Ex Post-Evaluation Brief
Kenya: Road Maintenance, Phase I

Programme/Client	Road Maintenance, Ph. I BMZ No. 1995 65 433*	
Programme executing agency	Kenya Rural Roads Authority (KeRRA)	
Year of sample/ex post evaluation report: 2012/2012		
	Appraisal (planned)	**Ex post-evaluation (actual)**
Investment costs (total)	EUR 13.25 million	EUR 21.34 million
Counterpart contribution (company)	EUR 5.58 million	EUR 13.67 million
Funding, of which budget funds (BMZ)	EUR 7.67 million EUR 7.67 million	EUR 7.67 million EUR 7.67 million

* random sample

Project description: The programme supported the introduction and implementation of a new road maintenance scheme based on labour-intensive technology and private sector involvement. The Financial Cooperation (FC) loan was largely used to finance repair and maintenance work on classified roads in the districts covered by the programme, with the aim of bringing roughly 1,000 km of the network into a condition fit for regular maintenance. Work was carried out by small local contractors. Other components included the procurement of vehicles and IT equipment, the introduction of a contract management system into decentralised administrative units, training programmes for contractors and supervisory staff and the provision of consultancy services.

Objective: The programme aimed at cost-effectively facilitating and increasing traffic flows on roads in the districts covered by the programme (*outcome*). This was to contribute to improved conditions for the production and marketing of goods as well as enabling better access to social services (*impact*). Outcome indicators were reduced transportation costs (i.e. passengers and freight charges) and an increase in average vehicle speed.

Target group: Road users in the programme districts, especially local farmers and manufacturers.

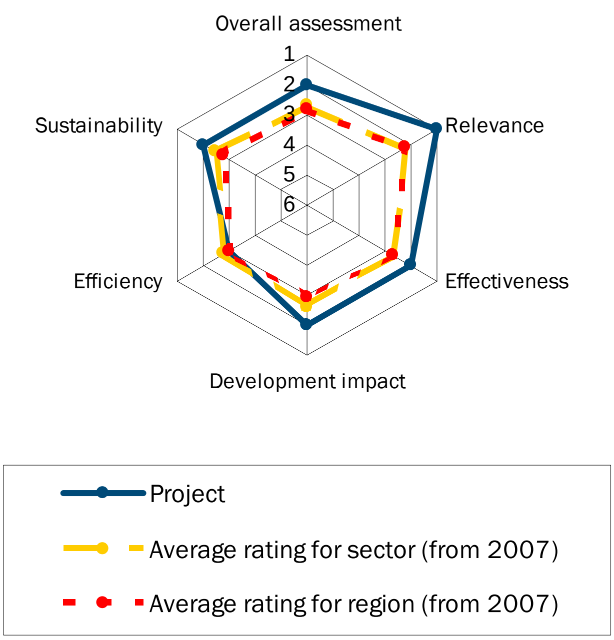
Overall rating: 2

Overall, the outcome of this ex-post evaluation is in line with expectations; no significant shortcomings have emerged.

Of note: The programme, in conjuction with a series of similar donor-funded projects in other districts of Kenya, has helped to establish a unified nationwide road maintenance concept as well as to bring about sustainable structural reforms in the Kenyan road sector.

Implementation was suspended until an independent Roads Board had been established to manage the Fuel Levy Fund; programme measures were adapted to suit modified sectoral conditions. Those actions enhanced the intended structural effects.

Rating by DAC criteria



EVALUATION SUMMARY

Overall rating: Considering the high relevance, the high degree of sustainability and good developmental impacts as well as the inspected roads' good maintenance condition, the programme in total has been rated as "good" - notwithstanding certain weaknesses outlined under the respective individual criteria below. **Rating: 2**

Relevance: The project has addressed key problems in the area of road maintenance, notably issues of long-term maintenance funding and the urgent need for sectoral reforms. By suspending implementation until the establishment of an independent Roads Board for managing the Fuel Levy Fund and by adjusting programme measures to changed sectoral circumstances, the project pursued and supported those aspects in an effective manner.

As part of the nationwide "Roads 2000" initiative, this programme aligned itself with a series of similar donor-funded interventions implemented in other districts of the country with the aim of achieving unified standards and procedures for road maintenance with private sector involvement. The design and organisation of the project was thus very well coordinated with the activities of other donors. The project conforms to the Kenyan national development strategies *Economic Recovery Strategy for Wealth and Employment Creation* (ERS) and *Vision 2030*; and, at the time of its design and implementation, it accorded with the BMZ country strategy's developmental priorities for Kenya.

The roads covered are located in the most densely populated and most intensively farmed regions of Kenya, which has enhanced the programme's relevance. Sub-rating: 1

Effectiveness: The programme objective laid down at appraisal was cost-effective road usage and improved traffic flows on roads in the programme districts. Achievement was to be measured against the following indicators:

- Lower vehicle operating costs and an average reduction of 12 % in charges for carrying passengers and freight.
    - In principle, vehicle operating costs have fallen as a result of the roads' improved condition. The same applies topassengers and freight charges; however, the strong influence of external factors (petrol prices etc.) renders quantification and attribution difficult.

- Increasing the average vehicle speed to 40 km/h.
    - This indicator is considered to have been met: prior to programme implementation, the vast majority of the roads subsequently repaired were either impassable or only passable to a very limited extent. However, residents of those villages and settlements along the programme roads state that the increased traffic speed, especially in the case of smaller cars and motorbikes, also constitutes a major problem. Hence, improvised speed bumps made of

    - Alternative indicators could have been used here, such as improvements made in public transport performance and a reduction in journey times on the roads covered by the programme.

- Improved all-weather passability for the roads covered by the programme.

With regard to the intended programme outputs, the target of 1000 km was virtually met in full - with 971 km of roads repaired; the same applies to the number of people - contractors and staff from KeRRA regional offices - who received advanced training (288 as against 281). The high proportion of KeRRA staff undergoing training is due to the high levels of staff turnover in the regional offices.

The Kenyan counterpart contribution had increased from EUR 5.58 million to EUR 13.67 million, as maintenance work along the programme regions' road network was also counted. Those funds were used for the recurrent and periodic maintenance of 6,750 km of roads. Hence the partner commitment was kept to provide local funds to at least the same level as the FC contribution. Sub-rating: 2

Efficiency: The actual implementation period came to 60 months, corresponding to the duration specified in the appraisal report; however, implementation was postponed by 15 months. This led to increased costs for the management consultant, whose contract had to be extended from 36 months to 51.

The extended implementation period was caused by the comprehensive planning and preparation work needed; besides, the high rate of staff turnover at the KeRRA regional offices (and the increased training demand which went with it), as well as substantial delays incurred in forwarding the programme funds from the Finance Ministry to the Ministry for Roads and then on to the accounts of the KeRRA regional offices significantly hampered progress. As a consequence, payments made to small local contractors were delayed time and again, and in several cases they had to temporarily suspend their work due to an inadequate cash flow.

Unit costs for the works financed through FC fare comparatively low at EUR 5,350 per km.

With regard to allocative efficiency, we can confirm that the road sections selected are carrying a higher than average volume of traffic.

It will be important to ensure that the overarching *Roads 2000* principle – having all work on minor and major rural roads carried out by private contractors – continues to be pursued consistently. At district level, we observed isolated instances of attempts have work carried out – at supposedly lower costs - by unskilled casual workers under KeRRA supervision;

this has an adverse impact on the efficiency and quality of implementation, especially since the training provided in the context of this programme has led to significantly expanded capacity among contractors in the sector. Sub-rating: 3

Overarching developmental impact: The programme interventions have led to substantial, tangible improvements for the target group. Before the repair works, the vast majority of roads covered by the programme were either impassable or only passable to a very limited extent; as a result of this programme, access to markets and social services has improved significantly. Hence, measured by journey frequency, the availability of public transport - i.e. *matatus* (minibuses), taxis and motorcycles - has risen (varying between districts) by between 16 % and 90 %, whilst ticket prices on public transport have fallen by between 17 % and 44 %.

Furthermore, a socio-economic impact study carried out as part of the ex-post evaluation has shown that specific vehicle operating costs - which had dropped by up to 70 % against costs prior to implementation - have, to some extent, slightly increased since the programme ended. Although this is predominantly due to unfavourable trends in fuel prices of petrol since, the condition of some road sections has reportedly deteriorated since the programme was completed. This is caused by continuing inadequacies in the funds provided for both recurrent and periodic maintenance: current allocations do not allow for every road in the region to be incorporated into the district administrations' annual work schedules.

By supporting and extending the overarching *Roads 2000* initiative, the programme has helped to improve participation by the local population in work planning activities as well as to increased competition, private sector capacity and transparency in the awarding of contracts. Sub-rating: 2

Sustainability: The programme appraisal report pointed out that the sector reforms which had been demanded and implemented have reduced the risk to sustainability. Transferring responsibility for expanding and maintaining the rural road network to the spin-off state corporation KeRRA (and its regional offices) has further improved the institutional framework.

The training provided under the programme have equally contributed to sustainability, since it has led to increased competence among KeRRA staff in terms of planning, tendering and contract awarding processes as well as of monitoring and financial management related to maintenance work. Local companies have been able to broaden their skills with regard to competitive tenders and contract award procedures as well as to labour-intensive implementation methods.

Furthermore, impressions gained in the field indicate that, since final inspection in June 2009, funds for maintenance and repair are meanwhile allocated more reliably and regularly. The level of funding available is continually increasing and is being allocated to the districts in accordance with fixed criteria. However, the available budget is still too low to incorporate every classified road into the annual work schedules of the programme districts covered by the programme. This has led to isolated instances of renewed deterioration after programme completion.

Furthermore, it is important to ensure that funds are used for their intended purpose. There is a danger that - not least due to local political influence, particularly in the run-up to elections - an increasing proportion of available funds will be used for expensive new constructions or repair works, rather than ensuring continued passability and serviceability of roads that have already been repaired through regular maintenance. Sub-rating: 2

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being relevance, effectiveness, efficiency and overarching developmental impact. The ratings are also used to arrive at a final assessment of a project's overall developmental efficacy. The scale is as follows:

1	Very good result that clearly exceeds expectations
2	Good result, fully in line with expectations and without any significant shortcomings
3	Satisfactory result – project falls short of expectations but the positive results dominate
4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
6	The project has no impact or the situation has actually deteriorated

Ratings 1-3 denote a positive or successful assessment while ratings 4-6 denote a not positive or unsuccessful assessment

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability) The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Ratings 1-3 of the overall rating denote a "successful" project while ratings 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (rating 3).