

**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**



**Assessment of Project Identification and Selection Practice  
of Ethiopian Sugar Corporation**

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**Project work submitted to School of commerce, Addis Ababa University in  
partial fulfillment of the requirement for award of the degree of Master  
Science in Project Management.**

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## **Acronyms**

- ESC Ethiopian sugar corporation
- GTP Growth and transformation plan
- ESDA Ethiopian sugar development agency
- MOFED Minster of finance and economic development
- MOPE Minster of public enterprises
- SNNPR south nation nationalities and people region
- EPDRF Ethiopian people democractic revolutionary front

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## **Statement of Declaration**

I declare that this project work is my original work. It has not been submitted for any Degree/Diploma in any University. I have undertaken it independently with the advice and suggestions of my advisor for the project, Dr. Solomon. In carrying out of the project work I have different sources and materials, which have been appropriately acknowledged.

**Student name** \_\_\_\_\_

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

## Statement of Certification

This is to certify that Sewagegnehu Dagne has carried out his project work on the topic “**project identification and selection practice of Ethiopian Sugar Corporation**” under my supervision. In my opinion, this work qualifies for submission in partial fulfillment of the requirements for the award of Degree of Masters of Science in project management.

Advisor name \_\_\_\_\_

Signature\_\_\_\_\_

Date \_\_\_\_\_

## **Acknowledgement**

With the help of God this has become a reality. Therefore, my innumerable praise first goes to Almighty GOD for his guiding me all the way.

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**Sewagegnehu Dagne**

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## ***Abstract***

*Sugar projects are one of the biggest projects in the Ethiopia history taking more than 4 billion dollars, which is equal with the Ethiopian renaissance dam. However, after taking this much capital and 8 years of construction the projects are still lagging far behind the targeted goal of solving the sugar shortage of the country and becoming a source of foreign currency earning. Taking these problems of sugar projects in mind, the goal of this research was to investigate the initial phases of the projects which is how the projects were identified and selected and if they followed the appropriated phases before the implementation were began. The research targeted staffs of the sugar corporation and the projects manager who are directly related with the projects overall activity. The research is done from the data collected from 30 management level staffs of Sugar Corporation and finds out that the problems of the projects begin from the blind move of the corporation towards project implementation without effective preparation and appraisal. This lack of preparation then accompanied by largeness and over ambitiousness of the projects time and performance targets took the whole project in to bust. When selecting the projects they lacked minds to predict the potential risks going to happen. In addition, the feasibility study of the projects was for formality only, which evolved vicious circle of problems. Therefore, for Sugar Corporation and other companies this should be the best course for their future project responsibilities, they should note that skipping the project identification, selection processes to save time is not really saving time rather it is creating a gap for potential project implementation delays, and cost overran.*

### ***Key words***

*Project identification, project selection, feasibility study, risk analysis, stakeholder's analysis, objective analysis, project cycle, development projects,*

# Chapter one

## Introduction

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### 1.1. Background of the study

Project identification is a process of evaluating individual project or group of projects, and then choosing them so that the objectives of the organization will be achieved (Meredith & Mantel, 2003). Because considerable uncertainty may surround one's initial notions of precisely how most projects will be carried out, what resources will be required, and how long it will take to complete the project, the project selection process should introduce risk analysis into the selection process. Following this, the process of selecting the set of projects that best meets the strategic goals of the organization, the Project Portfolio Process Projects should be linked to the right goals and impact at least one of the major stakeholder's issues e.g. growth acceleration, cost reduction, social impact, or cash flow improvement. (Kumar, Saranga, Nowicki & Ramírez-Márquez, 2007). A good project identification is a process itself, if properly carried out, potential benefits to beneficiaries can improve substantially (Pande, Neuman, & Cavanagh, 2000).

Project identification is also related to the project implementation; by contributing to project success and not only to efficiency of the project processes, and supports development of the project culture in the organization but also in the post project operation of companies.

Studies have proposed project selection process models, tools, and key elements in six-sigma project selection producing a variety of models (Pyzdek, 2003). Because of dynamics of business environment directing us to manage business activities as projects, it often occurs that many of projects are managed parallel at the same time.

Project identification and selection uses different models and use of any project selection model assumes that the decision-making procedure takes place in a reasonably rational organizational environment. Such is not always the case. In some organizations, project selection seems to be the result of a political process, and sometimes involves questionable ethics, complete with winners and losers (Baker et al., 1995). In others, the organization is so rigid in its approach to decision making that it attempts to reduce all decisions to an algorithmic proceeding in which predetermined programs make choices so that humans have minimal involvement—and

responsibility. Here too, Saaty's (1990) Analytic Hierarchy Process can lend rationality to a sometimes irrational process.

Successful organizations do not focus only on results but also on processes (Gošnik, 2008). The lack of market aspects of products can lead to defining wrong project objectives which are not focused on beneficiaries and consequently to unsuccessful end products (Gošnik, 2005). Partial views on the project are related with many risks, as well. Organization's management has a crucial role in development focused project management. It enables us to manage projects empowered by high degree of information exchange and to connect different key elements aiming at project implementation. According to Thomas, Delisle, Jugdev, and Buckle (2001), 30% of all projects are canceled midstream, while over 50% of completed projects end in up to 190% over budget and 220% late because of the poor handling of the project identification process.

This research was about these issues of identification and selection in the case of sugar projects in Ethiopia. The Ethiopian growth and transformation plan was one of the biggest plans in the country's history which have many big projects under implementation. From those projects the sugar projects were the main targets of the first GTP. In the second transformation plan too sugar factories are the one which is under construction with big hope of solving the long lasting sugar problem in the country and become a sugar exporter. To work towards these government's aspirations of developing a globally competitive sugar industry, the Ethiopian sugar corporation adopted a dual-track approach of modernizing and expanding existing estates. (i.e. Wonji Shoa, Metehara, Fincha) while also developing new estates and sugarcane processing facilities in Afar (i.e. Kesseme Sugar Development Project, Tendaho Sugar Development Project), Tigray (i.e. Wolkaiyt Sugar Development Project), Amhara (i.e. Beles Sugar Development Project), and Southern Nations, Nationalities, and People's Regional State (SNNPR), (i.e. Omo Kuraz ). (Oakland institute, 2016)

Even if many organizations like ESC, have been trying to implement their corporate strategies through projects, those projects under implementation commonly have little or no apparent link to the corporate strategies and goals (Englund & Graham, 1999). Hence, identifying right projects and right mix of projects for the organization is considered as one of the most important tasks for the organization to ensure the achievement of the results within limited resources and capabilities of the organization (Englund & Graham, 1999). Many discussions in the literature

reveal that the right sets of projects for implementation of corporate strategies are importantly resulted from successful identification of project portfolio (PMI, 2006).

## **1.2. Background of Ethiopian Sugar Corporation**

The Ethiopian sugar corporation (ESC) was established in 2010 as the sole organ for directing, coordinating, supervising, and controlling the expansion of the sugar industry in Ethiopia. It took over operational responsibilities for the country's sugar industry, which had been jointly administered by the Ethiopian Sugar Development Agency (ESDA) and the Ethiopian Electric Power Corporation. While the ESDA had been accountable to the Ministry of Trade and Industry, the new ESC – headed by a director general with ministerial rank – reported directly to the Office of the Prime Minister. However, since February 2016, the newly established Ministry of Public Enterprises (MoPE), and more specifically, the State Minister of the Manufacturing Industries & Agriculture Sector, has acted as the ESC's sole supervising authority. Alongside an internal restructuring of the responsibilities and duties of the corporation's 10-plus directorates that started in 2015. The ESC coordinates all project components (e.g. land preparation, water works, construction of processing plants) as well as financing needs of the all projects. It is likewise responsible for commissioning feasibility studies, selecting technologies, and preparing designs for the cultivation and processing components of the project.

When we see the sugar production of the country Before the beginning of the growth and transformation plan, the country has three state owned sugar mill factories namely: Metehara which has started sugar production, with currently annual capacity 136,692 tones per year since 1970 (Methera Sugar Factory Profile 31 July 2016), Wonji has been commencing production since 1954. It is the oldest and pioneer in the history of Ethiopia's sugar industry. currently its production capacity per year is estimated 75,000 tones (Wonji Shoa Sugar Factory Profile, 31 July 2016) and Fincha has started sugar production since 1998. Its current annual capacity is estimated 110,000 tones (Ethiopian Sugar Corporation - Finchaa sugar factory Profile 31 July 2016).

The overall total annual production of sugar by 2010/11 was 275,943 tones. Because of this small production capacity compared with the demand of the society and the high capacity of the country for high scale sugar cane production, ten new sugar mill factories have been identified

and they are under construction in different regions of the country. The Country was aimed to increase its total sugar production beyond 800,000 tons per year by the end of the first GTP which is in 2015 but in opposite to the plan the total sugar production of the country is far less than it even in 2017. (FAO report No.37 2017).

Since the launch of the first Growth and Transformation Plan (GTP I, 2010/11–2014/15), the state-owned Ethiopian Sugar Corporation (ESC) has dedicated significant financial resources to the expansion and modernization of the country's sugar industry. With at least 3.6 billion US dollars received in loans between 2011 and mid-2016, the total capital expenditures in the sector thus far are likely to match the countries other flagship development projects, including the Grand Ethiopian Renaissance Dam. However, there remained a considerable gap between official plans and the results achieved by the ESC at the end of the GTP I period.

Incomplete planning and the ESC's strained financial situation – which became known in May 2016 with a report to federal lawmakers – forced the ESC to scale down the project considerably and change of a contractor. These cutbacks in size and processing capacity cast reasonable doubts on the economic returns and the developmental effectiveness of the projects; challenging the EPRDF's strategy of coalescing the agricultural and industrial sector to create jobs and increase export revenues from processed sugarcane.

### **1.3. Statement of the problem**

The first GTP has had many projects to accomplish. These projects targeted to build an economy, which has a modern and productive agricultural sector with enhanced technology, and an industrial sector that plays a leading role in the economy; to sustain economic development and secure social justice; and, increase per capita income of citizens so that it reaches at the level of those in middle-income countries. (*mofed GTP I,2010, page .7*)

In both GTPs, the sugar projects are the main parts of the program. To work towards the government's aspirations of developing a globally competitive sugar industry (intended to rank among the top-10 global producers by 2023), the Ethiopian sugar corporation (ESC) adopted a dual-track approach: modernizing and expanding existing industries

However, many of the sugar industry projects are delayed and unable to begin production after eight years of construction. Since the launch of the first growth and transformation plan ESC have dedicated significant financial resources of at least 3.6 billion us dollar. With this amount of

expenditure, the target of the government was to become self-fulfilled in sugar production and making it a source of foreign currency earning. However, during the period sugar industry development works become limited on the feasibility study, irrigation and road works, sugar cane plantation development, Housing development. Construction and expansion of factories. It was planned to finalize the establishment of two new sugar factories in Wonj and Tenedaho and sugar factory expansion works in Metehara and Fincha. However, in Wonji, Tendaho and Fincha the percentage completion during the plan was 30%. 25% and 40%. Respectively. in the fiscal year 2017 only, Ethiopia imports 350,000 metric tons of sugar. In addition to the cost incurred by the country, sugar shortage becomes the main problem of businesses and individuals. (*mundi index/sugar import/Ethiopia*).

The higher expectation of the society and the long delay of the projects attract the attention of many peoples and become the idea for many researches beginning from the inception of projects. Many researches are done addressing the reason for the shortage of sugar and the sugar projects under construction. Many of the researches concern on the implementation practices and challenges of different projects. Based on getayawkal abraham (2016) research on the challenge of implementing kuraz sugar project, land management problem, ineffective participation of stakeholders, corruption and communication problems are the challenges of the project implementation and the reason for the delay, which can be related, with poor management of selection and identification works. Other researches done on Tendaho sugar project and Wenji Shewa sugar project the concern of researchers revolve towards the same circle.

Successful project management does not focus only on results but also on processes (Gošnik, 2008). The lack of the whole image of the problem can lead to defining wrong project objectives which are not focused on beneficiaries and consequently to unsuccessful products (Gošnik, 2005). Partial views on the project are related with many risks, as well. Organization's management has a crucial role in customer focused project management. It enables us to manage projects empowered by high degree of information exchange and to connect different key elements aiming at project performance. According to Thomas, Delisle, Jugdev, and Buckle (2001), 30% of all projects are canceled midstream, while over 50% of completed projects end in up to 190% over budget and 220% late because of the poor handling of the project identification process.

Based on Ato Dawit the case of sugar projects identification and selection was unorganized activity done by only seeing the macroeconomic trends of the country and the land accessibility of the country and the need for sugar. In addition the Ethiopian sugar corporation which is the responsible organ in the implementation of the project have minimal participate in the initiation and selection of projects. Most of all, sugar projects are passing through continuous target under sizing and many feasibility studies by different private and public companies. All of this creates a question on the identification and selection practices of the projects and its effect in the project implementation

Based on this facts the research were concerned on the inception stages of the project which is the identification and selection stage of the project, which Begins from the first direction of the prime minister office to solve the sugar shortage problem of the country and to become sugar exporter by the executing of the ten sugar projects by the Ethiopian sugar corporation. The research passed through all those stages and tried to link those processes with the present challenges.

#### **1.4. Research questions**

The following questions will guide the research process

- How realistic was the feasibility study of Ethiopian Sugar Corporation about the sugar projects?
- How clear was the objective study of Ethiopian Sugar Corporation?
- How was the stakeholder analysis of Ethiopian Sugar Corporation on the sugar projects?
- How realistic was the risk analysis of Ethiopian Sugar Corporation on the sugar projects identification process?
- What were the challenges of project identification and selection process of Ethiopian Sugar Corporation on the sugar projects?

## **1.5. Objectives of the study**

### **General objective**

The main objective of this research is to investigate Ethiopian Sugar Corporation's practice of project identification and selection.

### **Specific objectives**

To effectively address the general objectives the research includes the following issues as a specific objective.

1. To assess feasibility study practice of Ethiopian sugar corporation.
2. To assess the objective and study practices of Ethiopian sugar corporation in the sugar projects
3. To assess the application of the principles and practices of project identification and selection.
4. To assess the challenges of project identification and selection practice of Ethiopian sugar corporation
5. To assess the stakeholder and risk assessment practice of Ethiopian Sugar Corporation.

## **1.6. Significance of the study**

Project management is a continuous process of identifying planning implementing, control and closure and all this activities are interdependent to each other. This interdependence nature of project management makes project management a difficult process because any mistake in one of the process will affect the next cycle of the project activity.

Mainly the identification process is very important because it affects the whole life of the project implementation activity. This research main significance is to investigate the identification and selection process of projects in the ESC and its genuineness with the best practice and principles of project identification and selection so as to contribute ideas for the Ethiopian sugar corporations understand the main problems behind the delays in the sugar projects.

### **1.7. Scope of the study**

The study focuses mainly in the first phase of project management, which is project identification and selection. It includes feasibility study of the projects, risk and stakeholder identification and analysis practices as well as the objective and situational analysis processes that enables to make the final decision of project approval.

The Ethiopian sugar corporation, which is the main actor of the projects overall activity is the center of the project. In the sugar projects, the Ethiopian planning commission is the main actor in preparing of the road map of a five-year target and general objectives. Based on those general objectives the Ethiopian sugar corporation projectizes the big plan in to different industries and passes in to the project planning stage. This means the project identification and selection of the sugar projects have two different layers, which is the general plans from the Ethiopian planning commission and the detailed projects from Ethiopian Sugar Corporation. So the research was designed to cover the major aspects of the detailed project identification and selection done by the Ethiopian sugar corporation.

### **1.8. Organization of the study**

The study is organized into five major chapters in order to make presentable to readers. The first chapter is dedicated to an introductory part composed of background of the study, research problem and questions. The second chapter presented the literature reviewed. In the third chapter the research methodology, that includes research design, population and samples of the study, data collection and analysis tools will be presented. The fourth chapter covered the data analysis and presentation part. The last chapter is dedicated to the research finding and conclusion part.

## Chapter two

### Review of related literatures

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#### 2.1. Project and project cycle management

PMBOK (2013) defines project as a temporary endeavor undertaken to create a unique product, service or result. Where, the temporary nature of projects indicates that a project has a definite beginning and end. Kerzner (2009) similarly defines it as a series of activities and tasks that have a specific objective to be completed within a certain specifications, have a defined start and end dates, have funding limits and consume human and non-human resources.

Whereas, Wysocki (2014) defines project as a sequence of unique, complex, and connected activities that have one goal or purpose and that must be completed by a specific time, within budget, and according to specification. This author also defines projects that are business focused as a sequence of finite dependent activities whose successful completion results in the delivery of the expected business value that validated doing the project.

Based on different author's definition, about project Callahan and Brooks (2004), states that projects has three important characteristics. The first characteristic of a project is that it should have a beginning and an end. The second characteristic of a project is that the final deliverable is unique. The third characteristic of a project is a defined scope. In addition to these characteristics of a project Richardson (2015), states that projects should be envisioned as formal undertakings, guided by explicit management charters and focused on enterprise goals.

Even though all the definitions above have different details in them, we can clearly see from it that projects are short term, have a well-defined scope and are unique with set of activities to achieve a specific goal and objective.

According to Meredith (2003), Most projects go through similar stages on the path from origin to completion. We define these stages as the project's *life cycle*. The project is born (its start-up phase) and a manager is selected, the project team and initial resources are assembled, and the work program is organized. Then work gets under way and momentum quickly builds. Progress is made. This continues until the end is in sight. But completing the final tasks seems to take an inordinate amount of time, partly because there are often a number of parts that must come

together and partly because team members "drag their feet" for various reasons and avoid the final steps.

**A project life cycle** is the series of phases that a project passes through from its initiation to its closure. The phases are generally sequential, and the management and control needs of the organization or organizations involved in the project, the nature of the project itself, and its area of application determine their names and numbers. Functional or partial objectives, intermediate results or deliverables, specific milestones within the overall scope of work, or financial availability can break down the phases. Phases are generally time bounded, with a start and ending or control point. A life cycle can be documented within a methodology. The project life cycle can be determined or shaped by the unique aspects of the organization, industry, or technology employed. While every project has a definite start and a definite end, the specific deliverables and activities that take place in between will vary widely with the project. The life cycle provides the basic framework for managing the project, regardless of the specific work involved. (Sanchez, 2005)

According to Kerziner (2003) A project cycle is a collection of logically related project activities that culminates in the completion of one or more deliverables. Project cycles are used when the nature of the work to be performed is unique to a portion of the project, and are typically linked to the development of a specific major deliverable. A phase may emphasize processes from a particular Project Management Process Group, but it is likely that most or all processes will be executed in some form in each cycle. Project phases typically are completed sequentially, but can overlap in some project situations. Different phases typically have a different duration or effort. The high-level nature of project phases makes them an element of the project life cycle.

All the authors agree that project cycles will be there in the implementation of projects but they do not agree on the number of lifecycles the project should adopt. Many of the pioneers of agree in the adoption of a cycle, which is customized for the specific project.

PMBOK (2012) puts project cycle in the following ways:

Fig: 2.1. Project phases



Source : PMBOK (2012)

The segmented structure allows the project to be segmented into logical subsets for ease of management, planning, and control. The number of phases, the need for phases, and the degree of control applied depend on the size, complexity, and potential impact of the project. (PMBOK, fifth edition)

Based on Kerziner (2003), more companies are preparing procedural manuals for project management and for structuring work using life-cycle phases. There are several reasons for this trend:

- Clear delineation of the work to be accomplished in each cycle may be possible.
- Pricing and estimating may be easier if well-structured work definitions exist.
- Key decision points exist at the end of each life-cycle phase so that incremental funding is possible.

In general dividing a project into cycles is becoming a common scenario in project management even if the phases each project managers are using is different. Project cycle management makes it possible to lead it in the best possible direction. Through this organization into phases, the total work load of a project is divided into smaller components, thus making it easier to monitor the effect of each cycle in the next cycles to come.

## 2.2. Project identification and selection

This part of the project includes all the activity before the detailed planning of a project. PMBOK (2012) include it in the initiating process group. The Initiating Process Group consists of those processes performed to define a new project or a new phase of an existing project by obtaining authorization to start the project or phase. Within the Initiating processes, the initial scope is defined and initial financial resources are committed. Internal and external stakeholders who will interact and influence the overall outcome of the project are identified. If not already assigned, the project manager will be selected. This information is captured in the project charter and stakeholder register. When the project charter is approved, the project becomes officially authorized. A project boundary is defined as the point in time that a project or project phase is authorized to its completion. The key purpose of this Process Group is to align the stakeholders' expectations with the project's purpose, give them visibility about the scope and objectives, show how their participation in the project and its associated phases can ensure that their expectations are achieved. These processes help set the vision of the project—what is needed to be accomplished.

Based on Larson (2006) project identification and selection is mainly a three step process.

1. Scanning the external environment for issues
2. Undertaking preliminary research on an issue
3. Making a selection decision

**1. Scanning the external environment for issues** Scanning is a key part to planning projects since it can help to identify areas where your organization is best placed to work. Scanning is like skim reading. You are on the lookout for new issues, but at this stage do not yet need to research deeply about the issues. Scanning can be done by internal or external stakeholders. Scanning can occur through such examples as:

- stakeholder discussion groups with partner organizations, users, funders
- project design, evaluation and learning exercises (from previous discussions)
- inter-organization forums
- conducting contextual analyses including political, economic, social and historical factors
- analysis of major government policies that make an impact on an issue

- lobbying by external stakeholders
- lobbying by internal stakeholders such as staff, volunteers or

**2. Undertaking preliminary research on an issue** The purpose of research at the identification stage is to help your organization decide whether or not to begin to work on an issue (ie whether to move from the identification stage to the design stage of the project cycle). Preliminary research should not aim to be comprehensive in breadth or depth because further research will be undertaken during the design stage. The research can include some of the steps below:

- exploring a new geographical area of work or a new user group
- a review of current literature/information of the specific group/issue/
- consultation with relevant external stakeholders - individuals and organizations - who have experience working on the issue or in a particular area.

This information should be summarized so that an informed decision can be made by your organization to move to the next stage.

2. **Making a decision:-** Relevant staff or responsible parties will use this summarized information to decide whether the project should go to the next stage.

### **2.3. Stages of project identification and selection**

According to Jack R. Meredith (2003), Project identification and selection is a scientific process. This process is based on certain essential conditions. It may differ from project to project. The essential conditions which should be taken into consideration for identification and selection of production projects are as follows:

- Project should be in conformity with the economic needs of the area;
- It should take into account the depriving factors which might have adverse impact
- The input-output ratio should be optimum;
- The purpose of the project is to increase the production and employment of the area.

Thus, the above said conditions will differ due to resources availability, use pattern and other relevant conditions of the area. Besides, project should also consider certain national priorities.

Richardson (2015), sees project ideas like other ideas which don't take concrete shape immediately. There are several stages of making propositions their considerations and scrutiny for their soundness. An idea is first born; it is under incubation for some time and subsequently begins to take some definite shape. The project ideas to develop take almost the same course.

This project Identification may be broadly divided into four stages, according to Richardson (2015) this stages may be different based on different needs.

**Conceptual Stage:** A number of project ideas may be generated either by those officials or non-officials and Entrepreneurs individually or collectively who are conversant with the area. In this context, one has to examine the potentialities of development and the problems, needs and aspirations of the people of the concerned area.

**Screening Stage:** In the second stage project ideas generated above are screened in a preliminary exercise to weed out the bad or unviable ideas. All project ideas would not pass the screening test. Some project ideas may be imaginary to warrant any serious consideration.

Identification and prefeasibility stages are the third and fourth stages which can be called as investment opportunity study. This study is necessarily preliminary and is a broad one and has a limited objective of providing planners with a choice of projects from which they can make a selection. Prefeasibility study can be differentiated from opportunity study and a detailed feasibility study mainly on the basis of information required for respective stages.

**Selection stage:** according to *Ghasemzadeh, F., (2004)* is the process of evaluating proposed projects or groups of projects, and then choosing to implement some set of them so that the objectives of the parent organization will be achieved. This same systematic process can be applied to any area of the organization's business in which choices must be made between competing alternatives. Each project will have different costs, benefits, and risks. Rarely are these known with certainty. In the face of such differences, the selection of one project out of a set is a difficult task.

#### **2.4. Criteria's for effective project selection**

Choosing a number of different projects, a portfolio, is even more complex. When a firm chooses a project selection model, the following criteria, based on Souder (1973), are most important.

**1. Realism** The model should reflect the reality of the firm's decision situation, especially the multiple objectives of both the firm and its managers, bearing in mind that without a common measurement system, direct comparison of different projects is impossible. The model should also take into account the realities of the firm's limitations on facilities, capital, personnel, and so

forth, and include factors that reflect project technical and market risks: performance, cost, time, customer rejection, and implementation.

**2. Capability:** The model should be sophisticated enough to deal with the relevant factors: multiple time periods, situations both internal and external to the project (e.g., strikes, interest rate changes), and so on.

**3. Flexibility:** The model should give valid results within the range of conditions that the firm might experience. It should be easy to modify in response to changes in the firm's environment; for example, tax law changes, new technological advancements that alter risk levels, and, above all, organizational goal changes.

**4. Ease of use:** The model should be reasonably convenient, not take a long time to execute, and be easy to use and understand. It should not require special interpretation, data that are difficult to acquire, excessive personnel, or unavailable equipment.

**5. Cost:** Data-gathering and modeling costs should be low relative to the cost of the project and less than the potential benefits of the project. All costs should be considered, including the costs of data management and of running the model.

**6. Easy computerization:** It should be easy and convenient to gather and store the information in a computer database, and to manipulate data in the model through use of a widely available, standard computer packages.

A recent paper by Åstebro (2004) reports on a study of more than 500 R & D projects. He found that four project characteristics were excellent predictors of a project's commercial success: (1) expected profitability, (2) technological opportunity, (3) development risk, and (4) appropriability, the degree to which a project is appropriate for the organization undertaking it. This finding is particularly important because the experimental design was free of the hindsight bias that is so common in studies of project success and failure. The model correctly predicted almost 80 percent of the project failures and almost 75 percent of the project successes.

A major consulting firm has argued (Booz, Allen, and Hamilton, 1966) that the primary cause for the failure of R & D projects is insufficient care in evaluating the proposal before the expenditure of funds. What is true for R & D projects also appears to be true for other kinds of projects, and it is clear that product development projects are more successful if they incorporate user needs and satisfaction in the design process (Matzler et al., 1998). Careful analysis of a

potential project is a *sine qua non* for profitability in the construction business. There are many horror stories (Meredith, 1981) about firms that undertook projects for the installation of a computer information system without sufficient analysis of the time, cost, and disruption involved.

## **2.5. Models of project selection**

Project selection is a key activity. In selecting projects, organizations prioritize the use of scarce resources for solving both short-term operational problems and the creation of long-term strategic opportunities. Generally, they should try to balance their project portfolios along dimensions such as: risk vs. reward, short- and long-term effort, and different strategic issues (Meskendahl, 2010) such as creating competitive advantage or implementing public sector reforms. Over the last 40 years numerous sophisticated methods have been published to help organizations select the right projects. Cooper et al. (1999) categorized these methods into:

- Mathematically based portfolio models, e.g. software with built-in mathematical models that can choose the optimal portfolio of projects.
- Financial models and financial indices. For example, net present value.
- Probabilistic financial models, e.g. Monte Carlo simulation.
- Options pricing theory, similar to purchasing an option on a future investment.
- Strategic approaches: Selection of projects is driven by the strategy of the business.
- Scoring models and checklists: Projects are rated and scored.
- Analytical hierarchy approaches, for example, decision tools based on paired comparisons of projects.
- Behavioral approaches: For example, methods designed to facilitate consensus.
- Mapping approaches: Various parameters are plotted against each other in bubble diagrams.

Even though the development of new sophisticated selection methods continues, the empirical research (e.g. Cooper et al. 1999, Killen et al. 2007) indicates that they are not widely used, at least not within the context of new product development. Furthermore there is generally little

empirical evidence of the benefits gained by using the various methods (Killen et al. 2007). To the extent that organizations use formal methods at all, they tend to use the user friendlier ones, the most popular being the use of financial models (business cases), strategic approaches, scoring models and mapping approaches (Cooper et al. 1999).

The referenced sources so far mentioned are all concerned with project selection within project management in general, and new product development. Within information systems research there are two large, primarily quantitative project portfolio management studies (Jeffery and Leliveld, 2004; De Reyck et al., 2005) that have been used to design maturity models for project portfolio management practice..

Recently Shollo et al. (2015) have studied project-selection practice focusing on how managers combined the use of quantitative data (e.g. cost-benefit analysis) and judgment during project selection, and found that managers use judgment to supplement, substitute, interpret, and reframe quantitative data. Furthermore they identified certain key resources that managers base their judgments on, e.g. expertise and personal networks.

Little emphasis is placed on the actual decision-making process or the competencies and experience needed to make good decisions. Bernroider et al. (2013) have studied the use of various evaluation methods such as the financial investment method (e.g. cost / benefit methods), multi-criteria methods (e.g. balance scorecard methods), strategic and analytical techniques (e.g. SWOT analysis) and portfolio methods (e.g. portfolio mapping) and found that there is a wide gap between the great number of methods suggested in the literature and their practical implementation: Many methods are simply not used in practice.

## **2.6. Development projects identification and selection**

Development projects usually refer to projects undertaken by government and NGOs and mostly have many stockholders which directly affected by those specific project. According to Sasha Kramer (2010), who studied sugar projects in Brazil, identification of these projects allows you to answers questions like:

- How do the projects come about?
- Where do projects come from?
- Why are projects where they are?

According to Freeman R. (2004), the approaches of project identification can be divided in to Top-down approach and Bottom-up approach.

**Top-down approach;** - Projects are identified based on demands from beyond the community. In this case the government or the higher officials are the main participants in the identification and selection of projects based on different opportunities or problems. This opportunities or problems may include, directives from international conventions (such as Kyoto Protocol/climate change), international institutions or NGOs that have determined particular priorities and thus projects, or National policy makers identifying projects that pertain to party manifestos and/or national plans.

*For Archer, N.P (2004)*, top down project identification is the effective way of facilitating development agendas and can be applied in emergency situation. For him the following the following alternative ways can be used as a tool to identify projects by the top down approach.

1. The household (socio-economic) survey: this is the studies of social and economic situations of a given area e.g. climate, geographical set-up, economic activities, political set up, education system, culture, diet, social services, physical infrastructure etc; by using of questionnaires, interviews, documentation, and direct observation. The collected data will be processed and analyzed to make a final decision of project identification and selection.
2. Rapid appraisal: It is rapid because investigation, assessment and identification of projects are done at the same time. This Method collects and assesses data quickly using any data collection techniques. The Primary purpose is to acquire the information in the shortest time possible and it lowers the cost of project identification but may have adverse effect in the implementation of the project.
3. Needs assessment survey: it is a situational analysis to get a fact about the needs of the community which is affecting the societies over all life situations. This method investigates a given geographical areas and specific parts of the society. Based on their finding the project identification and selection activity will be done.

**Bottom-up approach** this approach is the opposite of the top down approach which begins from the society or the beneficiaries of a specific project. Community beneficiaries are encouraged to identify and plan the projects themselves with or without outsiders the participation of the other parties in the project

Animation is Process of stimulating people to become more aware and conscious of problems they suffer from. It enables to gain confidence in their ability to deal with these problems and take initiatives to improve situation. According to Archer, N.P (2004), the following tools are important for bottom up project identification approach.

1. Animation:-this is a method of animators who can brainstorm the needs of the society and makes the community better understand and be prepared to overcome its problems and take decisions with full responsibility and Carried out by Animators / helpers / change agents, viz. internal animators if they come from within the community or external animators if from outside.
2. Facilitation/Community action: It is an attempt to assist people to get over problems by (say) training them in certain skills, providing them with the needed information e.g. market information, linking them up with relevant agencies and organizations to improve access to the needed resources etc.
3. Participatory appraisal Project identification should be participatory and should involve local communities in identifying and prioritizing their needs. There should be consideration of the views of the communities during the screening and selection of various project proposals and the selection of the preferred proposals for implementation.

In general project identification and selection of development projects is quite different from the other project identification mechanism. For development projects it is very difficult to calculate projects based on the financial outcomes they will bring, the stockholders of the project increases in number and it is difficult to include those stakeholders in the project identification stage.

In countries like Ethiopia where development project finance comes from abroad through credit and good will of donors, it is difficult to entertain the needs of the donors with the society and the government's capacity. Mostly there is missing of one of the parties interest and we are seeing many hassles and delays in the projects by the problem from the community, lack of governance effectiveness and delay in finance allocation.

## 2.8. Feasibility Studies

According to Ireland, (2007).a feasibility study looks at the viability of an idea with an emphasis on identifying potential problems and attempts to understand the main component of a project which is weather the idea work or not and should you proceed with it. Before you begin writing your paper work it is necessary to identify how, where, and to whom you intend to sell a service or product. McKenney, (1995) adds the need to assess your competition and figure out how much money you need to start your business and keep it running until it is established is an important part of project identification and selection. The feasibility study analyzes the economic and technical aspects as well as financial viability of the project. Müller, R. (2005) The results of the feasibility study are contained in the feasibility study report, which provides essential basic material for the prospective Executing Agency and other relevant organizations, as they decide whether the project should be implemented. The feasibility study report must be prepared based on a thorough and extensive study carried out to internationally accepted standards.

For Nelson, (2005). Feasibility studies are the main mechanism to assess where and how the business will operate. They provide in depth details about the business to determine if and how it can succeed, and serve as a valuable tool for developing a winning project idea.

The takeaway from all of the writers are that feasibility studies are the main component of every project identification and selection process and it is a process of understanding what is the physical, human and market aspects of the project and helping the participants understand the end result.

Too many projects have floundered, at considerable loss to the investors and indeed to the national economy through waste of scarce resources because the investment decisions were taken without objective and in depth techno-economic feasibility studies.

Pinto, J. K. (2004). Try to list out the main component of a feasibility study a project should include.

- Market Feasibility which is a description of the industry, current market, anticipated future market potential, competition, sales projections, and potential buyers.

- Technical Feasibility: contains variables like materials, labor, transportation, business location, technology needed, etc.
- Financial Feasibility: enables to determine how much start-up capital is needed, sources of capital, returns on investment, etc.
- Organizational Feasibility: Defines the legal and corporate structure of the business.

Feasibility study is analyzing of the project by using of different parameters like economical technical financial and others to decide on the main issue of perusing the project of finding another alternative.

## **2.9. Stakeholders analysis**

The objective this topic is to summarize what is stakeholders analysis and its role for effective project identification and selection. Involving key partners in the early stages of project selection a helps ensure commitment and ownership. This can help minimize tensions later on and has the added benefit that it pools knowledge and experience; helping to ensure the plan is as robust as possible Wanjohi, A. M. (2010). According Mullaly, M. (2008) stakeholder analysis is the art of knowing interest of the different stakeholders and preparing effective mechanism to address their interest. This can creates effectiveness and efficiency in projects because it increases a sense of ownership for the stakeholders.

Yelin, K. C. (2005) points out the main advantages of stakeholder analysis as follow

- identify who we believe should be encouraged and helped to participate
- identify winners and losers, those with rights, interests, resources, skills and abilities to take part or influence the course of a project
- improve the project sensitivity to perceived needs of those affected
- reduce or hopefully remove negative impacts on vulnerable and disadvantaged groups
- enable useful alliances which can be built upon
- identify and reduce risks; for example identifying areas of possible conflicts of interest and expectation between stakeholders so that real conflict is avoided before it happens
- Disaggregate groups with divergent interests.

So stakeholders are mainly peoples, who can be affected directly or indirectly, positively or negatively, by the process of the projects overall operation and result. Stakeholder analysis is all

about listing out all those stakeholders and finding ways to minimize the negative influence of stakeholder influence and maximizing the support of those affected positively.

## Chapter three

### Research methodology

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This part of the research focused on the research design, location, target population, sampling technique, data source, collection tools and techniques and data analysis that were used in this study.

#### **3.1. Research Location**

This research focuses on the Ethiopian sugar corporation who has the responsibility to plan implement and follow-up the whole activities of the sugar projects. In addition to this focus area the research covered the other participants like the Ethiopian planning commission which were the master mind in preparing the general road map in the growth and transformation plan and the project managers of sugar projects who were participated in the project identification and selection process.

The research included the three sugar projects one from the expansion project and two from the new projects which is lagging behind from what was planned to get the whole picture of the projects practice.

#### **3.2. Research Design and Approach**

This research mainly targeted the pre planning activity of sugar projects in Ethiopia, which includes project idea generation, feasibility study, appraisal, selection and related detail activities. Pre planning activities are mostly the responsibility of higher management individuals. Research design represents the major methodology driving the study, which are distinctive and specific research approaches that are best suited to answer the research question (Comack, 1996).

Research can be classified as descriptive, explanatory and exploratory depending on the specific purpose that the research tried to address. (Kaufman, 2005). Researchers use the facts or information already available to analyze and make a critical evaluation of the data/information. Accordingly, the researcher employed a descriptive research design with which to describe and

show the practices of project identification and selection of Ethiopian Sugar Corporation in the sugar projects.

The research has employed a quantitative research approach to analyze the data collected through close ended questionnaire and qualitative approach for the data collected through open ended questionnaire.

### **3.3. Population, sampling and sampling technique**

#### **3.3.1. Target Population**

All individuals of interest to the researcher are called population (Alan and Kaufman, 2005). For this research the population was the three departments of Sugar Corporation which have direct relation with the identification and selection process and have the knowledge and information about the process and also the project manager of the ten projects.

Sugar Corporation have five big Departments from them the three departments which are the corporate planning department, investment study and development department and the chief executive office have direct relationship and information about the project identifications and selection. Within these three Departments there are 11 executive officers and 22 deputy executive officers and team leaders. This makes the target population 37 including the CEO of Ethiopia Sugar Corporation.

Sugar Corporation has eight projects under implementation which include expansion projects of Wonji- Shoa, Metehara, and Fincha and new developing industries and sugarcane processing facilities of Kessem Sugar Development Project, Tendaho Sugar Development Project, Wolkaiyt Sugar Development Project, Beles Sugar Development Project, and kuraz sugar development project. All three expansion projects begin partial production but the other five new developments are under the implementation stage. So, these project managers were included in the target population of the research to get the field experience of the project

### **3.4. Data types, sources and methods of data collection**

#### **3.4.1. Types and sources of data**

Primary and secondary data are the two categories of data for research. For this specific research both primary data and secondary data were collected. The primary data were collected mainly by the questionnaires distributed at Sugar Corporation. The secondary data were found from government reports about the success and failure of the growth and transformation plan, feasibility studies done by sugar corporation experts and other consultants, printings from different news papers, journals and from websites of Ethiopian Sugar Corporation, and Ethiopian planning commission.

#### **3.4.2. Methods of Data Collection**

According to Catherine (2007), data may be collected as either primary or secondary, the research employed both primary and secondary data. The secondary data were employed to explore the theoretical issues related to project identification selection and implementation. Books, journal articles, other research projects and credible web portals were assessed. Mainly the research used a primary data collected from the direct participants in the projects identification and selection processes. Reviewing secondary literature were enabled for better understanding of the research topic, in general, and the study problem at hand, in particular it served as useful reference for making comparisons to the primary research, later on in the research report.

For the purposes of gathering primary data for this research report, questionnaires were prepared, Primary data were collected based on structured questionnaires. Fixed response questionnaire were used to collect primary data from respondent, by focusing on the research objective, the questionnaire were adopted to extract managers experience regarding the identification and selection of the sugar projects. The questionnaires consisted of six parts. Part one were prepared to gather general information about the respondents' gender, age, education, their responsibility, year of experience and their awareness about the projects identification and

selection process. The other parts were prepared to get the detailed issues of the project identification and selection practices and its effect.

To get information from the project managers the researcher used an electronic questionnaire through email.

For the fixed response questionnaire five-point Likert-scale ranging from Strongly Disagree (1) to Strongly Agree (5) was used. A five point Likert type scale ranging from 1 (one being strongly disagree) to 5 (five being strongly agree) is a widely used rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions.(Albaum, 1997). .

### **3.5. Ethical consideration**

Information provided by the respondents were confidential because respondents were informed before completing the questionnaire that the information they provided would be used for academic purposes only and that their participation was voluntary; thus, no information provided by respondents could pose any harm to their work or their home. Anonymity were ensured in that the questionnaires filled by respondents were not linked to respondents, as respondents were required to submit filled questionnaires with no names ,

### **3.6. Methods of data analysis**

The data collected through the questionnaires were analyzed by using descriptive statistics such as mean, standard deviation, and frequency distribution. The findings and conclusion of the study were depending on the full utilization of statistical data collected and analyzed using dispersion and central tendency. In line with these, percentages were computed: tabulation presentations were also used. Data analysis was done by categorizing the data in to meaningful groups and interpreting specific occurrences.

Data collected through open ended questionnaire were analyzed by using qualitative analysis techniques by creating detailed relationship with the main idea under study.

## Chapter 4

### Data analysis and presentation

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In this part, it was tried to analyze the data and generate finding. In the survey, a total number of Thirty four (34) questioners have been distributed to the staffs of Ethiopian Sugar Corporation and project managers out of which thirty (30) are returned back and analyzed. Thus the response rate was 88.2 percent.

#### **The survey embodied six major sections;**

- General information about the respondents
- Objective analysis practice of ESC
  - Understanding the visions and goals of the projects by the general stakeholder.
  - Understanding of the final destination and the way for it
  - The organization and the countries readiness to make it real and
  - Its proximity with the strategy of the country and the GTP plans
- Stakeholder analysis practice of the projects identification and selection process
- Risk identification and analysis practice of ESC
  - Risk identification practices
  - Preparations of the corporation for Risk response
  - Preparations of the corporation for Risk controlling and monitoring
- Feasibility analysis of projects
  - Arguments on the role of the feasibility study for the decision of selecting those specific projects.
  - The level of detail the feasibility study contained.
- The main challenges of the projects identification and selection task

Except for the general information about the respondents, the challenges of project identification and selection and some few inquiries, ordinary scaling of likert scaling is used. The scaling range from 5 to 1. This is made to require respondents indicate the degree of agreement or disagreement about the practice of their organizations project selection practice. The number are ranked from highest to lowest, where 5 refers to 'strongly agree' ,4 'agree' ,3 'neutral',2 'Disagree', and 1'Strongly Disagree'.

For the analysis descriptive statistics associated with frequency distribution is used .These include;

- Measure of central tendency; Mean and Mode
- Measure of dispersion: Maximum, Minimum and Standard deviation

#### 4.1. General information of the respondents

General information is a description of the sex, age, education background, work experience and the position of the respondents which gives information in the glance to determine the suitability of the sample for the research under study. The average work experience of the respondents is more than five year and a considerable amount of the samples which is (33.3 %) were in the organization beginning from the inception stage of sugar projects. This justifies their level of understanding about how the projects are selected and all related activities the Ethiopian sugar corporation passes through.

Table 1: General information of the respondents

Attributes	Description	Frequency	Percentage
<b>Gender</b>	Male	28	93.3
	Female	2	6.7
	Total	30	100
<b>Age</b>	20-30yrs	3	10
	31-40yrs	11	36.7
	40yrs+	16	53.3
	Total	30	100
<b>Level of education</b>	Diploma	0	0
	Degree	13	43.3
	Masters and above	17	57.7
	Total	30	100
<b>Number of years in ESC</b>	0-4yrs	7	23.3
	5-8yrs	13	43.4
	8yrs +	10	33.3
	Total	30	100

Source: survey data, 2018

From the total respondents of 30 peoples 93.3% of them are males and the rest 6.7% are females. This may be because of lower number of females in the higher structure of the organization. This combination of sex doesn't have an impact in the research outcome because the topic is totally out of behavioral research categories.

In terms of age most of the respondents are 41 and more years old, which contains 53.3%. A respondent between 30 up to 40 makes up 36.7% of the total sample. While the rest 10% of the respondents are between 20 and 29 age group. These data shows most of the respondents are mature enough to understand their company's day today activity.

Being considered in terms of their education qualification majority of the respondents 57.7 % have masters degree and above, while the rest of the respondents 43.3 % have first degree qualification. This implies that the respondents are highly educated and have many qualifications as well as research experiences which help the researcher find detailed and relevant data about the topic under study.

In terms of their position in the organization all of the respondents are in the management position, which includes from executive officers up to team leaders and project managers. The position of the respondents in the corporation is the following;

Executive officers (6)	Dep. Executive officers (7)
Team leaders (11)	Experts (3)
Project managers (3)	

The above data shows that the employees are working in the upper organizational structure of the company that helps to get data to understand the practice of project identification and selection of the corporation and the major challenges encountered to make those projects kick off real.

#### **4.2. Project objective analysis**

Every project begins from vision mission and targeted end goals. These things are just the general prescription of what the project supposed to fulfill and mostly of the time they are attractive and motivational. Ethiopian Sugar Corporation's vision is to become one of the ten sugar producers in the world by constructing ten sugar factories that can produce 28 million quintal of sugar a year. With this big plan the corporation begins constructing of 10 sugar factories which is passing with many ups and downs.

This part of the objective analysis contains the following detailed sections.

#### **4.2.1. Goal and objectives of sugar projects.**

Objective analysis always begins with crafting of clear and attainable goals and objects for the project expected to be executed. Based on this respondents were asked to rate the clearness of the goals and objectives of the sugar projects and they rate it in the way presented below. From the total respondents majority of them (31) percent agrees and (51.7) percent strongly agrees on the clearness of the goal and objective of the projects. While the rest 6.7% becomes neutral and 10 percent of the respondents disagree on the clearness of the projects. (Appendix I, table 10)

The response rate has a mean of 4.26 and standard deviation of 0.88 which means most of the respondents believed that they understand the goal and objective of Sugar Corporation because it was clearly stated. From the response we can understand that the goals and objectives are clear for stakeholders to understand. They clearly understand what they are going to accomplish which are:

- to solve the sugar shortage of the country,
- to become exporter of sugar and generate foreign exchange,
- creating employment opportunity for hundreds of thousands of peoples,
- And the like.

Table 2; objective analysis practice of ESC

		Total population		mean	median	mode	Std. deviations	mini mum	Maxi mum
		Valid	Missing						
<b>1</b>	The goal and objective of sugar projects were clear	29	1	4.23564	5.000	5.000	.88674	2.00	5.00
<b>2</b>	The scopes of the projects were clear	30	0	3.72586	4.000	-	1.256824	1.00	5.00
<b>3</b>	The purpose and output targets were clearly identified	30	0	3.76582	4.000	4.000	1.093562	2.00	5.00
<b>4</b>	There was exhaustive list of implementation activities	30	0	2.93528	3.000	3.000	1.21352	1.00	5.00
<b>5</b>	Effective Institutional readiness to undertake the projects were there	30	0	2.72568	3.000	3.000	1.118802	1.00	5.00
<b>6</b>	The projects were in line with the countries strategic goal	30	0	4.2368	4.000	4.000	.88043	2.00	5.00
<b>7</b>	The project identification base past experiences of the country	30	0	1.86667	2.000	1.000	1.41579	1.00	5.00
<b>Aggregated result</b>		<b>30</b>	<b>0</b>	<b>3.35356</b>	<b>4.000</b>	<b>-</b>	<b>1.11714</b>	<b>1.00</b>	<b>5.00</b>

Source: survey data, 2018

#### 4.2.2. Scope, purpose and output targets of sugar projects

In project management scope is one of the determinant variables in project success and failure. To effectively manage project every participant should understand the scope of the project. The respondents are asked to rate their view on the clearness of sugar projects scope and from the total respondents' majority of them agrees (33%) and strongly agrees (33.3%) on the clearness of the projects scope. The other 13.3% of the respondents become neutral on the argument and the rest 13.3% and 6.7% disagreed and strongly disagreed on the clearness of the scope. (Appendix I, table 11)

The result indicates the scope of sugar projects were clear with a mean of 3.7 and standard deviation of 1.25. This enables to conclude that the 10 sugar factories had defined scope but with large odd from few of the respondents who believe that the projects scope was a bit vague in terms of scope.

Each of the ten projects begins construction to solve the country's long lasting sugar problems and to help the local society economic wellbeing by creating employment opportunity and technology transfer. With this in mind the respondents were asked about the purpose and output identification clearness of the sugar projects. From the total respondents 26.6% of them strongly agreed and 36.6% agreed on the clearness of the purpose and outputs of the projects. While the other 16.6% and 20% becomes neutral and disagreed respectively. (Appendix I, table 12)

With a mean of 3.7 and standard deviation of 1.09 we can argue that the purpose and output targets of the sugar projects were clear. This result shows that when the sugar projects were identified their intended purpose for the general society was clearly identified and the output expected from each sugar factories was determined.

#### **4.2.3. List of activities and institutional readiness**

The Ethiopian sugar corporation is the responsible body for the overall activity of sugar projects and sugar distribution. The government organizes it in the ministerial level in 2010 because the projects were too large for a normal government body. The corporation was responsibility to identify, plan, and implement the projects as well as the operations. This means the project's success is solely determined by the capacity of the corporation.

Based on this argument the respondents were asked about the institutional readiness of Sugar Corporation and other supporting organs to make the projects real. From the total respondents 16.6% of them strongly disagreed, 26.6% disagreed, 30 percent of them becomes neutral. Only 16.6% and 3.3% agreed and strongly agreed on the institutional readiness of Sugar Corporation and other supporting organs. This result is with a mean of 2.7 and standard deviation of 1.11. (Appendix I, table 13)

These responses of the respondents enable us to conclude that there was problem in institutional readiness to make the projects happen. This might be related with the projects largeness in number which tasted institutional capacity and budget. In addition the corporation and the country were new for projects of this large which need rich experience and knowledge.

Project implementation needs list of many detailed of activities. Before the detailed work breakdown structure there are undetailed project components which should be determined in the projects initial phase that used to plan the whole activity. Based on this the respondents were asked if the projects activity was listed exhaustively. 16.6% and 26.6% of the respondents strongly disagreed and disagreed on the issue, while 40% of them become neutral. The rest 10% agreed and 10 % disagrees. This result is with a mean of 2.9 and standard deviation of 1.2. (Appendix I, table 14)

These responses of the respondents told us that in the sugar projects there were problems in the determining and listing of activities needed to implement the project. These problems perhaps contribute to the present problems the sugar projects passing through. Like mismatch of the timing of sugarcane plantation which become ready for use and the factories delay to utilize those sugarcanes. In addition many factories come up with additional activities which weren't specified in the initial stages of the project.

#### **4.2.4. The countries strategy, past experiences and the sugar projects**

These projects were the results of the first growth and transformation plan of Ethiopia which has had very big targets in each sectors of the economy. Sugar corporation identify those projects based on the general direction from the GTP I. The respondents rate the sugar project in relation with the strategy of the country and they support that the sugar project were in line with the countries strategy

The detailed result shows that from the total respondents 40% strongly agreed, 43.3% agreed. The other 10% becomes neutral and 6.6% disagreed. By taking strongly agreed and agreed as a general agreement 83.3% of the respondents believed that the sugar projects were in line with the strategies of the country. This result perhaps happened by seeing the hard work the country working on import substitution, foreign exchange generation and solving the long lasting sugar shortage by facilitating the industrial sector. In this aspect the sugar projects were the main targets and if they were implemented properly they were the main pills for the country's main problem. (Appendix I, table 15)

In addition to the strategic mach the respondents were also asked if the project identification bases the past experience of the country in big projects. From the total respondents 30% and

23.3% of them strongly disagreed and disagreed on the argument. Another 23.3% of them become neutral. The remaining 16.6% and 6.6% of them agreed and strongly agreed on the argument. This result is with a mean of 1.8 and standard deviation of 1.4. (Appendix I, table 16). Even if project is a unique activity I don't mean that it did things from scratch. Similar projects from the past should be analyzed and lesson learned must be taken. But based on the respondent response the sugar projects didn't take lessons learned from past similar endeavors. This might contribute for the implementation problem and many changes in scope and structure of projects.

#### 4.2.5. The objectives analysis of sugar projects and the Performance in the first GTP

Based on what was targeted the respondents were asked if the projects implementation were poor or not.

Table 3: based on targeted in the first GTP I the outcome of the projects were poor.

		Frequency	Percent	Valid percent
<b>valid</b>	yes	28	93.3	93.3
	No	2	6.7	6.7
	Total	30	30	100

Source survey data 2018

From the total sample 93.3% of the respondents believed that the project performance in the first GTP was poor when we compare it in terms of what was planned in the beginning of the projects. Based on the respondents response factors related with the goal and objectives of the project that affected the overall activity of the project are the following.

- The scopes and objectives of the projects were so wide. Based on the countries performance and the corporation's performance 10 big factories at the same time were difficult and over ambitious.
- Many of the activities were done with try and errors because the scopes were unrealistic. These create higher financial crises and many non-value adding task which increase the time schedule.

- In the defining of activities tasks other than the factory construction like irrigation, did not get equal attention that then becomes the main recipients of the project budget.
- The land needed for sugarcane and the amount of irrigation needed was not defined. It was with a blind move with a tell that stating, the country is reach in abundant land and weather condition suitable to grow sugarcane.

### **4.3. Stakeholder analysis practice of ESC**

Stakeholder analysis is one of the main components, which should be done effectively to make an effective project selection. For big industrial projects like this, it is common to have many stakeholders. The government that gives the responsibility is the controlling stakeholder that needs continuous report about every move. The land owners who is going to leave their land for the project is the sensitive stakeholders which needed a hard convincing power to make them agree to give up their land and to make them allays for the future sustainability of the project. Because the most of the finance is from external sources the borrowers are another stakeholders who going to give billions of dollars. Many contractors will apply to take the outsourcing activity of the project are the other stakeholders. In addition to this, many other stakeholders are affected directly or indirectly by the projects.

So to make an effective project selection at list the needs of all this stakeholders should be addressed. If possible, there should be agreement with all this. To see the stakeholder analysis practice of ESC the respondents are surveyed with the following questions;

#### **4.3.1. Identification and listing of stakeholders**

Stakeholder analysis begins with accepting of the importance of stakeholder identification and analysis. To understand the practice of ESC related with stakeholder analysis respondents were asked if stakeholder analysis was part of the projects selection task. From the total respondents 20% and 43.3% strongly agreed and agreed that stakeholder analysis was part of the project selection. 13.3% of the respondents become neutral and the other 23.3% disagreed on the argument. (Appendix I, table 17)

By taking strongly agree and agree as an agreement, we can conclude that stakeholder analysis was part of the project selection activity. This result is supported by a mean of 3.6 and standard deviation of 1.06.

The second question related to stakeholder's analysis practice forwarded to the respondents was if ESC has a clear list of all potential stakeholders. From the total respondents 13.3% and 30% of the respondents strongly agreed and agreed that ESC has a clear list of stakeholders. 33.3% of them become neutral while the remaining 23.3% disagreed on the issue. (Appendix I, table 18) Based on the respondents response result is inclined to the argument that in the project identification and selection activity there was clear list of stakeholders. This result is supported by a mean of 3.3 and standard deviation of 0.99. The outcome of the two question tells us when selecting the project stakeholders analysis was part of the project selection but there were some problem in clearly listing of the stakeholders.

Table 4: stakeholder's analysis practice of Ethiopian Sugar Corporation

		Total population		Mean	Median	mode	Std. deviation	mini mum	Maxi mum
		Valid	Missing						
<b>1</b>	Stakeholders identification was part of the project selection	30	0	3.6000	4.000	4.000	1.06996	2.00	5.00
<b>2</b>	There was clear list of each stakeholder	30	0	3.3333	3.000	3.000	.99362	2.00	5.00
<b>3</b>	The needs of each stakeholders was analyzed and identified clearly	30	0	2.7666	3.000	2.000	1.03994	1.00	5.00
<b>4</b>	Strategies were developed to address the needs of each stakeholders	30	0	2.8333	3.000	3.000	.94972	1.00	5.00
<b>5</b>	There was communication and discussion with each stakeholder.	30	0	3.3666	4.000	4.000	1.1856	1.00	5.00

6	Initial understanding and agreement on the projects were made b/n stakeholders	30	0	3.0000	3.000	4.000	.98260	1.00	4.00
7	There was equal emphasis for all stakeholders	30	0	2.7000	3.000	3.000	.88473	1.00	5.00
8	There was room for stakeholders to contribute their idea	30	0	2.9333	3.000	3.000	.98014	1.00	5.00
	<b>Aggregated result</b>	<b>30</b>	<b>0</b>	<b>3.0637</b>	<b>3.000</b>	<b>3.000</b>	<b>1.0142</b>	<b>1.00</b>	<b>5.00</b>

Source survey data

#### 4.3.2. Need assessment of stakeholder and developing strategies to address their needs.

In stakeholders analysis the task after listing of stakeholders is assessing the needs and concerns of each stakeholders. Different stakeholders have different interests in the project, which can be positive or negative. Based on this one of the questions presented to the respondent were if ESC made an effective need assessment of each stakeholder. The result comes up with balanced result, which is 10% and 33.3% of strongly disagreed and disagreed, 30% of neutral, while 23.3 agreed and 3.3% strongly agreed. (Appendix I, table 19)

By taking strongly disagree and disagree as a disagreement many of the respondents question the need assessment practice of ESC. This result is supported by a mean of 2.7 and standard deviation of 1.03. This might be the source of many of the disagreements happened between the corporation and the local residents which were evicted forcefully from their land.

In addition to stakeholders listing and analysis, one of the important activities in stakeholder's management is finding good strategy that can answer the problem of each stakeholder. The respondents were asked if there were developed strategies to address the needs of each stakeholder. From the whole respondents 6.7% of the respondents strongly disagreed, 30% disagreed, 40% become neutral, 20% agreed and the remaining 3.3%% strongly agreed. (Appendix I, table 20)

This tells us there were problems in developing strategies to address the needs of each stakeholder. This is supported by mean of 2.8 and standard deviation of 0.9. In many project sites, there was disagreement between the corporation and landowners, which were solved with power, and military this might be because of lack of developed strategies before the launch of the

project. There was disagreement between the corporation and the contractor metal and engineering technology Ethiopia Corporation (METEC) too, which finally resulted transferring of projects to other contractors. Even if understanding of stakeholders need and developing of strategies is important we can say that ESC fails in both of the issue.

#### **4.3.3. Communication with stakeholders and creating initial agreement**

Effective communication management is an important part of project management. Communication begins before the selection of the projects because each stakeholder should have the knowledge of what is going on which affects them. Especially in big projects big like this communicating of what of is going to undertake is not enough. There should be initial agreement between the main stakeholders for the success and sustainability of the projects.

Based on this the respondents were asked if there was initial communication between stakeholders especially the landowners and the local authorities which was a challenge for long time. Majority of the respondents 46.6% agreed and 13.3% strongly agreed that there was communication with the stakeholders. 16.6% of the respondents become neutral, while the rest 10% disagreed and 13.3% strongly disagreed. With a mean of 3.3 and standard deviation 11 we can conclude there was communication with different stakeholders. (Appendix I, table 21)

If there was communication the results can be agreement, disagreement or a neutral situation. To know what was happened in the communication with the stakeholders the respondents were asked if there is initial agreement with the stakeholders. For this question, the mean for the respondent's response was 3.00. Which is in the middle of agreement and disagreement. From the total respondent 40% of them agreed that there were initial agreements and understandings with the stakeholders. 26.6% of them become neutral, 26.6% disagreed and the rest 6.6% strongly disagreed. (Appendix I, table 22)

These two questions tell us that there was communication with the stakeholders. However, it is very difficult to decide whether there was understanding or misunderstanding. From what we seen in the past years of the projects implementation the disagreement part are far larger than what was agreed based on this we can say that the communication was more of a disagreement.

#### 4.3.4. Participation of stakeholders and level of emphasis for each stakeholders

Each stakeholder has different level of power and influence on the project. Therefore, the stakeholder who will take the maximum attention depends on its effect on the project success and failure. For example, the local authorities have their own power because the project is being undertaken in their land of authority; the creditors have their own authority because they are the source of finance. Like this, the other stakeholders have influence on the project. Therefore, the project owners should let them participate in generating their ideas and their ideas should be included in the project plan.

In this regard, the respondents were asked if there was a room for stakeholders to participate in the project. The respondents responded a quite different idea. 6.6% strongly disagreed, and 26.6% disagreed. In the other 26.6% agreed and 3.3% strongly agreed while the majority 36% becomes neutral. With a mean of 2.9 and standard deviation of 0.98, the respondents who disagreed on the idea are a quite larger than what is agreed. This tells us there were gaps in participating of the stakeholders before the selection of the projects. These perhaps the main reason why, local authorities were neutral from the projects for long time. (Appendix I, table 24)

#### 4.3.5. Understanding the importance of stakeholders and the missed stakeholders.

Sometimes stakeholders become so large in number and so diverse in interest that, it becomes difficult to understand all of them and fulfill their demand. In other times, the project owners become negligent to address the needs of stakeholders by undermining their influence. For ESC, too the experience is quite similar. To know exactly what they were passing through the respondents were asked a general question. Is ESC understand the importance of each stakeholder? The result is summarized in the following table and the below page.

Table 5; ESC effectively understands the importance of each stakeholders

		Frequency	Percent	Valid percent
valid	yes	22	73.3	73.3
	No	8	26.7	26.7
Total			30	100

Source: survey data,2018

From the total respondents 73.3% of the respondents believe that ESC has problems in understanding the importance of many stakeholders. The next question presented for respondents were which stakeholders is missed in the process or ESC understood poorly. The respondents forward the following list of stakeholders

- Experts: In the projects identification, politicians' took the place of the experts and they were deciding in every aspects of the project, which later become the main challenges in the implementation. Based on the respondents this is the main reason why METEK is selected as a contractor for many projects without assessing of its capacity and experience. In addition, because of lack of expert, the importance feasibility study become undermined and what is already done didn't show the real situation of the projects and it is still in the process.
- Local communities: local communities include the people who live around the project area and the family taken from their land. Before the beginning of the projects did not have that much information about the projects. In addition, there was not that much agreement with these stakeholders so that many projects are with continuous security force takes care.
- Local authorities: Because the projects are under the control of the federal government, the local authorities are neutral from many activities. The main reason for this is enough attention wasn't given for their question and ideas, which increase additional work for the project owners.

#### **4.4. Risk identification and analysis practice of ESC**

Risk identification, risk analysis and developing of remedies are the central point of every management activity. For project management too risk management is a key tool to accomplish projects within the specified parameters. The level of concern given for risk management is different from project to project based on the amount of finance the project needs, the purpose of the project and the sensitiveness of the beneficiaries and the sponsors.

For ESC projects risk management should not be like the other projects because, firstly many of the funds are from borrowers abroad; failure is like blackening the future of the country and degrading the borrowing capacity of the country. Secondly, the country began projects from the scratch without capable and experienced individuals to plan and predict what is going to happen.

Thirdly, the society is continuously questioning the government because of continuous shortage and price hike of sugar. However, what is happening is the reverse. Many of the projects entered in to vicious cycle of risks and challenges that; many of them are still in the try and error ways of implementation.

The main goals of this parts of the research is to asses weather there was any activity of risk identification, analysis, response systems and controlling practices before the launch of the projects.

#### **4.4.1. Risk identification and analysis**

Understand the type of potential risk the project going to encounter with and the level of effect that specified risk can create in the projects implementation is always the main responsibility of the parties who is mandated to decide on selection of the projects. Based on this the respondents were asked if there was identified risk before selecting of the projects. Majority of the respondents 34.5% disagreed and 15.2% strongly disagreed on the argument. The other 30% of the respondents become neutral while 13.4% agreed and 3.3% strongly agreed on the argument. With a mean of 2.5 and standard deviation of 105 we can conclude that there wasn't effective risk identification practice before the selection of projects. (Appendix I, table 25)

Once the risks are identified, the next step is analyzing the potential effects the risks can results. Based on this the respondents were asked if ESC clearly analysis the effect of the listed risks. Majority of the respondents 27.6% strongly disagreed and 33.3% of them disagreed on the argument. While 27.6% of the respondents become neutral and only 10% of the respondent believes on the risk analysis practice of ESC. (Appendix I, table 26)

With a mean of 2.2, the respondents are telling us there was poor practice of risk analysis. Perhaps these delays in the projects can be because of this poor identification and analysis of risks. For example in relation with lack of effective risk identification the weather condition in Omo Kuraz makes the implementation of the project very difficult and for Wolkait and Belss projects social problems because of misunderstanding with the residents and unsuitability of the soil for sugarcane plantation created many problems and delays.

Table 6; Risk identification and analysis practice of ESC

		Total population		Mean	Median	mode	Std. deviations	mini mum	Maxi mum
		Valid	Missing						
<b>1</b>	Potential risks of projects were identified	29	1	2.5272	2.000	2.000	1.05613	1.00	5.00
<b>2</b>	The potential effect of each risk were analyzed clearly	29	1	2.20689	2.000	2.000	.97724	1.00	4.00
<b>3</b>	Risk response system were developed	29	1	2.17241	2.000	2.000	.92853	1.00	4.00
<b>4</b>	Risk controlling and monitoring system were developed	29	1	2.13793	2.000	2.000	.76505	1.00	4.00
<b>Aggregated result</b>		<b>29</b>	<b>1</b>	<b>2.26053</b>	<b>2</b>	<b>2</b>	<b>.93162</b>	<b>1.00</b>	<b>5.00</b>

Source survey data, 2018

#### 4.4.2. Risk response strategy, risk controlling and monitoring

Risk is everywhere and it can happen in any project activity even in any routine task. What is important is to find ways and strategies to minimize the effect of those risks in the project success. One of the question presented to respondents were if ESC were developed a risk response strategy for potential risks identified. For this issue many of the respondents disagreed. By the result of 27.6% strong disagreement, 34.5% disagreement majority of the respondents believe that ESC did not develop effective risk response strategies. The other 31% of the respondents become neutral while 6.9% agreed and believe ESC develops effective risk response strategy. (Appendix I, table 27)

The respondents also asked if ESC developed a risk controlling and monitoring system. With a mean of 2.1 and standard deviation of 0.76 majorities of the respondents, believe that there was not effective risk controlling and monitoring system. 24.1% and 42.1% of the respondents strongly disagrees and disagreed on the effectiveness of the risk controlling and monitoring system. The other 31% of them become neutral and the remaining 3.5percentage agreed on the argument. This lack of risk response strategy and risks controlling system might be one of the reasons for the multifaceted problems the projects is encountering. (Appendix I, table 28)

#### 4.4.3. Sugar projects and unidentified risks

Effective risk prediction is one of the qualities of a good project management. For big projects like this, risk is an inevitable variable and sometimes it is very difficult to identify all of the risks. However, at list big risks other than the natural hazards can be identified. Based on this respondents were asked if there were many risks happened but not identified in the initial phase and they answered like what is presented in the following table.

Table 7; there was many risks not identified in the identification process

		Frequency	Percent	Valid percent
<b>valid</b>	Yes	21	73.3	77.7
	No	6	20	22.3
	Total	27	93.3	100
<b>Missing</b>	System	3	6.7	
	Total	30	100	

Source: survey data

From the total respondents 77.7% of them believes many of the risks were not identified before the launch of the projects. They just noticed after the implementation begins. The respondents listed the following risks were not addressed before and created many problems after implementation begins.

- Contractor risk: the contractors (METEK) lack of capacity and readiness was the main reason for the delays and many complications in the project. Before the launch of the project no one thoughts the contractor can become a problem this much. There was no plan B for contractor risk. It is after many loses are already happened that the projects are managed to transfer to foreign contractors. In addition, of the main contractor, many sub contactors are always delaying their tasks and this was not identified as a potential risk before the selection.
- Timing risk: In some factories, the sugarcane becomes ready but the factories are delayed to utilize the sugarcane. In those projects, there is big wastage of sugarcane. In other factories, the factory becomes ready but the sugarcane is too small for the factories

capacity. This mismatch in timing hinders the factories to begin operation in full capacity and they noticed after they becomes a risk.

- Devaluation and other economic factors; devaluation results many complications in the sugar projects because there was not any readiness related with it. In addition to the devaluation the continuous inflation and shortage of foreign currency is affecting the projects. Here also the sugar project owners can't get and mitigation tools.
- Rainfall and other weather complications: For projects solely dependent in sugarcane as input, it is must to become sure on the weather condition of the place where the factory is going to be developed. But ESC begins the factory blindly that in 4 factories of Omo Kuraz continuous rain fall become the main problem to implement the projects.
- Lands not suitable for sugar cane: Like the weather, condition suitability of land for sugarcane is very important. Nevertheless, in some project especially for Kesem and Tendaho the soil becomes challenging to cultivate sugarcane and this is noticed when the sugarcane plantation becomes delayed for use.

#### **4.5. Feasibility analysis of sugar projects**

Following the introduction, first GTP in Ethiopia the government was flooding the country with a number of projects. In addition to the sugar factories there were many other projects like, industrial park projects, rail road projects, fertilizer factory projects, power projects and many others introduced in the same year. I always question if all this projects were within the capacity of the country with agrarian economy, very small budget and very few experience in the industrial sector.

This part of the paper revolves around the following two questions.

- Was the projects feasible based on the capacity and the real situation of the country?
- How was the projects feasibility study of the corporation?

To address these basic questions the respondents were surveyed with the following 12 question and the outcome presents as bellow;

#### **4.5.1. Common understanding towards the project and mater of alternative projects**

Common understanding is the best was to begin an effective journey. The first question presented to the surveyed was if there was initial agreements with the projects and the respondents believe the participants in the projects initially agreed on the importance of the projects. With a mode of 4 and mean of 3.4 many respondents support the argument that the beginning was with agreement on the projects.

The majorities of the respondents 56.7% are in the scaling of agree and strongly agree with 50% and 6.7 share for each respectively. While the rest 26% become neutral and 16.6% disagreed on the issue. From this agreement This might be the reason why the projects began operation in a hurry after the government issues the master plan of sugar industries in the first GTP. (Appendix I, table 29)

The next question presented to the respondents was if the selection process have had additional projects for competition and the outcome is in opposite with the first one. Majority of the respondents 40% disagreed and 50% become neutral. Only 6.6% of the respondents agree on the argument. This tells us the projects were selected without comparison with other potential projects, which makes it difficult to call it a selection. It means the selection process was just picking up of some places from each region and deciding to construct a factory, which results a great cost for the country and the public. (Appendix I, table 30)

With a mean of 2.6 and standard deviation of 0.67 the result concludes that the identification and selection process of the sugar projects missed one of the most important aspects of feasibility study which is important to get the most attractive project.

There was initial agreement in the projects but there were not alternative projects for comparison. This lack of questioning the projects around the participants might be the reason the present problems.

Table 8; Feasibility analysis of projects

		Total population		Mean	Std. deviation	minimum	Maximum
		Valid	Missing				
<b>1</b>	The participants agreed on the importance of the projects	30	0	3.46667	.86004	2.00	5.00
<b>2</b>	In the selection process there was alternative projects for comparison	30	0	2.60000	.67466	2.00	4.00
<b>3</b>	Primary engineering design of the projects were clear	30	0	2.53333	.81773	1.00	4.00
<b>4</b>	The effects of the projects in the community was clearly known	30	0	2.73333	1.01311	1.00	4.00
<b>5</b>	The site for the projects was clearly defined	30	0	2.2000	.90655	1.00	4.00
<b>6</b>	Availability of material and labor was clearly defined	30	0	2.83333	.87212	1.00	4.00
<b>7</b>	The total cost of the project was calculated	30	0	2.73333	1.01350	1.00	4.00
<b>8</b>	There was attainable implementation schedule	30	0	2.23333	1.07143	1.00	4.00
<b>9</b>	The projects were in line with the economic capacity of the country	30	0	2.60000	1.03723	1.00	4.00
<b>10</b>	The projects were financially sound	30	0	2.90000	.88473	1.00	4.00
	<b>Aggregated result</b>	<b>30</b>	<b>0</b>	<b>2.6825</b>	<b>1.91474</b>	<b>1.00</b>	<b>5.00</b>

Source: survey data

#### 4.5.2. The sites of the projects and initial engineering design

Having a clear site for the project and engineering design are the components to choose a project for implementation and a clear geographic site is important to decide whether a project is feasible or not. Based on this assumption the respondents are asked if the projects had a clear and defined site for the projects. Majority of the respondents 53.4% and 3.3 disagreed and strongly disagreed. While 23.3% become neutral and the rest 20% agrees on the argument. (Appendix I, table 31)

With a mean of 2.2 the result tells us there weren't clear and defined sites for the projects. In addition to the place for the factory sugar projects need thousands of hectares of land for sugarcane plantation. Perhaps this lack of effective geographical was the reason for the long lasting disagreement with the local community.

The respondents also asked if there was Initial engineering design before the selection of the project. Here too many of them disagreed and strongly disagreed with 46.6% and 6.7%. The rest 13.3% of the respondent agreed and 33.3% of them become neutral. The result is supported by a mean of 2.5 and standard deviation of 0.8. This percentage enables us to say that there wasn't a full engineering design before the selection of the projects. The selection is done with a blind move without knowing what type of factory and irrigation schemes would be constructed. This perhaps results many cost overruns in the construction of the factories and many design changes in the irrigation schemes. (Appendix I, table 32)

#### **4.5.3. The effect of the project on the local community and availability of material and labor**

Local communities are one of the main stakeholders for the sugar projects because the projects are dependent of the land of the community leased to the project and outside producers of sugarcane which is the main raw material. For the sustainability of the projects the support of the local community is quite important. Understanding the effect of the projects and creating effective packages for the community is the way to create good relationship.

The projects have many positive and negative effects on the community. Based on this the respondents were asked if the effect of the projects on the community is clearly studied. Many of the respondents are against this. 46.7% and 6.7% of the respondents disagreed and strongly disagreed on the argument. The other 13.3% of the respondents become neutral and the rest 33.3% agreed that the effect of the projects were clearly known. (Appendix I, table 33)

The median and the mode of the responses rest on 2 which means majority of the respondents disagreed because they believe ESC didn't understand the effect of the projects in the local community. Much news was broadcasting the effect of the projective on the native people's tourist attraction parks and even religious site. Perhaps all this is because of ineffective understanding of the projects and the community.

The other question presented for the respondents were if they clearly studied the availability of resource and labor. The respondents forward a response difficult to conclude on. Taking disagree and strongly disagree as agreement 40% of the respondents disagreed. 33.3% become neutral while 26.6% agreed. With a mean of 2.8 the result is inclined to the negative which is ESC didn't clearly studied the resource and labor requirements of the projects. (Appendix I, table 34)

#### **4.5.4. Cost and schedule of the project**

In project management cost and time are the two basic parameters which should be attained as planned. But first there should be clear budget which address the whole parts of the project and attainable time schedule. ESC planned to accomplish all those projects by 2016 which many thought unattainable and unrealistic schedule but the other believes it was possible if there was effective project management. Any ways one of the question respondents asked is about the time schedule of the sugar projects.

From the total respondents 26.7% and 43.3% strongly disagreed and disagreed on the implementation schedule of the project and they thought the schedule was unrealized. While 10% of the respondent become neutral and 20% agreed on the schedule of projects. With a mean of 2.2 large majorities of the respondents believe the schedule was unrealistic. (Appendix I, table 35)

Calculating the total cost of the project and contingencies and comparing it with the potential benefits it will generate is the determinant factors to choose or not chose a project. The respondents are asked if ESC clearly calculated the total cost of the project before selecting the project. Majority of the respondents 46.7% strongly disagreed and disagreed on the argument, 23.3 of them become neutral and 30% of the respondents were agreed. The mean of this survey found to be 2.7 and mode of 2 which tells us many of the respondents believe the cost of the projects weren't calculated effectively. (Appendix I, table 36)

#### **4.5.5. Financial soundness of the project and economic capacity of the country**

Financial soundness is when the benefits of the project is higher than the cost incurred. For a project to be selected for implementation the benefit it will generate should be higher than the cost. But sometimes even if the project looks financially sound it should be with the economic

and financing capacity of the country. Financing capacity contains finance from internal sources and availability of credit. Two know the practice of ESC on these two aspects the respondents were asked if the projects were sound and if the projects were in line with the economic capacity of the country.

Was the projects sound? It has an inconclusive result. 26% of the respondents agreed, 43.3% become neutral, 23.3% disagreed and 6.7% strongly disagreed on the financial soundness of the sugar projects. The mean found to be 2.9 with a mode of 3 which helps to inclined in to the disagreement parts of the argument, which means majority of the respondents have questions on the financial soundness of the projects. (Appendix I, table 37)

Is the project in line with the country’s economic capacity? Majority of the respondents 40% disagreed and 13.3% strongly disagreed. Only 26% of the respondent believes that the project is in line with the country’s economic capacity. With the mean of 2.6 and mode of 2 we can say the projects were over the economic capacity of the country. This might be in relation wit the large number and capacities of the projects and many competing projects in the other sector of the economy that needed billions of dollars. (Appendix I, table 38)

**4.5.6. Feasibility study as a document for project selection and its effect in the execution.**

The main goal of feasibility study is to decide to proceed or not to proceed in a specific project endeavor. So, effective feasibility study can help to select good projects. In the case of ESC respondents were asked if the feasibility study document was an instrument to select the projects

Table 9; the feasibility study document was the main instrument to select projects.

		Frequency	Percent	Valid percent
<b>valid</b>	yes	11	37.7	37.7
	No	19	63.3	63.3
<b>Total</b>			30	100

Source: survey data, 2018

Many of the respondents 63.3% say “No” which means the feasibility study document wasn’t the main instrument to select the projects. This perhaps is why many uncertainties are happening in the projects. The respondents also asked the effect of this lack of effective feasibility study and they list out the following

- Many changes in design in the factories and irrigation dams which created delay and cost overrun in the projects
- Some projects are constructed in a place where the climate situation is not suitable for sugar plantation and for construction of the factory.
- Some projects happened to be non feasible economically and financially. The costs of some factories are so high that it is a great loss for the country.
- It becomes difficult to finalize some of the projects because they took all the budgets allocated for them.

To make project identification and selection appropriate the above four variables which are objective analysis, risk analysis, stakeholders analysis and feasibility study of the project are the main issues that should be addressed properly. In the case of sugar projects all the variables have different level of rating. From the four variables the objective analysis of ESC got the highest rating with an aggregate mean of 3.3. Which enables us to say the projects have had good clearness and understandability. But in with some odds in variables like the corporations readiness to implement the project and the projects utilization of past experiences in similar projects. The risk analysis practice of ESC got the least rating from the respondents with an aggregate mean of 2.2. Based on the respondents the risk identification, analysis, appraisal and control mechanisms were poor

The stakeholder’s analysis practice and feasibility study got an aggregate mean of 3.0 and 2.68 respectively. Which also show as there were problems in understanding stakeholders and doing proper feasibility study.

#### **4.6 challenges and problems of the project identification and selection process**

Project identification and selection have a series of tasks beginning from conceptualizing the project idea, to making preliminary study, feasibility study, appraisal, comparing potential projects and making the final decision of selection. All these activities needed effective attention because if we missed one of the activities and selected infeasible projects and began execution it is difficult to turn back.

Even if ESC didn't pass through comprehensive activities of project selection and identification, based on the respondent the following challenges and problems were experienced in the process. The respondents were asked just to list the problems the corporation encountered in the process and arranged like the following. They presented based on the respondents listing repetition

- Unnecessary political involvements: most of the projects are the outcome of overambitious political decision with little participation of the corporation and other experts. In the process the ideas of the experts weren't heard because the politicians were in a challenge from the society. The sugar shortage throughout the country was the main problem throughout the country. The politicians were planning to give lasting solutions. In the process they overran the ground truth of the country's capacity and created another problem.
- Including of all regions: in the target the government enforces the corporation to include all of the regions to create fair distribution of projects which also became another source of many problems. This regional equality strategy created two main problems. First the number of the projects becomes too large in number for the corporation to manage and for the government to finance. Second some projects in some regions began execution without being sure about their feasibility for the sake of equality between regions which finally puts the industry in vicious cycles of crises.
- Short time schedule; following the launch of the first GTP the government was in a hurry for everything. The corporation was instructed to begin implementation by any means. With a motto "we will study as we implement, we will implement side by side to studying..." Because there was no time to study the projects the corporation begins contracting the project without a proper feasibility and other studies.

- Lack of experienced experts in sugar technology who can understand and support to conceptualize the big image of sugar industry.
- Lack of stakeholder's participation: while studying the project areas and making a project selection many of the stakeholders was a passive actors. Especially the local authorities who have the knowledge on the area weren't part of the identification process.
- Low capacity of the consultants: the first consultants were government consultants like Ethiopian water works and design agency which don't have that much experience in big projects like this
- Infrastructure problem to study the areas: many of the projects targeted found far from the main transportation and accessible corridors that makes the study difficult.
- The corporation was incapable for it: the corporation and the former organization, Ethiopian sugar development agency don't have such experiences. They were working in the operation of the previous projects factories.
- Lack of appropriate feasibility study: most of all the identification and selection process based only the accessibility of land, rivers and labor power for the projects as the main parameters which is hardly an instrument to decide a on selection decision.

## Chapter 5

### Summary, Conclusion and recommendation

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#### Summary and Conclusion

Ethiopia is one of the most suitable countries for sugarcane plantation which is the main raw material for sugar industries. Its suitable weather conditions and soil characteristics are suitable for the sugarcane plantation in addition to its weather condition the availability of many rivers and irrigable lands is a plus for the country to create a productive sugar industry. The sugar projects were the outcomes of these facts in the ground.

But suitable weather condition, soil constraints and abundant river doesn't guarantee success. Because, project success is the outcome of many interrelated factors of resource availability, financial capacity, and execution capability. This is what is already seen in the Ethiopian sugar projects. After ten years of execution many of projects still can't begin operation even if the country has suitable resources for sugar industry. Many researches are done on different topics like the execution problems, the contractor's problems, the financial mismanagements and the like the projects passing through. But this research begins with idea that the cause of this entire problem begins from the inception stages of the projects, which have the root from the motto which said "**we will study as we implement, we will implement side by side to studying**". The other problems are just the outcome of the first identification and selection problem.

This paper researched the issue of objective analysis, stakeholder's analysis, risk identification and analysis, feasibility study and problems of the identification process in detail and finds out that, the cause of all the complication is from the selection stages of the project.

The **first** concern of the survey was revolved around the idea of objective analysis, which includes ideas related to goal, objective, purpose, output target, organizational readiness and strategy of the country and the corporation readiness for the overall activity of the projects.

The outcome of the survey indicated that the goal and objectives of the sugar projects were clear to understand. With a mean of 4 many of the respondents agreed that many of the stakeholders understand the goals and objectives of the projects pretty well. Like the goal and the objective, the participants also agree in the clearness of the purposes and output targets of the projects. However, the organizational readiness to make the project happen was questioned by many of the participants. Many of the participants agreed that the organization and the supporting bodies

were not ready to implement those big projects. In terms of the countries strategy the research outcome shows that the sugar projects were in line with the countries strategy. So the goals and objectives were clear, the purpose and the output targets were clear, the projects were in line with countries strategy but the organizations weren't capable to execute the project.

The **second** concern of the survey was stakeholder's analysis practice which includes stakeholder's identification, listing, understanding their concern, developing strategy to address their concern, communicating, and opening room to entertain their ideas.

Most of the respondents agree that in the project identification and selection process stakeholder analysis was one of the activities and there was listing of each stakeholder who can have an influence in the projects. They are also agreed that there was communication with many of the respondents and there was initial understanding about the importance of the projects with many of the stakeholders.

But many of the respondents believe there was a problem in clearly understanding the issue of many stakeholders and the stakeholder analysis lacks strategies to address the question and concern of different stakeholders like the local community and local authorities. Even if there were trials for communication there were some problems in understandings. In addition the ideas of different stakeholders weren't entertained even if there were rooms for different stakeholders to contribute their ideas. Most of all there was very important stakeholders who was missed in the process like the experts and local authorities which affects the project performance greatly.

The **third** concern was the risk analysis practice of the projects. This topic mainly contains issues related to risk identification, risk analysis, risk response strategy, risk monitoring and control.

Many of the respondents to the survey scored the least for all of the activities of risk analysis. Most of the respondent believed in the identification and selection of the projects there wasn't clear risk identification and the risk analysis was also with little concerns. In terms of risk response strategy and risk monitoring and control the corporation works a little work. They were just hurrying to begin the execution activity. Based on the respondents because of poor risk analysis the projects were being contracted for incapable contractors, the projects become vulnerable for inflation, devaluation and other economic related problems. Some the lands

become unsuitable for sugarcane plantation while others are affected by weather conditions like continuous rain fall that completion of the projects becomes difficult.

The **fourth** concern of the survey was feasibility study which is the main tool to make a selection decision. This part contains issues of primary engineering design, alternative projects for competition while selecting the project, clearness of sites of the project, effects of the project on the local community, availability of resource, knowing total cost of the project, attainableness of time schedule of the activities, economic capacity of the country in relation to the project and financial soundness of the projects.

In all of this feasibility parameters the respondents decide that all of those activities didn't done effectively. Especially lack of other projects for competition makes it difficult to say a selection. The respondents believed that while selecting the projects the effect of the projects to the local community wasn't clear. The detailed cost of the projects wasn't clearly known, the projects were over the economic capacity of the country and it is difficult to say the projects are feasible. So, why the projects were selected? Because, there wasn't proper feasibility studies.

The **last** concern of the survey was challenges and problems of the projects identification process.

The respondents pointed out many problems and challenged which happened while selection the projects. The problem begins with the

- Shortage of time to select effective projects because the government was in a hurry.
- The projects were selected without a clear feasibility study.
- There was unnecessary political influences and interference.
- Including regions in the projects were must
- Low capacity of the corporation and the consultants
- Lack of experts and stakeholders participation was the main challenges identified by the respondents.

## **Recommendation**

In opposite to the goals and objectives of the government towards sugar projects the society is still living in quota system to get sugar for daily consumption, in addition to the shortage of sugar the sugar projects are taking many billions of dollars over the budget seated for their completion.

So based on this survey and principles of project management the researcher forward the following recommendations;

- Long time for project completion is directly related with increasing the cost overrun. Especially in the country where there is continuous inflation, uncertain economy and import dependent raw materials the time factor is very devastating and risky. So the project owners and the government should find ways to finish the projects in short possible time.
- The feasibility study done by many consultants still unable to show the real pictures of the projects. Even if it is too late for feasibility study, if the owners goes out of try and error ways of doing and find capable international organizations to study the least possible completion mechanism it can save many cost.
- For infeasible projects and projects affected by unsuitability of the land for sugarcane plantation the corporation should find ways to minimize the capacities and save costs for the country
- The recommendation of this research is for the sugar corporation and other company's future endeavor in project selection. Mainly for companies who plan to engage in to a big project endeavor, saving of days and months by skipping the identification and selection process and entering to the planning and execution phase in a hurry is not a success. Small mistake in doing feasibility study or skipping of one potential risk may break down the whole work. So they should take lessons from the experience of ESC.
- Project managers should not be affected by over ambitiousness because of the abundance of resources for the projects operation. Because, operation and project are different. For the Ethiopian sugar projects there were abundant resources like sugar cane, chip and accessible labor, and also big domestic as well as international market. But all of them don't have any help for projects implementation.

- Any mistake in the selection stages of project management is the greatest risk because it results a wrong project which can't be improved by effective planning and execution.
- In projects success is not the beginning rather it is the ending. What guarantees completion is not only hard work and big budget. As we saw in sugar projects for good finishing projects should have effective beginning.

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## Appendix I

Table 10; the goal and objectives of projects were clear

		Frequency	Percent	Valid percent
<b>Valid</b>	Disagree	3	10	10.3
	Neutral	2	6.7	7
	Agree	9	30	31
	Strongly agree	15	50	51.7
	Total	29	96.7	100
<b>Missing</b>	system	1	3.3	
<b>Total</b>		30	100	

Table 11; the scopes of the projects were clear

		Frequency	Present	Valid present
<b>Valid</b>	Strongly disagree	2	6.7	6.7
	Disagree	4	13.3	13.3
	Neutral	4	13.3	13.3
	Agree	10	33.3	33.3
	Strongly agree	10	33.3	33.3
	total	30	100	100

Table 12; the purpose and output target of the projects were clearly identified.

		Freque ncy	Present	Valid present	Cumulative present
<b>Valid</b>	Disagree	6	20	20	
	Neutral	5	16.7	16.7	
	Agree	11	36.7	36.7	
	Strongly agree	8	26.6	26.6	
	total	30	100	100	

Table 13; the list of activities to implement the project were listed exhaustively

		<b>Frequenc y</b>	<b>Present</b>	<b>Valid present</b>	<b>Cumulative present</b>
	Strongly disagree	5	16.7	16.7	
<b>Valid</b>	Disagree	7	23.3	23.3	
	Neutral	12	40	40	
	Agree	3	10	10	
	Strongly agree	3	10	10	
	total	30	100	100	

Table 14; effective institutional readiness to undertake the project were there

		<b>Frequenc y</b>	<b>Present</b>	<b>Valid present</b>	<b>Cumulative present</b>
	Strongly disagree	5	16.7	16.7	
<b>Valid</b>	Disagree	8	26.6	26.6	
	Neutral	9	30	30	
	Agree	7	23.4	23.3	
	Strongly agree	1	3.3	3.3	
	total	30	100	100	

Table 15; the projects were in line with the countries strategic goal

		Frequenc y	Present	Valid present	Cumulative present
<b>Valid</b>	Disagree	2	6.7	6.7	
	Neutral	3	10	10	
	Agree	13	43.3	43.3	
	Strongly agree	12	40	4	
	total	30	100	100	

Table 16; the project identification bases past experience of the country in big industry development.

		Frequenc y	Present	Valid present	Cumulative present
	Strongly disagree	9	30	30	
<b>Valid</b>	Disagree	7	23.3	23.3	
	Neutral	7	23.3	23.3	
	Agree	5	16.7	16.7	
	Strongly agree	2	6.7	6.7	
	total	30	100	100	

Table 17; stakeholder's identification as a parameter for project selection

		Frequenc y	Percent	Valid percent	Cumulative percent
<b>Valid</b>	Disagree	7	23.3	23.3	
	Neutral	4	13.3	13.3	
	Agree	13	43.4	43.3	
	Strongly agree	6	20	20	
	total	30	100	100	

Table 18; there was clear list of each stakeholder

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
<b>Valid</b>	Disagree	7	23.3	23.3	
	Neutral	10	33.3	33.3	
	Agree	9	30	30	
	Strongly agree	4	13.4	13.4	
	total	30	100	100	

Table19; the needs of each stakeholders was analyzed and identified clearly

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
	Strongly disagree	3	10	10	
<b>Valid</b>	Disagree	10	33.3	33.3	
	Neutral	9	30	30	
	Agree	7	23.3	23.3	
	Strongly agree	1	3.4	3.4	
	total	30	100	100	

Table 20; strategies were developed to address the needs of each stakeholders

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
	Strongly disagree	2	6.7	6.7	
<b>Valid</b>	Disagree	9	30	30	
	Neutral	12	40	40	
	Agree	6	20	20	
	Strongly agree	1	3.3	3.3	
	Total	30	100	100	

Table 21; there was communication with different stakeholders

		<b>Frequenc</b>	<b>Present</b>	<b>Valid</b>	<b>Cumulative</b>
		<b>y</b>		<b>present</b>	<b>present</b>
	Strongly disagree	4	13.3	13.3	
<b>Valid</b>	Disagree	3	10	10	
	Neutral	5	16.7	16.7	
	Agree	14	46.7	46.7	
	Strongly agree	4	13.3	13.3	
	Total	30	100	100	

Table 22; there was initial agreement and understanding between different stakeholders

		<b>Frequenc</b>	<b>Percent</b>	<b>Valid</b>	<b>Cumulative</b>
		<b>y</b>		<b>percent</b>	<b>percent</b>
	Strongly disagree	2	6.6	6.6	
<b>Valid</b>	Disagree	8	26.7	26.7	
	Neutral	8	26.7	26.7	
	Agree	12	40	40	
	total	30	100	100	

Table 23; there was equal emphasis for all stakeholders

		<b>Frequenc</b>	<b>Present</b>	<b>Valid</b>	<b>Cumulative</b>
		<b>y</b>		<b>present</b>	<b>present</b>
	Strongly disagree	1	3.3	3.3	
<b>Valid</b>	Disagree	12	40	40	
	Neutral	13	43.4	43.4	
	Agree	3	10	10	
	Strongly agree	1	3.3	3.3	
	total	30	100	100	

Table 24; there was room for stakeholders to contribute their idea

		Frequenc y	Present	Valid present	Cumulative present
	Strongly disagree	2	6.6	6.6	
<b>Valid</b>	Disagree	8	26.7	26.7	
	Neutral	11	36.7	36.7	
	Agree	8	26.7	26.7	
	Strongly agree	1	3.3	3.3	
	total	30	100	100	

Table 25; potential risks of projects were identified

		Frequenc y	Present	Valid present	Cumulative present
	Strongly disagree	5	16.7	17.2	
<b>Valid</b>	Disagree	10	33.3	34.5	
	Neutral	9	30	31.0	
	Agree	4	13.4	13.8	
	Strongly agree	1	3.3	3.5	
	total	29	96.7	100	
<b>Missing</b>	system	1	3.3		
	total	30	100		

Table 26; the potential effects of each risk were analyzed clearly

		<b>Frequenc y</b>	<b>Present</b>	<b>Valid present</b>	<b>Cumulative present</b>
	Strongly disagree	8	26.7	27.6	
<b>Valid</b>	Disagree	10	33.3	34.5	
	Neutral	8	26.7	27.6	
	Agree	3	10	10.3	
	total	29	96.7	100	
<b>Missing</b>	system	1	3.3		
	total	30	100		

Table 27; risk response system was developed

		<b>Frequenc y</b>	<b>Present</b>	<b>Valid present</b>	<b>Cumulative present</b>
	Strongly disagree	8	26.7	27.6	
<b>Valid</b>	Disagree	10	33.3	34.5	
	Neutral	9	30	31	
	Agree	2	6.7	6.9	
	total	29	96.7	100	
<b>Missing</b>	system	1	3.3		
	total	30	100		

Table 28; risk controlling and monitoring system were developed

		Frequenc y	Present	Valid present	Cumulative present
	Strongly disagree	7	23.3	24.1	
<b>Valid</b>	Disagree	12	40	41.4	
	Neutral	9	30	31	
	Agree	1	3.3	3.5	
	total	29	96.7	100	
<b>Missing</b>	system	1	3.3		
	total	30	100		

Table 29; the participant agreed on the importance of the project

		Frequenc y	Percent	Valid percent	Cumulative percent
<b>Valid</b>	Disagree	5	16.7	16.7	
	Neutral	8	26.6	26.6	
	Agree	15	50	50	
	Strongly agree	2	6.7	6.7	
	total	30	100	100	

Table 30; in the selection process there was alternative projects for comparison

		Frequenc y	Percent	Valid percent	Cumulative percent
	Strongly disagree	1	3.3	3.3	
<b>Valid</b>	Disagree	12	40	40	
	Neutral	15	50	50	
	Agree	2	6.7	6.7	
	total	30	100	100	

Table 31; primary engineering design of the projects were clear

		Frequenc y	Percent	Valid percent	Cumulative percent
	Strongly disagree	2	6.7	6.7	
<b>Valid</b>	Disagree	14	46.7	46.7	
	Neutral	10	33.3	33.3	
	Agree	4	13.3	13.3	
	total	30	100	100	

Table 32; the effect of the projects in the community was clearly known

		Frequenc y	Percent	Valid percent	Cumulative percent
	Strongly disagree	2	6.7	6.7	
<b>Valid</b>	Disagree	14	46.7	46.7	
	Neutral	4	13.3	13.3	
	Agree	10	33.3	33.3	
	total	30	100	100	

Table 33; the project sites were clearly defined

		Frequenc y	Percent	Valid percent	Cumulative percent
	Strongly disagree	1	3.3	3.3	
<b>Valid</b>	Disagree	16	53.4	53.4	
	Neutral	7	23.3	23.3	
	Agree	6	20	20	
	total	30	100	100	

Table 34; availability of labor and material were clearly defined

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
	Strongly disagree	1	3.3	3.3	
<b>Valid</b>	Disagree	11	36.7	36.7	
	Neutral	10	33.3	33.3	
	Agree	8	26.7	26.7	
	total	30	100	100	

Table 35; the total cost of the projects were calculated

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
	Strongly disagree	3	10	10	
<b>Valid</b>	Disagree	11	36.7	36.7	
	Neutral	7	23.3	23.3	
	Agree	9	30	30	
	total	30	100	100	

Table 36; there was attainable implementation schedule

		<b>Frequenc y</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
	Strongly disagree	8	26.7	26.7	
<b>Valid</b>	Disagree	13	43.3	43.3	
	Neutral	3	10	10	
	Agree	6	20	20	
	total	30	100	100	

Table 37; the projects were in line with the economic capacity of the country

		<b>Frequenc</b>	<b>Percent</b>	<b>Valid</b>	<b>Cumulative</b>
		<b>y</b>		<b>percent</b>	<b>percent</b>
	Strongly disagree	4	13.3	13.3	
<b>Valid</b>	Disagree	12	40	40	
	Neutral	6	20	20	
	Agree	8	26.7	26.7	
	total	30	100	100	

Table 38; the projects were financially sound

		<b>Frequenc</b>	<b>Percent</b>	<b>Valid</b>	<b>Cumulative</b>
		<b>y</b>		<b>percent</b>	<b>percent</b>
	Strongly disagree	2	6.7	6.7	
<b>Valid</b>	Disagree	7	23.3	23.3	
	Neutral	13	43.3	43.3	
	Agree	8	26.7	26.7	
	total	30	100	100	

## **Appendix II**

**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE  
MA-PROGRAM RESEARCH QUESTIONNAIRE**

### **Dear Respondent**

This questionnaire is designed to collect information related to the practice of project identification and selection practice of Ethiopian Sugar Corporation. I want to look into the processes important for selecting projects that enables to fulfill the goals of the country or the company. The research output will be useful to both academics and policy making bodies.

As this is research exercise to fulfill a requirement at AAU University, it will be used for same purpose. Your information will be kept confidential.

**Thank You in advance for your cooperation**

**Respondent’s demographic data**

*Direction:* Please complete the following details for the purposes of the study by marking the box that is appropriate for you.

<b>1. Gender</b>	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>				
<b>2. Level of education</b>	Diploma	<input type="checkbox"/>	Degree	<input type="checkbox"/>	Masters	<input type="checkbox"/>	Others.	<input type="checkbox"/>
<b>3. Age</b>	20-30	<input type="checkbox"/>	30-40yrs	<input type="checkbox"/>	40yrs+	<input type="checkbox"/>		
<b>4. Number of years in organization</b>	0-4yrs	<input type="checkbox"/>	5-8yrs	<input type="checkbox"/>	8yrs+	<input type="checkbox"/>		
<b>5. Current Position</b>	_____							

**6. Objective analysis process of Ethiopian Sugar Corporation.**

Literature define Objective analysis as a mechanism to understand the end goal of the project, the means to fulfill those goals and the impact of those goals in solving the problem the project is trying to address. So how you rate the objective analysis of Ethiopian Sugar Corporation?

Parameters	Strongly agree	agree	neutral	disagree	Strongly disagree
The goals and objectives of the sugar projects were clear					
The scopes of the projects were clear					
The purpose and output targets of the projects were clearly identified					
The list of activities to implement the project					

were listed exhaustively					
Effective institutional readiness to undertake the projects were there .					
The projects were in line with the countries strategic goal					
The project identification bases past experiences of the country in big industry developments					

7. Based on what is targeted first the outcome of sugar projects is poor.

Yes

No

8. If u answer Q. 7 yes, what do you think the effect of the projects objective and goal on its outcome?

.....  
 .....  
 .....  
 ...

**9. Stockholders analysis practice of the projects identification and selection process.**

Stakeholders are peoples or organization affected by the project directly or indirectly, positively or negatively. Effective stakeholder’s analysis is important for the overall project activity. So how you see stakeholder’s analysis practice of Ethiopian Sugar Corporation?

	Strongly agree	agree	neutral	disagree	Strongly disagree
Stakeholders identification was part of the projects selection					
There was clear list of each stakeholders					
The needs of each stakeholder was analyzed					

and identified clearly					
Strategies were developed to address the needs of each stakeholders					
There was communication with different stakeholders like land owners and local authorities					
Initial understanding and agreements on the projects were made by the stakeholders					
There was equal emphasis for all stakeholders					
There was room for stakeholders to contribute their idea					

10. do you think the project identification process of ESC effectively understand the needs of each stakeholders?

Yes

No

11. If you answer Q, number 10 No which stakeholders need is not addressed effectively?

.....  
 .....  
 .....

**12. Risk analysis and identification practice of Ethiopian Sugar Corporation.**

The following risk analysis process is important to make decision to select or not selecting a project. How do you see the risk analysis process of Ethiopia sugar corporation?

	Strongly agree	agree	neutral	disagree	Strongly disagree
Potential risks of projects were identified					
The effect of each risks were analyzed clearly					
Risk response systems were developed					

Risk controlling and monitoring systems were developed					
--	--	--	--	--	--

13. The ESC sugar projects were encountered by risks not identified by the risk analysis process.

Yes

No

14. If u answer Q. number 13 “yes “what are those risks?

.....

.....

.....

**15. Feasibility analysis of projects**

Feasibility study is a tool in project selection to determine if the project is attractive and attainable, with a give financial resource, economic condition, and technical and human resource capacity. How do you rate the feasibility analysis of Ethiopian Sugar Corporation?

	Strongly agree	agree	neutral	disagree	Strongly disagree
The participants agreed on the importance of the projects					
In the selection process there was alternative projects for comparison					
Preminary engineering design of the projects were designed					
The effect of the project in the community was clearly known					
The site of the project was clearly defined					
Availability of material and labor was					

clearly defined					
The total cost of the project was calculated					
There was attainable implementation schedule					
The projects were in line with the economic capacity of the country					
The projects were financially sound					

16. For the ESC sugar projects the feasibility study documents was the main instruments in the selection of projects.

Yes

No

17. If you answer question No 16 “NO” what is its effect in the overall project activity?

.....  
 .....  
 .....  
 .....

18. What were the main challenges and problems of ESCs project identification and selection process?

.....  
 .....  
 .....

