried along for in the project.

## **3.0 Literature review.**

**Project.**

A project is seen as a temporary endeavour, planned to fulfil a goal. It is constituted by teams across organisations to accomplish particular tasks under time constraints.

Dictionary.com defines project as a large or major undertaking, especially one involving considerable money, personnel and equipment (dictionary.com, 2014).

Hallin and Gustavsson (2012) described project as something temporary in nature, which needs specific resource allocation to solve a problem or reach the goal.

According to Ntamere (1989), a project can be defined as an undertaking or endeavour with a well-defined goal or set of goals, with a definite beginning and end and should be unique and non-repetitive. It consumes time, cost and must be completed to an anticipated quality. It cuts across various disciplinary lines. Success or otherwise of a project is assessed taking into account such variables like quality, schedule, goal and budget. Palham (2010) defined project as a collection of linked activities, carried out in an organised manner with a clearly defined start and end points.

Planning in a project environment, according to Kerzner (1981), may be described as establishing a pre-determined course of action within a forecasted environment. Planning involves reducing the future to now. Actions to be taken in order to produce future result are documented and carefully followed. According to Palham (2010), project planning involves all activities of the project ranging from goal, resources to be used, time estimation and placement of priorities on various activities. These are clearly stated in the project plan and responsibilities identified and assigned. Project planning involves pre-investment and implementation (execution) decisions which are carried out for four basic reasons:

Firstly, it is done to eliminate uncertainty. A good plan should have inbuilt control functions. It is also done to improve efficiency. Executing a project without plan will make room for disorganisation and lack of direction. Planning allows participants to have a better understanding of the project aim and objectives. Planning provides the basis for better project monitoring and feedback. Planning is a continuous process and it is on, even when a project has taken off, hence, the need for pre-investment and implementation planning.

**Pre-investment planning.**

Pre-investment planning phase consists of initiation of idea (project conceptualisation), preliminary stage (feasibility) and formulation stage, evaluation and decision stage. While preliminary stage determines the practicability of the project, the formulation and evaluation stages ask after the project profitability (or ability to fulfil pre-determined project goal or set of goals). Certain problems may be encountered while carrying out pre-investment planning. Such problems range from valuation of costs and benefits, financial and economic analyses of projects and decision criteria.

This requires determining the appropriate prices for inputs and outputs, evaluation of monetary terms of output of certain services and valuation of indirect effects of 'externalities'. In less developed countries, prices of goods and services could be distorted due to scarcity of foreign exchange, fluctuation in rates of exchange, inflation, currency under- or over-valuation, imperfections in capital markets, inelasticity in demand for exports, import restrictions, deficiencies in savings, government income, unequal distribution of wealth and some external effects (Little and Mirrlees, 1976). In developed countries, where there is competitive markets economy, prices of goods and services provide very fair relative costs of producing them to the economy (Little and Mirrlees, 1976). Sometimes, project goal may be different from financial return accruable to the

project. Economic and financial analyses are carried out to determine project realisation. While financial analysis identifies the monetary profits accruable, the economic analysis measures the effect of the project on the fundamental objectives of the whole economy (Little and Mirrlees, 1976).

### **Implementation planning.**

According to Chandra (2012), project work must be spelt out in detail, properly scheduled and sequenced. The information required for monitoring the project must be defined. Implementation planning actions are necessary for successful implementation of a project, on which decision to execute has been taken. Seven steps have been identified by Prentis (1989). These are statement of works, work breakdown structure, practical design and planning, budget estimate, resource allocation, network diagram and master project schedule. Statement of works narrates every job item to be executed, while work breakdown structure breaks the project into manageable pieces known as tasks. The tasks are further broken down into work packages in order to recognise even the minutest work of the project.

Thereafter, the conceptual design earlier submitted is turned to a form that will allow for network diagram. The practical design/planning documents, the WBS and WPs are now used to prepare budget estimate and network diagram. Budget estimate otherwise known as budget appropriation control estimate recognises cost of each work package, and apportions unit costs per package. It may include provisions for potential scope changes, escalation, project manager's reserve and other contingencies. Network diagram is prepared to show start and end dates, resource requirement and critical path. Master production plan, which is a detailed project execution plan, is prepared to show floats, timing and size of procurement contracts and resource smoothing. Having a good project implementation (or execution) plan gives the project manager confidence to act when the system indicates an actual variance.

Part of pre-implementation planning, according to Cleland (1999), includes the development of strategy on how the project will be evaluated.

## **4.0 Success or otherwise of the World Bank assisted low-income housing project in Owerri, Imo State.**

For one to know the success or otherwise of the project, one has to look at the goal and objectives of the project.

Major goal of the project was to provide shelter and urban services affordable to low-income groups in efficient and replicable manner, however, within the budget, schedule and quality. Objectives included provision of essential services, improved infrastructure and sanitary conditions to the urban population. Others are provision of employment opportunities, institutional support for FMBN, Local Government and Project Implementation Unit, improvement in rental and market values and improvement in health and education of beneficiaries. According to Khanna (2011), successful projects are those that achieve their objective within specific time frame at specific cost and to specified quality. He went further to add that unfortunately, a large number of projects suffer from time and subsequently, cost overruns. Apart from achieving the above project goal, project should be realised within schedule, budget and quality limits.

### **4.1 Areas of success in the project.**

One cannot deny that there were some successes derived from the project. For example, rental values for all units improved considerably to as much as ₦156,000 per annum for a 3-bedroom bungalow. In 1983, it could not have been more than ₦36,000 per annum. Also,

market value of 3-bedroom bungalow increased from ₦2 million to ₦8 million. The causes of the above increases in values include also normal inflationary trends over the period.

According to World Bank Report (1994), all community facilities and off-site infrastructure were completed. Also, achievement of physical objectives was substantial with over 90% of targeted plots provided. Also, progress in plot utilisation of serviced plots, for house construction reached up to 60% at the time of compilation of World Bank report, but now, it is 100% realised. A drive round the World Bank Estate, Owerri confirms this. Even those who earlier developed only the core units have since completed the whole units.

Project directly benefited about 9,300 families through owner occupation and tenancy. Federal Mortgage Bank of Nigeria gained experience in project preparation and supervision. State stakeholders gained experience in World Bank system of project planning and implementation. Core areas were graded with improved housing conditions and infrastructure. Njemanze area of Owerri can proudly be said to be one of such areas. Employment opportunities created were for artisans.

#### **4.2 Project failure.**

The project, in as much as it recorded the above successes, did not succeed when one looks at the parameters for rating project success. These are in achievement of pre-planned budget, quality and schedule. Taking schedule for instance, the start-up was delayed for three years, according to World Bank Report (1994). This was attributed to slow provision of counterpart funding by the borrower, Imo State Government. A project estimated to run for three and half years, ran for almost 10 years, ending effectively in 1998 instead of 1988. Cleland (1999) gave 12 reasons why projects fail but four are relevant to this study, namely, lack of understanding of project complexity, ineffective execution strategy, inadequate education/training and lack of leadership commitment and sponsorship.

Also, Chitcara (2012) gave seven reasons why projects fail, namely, client cost estimate failure, contractors' unrealistic cost estimate, improper contract management, inadequate project formulation, lack of project management skills, management failure and poor pre-implementation planning. Five are relevant to this study, namely, contractor's and client's inadequacies, improper contract management, lack of project management skills and poor planning for implementation.

Budget overruns were mighty. A project estimated to cost \$44.7 million for the three sites, was eventually executed at a cost of \$85 million, even when inflation was factored in the pre-investment planning (World Bank Report, 1994). World Bank Report also implied that only a limited experience was gained through on-the-job training of entities involved. O&M capacity was not improved. According to the same report, recovery and other institutional aspects fell short of expectations. This endangered sustainability of project as it was planned that project would enjoy replaceability. By 1998, Federal Mortgage Bank of Nigeria (now Federal Mortgage Finance Limited) had stopped granting both regular and World Bank housing loans due to shortage of loanable funds. By 2002, over 50% of plot beneficiaries were either selling (or had sold) their plots to high income groups. This was to avoid revocation of undeveloped plots. By this year 2002 also, only about 45% of the infrastructure was completed. Transformers supplied were inadequate, road surfacing was not completed, drainages were not linked to channels as designed and water supply was not in place. Management of the estate was abandoned while security arrangements were neglected. Urban degeneration has already started rearing its ugly head. The channels are blocked, transformers are always faulty, tarred roads have weathered and as such, not smoothly motorable, community and neighbourhood amenities have disappeared.

## **5.0 Causes of failure.**

From author's participation in the project, the following factors were responsible for overruns and failures:

- (i) **Pre-investment planning flaws.**  
Factors for sustainability were not projected for. There was really no strategic plan showing the future outlook of the project product. Pre-investment planning did not take into account the Nigerian culture in form of attitude to public assignment, delays in budget approval and release, loan repayment trend and numerous obstacles to time keeping. These factors cannot encourage replacability.
- (ii) **Time scheduling was faulty *ab initio*.**  
Knowing that there would be many time related obstacles, human-induced and political, there was no way three and half years would have been contemplated for completion.
- (iii) **Provision for inflation.**  
Provision for inflation was for normal inflationary trend. Nigeria's case is that of hyper inflation, which made mockery of the provision.
- (iv) **Process manipulation.**  
Many high income earners processed low tax clearance certificates to show they were in the category being considered for allocation. As such, allocations were made to high income group, while the low income earners for whom it was intended were left out.
- (v) **Follow up actions were not adequate.**  
The initial aim was to develop the core units, but allottees started completing the whole units, some altering the building plan in the process.
- (vi) **Upgrade of traditional core villages was expensive.**  
The upgrade of traditional core villages was good, but it would have been more beneficial if the cost expended on such was used to increase number of plots in the virgin layout.
- (vii) **Inability to match building plans in some cases.**  
The survey plans were in some cases, not matched with the building plans, hence, some allottees had building plans that could not fit into their land allocation.
- (viii) **Lack of pure project management.**  
Pure project management was lacking as project staff still reported to their line bosses. It would have been made possible for pure project action to be built in during the planning stage. This matrix system causes a lot of bureaucracy and delays in implementation.

## **5.1 Recommendations.**

From the findings, the following recommendations are made:

### **5.1.1 Planning for future projects.**

Pre-investment plan for such projects in Nigeria, in future should factor in the following:

- (i) Projection for sustainability should be made considering the Nigerian factor. Loans are not easily recoverable in Nigeria, as such, personal stake would have been higher and percentage of recovery made to be lower;
- (ii) Pre-investment planning would have been made it a pure management type, rather than matrix, which caused a lot of schedule overruns. Secondment of line staff from ministries, to carry out tasks in such a huge project could not have succeeded;
- (iii) Process manipulation should have been checked by making sure only those with verifiable incomes are considered in the plan;

- (iv) Care should be taken while scheduling for projects in Nigeria. Peculiarities of the country, for example, political and sectional differences, delays in budget approval, nonchalant attitude of line staff, and obvious sabotage of projects by some handlers should guide one in scheduling of project commencement and shutdown.
- (v) Nigerian inflation is hyperactive in nature due to import-dependent economy, big spending attitude, dependence on petroleum as major export product and fluctuations in exchange rate. Adequate provisions should be made for budgets while costing projects, considering the nature of her inflationary trend.
- (vi) Apart from pre-investment and implementation plans, strategic plan should always be put in place in order to provide for project outlook in future.

### **5.1.2 Actions to prevent blight.**

- (i) Management of the estate should not be left in the hands of World Bank Project Implementation Unit. The entire estate should be under the supervision of the ministerial departments responsible for other urban layouts. For example, Town Planning Department should be checking plan amendments and illegal structure additions. Also, estate management firms should be brought in to manage the entire estate.
- (ii) Infrastructural improvements should take place. Roads, drainages, power and water supply should be improved upon or completed where abandoned.
- (iii) Anti-social behaviour like noise pollution, littering and refuse dumping should be penalised.
- (iv) Good mass transit system should be encouraged;
- (v) Security should be improved through neighbourhood watch and law enforcement agents participation.
- (vi) Residents should benefit from neighbourhood enlightenment programmes training them on vocational education, family planning and how to live alright (community ethics).
- (vii) Residents should be encouraged to repaint their units and improve their drainages, while bushes are cleared at least during the monthly sanitation exercises.
- (viii) Strategic plan should be put in place on the major regeneration issues to be tackled in the next five years by urban planning department.
- (ix) Community spaces should be recovered where they had been allocated to individuals and be used for the purpose intended in the plan.

### **5.2 Conclusion.**

For a project to succeed, adequate pre-investment analysis, good implementation planning and excellent implementation procedure have to be made. Also, strategic plan should be in place to take care of the project in future. This work only concentrated on planning (pre-investment and implementation), but some of the challenges would have been identified during actual implementation through supervision and feedback actions.

However, since project has been divested, remedial post project actions recommended above should be carried out in order to avoid further degeneration.

### **References**

Baum, W.C. (1978), *The Project Cycle: Finance and Development*, Washington DC; The World Bank.

- Bent, J.A. (1983), *Project Control: An Introduction. Project Management Handbook*, New York; Van Nostrand Reinhold.
- Chandra, P. (2012), *Projects Planning, Analysis, Selection, Financing, Implementation and Review, 7<sup>th</sup> ed.*, New Delhi; Tata McGraw Hill Education Private Limited.
- Chitcara, K.K. (2012), *Construction Project Management, 2<sup>nd</sup> ed.*, New Delhi; Tata McGraw Hill Education Private Limited
- Cleland, D.I. (1999), *Project Management: Strategic Design and Implementation, 3<sup>rd</sup> ed.*, Singapore; McGraw-Hill. Book Co.
- Ebi, U. (1991), *Project Planning and Implementation in the Housing Sector: A Case of World Bank Assisted Urban Housing Project*. An M.Sc. thesis submitted to FUTO.
- Egan, M. (2003), *Housing, 4<sup>th</sup> ed.*, Kent; Institution of Financial Services.
- Dictionary.com (2014), Project, [dictionary.reference.com/browse/project](http://dictionary.reference.com/browse/project). Retrieved on 29/11/2014.
- Gemade, T. (2013), Quoted by Okoye, C. (2013), Nigeria, Tackling the Nation's Housing Challenges. Retrieved from [allafrica.com/stories/20130250193.html](http://allafrica.com/stories/20130250193.html) on 27/11/2014.
- Hallin, A. and Gustavsson, T.K. (2012), *Project Management*, Liber AB; Ola Hakansson.
- Imo State Ministry of Lands, Surveyor and Urban Development (1980), *World Bank Urban Development Project in Imo State: Feasibility Report & Final Design*, Owerri.
- Kerzner, H. (2012), *Project Management: A Systems Approach to Planning, Scheduling and Controlling*, New York; North Holland Press.
- Khanna, R.B. (2011), *Project Management*, New Delhi; PHI Learning Private Limited.
- Little, I.D.M. and Mirrlees, J.A. (1976), *Project Appraisal & Planning for Developing Countries*, London; Heinemann Educational Books.
- Lock, D. (1983), *Project Management, 2<sup>nd</sup> ed.*, London; Grover Publishing Co. Ltd.
- Okoye, C. (2013), Nigeria, Tackling the Nation's Housing Challenges. Retrieved from [allafrica.com/stories/20130250193.html](http://allafrica.com/stories/20130250193.html) on 27/11/2014.
- Palham, S.K. (2010), *Managing Projects, Conception, Definition, Planning, Execution, Closing, Handover*, New Delhi; Sterling Publishers Pvt Ltd.
- Patel, M. B. (2007), *Project Management, Strategic Financial Planning, Evaluation and Control*, New Delhi; Vickas Publishing House Pvt Ltd.
- Phillips, J.C. and Ors (1983), *Project Management with CPM, Pert and Precedence Diagramming*, New York; Van Nostrand Reinhold Co.
- Prentis, E.L. (1989), Master Project Planning: Scope, Time and Cost, *Project Management Journal*, 1: 25-29.
- Thamhain, H.J. (1989), Validating Project Management Plans, *Project Management Journal*, 1: 24-29.
- Umeh, J.A. (1977), *Feasibility & Viability Appraisal*, Ibadan; Onibonoje Publishers.
- UNIDO (1978), *Manual for Preparation of Industrial Feasibility Studies*, New York; United Nations.
- World Bank (1985), Document of World Bank: Staff Appraisal Report, The Federal Republic of Nigeria Second Urban Development Projects (Imo) on June 28, 1985. Retrieved from [www.wds.worldbank.org/ext...](http://www.wds.worldbank.org/ext...) on 01/12/2014.
- Year, N.F. (1994), World Bank Documents and Reports. Retrieved from [www.wds.worldbank.org.../multi\\_page...](http://www.wds.worldbank.org.../multi_page...) on 28/11/2014.