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CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE Improvement of Georgetown Streets and Approaches			2. PROJECT NUMBER 504-0056 504-L-010 (L)	3. MISSION/AID/W OFFICE Guyana
5. KEY PROJECT IMPLEMENTATION DATES			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 80-2	
A. First PRO-AG or Equivalent FY 71	B. Final Obligation Expected FY 71	C. Final Input Delivery FY 79	6. ESTIMATED PROJECT FUNDING (Est.) A. Total \$ 13,000,000 B. U.S. \$ 5,600,000	
			7. PERIOD COVERED BY EVALUATION From (month/yr.) Nov. 1975 To (month/yr.) Sept. 1979 Date of Evaluation Review March 28, 1980	

B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
Final Evaluation, project completed	N/A	N/A

<p>8. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <p><input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T N/A</p> <p><input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) _____</p> <p><input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P</p>	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input type="checkbox"/> Continue Project Without Change</p> <p>B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan N/A</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
<p>11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p>Brent Gatch, Project Manager Nick Mariani, Program Officer <i>NMM</i> John Sawh, Assistant to the Controller Cecil McFarland, RDO <i>CMF</i> Joseph Charette, CDO <i>JC</i></p>	<p>12. Mission/AID/W Office Director Approval:</p> <p>Signature <i>John T. Craig</i></p> <p>Typed Name John T. Craig</p> <p>Date April 3, 1980</p>

Improvement of Georgetown Streets and Approaches

I. Summary

This project was completed September 30, 1979, its revised TDD, after undergoing considerable changes in scope of work and financial structure. The original loan was signed November 9, 1971, in the amount of \$8.9 million and amended to \$6.2 million on November 6, 1975. Total US and GOG financing for the amended project was to be \$8.3 million. The amended Loan Agreement called for the construction of approximately 12.6 miles of Georgetown streets and approaches by the Ministry of Works and Transport (MW&T) (construction division) under Force Account procedures. The amendment was necessary due to both slow initial implementation and escalation in construction and material costs which followed the 1973 oil price movement. Following loan amendment, a new TDD of December 31, 1977, was established.

Subsequently a request for extension of the TDD to May 31, 1979, was received from the GOG and approved by USAID. Major factors which necessitated the extension were heavy rains in 1976, which caused a loss in construction time; the GOG's deepening financial crisis; plus a realignment of priorities and responsibilities with the construction organization of the GOG and the continuing lack of qualified personnel. Activity on the project was halted several times because of the above reasons. The critical GOG financial situation involved not only balance of payments problems (i.e., foreign exchange) but also limited internal financial resources. Slow implementation during the first years of the project was a primary factor in deciding to use the Force Account method of construction as a means of expediting completion; however, "Force Account" construction was subsequently proven to be as slow, if not slower, than private sector contractors (see lessons learned). The U.S. contribution at project completion totaled \$5.6 million, while that of the GOG totaled \$8.1 million.

II. Evaluation Methodology

This project was evaluated based on review of the historical project files and other information from USAID local national personnel, and the supervising contract engineer who is still in Guyana. No evaluation was ever conducted during the life of the project, probably because no matrix (Logical Framework) was ever prepared for the project, against which project progress could be measured. In order to evaluate the project at this late date, it was necessary to laboriously derive the projects's inputs/outputs, purposes, EOPs, from historical records so as to provide a base, however, tenuous, to evaluate the project. The inputs, outputs, and objectives were changed several times between the

project's inception, in FY 1971, and FY 1975, when both a major revision to the scope of the project and a loan amendment were made; hence this evaluation covers only the period FY 75 through project termination. To go back and attempt to reconstruct the project from FY 1971 would entail considerable more research and time which the Mission feels would not be worth the effort, given the fact that the last major change to the project was made in FY75 and obtained through project completion.

External Factors

Major influence on the project was GOG's changing financial situation following the 1973 oil price increases, its decreasing skilled manpower levels and its changing priorities from project-to-project which slowed implementation. These major retarding influences caused the construction scope of the project to be reduced from 54.5 miles of construction to 12.6 miles, of which 10.8 was ultimately completed, and caused the original (after loan amended) TDD of December 1976 to be extended to May 31, 1979, and ultimately to September 30, 1979.

Inputs

The project inputs were insufficient to achieve the original outputs. In 1971 \$11.9 million of U.S. and GOG funds were programmed as the cost for 54.5 miles of road. By September 1979, 10.8 miles had been built at a cost of over \$13 million. Other inputs such as originally scheduled manpower levels and raw materials contributions were also greatly decreased. The impact of increased fuel prices and a worsening financial situation significantly affected all input levels of the project.

Outputs

The project's sole planned output was to construct 54.5 miles of road; at project's completion only 10.8 miles were completed. This output was reduced downward several times due to escalating construction costs, which were partially attributable to slow implementation.

Purpose

To improve and increase the movement of commodities and commerce in and around Georgetown by the alleviation of traffic bottlenecks in the approaches and major arteries.

Comment

The purpose was partially achieved as road access in and around Georgetown has been improved as a result of completion of 10.8 miles of road. Though

there was a marked reduction in the miles of road constructed vis-a-vis that which was originally planned, the roads constructed were those considered of the highest priority to relieve congestion in the Georgetown approach areas.

EOPs

Two likely EOPs condition which would have been included in a Logical Framework had one been prepared, would be: "Improved traffic flow in Georgetown and environs" and "increased commerce in the Georgetown area."

EOPs one can be said to have been achieved to some degree. Though only one-fifth of the originally planned (in 1971) miles of roads were constructed, traffic growth, similarly, fell significantly short of that predicated at the project's outset. The reduction in anticipated traffic growth is attributable to Guyana's poor economic performance, since 1976, which resulted in a Governmental ban on new vehicle imports since that year; except for certain vehicles deemed essential, by Government, to assist in economic recovery.

EOPs two: Commerce has increased, but not to the degree originally envisaged. Again, the country's economic malaise, since 1976, has markedly reduced the commercial sector's growth.

Goal

To further Guyana's economic and social development through expansion of infrastructure.

Though the project's purpose was only partially achieved, the evaluation committee feels that the country's economic and social development was advanced, albeit marginally, by the project, hence it made a small contribution to goal achievement.

Beneficiaries

The Project Paper, written in 1971, did not address specific target groups, since the requirement to identify beneficiaries was not then extant. The primary beneficiaries, however, proved to be those who travel in and out of Georgetown. This project did not directly benefit the poorest segment of the population, nor, at its inception, was it intended to focus on the most economically disadvantaged. In 1971, AID was still supporting infrastructure projects not directly benefitting the poor; this is one such project.

Unplanned Effects

Slow implementation and large cost overruns were the major unplanned effects. Other unplanned effects were the GOG's frequent inability to provide sufficient equipment, manpower and, at times, finance, to maintain a satisfactory construction pace.

Lessons Learned

Avoid "Force Account" construction, as the GOG does not have the resources, human or material, to undertake large scale construction activities. This is the second project in which the shortcomings of "Force Account" construction has been noted (see Evaluation No. FY 79-2, dated March 8, 1979.) As a result of these lessons learned, a current rural road project, No. 504-0068, eschews this method of construction.

Special Comments or Remarks

The GOG did not display a constant desire, nor make sustained, concerted efforts to complete the project expeditiously, employing the force account method. The majority of the evaluation committee felt that the project was large enough to attract a competent foreign contractor; and if this was done, the expectation is that the project could have been completed more expeditiously.

The requirement that the Host Country must provide all supplemental funding for a project, which might be needed as a result of inflation, caused delays in the project's completion as the Government was hard pressed to come up with such extra funding in a timely manner. Inflation caused the following shift in the division of costs between the U.S. and the GOG.

	(Million)	
	<u>U.S.</u>	<u>GOG</u>
Original Estimate	\$6.2	\$2.1*
%	75	25
Final Result	\$5.6	\$7.4*
%	43	57

*Thus, the GOG's share of funding increased from 25% to 57%.

Similar funding difficulties, caused by a high rate of inflation, are being experienced by two current GOG irrigation projects.