

Namibia: Expansion of the Commercial Port Walvis Bay

Ex-post evaluation

OECD sector	21040 / Water traffic	
BMZ project number	1996 65 167	
Project-executing agency	Namibian Port Authorities (NAMPORT)	
Consultant	Prof. Lackner & Partner	
Year of evaluation	2002	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	Q 3/1996	Q 3/1996
Period of implementation	24 months	24 months
Investment costs	EUR 7.9 million	EUR 8.2 million
Counterpart contribution	EUR 2.1 million	EUR 2.5 million
Financing, of which FC funds	EUR 5.8 million	EUR 5.8 million
Other institutions/donors involved	None	None
Performance rating	2	
• Significance / relevance	1	
• Effectiveness	3	
• Efficiency	2	

Brief Description, Overall Objective and Project Purposes with Indicators

The project "Expansion of the Commercial Port Walvis Bay" comprised the relocation of the container terminal, the acquisition of appurtenant freight handling machinery and technical equipment in the safety area of the commercial port and the tanker pier. It also included the rehabilitation of machine parts for the synchro lift. The purpose of the project is the efficient and safe handling of containerized freight and liquid goods as well as the docking and undocking of fishing boats for repairs and maintenance (indicator: number of containers handled in the container terminal in the year of operation 1999/2000: 26,300 TEU, number of docked and undocked ships 1999/2000: 270). The overall objective is to help increase foreign trade and transit traffic (indicator: volume of freight handled in year of operation 1999/2000: 2.1 million tons).

Major Deviations from the original Project Planning and their main Causes

Adjustments according to needs: 210 connections for cooling containers instead of 126, addition of 1 stacker crane to the floor conveying equipment, 6 forklifts, 3 trailers for containers, complete overhaul of the power network; operating area around the synchro lift postponed.

Key Results of the Impact Analysis and Performance Rating

The management of NAMPORT successfully managed and built up the port of Walvis Bay according to commercial aspects and in line with the social-policy goals that were redefined when the state of Namibia was founded. The expansion of the container terminal enhanced the port's competitiveness. Also, the port's staff was enlarged in proportion to the increase in handled freight. In this way the project contributes directly to poverty reduction. The port has good chances to confirm and develop its regional competitive position within the SADC countries.

The volume of containers handled, which is about 5% below the target indicator for 2000, is due primarily to the overall weaker-than-projected macroeconomic development. Until the year of reference 2000 the utilization of the capacities of the container terminal developed almost completely as projected. Especially against the backdrop of a difficult regional and macroeconomic environment we assign the project overall a sufficient degree of effectiveness (**partial evaluation effectiveness: rating 3**).

We judge the developmental **significance** and **relevance** of the expansion measures in both a national and a regional context to be good (**partial evaluation: rating 1**). The overall objective of the project - to contribute to expanding foreign trade and transit traffic - was achieved in full. Additionally, the project laid an important foundation for developing Namibia's private enterprise sector and improving regional integration in the country. The use of some sections of the container terminal by a private shipping company and the initiatives to simplify the handling of transit freight through the use of the SADC corridors into the neighboring countries deserve mention. The chosen project approach to modernize the container terminal and to increase its capacity moderately was, in light of the development of the handled freight, shown to be appropriate. The operation of the expanded container terminal ended up having structure-building effects on the project-executing agency NAMPORT (e.g.: development of a planning system for the logistics and of a system of preventive maintenance, especially for the capital-intensive handling equipment). They illustrate the project's significance in development-policy terms.

Owing to the importance of an efficient seaport with good infrastructural ties for Namibia's macroeconomic development and the economic development of the SADC region, we judge the project's allocation efficiency to be very good. The project increased the efficiency of the container handling. By using efficient equipment the port was able to carry out its handling tasks punctually and reliably. The volume handled per employee rose, and the profit margin saw positive development. Taking the extensive investments needed and the at times still low operating times of special handling equipment into consideration, we judge the production efficiency to be satisfactory. As a result we assign the project a satisfactory degree of **efficiency (partial evaluation: rating 2)**.

After considering the individual criteria mentioned above, in summary we judge the **developmental effectiveness** of the project to be **satisfactory (rating 2)**.

General Conclusions applicable to all Projects

The project 'Expansion of the Commercial Port Walvis Bay' illustrates that successful operation, in particular of capital-intensive companies, depends to a large extent on sufficient qualification and motivation of the employees. In regions with a high prevalence of HIV/AIDS, the following measures are to be integrated in the projects already during project implementation: measures that reduce the risks of a drastic drop in life expectancy due to illness, and measures that

enable the company to systematically increase its investments in training for its staff and to make use of these investments in the longer term.

Legend

Developmentally successful: Ratings 1 to 3

Rating 1 Very high or high degree of developmental effectiveness

Rating 2 Satisfactory degree of developmental effectiveness

Rating 3 Overall sufficient degree of developmental effectiveness

Developmental failures: Ratings 4 to 6

Rating 4 Overall no longer sufficient 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 a project's "developmental effectiveness" and its classification during the final evaluation into one of the various levels of success described in more detail 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, organizational and/or technical support has come to an end.