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March 9, 1979

FROM. GEORGETOWN
E.O. 12065: N/A
SUBJECT. Project Evaluation Summary - New Amsterdam Approaches and Canje Bridge Project (504-0011) Loan, PES, Guyana, No. FY 79-2
~~XXXXXXXXX~~.

REF. AIDTO CIRC A-486 (12/2/78)

1. Attached is Project Evaluation Summary, Parts I & II, for the Loan Project "New Amsterdam Approaches and Canje Bridge," No. 504-0011. The project has been completed and PES represents the final evaluation.

Attachment: a/s

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PAGE 1 OF PAGES 1

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
PRM:NMariani:mp	PRM		3/9/79	DIR:EABoorady

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504-071

EVALUATION SUMMARY (PES) — PART I

1. PROJECT TITLE

New Amsterdam Approaches and Canje Bridge

2. PROJECT NUMBER

504-0011 (L)

3. MISSION/AID/W OFFICE

USAID/Guyana

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)

Final FY 79-2

☑ ~~INTERIM~~ FINAL EVALUATION ☐ SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES

A. First PRO-AG or Equivalent FY 73

B. Final Obligation Expected FY 78

C. Final Input Delivery FY 78

6. ESTIMATED PROJECT FUNDING

A. Total $ 7,600,000

B. U.S. $ 4,800,000

7. PERIOD COVERED BY EVALUATION

From (month/yr.) 1/1/73

To (month/yr.) 12/31/78

Date of Evaluation Review February 22, 1979

8. 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

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- ☐ Project Paper
- ☐ Financial Plan
- ☐ Logical Framework
- ☐ Project Agreement
- ☐ Implementation Plan e.g., CPI Network
- ☐ PIO/T
- ☐ PIO/C
- ☐ PIO/P
- ☐ Other (Specify)
- ☐ Other (Specify)

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. ☐ Continue Project Without Change

B. ☐ Change Project Design and/or ☐ Change Implementation Plan

C. ☐ Discontinue Project N/A

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Dan Miller, Project Manager
Joseph Charette, Capital Development Officer
Bruce Berry, Controller
Pooran Balbahadur, Deputy Works Officer, MWT
Julius Silchenstedt, Resident Engineer, Canje River Bridge

12. Mission/AID/W Office Director Approval

Signature

Typed Name Edna A. Boorady

Date March 8, 1979

I. Summary:

This project was completed by December 31, 1978, the project's revised TDD, after undergoing restructuring in scope and financing level in November, 1975. When signed in September 1972, the loan called for an outlay of U.S.$4 million, (U.S.$3 million, and GOG U.S.$1 million), which anticipated the construction of 19.6 miles of road and approaches in New Amsterdam and the construction of a new bridge at the Canje river, on the outskirts of New Amsterdam. The project, as originally conceived, was divided into four subproject components, comprised of four road construction elements in the New Amsterdam area, plus the bridge construction. Early in 1974, a revised engineering cost estimate was made which revealed a significant increase in costs, approximately 180%, over the original cost estimates. The escalation, occasioned partly by increased petroleum costs and general inflation precluded construction of all road lengths included in the majority of subprojects with available funds.

In December 1974, the GOG requested that the loan be restructured in conjunction with an allied loan, "Georgetown Streets and Approaches," (L-010), and subproject priorities for continuation of work were established for road projects under both the loans. It was decided to give the highest priority to completion of road segments already under construction by the GOG, i.e., Force Account, and to eliminate other planned road segments not yet started for which no funds would be available. Following negotiations between the GOG and the Mission in mid-1975, restructured loans were signed in November 1975, which resulted in a decrease in the U.S. contribution of $2.7 million for Loan 010 (Georgetown Streets) and an increase of U.S. financing for New Amsterdam Streets and Approaches of $1.8 million. As a result, U.S. contribution to the project was now $4.8 million and the GOG contribution, originally U.S.$1 million, was raised to $2.8 million for a total project cost of $7.6 million. In addition, the miles of roads to be constructed under the project was significantly reduced to 3.6 miles. The amended loan agreement further extended the original TDD date from June 30, 1976, to June 30, 1978. The TDD was subsequently extended, on July 20, 1978, by an additional six months to December 31, 1978.

II. Evaluation Methodology:

This project is being evaluated based on combination of review of historical project files, plus discussions with GOG officials, i.e.,

Ministry of Works, and a member of the consulting engineer staff who still remains in Guyana. Unfortunately, no evaluation was ever conducted on the project prior to this effort. This lacuna in assessing the project between 1972, the project's inception, through mid-1978, results in evaluation disabilities which forces an unusual reliance on historical records for determining the project's problems, causes of difficulties, etc. The designated USAID project managers, Engineering Officer, were changed three times between 1972-1978 due to completion of tours/transfers (current Engineer arrived in April, 1978, when the project was all but completed) hence a "personal knowledge bank" on the project does not exist.

The original loan paper, prepared in early 1972, contains no logical framework matrix and none was subsequently prepared, hence this vital tool of the evaluative process had, at this late date, to be prepared using project related documents and audit reports. It is this recently prepared matrix, relating to GPOI, which forms the basis of this evaluation. The GPOI follows, less the "assumptions" since to try to determine the assumptions of the GPOI based on a 1972 perspective would both be difficult and, at this date, only academic.

Goal:

Improvement of road system to accelerate national development.

Purpose:

To facilitate the movement of agricultural commodities and other commerce from producing areas in the southeastern region of Guyana.

Conditions which will indicate purpose(s) has been achieved - End of of project status:

(1) Increase use of streets to speed movement of goods and persons to commercial and export centers in Georgetown.

(2) Maintenance requirements on roads reduced due to higher structural standards.

(3) Safety of streets enhanced due to improvements of streets and construction of new bridge.

Major Outputs:

(1) Construction of 19.6 miles of New Amsterdam streets and road approach areas.

(2) Construction of new bridge over Canje river.

Magnitude of Outputs:

(1) 19.6 miles of roads/approaches constructed.

(2) One swing bridge completed.

Inputs:

(1) Consulting engineer.

(2) Force Account manpower.

(3) Foreign contractors.

(4) Dollar/local currency inputs by subproject.

(a)	New Amsterdam Streets	$260,000
(b)	East Bank Berbice	$905,000
(c)	West Canje Road	$355,000
(d)	East Canje Road	$680,000
(e)	Canje River Bridge	$1,800,000
	Total	$4,000,000 of which AID contribution $3,000,000

III. External Factors:

The major economic change which affected the project during its life was the quadrupling of oil prices in late 1973. This price increase, along with other factors, contributed to cost escalation which significantly reduced the planned number of miles of road to be constructed under the project and the actual mileage completed. Guyana began to experience severe balance-of-payments problems in 1977, which continue today, but these difficulties had only minimal effect on the speed of completion and attainment of the objectives of the project.

IV. Inputs:

The project inputs, in financial terms, were insufficient, to achieve the project outputs in terms of miles of roads to be constructed. Even with an increase in financial resources, from $4 million as originally

planned in 1972, to 7.6 million, in 1975, the ultimate mileage of output of the project fell far short of the original estimate. Additionally, the use of foreign contractors to construct portions of road system, which was planned at the project's start. was never realized due to cost escalations which reduced the miles to be built and restricted road construction work to Force Account. The only foreign contractor input used was in construction of the bridge.

V. Outputs:

The construction of 19.6 miles of New Amsterdam streets and roads was not achieved. This was due to major cost escalation resulting from a sharp rise in oil prices during the construction period; inflation which averaged slightly over twelve percent per year in the period 1972-1977 and, to a lesser degree, unusual inclement weather during some phases of the construction. The actual output resulting from an increased financial input to the project, i.e., from $4 to 7.6 million, was 3.6 miles of road constructed.

The bridge construction was completed in January, 1978, with formal dedication the following month. The bridge construction was, unlike the road work, done with a U.S. contractor who completed it well ahead of schedule.

VI. Purpose:

Even this early, after the project's completion, it is obvious that the construction of the new bridge has to a good degree facilitated the movement of agricultural products and other commodities from producer areas south of New Amsterdam to the capital. Greater facilitation of transportation would have been effected, however, had all the subprojects' mileage been constructed rather than only 20 percent of that originally planned. While no "after" traffic count, to contrast with "before," has been conducted on the roads constructed, a traffic survey was conducted on the use of the new bridge.

Traffic over the old bridge during its last year corresponded to a volume of 4,162 average daily traffic. Traffic over the new bridge during its first year of operation corresponded to a volume of 4,284 average daily traffic. Although this three percent increase appears modest, it, in fact, is not, considering most traffic count locations in the past year show a decrease. This general country-wide decrease results from GOG economic austerity measures which since 1976 has prohibited, for all practical purposes, the import of new vehicles into the country. Further, a considerable number of cars imported prior to 1976 are off the roads because they are inoperable due to a lack of spare parts to make necessary repairs; this lack of spares

results from a shortage of foreign exchange.

The safety of streets is believed to have been enhanced due to the construction of the roads and bridge, though no "before" and "after" fatality figures on the roads are available.

Similarly, though no man/months of maintenance expended per mile figures exist for comparative purposes, it is the opinion of the Ministry of Works officials that maintenance requirements on the new constructed roads have decreased over the past two years.

VII. Goal:

National development, the Evaluation Panel, believes will be accelerated, albeit to a very limited degree, by the attainment of the project purpose. Though the attainment of project purpose can be described as "limited," this due to less road construction than planned, it nonetheless made a small contribution to national development. It is believed that this contribution will grow with time, this considering, among other activities, the development of the Black Bush area, south of New Amsterdam. A U.S.$42 million irrigation project in this area, funded by A.I.D. and four other donors, in 1978, is expected to significantly increase rice production, which will contribute to Guyana's development. Movement of increased quantities of rice to export markets and major consuming centers will increase over the next five years and will be transported on roads and bridges constructed by the project; hence this activity will make a small contribution to attainment of the goal.

VIII. Beneficiaries:

Though no specific target groups were identified in the Project Loan Paper, the Evaluation Panel believes them to be mainly small farmers who grow rice in the coastal regions south of New Amsterdam. Guyana's small farmers, i.e., less than 15 acres, who subsequent to the project's implementation, have been identified as one of USAID's target groups, see USAID/Guyana's CDSS, are the main beneficiaries of the project; this to a modest degree at the present time, but to an increasing level when the Black Bush project is completed.

IX. Unplanned Effects:

Not pertinent.

X. Lessons Learned:

The primary lesson learned from the project is that Force Account road construction in Guyana leaves much to be desired, a situation which,

based on the collective experience of the evaluators, prevails in many LDCs. As examples, steel tensile strengths were not tested, test loading and coring procedures were not developed, asphaltic concrete surfaces did not always meet stability tests, and poorly graded aggregates added to the problem. Certification to compliance to U.S. standards for some of the construction, e.g., New Amsterdam Main street work, could not be made by the consulting engineer.

Additionally, equipment being used in the road construction was at times subject to being pulled to meet the needs of other Force Account projects, which at the moment, apparently had a higher priority. Such periodic withdrawal of equipment, of course, is not conducive to construction scheduling.

A statistical lesson as to local labor productivity on the bridge construction emerged from the project. It was found that the efficiency of local labor is about 30% of U.S. labor which, as a matter of information, is the same as that experienced with "Caribbean Labor" during the construction of the Panama Canal seventy years ago.