

Ghana: District Capitals I

Ex-post evaluation report (final evaluation)

OECD sector	43030 / Urban development and management	
BMZ project ID	1994 65 493 - EUR 7.87 million (investment in goods and materials) 1995 70 060 - EUR 0.82 million (back-up measure)	
Project executing agency	Ministry of Local Government, Rural Development and Environment	
Consultant	1) IGIP, Darmstadt, together with WATERTECH and TREND (local Ghanaian consulting firms) 2) Beller Consult	
Year of ex-post evaluation report	2008	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	July 1995	January 1998
Period of implementation	36 months	49 months (main measures)
Investment costs	EUR 9.71 million	EUR 8.18 million
Counterpart contribution	EUR 1.02 million	EUR 0.77 million
Financing, of which FC funds	EUR 8.69 million	EUR 7.41 million
Other institutions involved	Cooperative project with GTZ	Cooperative project with GTZ
Performance rating	3	
• Relevance	2	
• Effectiveness	3	
• Efficiency	3	
• Overarching developmental impact	2	
• Sustainability	3	

Brief description, overall objective and programme objectives with indicators

Within the framework of the FC component of the cooperative project, drinking water supply and waste water disposal facilities were constructed in the three district capitals Ejura, Kintampo, and Nkoranza, and the central market and lorry park/bus station rehabilitated in another district capital, Atebubu. In this context, the programme objective was to improve the supply of different infrastructural services to the population in four district capitals. The overall objective of the project was to contribute to building the self-government capacities of the relevant District Assemblies (DAs). To this end, a TC component aimed to improve management within the DAs.

The orderly operation and maintenance of the promoted infrastructural areas were identified as the indicators for measuring the achievement of the overall objective. The indicators for measuring the achievement of the programme objective were sufficient quantities of quality water, and coverage of operating and maintenance costs and a substantial part of depreciation by tariffs and fees. For the market and lorry park/bus station, orderly operation (as regards workflow organisation) and the generation of surpluses were targeted. Together with transfer payments from the central government, these surpluses were to be used to maintain other infrastructure facilities.

Project design/major deviations from the original project planning and their main causes

The project concept aimed to implement measures to improve infrastructure in the areas of water supply, sanitation and transport. As regards water supply, water supply systems and latrines were constructed and consultancy provided on planning these systems in the three district capitals. Within the framework of a dual-component accompanying measure, one component mobilised the user group and set up units in the municipalities responsible for operating the facilities. In a second component, support was provided to a project implementing unit at the Ministry of Local Government, Rural Development and Environment (MLGRDE). This unit is made up of one director and one technical staff member.

In addition to considerable delays, the design of the water supply systems deviated from the original plans, as did the details of the investment measures in Atebubu. As a result, plans to build a fourth water supply system in Atebubu, which were originally discussed, were abandoned, and a market with a lorry park/bus station were rehabilitated instead. At the time of the project appraisal, the project plans also included a central piped water supply system for the densely built-up centres of each of the three cities. Given a lack of acceptance, public standpipes were used instead of hand pumps. In retrospect, even though this solution was marginally more expensive, it can be regarded as an appropriate, needs-oriented change. Operational structures are designed in a task-oriented manner, and have allowed a continuous supply of water to be provided in all three cities since the systems were commissioned in 2001.

The planned latrine component, which primarily served demonstration purposes, was implemented as scheduled. About 500 latrines were provided in all three cities. Although fixed subsidies were provided, about two thirds of the user groups opted for the more comfortable solution (toilet or "pour flush") instead of the original standard solution (aerated pit latrines), as it improved their standard of living despite the extra cost involved.

In the area of transport, it was possible to rehabilitate and expand the market and the lorry park/bus station in the district capital of Atebubu as planned. Accompanying TC measures provided consultancy to the DAs on setting up a privately run market management company. Furthermore, within the framework of the cooperative project, TC also provided consultancy to support management in the four district capitals, particularly in the areas of urban planning, operations, and maintenance.

Looking back, the overall basic project concept is assessed as expedient, and appropriate for dealing with the problem at hand.

Key results of the impact analysis and performance rating

As a specific result of the measure, about 63,000 inhabitants now have safe drinking water, as opposed to the 16,000 or so inhabitants at the project planning stage. Furthermore, about 15,000 inhabitants were provided with latrines. The rehabilitation and expansion of the market and lorry park/bus station have improved transport options and the supply of products for more than 20,000 inhabitants. This means that the programme objective of improving services provided to the population is deemed to have been achieved. The overall objective "contribution to building the self-government capacities of the District Assemblies (DAs)" was also achieved. The following factors played a decisive role in this regard: the degree of coverage among the target group was increased even after the final follow-up, and the project achieved plausible,

verifiable impacts as regards the satisfactory provision of decentralised social services for inhabitants in the four district capitals.

Overall, maintenance of the financed infrastructure is assessed as satisfactory. The strained financial situation of the DAs poses a considerable risk to the sustainable operation of the water supply systems, and above all, of the market and lorry park/bus station. In some instances the assemblies may dispose of surplus income from water supplies and the market at their own discretion, whereby there is a lack of understanding in some cases for the need for maintenance measures (particularly in Kintampo and Atebubu). This continued risk to sustainability was recognised at the project appraisal stage, and primarily came about for political reasons, particularly as far as the market in Atebubu is concerned. High staff turnover also impacts operations to some degree (here again, primarily in Atebubu).

Over the past five years, the efficiency with which tariffs were collected averaged at about 85%, which is good. Over the same period, the coverage of costs averaged around 123%, which is acceptable from a microeconomic point of view. However, the fact that this income is not enough to maintain operations in the long term restricts sustainability, as funding required for reinvestment cannot be generated from tariffs. The situation is similar for the market in Atebubu whose financial situation is even somewhat weaker than that of the three water supply systems.

The **relevance** of the project results from the supply bottlenecks experienced by the target group at the project appraisal stage, when more than 75% of drinking water needs were obtained from unsafe sources. The market and the lorry park/bus station have come to play a significant role in trade and transport in the region. The project was geared towards the development goals agreed with the Ghanaian Government and the BMZ. Local procedures and structures were used to an appropriate extent, primarily by transferring operational responsibility to the decentralised units. Given long-standing, increasingly institutionalised donor coordination, it was not possible to identify limitations as regards coherence. Rating: 2.

The overall **effectiveness** of the project is rated as satisfactory. It was possible to achieve most of the realistic programme objectives. One exception, however, is the key indicator – the number of connections to the water supply system – which was unsatisfactory. One significant reason for this is the high rate of population growth. Consequently, this result is qualified somewhat by the fact that the number of connections has risen significantly in absolute terms. Current and future demand is high for the functioning water supply systems observed on site, and the market and lorry park/bus station in Atebubu are used frequently, which corroborates the overall evaluation. Rating: 3.

As regards **efficiency**, the exchange rate has developed favourably and the final costs of the investment measures came in under the estimated costs. These factors have had a positive impact. Although overall cost coverage is higher than operational costs, large-scale investment in replacement parts cannot be financed from the income generated. Efficiency has also been hampered by delays in implementation and the fact that the market in Atebubu has not sufficiently covered its costs. As the capacities provided are being used appropriately by the target groups, the overall efficiency of the project is assessed as satisfactory. Rating: 3.

Positive **overarching developmental impacts** were achieved by the contribution to building the self-governing capacities of the relevant DAs. After project implementation, the DAs will have functional organisational structures that are responsible for water supply and a central market in the relevant cities. As a result, key social services will be provided and operated at the local level. This means that the project plays an exemplary role as regards the decentralisation of social infrastructure in Ghana. As from today's point of view, the overall goal would have had to be extended to include the project's impact on the health status of the target group, the assumed, but plausible, positive impacts of the project on reducing water-borne diseases also contribute positively to the evaluation. Rating: 2.

Sustainability risks arise primarily as a result of future reinvestment, for which not enough funding is available. Although the relevant Operating Units (OUs) in the three water supply systems can avail of the small surplus income generated to date for reinvestment, this income falls significantly short of the amounts required. However, as the consumption of water continues to rise, it is anticipated that use of the water supply systems will also increase considerably, which will require increased capacity in the foreseeable future. As a result, there is also a risk that the impacts of the project to date will decline.

Furthermore, the market in Atebubu poses increased risks, as the level of cost coverage to date does not ensure that operations can be sustained in the long run. This is exacerbated by the fact that a clear operational concept is not in place. Overall, other factors that pose increased risks are the limited sources of income for the districts, the continued significant infrastructural bottlenecks in the programme cities, and the considerable lack of funds transferred by the central government for investment projects. Rating: 3.

Overall, we assess the project as having a satisfactory developmental impact (rating 3), taking account of the specified evaluation criteria.

General Conclusions and Recommendations

From today's point of view, the original programme concept of providing public standpipes to supply water, which was highly participative and geared towards the target group, did not achieve the desired results. As a result, it was not possible to build the organisational and decision-making capacities of the user groups responsible for operating and maintaining the standpipes to the planned extent. According to the OUs, this resulted in sporadic disputes between users, and resulted in losses of income. As a logical consequence, the relevant OUs have therefore transferred operation of the standpipes primarily to local people, who are now responsible for running them. From an overall programmatic point of view, we therefore recommend that the implementation concept of similar projects only be defined once a comprehensive target group analysis has been carried out in the planning phase.

The programme concept is to be regarded as unclear from the current viewpoint. The clear focus of the project was on three water supply systems, with a fourth system in Atebubu being included in initial discussions (a market and lorry park/bus station were later rehabilitated instead). Therefore, strictly speaking, the project is a water supply programme that is not directly geared towards decentralisation. We therefore recommend that a clearer programme objective be identified at the project appraisal stage, and to decide basic issues such as the eligibility of a (sub-)project for promotion before submission of the appraisal report. This can also effectively reduce the risk of an overly ambitious project concept, which is common to decentralisation projects.

Notes on the methods used to evaluate project success

Assessment criteria

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

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

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

Rating 1	Very good sustainability	The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.
Rating 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.)
Rating 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.
Rating 4	Inadequate sustainability	The developmental efficacy of the project is inadequate up to the time of the ex-post evaluation and an improvement that would be strong enough to allow the achievement of positive developmental efficacy is very unlikely to occur. This rating is also assigned if the developmental efficacy that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

Criteria for the evaluation of project success

The evaluation of the developmental effectiveness of a project and its classification during the ex-post evaluation into one of the various levels of success described in more detail above focus on the following fundamental questions:

Relevance	Was the development measure applied in accordance with the concept (developmental priority, impact mechanism, coherence, coordination)?
Effectiveness	Is the extent of the achievement of the project objective to date by the development measures – also in accordance with current criteria and state of knowledge – appropriate?
Efficiency	To what extent was the input, measured in terms of the impact achieved, generally justified?
Overarching developmental impacts	What outcomes were observed at the time of the ex-post evaluation in the political, institutional, socio-economic, socio-cultural and ecological field? What side-effects, which had no direct relation to the achievement of the project objective, can be observed?
Sustainability	To what extent can the positive and negative changes and impacts by the development measure be assessed as durable?