

Ghana: Secondary Towns

Ex-post evaluation

OECD sector	43030 – Urban development and administration	
BMZ project ID	1993 65 537	
Project-executing agency	Ministry of Local Government and Rural Development	
Consultant	Kocks Consult / Conterra	
Year of ex-post evaluation	2006	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	Q1 1995	Q 3 1995
Period of implementation	6 years	6 years
Investment costs	EUR 9.0 million	EUR 9.6 million
Counterpart contribution	EUR 0.8 million	EUR 0.84 million
Financing, of which Financial Cooperation (FC) funds	EUR 8.1 million	EUR 8.74 million
Other institutions/donors involved	World Bank	World Bank
Performance rating	4	
• Significance / relevance	4	
• Effectiveness	4	
• Efficiency	4	

Brief description, overall objective and project objectives with indicators

The FC-project consisted of improving the urban marketing and transport functions (markets and bus stations) in 11 medium-sized district towns in Ghana. The FC-component constituted a separate component (co-financing) in the context of the Local Government Development Project (LGDP) prepared by the World Bank. (According to information provided by the World Bank the total volume of the LGDP amounted to USD 52.28 million, of which USD 38.51 million was financed by the World Bank). The other components comprised the rehabilitation of urban roads, waste disposal and measures to support the project-executing agency.

The objective of the FC programme was to improve the urban marketing and transport infrastructure. The purpose was to contribute to improving the district assemblies and thus the decentralisation policy in Ghana (overall objective). The indicator defined for the achievement of the overall objective was the proper operation and maintenance of the markets and bus stations. The programme objective was considered to have been achieved if the tariffs and the collection efficiency was adequate to cover the operating and maintenance costs at all project sites and a surplus was generated to cover the maintenance of further infrastructure facilities.

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

The complete planning for all measures of the project as a whole was based on a feasibility study prepared by a local consulting firm and financed from World Bank funds. The FC measures comprised the rehabilitation and in some cases the new construction of public markets and lorry and bus stations in twelve towns equally supported by the World Bank. The measures focused on the consolidation and in some cases the expansion of plots, the installation of sanitary facilities and the connection to the electricity and water supply networks.

At the time of the project appraisal it had been agreed with the project-executing agency that commercial market facilities (market stalls, shops, warehouses) would be provided by the district administrations or the market women benefiting from the measures. The original design of the markets as unroofed without a superstructure turned out to be wrong because the markets were only in a half-finished state when handed over to the beneficiaries. In most cases the district administrations then had to engage in a protracted process of looking for funding to implement further measures on the markets, which have sometimes not even been finished today. As a result many markets, especially in the poorer north of the country, have not been put into operation until today. In the event of markets established outside of the town centres (e.g. Elmina) the choice of the site was inadequate so that the primary users refused to move to the new site. In some cases overcapacities were created (walls were brought up around idle areas on a large scale; high number of toilets blocks that were not used; street lighting without connection to the power grid) or the technical design was inadequate (for instance, market superstructures with half-closed stalls, which the market women refused to use because they were considered as too small and could not be locked). The bituminous pavement of some bus stations turned out to be inadequate to cope with the heavy weight of lorries. Thus, the pavement was rehabilitated or a concrete pavement was laid (Bolgatanga, Bawku) already while the original project was still being implemented. Due to these measures the putting into operation of the stations was delayed for many years.

The Ministry of Local Government and Rural Development (MLGRD) was responsible for the implementation of the measures of the entire programme. As from the year 2000 the project implementation was transferred to the newly established "Local Government Project Support Unit" (LGPSU) in the MLGRD. The project was mainly implemented according to the top-down approach by the implementation unit and the construction consultants contracted by the unit. At the ex-post evaluation the district administrations generally complained that they had hardly been involved in the implementation. However, it has to be mentioned that at the time the districts suffered from staff shortage and frequent staff changes, which made their involvement more difficult.

In retrospect, we judge the basic project idea and the overall mix of measures as useful, though with major reservations as regards the detailed planning and construction and also the implementation. The technical design of the construction measures including the supply systems (electricity, water and sanitary facilities) was not adequate, did not quite meet actual needs and in some cases did not provide the right functions. The implementation concept also showed considerable deficiencies ranging from mistakes in the technical planning and the non-inclusion of the target group to inadequate supervision of construction sites despite extensive involvement of consultants. In consequence - at least as far as the markets are concerned - the project results are not satisfactory, both in terms of quality and quantity and due to the delays that occurred until the facilities were finally put into operation.

Key results of the impact analysis and performance rating

The markets and bus stations represent an import source of income for the districts, however, it is difficult to specify the additional fees earned as a result of the rehabilitation of the markets (only the one-time charge levied for the allocation of the market stands can be quantified) because even if market stands are not used at all the district will earn fees from alternative market places used instead. At the bus stations the situation is different because the more

orderly operation allows the regular collection of fees. A comparison with the situation before the project was implemented is not possible because no data is available on the original situation. As compared with the main sources of revenue (property tax and market fees) the bus stations usually play a minor role in the district budgets. At the time of the project appraisal the districts' income from fees had been estimated to account for approximately 27% of their own revenues. The economic rate of return of 8% to 12% assumed at project appraisal cannot be confirmed given the existing data.

According to the interviews made with the primary target groups the main benefits of the rehabilitated markets and bus stations are the increased comfort (protection from rain and sun), improved hygienic conditions (connection to the water supply and waste water disposal system, sanitary facilities), more order and better organisation and in some cases also increased security due to the fencing of the locations. In general, all sections of the population benefited from the measures; though in the case of the bus stations it is more the poorer parts of the population, who do not have a vehicle of their own. The rehabilitation measures did not have a direct growth impulse. People complained heavily about the long construction periods, during which the shops had to move to other places. Unfortunately, this also led to a loss of customers in many cases. However, the project had a short-term employment effect on Ghanaian construction companies and consulting firms.

While the bus stations are operated by transport unions that are dominated by men and women only play a role as bus passengers, the rehabilitation of markets mainly benefits the market women and their mostly female customers. However, the project missed the chance to involve the women in the project design (and thus to develop a design that was tailored to the actual needs of the target groups) and to strengthen the women's role in market administration, which has been in the hands of male administrators ever since the establishment of the market administration committees.

The project has the potential to improve gender equality, but this potential was used only to a limited extent. The project has reached the entire population. Though the primary target group (transport entrepreneurs and market women) do not belong to the particularly poor population groups the buses are mainly used by poorer sections of the population. The project did not aim at improving the environmental situation. As a result of the programme negative environmental impacts tend to have been reduced (reduction in exhaust fumes due to more orderly traffic at the bus stations, improved hygiene due to the sanitary facilities installed). The aim of the project was to enable the districts to provide infrastructure independently and in their own responsibility.

In summary, we rate the overall developmental effectiveness of the programme as slightly insufficient (rating 4). The detailed evaluation is as follows:

- Overall, the project goals were not achieved to a sufficient extent. At the time of the ex-post evaluation only 50% of the markets inspected and 75% of the bus stations were in operation or used to their full capacity. In addition, there is a high sustainability risk for the infrastructure facilities due to insufficient maintenance. The main reason for this risk is not so much the lack of fee income but a state-controlled operating and maintenance system (the responsibility for which lies with the district administrations), which does not produce any effective incentives (effectiveness: sub-rating 4).
- The overall objective, i.e. strengthening the districts, was achieved only to a limited extent. Due to the "top-down" implementation of the project, which did not involve the districts, it was not possible to create the planning and know-how capacities to the required extent and thus the district administrations are not able to conduct infrastructure projects on their own. As regards the project impact, due to mistakes in the project design the potential of the infrastructure facilities financed to generate fees is

not optimally used. On the other hand, at those places where the rehabilitation measures financed in the framework of the project have not been concluded so far, functioning markets were set up at alternative locations. Though income is generated for the districts at these locations such fee income cannot be attributed to the project. Overall, we rate the significance/relevance of the programme as not sufficient (sub-rating 4).

- The production efficiency was substantially reduced due to planning errors (among others, overcapacities) and the weak supervision of construction. As regards the project-executing agency the establishment of a temporary implementation unit in the Ministry of Local Government, which is set up of external staff, was not efficient given the performance rendered. It was not possible through this measure to build up institutional knowledge at the project-executing agency on a long-term and sustainable basis. The allocation efficiency is acceptable in those cases where the infrastructure facilities built are actually in operation. The revenues generated are sufficient to finance the maintenance works required to ensure the long-term operation of the facilities. However, unfortunately no maintenance works are carried out because maintenance concepts are lacking and the necessary financing structures do not exist. Therefore, overall we judge the project's efficiency to be slightly insufficient (sub-rating: 4).

General conclusions and recommendations

When the assignment of the implementation consultant is only of a temporary nature a critical analysis should be conducted to find out whether the project-executing agency is in the position to implement a critical minimum of monitoring tasks on its own. Otherwise, the temporary support from the consultant will not have any impact and the envisaged improvement in the implementation quality will not be achieved.

In the event of facilities such as markets, which are closely related to the target group, it is indispensable to involve the target group in the selection of the location and the planning of the technical design in order to ensure that the facilities will actually be used by the target group later on and that the actual needs of the target group are met.

If possible, the users who have an immediate interest in the buildings and facilities should be responsible for their maintenance. This will increase the chances that the infrastructure created is maintained on a sustainable basis. The management committees should also be responsible for the fee collection and should be composed of users instead of politicians and administrative staff.

When planning the project design attention should be paid to the representation and participation of women, who should also be adequately taken into consideration when filling responsible posts (for instance, on management committees).

Even if a project is implemented under a co-financing together with renowned lead donors KfW should independently and critically verify and monitor the project concept and the project implementation. If KfW's assessment differs from the assessment of the lead donor and no amicable solution can be found it should be considered at the earliest possible point in time to terminate the project.

Legend

Developmentally successful: Ratings 1 to 3	
Rating 1	Very high or high degree of developmental effectiveness
Rating 2	Satisfactory developmental effectiveness
Rating 3	Overall sufficient degree of developmental effectiveness
Developmental failures: Ratings 4 to 6	
Rating 4	Overall slightly insufficient degree of developmental effectiveness
Rating 5	Clearly insufficient degree of developmental effectiveness
Rating 6	The project is a total failure

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 below concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient **significant developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project conception)?
- To the extent that undesired **(side) effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms, or to carry on with the project activities on their own and generate positive results after the financial, organisational and/or technical support has come to an end.