

# Internal Ex-Post Evaluation for Grant Aid Project

conducted by Senegal office: Nov, 2013

Country Name	The Project for Extension of the Facilities at Mindelo Fishing Port (Projecto de Expansão do Port Pequero de Mindelo en República de Cabo Verde)
Republic of Cape Verde	

## I. Project Outline

Project Cost	E/N Grant Limit: 306 million yen	Contract Amount: 305 million yen
E/N Date	September, 2007, Extension of E/N: March, 2008	
Completion Date	February, 2009	
Implementing Agency	Ministério das Infra-Estruturas e Economica Maritima (Reorganized from Ex-Ministério das Infra-Esturturas, Tranposrtes e Mar in October, 2008)	
Related Studies	Basic Design Study: December, 2005-Februrary, 2007	
Contracted Agencies	Consultant(s)	Fisheries Engineering Co. Ltd.
	Contractor(s)	Toa Corporation
	Supplier(s)	-
Related Projects (if any)	<u>Cooperation by Japan</u> • The Project for Construction of the Facilities at Mindelo Fishing Port (Grant, 1998/1999) <u>Cooperation by Other Donors</u> • None	
Background	In Cape Verde, fishery industry is one of strategic sectors for economic growth and poverty reduction of the country. In particular, the marine products accounted 76.8% of the total export of agricultural products from the country. In the Growth and Poverty Reduction Strategy Paper (GPSRSP) 2004-2007, fishery development is included in one of the 5 strategic pillars to promote competitiveness to foster economic growth and employment creation. The government of Cape Verde has prioritized modernization of productive infrastructure and reinforcement of commercialization for sea products in order to increase in employment as well as exports. However, there were limited facilities with sufficient capacity to accommodate marine products according to the sanitation standards, such as the Hazard Analysis and Critical Control Point (HACCP). In particular, the supply of ice was a key issue to increase fishery yield in São Vicente Island, where is the second largest fishery base in the country. Therefore, the government of Cape Verde requested Japan to support development of ice making and storage facilities at Cova Inglesa Fishing Complex (CPCI: Complexo de Pesca de Cova Inglesa) in São Vicente, which was constructed by the Japan's grant aid project in 1998/99.	
Project Objectives	<b>Outcome</b> To increase stable supply of ice for semi-industrial fishing vessels and small fishing boats operating surrounding São Vicente Island by construction and rehabilitation of ice making and storage facilities at CPCI in São Vicente.	
	<b>Outputs(s)</b> Japanese Side • Construction : the total floor space of 281m <sup>2</sup> of ice making building • Rehabilitation of existing ice making and storage facilities • Provision of equipment: 16 fenders Cape Verde Side • Demolition of the existing oil tank • Installation of office furniture • Installation of service electricity line • Development of access road from the public road to the project site	

## II. Result of the Evaluation

Summary of the Evaluation
<p>In Cape Verde, Mindelo, São Vicente island is one of the most important fishery bases in the country and obtained 20% of the total fishery yield of the country. CPCI was only one fish port implementing HACCP which is requirement for all the marine products for export. However, the cold storage and ice making facilities were operated limitedly because of aging. Also, fishermen complained about expensive cost and limited capacity of freezing and cold storage for marine products landed at CPCI.</p> <p>The project has partially achieved the objectives of the increase in stable supply of ice for semi-industrial vessels and small fishing boats operating surrounding São Vicente due to the limited increase in ice demand despite of the increase in the capacities of ice production and the storage volume. As for sustainability, some problems have been observed in terms of technical and financial aspects due to the lack of trainings for technical staff and the insufficient budget to cover their operation costs without government support.</p> <p>For relevance, the project has been highly relevant with Cape Verde's development policy, development needs, as well as Japan's ODA policy at the time of both ex-ante and ex-post evaluation. For efficiency, the project period exceeded the plan.</p> <p>In the light of above, this project is evaluated to be partially satisfactory.</p>

## 1 Relevance

This project has been highly relevant with Cape Verde's development policies of "the Growth and Poverty Reduction Strategy (GPRSP) 2004-2007 and 2008-2011" ("promotion of competitiveness including fishery industry"), development needs ("modernization of cold store infrastructure"), as well as Japan's ODA policy to Cape Verde for supporting promotion of fishery industry at the time of both ex-ante and ex-post evaluation. Therefore, its relevance is high.

## 2 Effectiveness/Impact

This project has partially achieved its objectives of the increase in stable supply of ice for fishing boats operating in São Vicente. The capacity of ice production volume of CPCI increased from 10 tons/day in 2005 to 20 tons/day in 2010, although it decreased to 16 tons/day in 2012 due to the breakdown of one of compressors in 2012 (Indicator 1). The storage capacity also increased from 30 tons in 2005 to 60 tons in 2010 and remains the same level of capacity after the completion of the Project (indicator 2).

Regarding indicator 3 and 4, although the volume of landed catches at CPCI has increased from 2,985 tons (2010) to 4,907 tons (2012), actual supplies of ice did not increase (2,413 tons of ice to the fishing boats in 2010 and 1,039 tons of ice (Jan-May in 2012)) due to the expanding business of a private food processing company, Frescomar.

Frescomar makes a direct contract with the fishermen and buys landed fish at CPCI which are covered by less amounts of ice (its ice to fish ratio is 1 to 3, instead of 1 to 1 planned by the Project). In 2010, the actual volume of landed catches at CPCI was 2,985 tons, within which 434 tons of fish were bought by Frescomar. While the volume of ice could not reach the target volume of ice (4,067 tons/year), CPCI was capable of supplying the increasing volume of ice compared to that before the Project and this led to the expansion of the volume of iced marine products landed at CPCI from the baseline value of 73.5% in 2005 to 80.9% in 2010. At the time of ex-post evaluation, the volume of fish going to Frescomar had increased 8.6 times from 434 tons (2010) to 3,765 tons (2012). On the contrary, the fish to local market decreased by more than 50% from 2,550 tons (2010) to 1,142 tons (2012). Therefore, this substantial change has adversely affected CPCI's supply volume of ice to the fishing boats as the boats which sell fish to Frescomar buy less ice than planned by the Project. The higher price of ice is also another factor that has reduced motivations of most of the fishermen and fish sellers to buy the appropriate volume of ice based on quality standards.

After all, unchanged demands for ice also have resulted in a lower actual operation rate of ice production at CPCI in 2012 (36.5%) than the baseline value in 2005 (62.2%) (indicator 5).

While the Project has achieved its goal in terms of stable supply of ice at CPCI for local market and fishing boats using CPCI with greater capacities of ice production and the storage volume, the demands for ice have become much less than expected due to the sharp increase in the volume of fish going to Frescomar. No environmental/social impact was confirmed at the time of ex-post evaluation. Therefore, effectiveness/impact of this project is fair.



Facilities of CPCI

### <Quantitative Effects>

	Actual (2005, BD)	Target (2010)	Actual (2010)	Actual Ex-Post Evaluation
Indicator 1: Production volume of ice for fishing boats using CPCI	(Actual) 10 tons/day (Maximum production capacity)	(Plan) -	20 tons/day	16 tons/day (Estimation)
Indicator 2: Storage volume of ice at CPCI	(Actual) 30 tons	(Plan) -	60 tons	60 tons (Estimation)
Indicator 3: Supply volume of ice for fishing boats using CPCI	(Actual) 1,889 tons/year	(Plan) 4,067 tons/year	2,413 tons/year	1,039 tons/ half a year
Indicator 4: Production of iced marine products landed at CPCI (Volume of ice supplying for fishing boat/ volume of marine products landed at CPCI)	(Actual) 73.5% (1,889 tons/ 2,569 tons)	(Plan) 158.3% (4,067 tons/ 2,569 tons)	80.9% (whole year) (2,412 tons/2,985 tons)	41.9%(Jan-May in 2012) (1,039 tons*/2,477 tons) ----- N/A % (whole year) (N/A /4,907tons)
Indicator 5: Operation rate of ice production (annual ice sales volume / annual ice production capacity)	(Actual) 62.2% (2,178 tons/ 3,500 tons)	(Plan) More than 62.2%	34.4% (2,412 tons/7,000 tons)	35.5%(Jan-May in 2012) (1,039 tons/ 2,916 tons**)

(Source) Data provided by CPCI and INDP (the National Institute of Fisheries Development (Instituto Nacional de Desenvolvimento das Pescas)) for ex-post evaluation

\*The data of the volume of ice supplying for fishing boat are obtained only for the period from January to May in 2012.

\*\* 2,916 tons is calculated as follows; 7,000 tons(annual production capacity)/12months × 5months(Jan-May) = 2,916 tons

## 3 Efficiency

Although the project cost was mostly as the plan (99% against plan), the project period exceeded the plan (113%

against plan) because of the transportation delay of raw materials from Japan in France where was the transit site to Cape Verde. The outputs were mostly as planned. Therefore, efficiency of this project is fair.

#### 4 Sustainability

The facilities constructed and rehabilitated by the Project are operated and maintained by CPCI with 21 staff, including the executive director, the chief of quality control and hygiene services, the chief of maintenance and operation, the chief of administrative and financial services, 4 machine operators, 2 administrators, 2 stevedores, 2 auxiliary quality control and folk lift operator. After the breakdown and repair of one compressor in 2010, the regular inspection and maintenance have been implemented adequately. Therefore, the facilities have been in good conditions since then. The safety operation of ice production at CPCI has been continued. After the Project, no accident related to the screw of conveyor is detected since the protection guard has been correctly functioning. However, there are some concerns about technical level of technicians. Due to the lack of trainings, they cannot properly fill the check lists and record operation, maintenance and troubles by equipment, such as compressors. Also, CPCI cannot afford enough revenue to cover the operation and maintenance (O&M) cost, including electricity and water, though the government has raised the price of ice to 9.5 CVE per kg from 9.0 CVE per kg and is planning to increase further to 12 CVE per kg in future in order to improve financial balance of CPCI. Due to the insufficiency of revenue, CPCI has been depending on the government support for the expenditure for O&M, including the expensive electricity cost of over 50 million CVE which is higher than the revenue of 44.7 million CVE in 2011.



Fishing boats landing fish at CPCI

The Project has problems in technical and financial aspects due to the issues mentioned above. Therefore, sustainability of this project is fair.

### III. Recommendations & Lessons Learned

#### Recommendations for Implementing agency

- CPCI needs to make efforts to sensitize more fishermen and wholesalers about the importance of compliance with the recommended proportion of ice by quality standards.
- Also, it is necessary for CPCI to improve the O&M system to maintain the facilities installed by the Project in good condition, including keeping records and data related to operation and maintenance, in particular of the ice plants.

#### Lessons learned for JICA

- A lesson from this project is the necessity of proper demand forecast of the ice. In this project, the actual needs of ice are very limited because of high price of ice and operation of canning company with ice plant. At the time of basic design, it is necessary to forecast the needs of ice by taking into consideration i) the possibility that the price of ice rises and ii) the existence of other entities, which would have negative impact on the demand of ice.
- The project also indicates the necessity of close examination of technical capacity and future plan of operation and maintenance at the initial stage, including the training plan of technicians. In case there are concerns on technical level of the implementing agency, it is preferable that related technical assistance from Japanese side be considered for proper operation and maintenance of the facilities.