

Internal Ex-Post Evaluation for Grant Aid Project

conducted by Djibouti Office: February, 2014

Country Name	The Project for the Reinforcement of Maritime Transportation in Tadjoura Bay
Republic of Djibouti	

I. Project Outline

Background	<p>In Djibouti, the road transport network was not sufficiently developed between the capital and the northern region. In order to reduce regional disparities and improve social conditions of the northern region, the government of Djibouti received a ferry from Germany in 1981, and opened ferry services between Djibouti, Tadjourah and Obock for the transport of people, vehicles, and goods.</p> <p>However, the ferry sopped operation in July 2004 due to its age, and failed to meet the transport demand, and as a result, the northern region faced a serious problem of inability of transporting water, fuels, and other products for daily use. Under this situation, the northern region was forced to rely on transport by private boats including dhows which provided irregular services with high price and with relatively low safety, or by inefficient road transport. The dhows were operated in a manner that the dhows embarked in the order of arrival and anchored until the number of passengers reached the capacity. Therefore, many passengers and goods stood by for a long time.</p> <p>The port facilities of Djibouti, Tadjourah and Obock have not been maintained for more than 30 years since starting operation, except parts of the Djibouti port. As there are cases that rubber fenders fell off, or were damaged, and pavement concrete on the slipway and the yard were torn up or washed. Therefore, the port facilities needed to be renovated and repaired.</p>		
Objectives of the Project	To improve maritime transport capacity between Djibouti and the northern region (Tajourah and Obock) by constructing a new 40 meter ferry and procuring fenders for the existing ports of Djibouti, Tajourah and Obock, and thereby contributing to reducing regional economic disparity.		
Outputs of the Project	<p>1. Project Site: Djibouti, Tajourah and Obock</p> <p>2. Japanese side: Construction of a new ferry (40m) (including spare parts, and initial guidance for operation), transport of the ferry to the Djibouti port, trial navigation, and procurement of seven fenders for the Djibouti, Tajourah and Obock ports</p> <p>3. Djibuoti Side: Renovation of the existing port facilities (Repair of the slipway at the Djibouti port, yard resurfacing at the Djibouti and Obock ports, and fender installment at three ports), allocation of staff (Ferry crew, staff in charge of operation at the Directorate of Maritime Affairs of the Ministry of Equipment and Transport), operation and maintenance expenses (including fuel costs), renovation of ferry terminals at the Djibouti, Tajourah, and Obock ports.</p>		
E/N Date	16 January, 2008 (Detailed Design, D/D) 19 May, 2008	Completion Date	17 October, 2009
Project Cost	E/N Grant Limit: 15 million yen (D/D), 865 million yen	Grant Amount	: 15 million yen (D/D), 858 million yen
Implementing Agency	Directorate of Maritime Affairs of the Ministry of Equipment and Transport		
Contracted Agencies	The Shipbuilding Research Centre of Japan, The joint venture of Kitahama Zosen Tekko and Sankyo-techno Co., Ltd.		
Related Studies	Basic Design Study: May – December 2007, Detailed Design Study: Feburary - April 2008		
Related Projects (if any)	<p>Japan's Cooperation:</p> <ul style="list-style-type: none"> • The Project for the development of function of Port (Grant Aid, 1988-1989) • The project for the development of port facilities (Grant Aid, 1994-1996) <p>Other Donors' Cooperation:</p> <ul style="list-style-type: none"> • German: Provision of a ferry boat (Grant Aid, 1981) 		

II. Result of the Evaluation

1 Relevance	<p>This project has been highly consistent with Djibuoti's development policies, such as "efficient maritime transport and strengthening transport capacity to the northern region" as set in Poverty Reduction Strategy Paper (1999), Initiative Nationale pour le Développement Social (National Initiative for Social Development Initiative) (2008-2012), and Vision 2035 (2012-2035), and development needs for importance of regular, safe and economical ferry service to the northern region, as well as Japan's ODA policy for prioritizing basic infrastructure development at the time of both ex-ante and ex-post evaluation.</p> <p>Therefore, relevance of this project is high.</p>
2 Effectiveness/Impact	<p>The project has largely achieved its objectives, "to improve maritime transport capacity between Djibouti and the northern region (Tajourah and Obock)", as regular ferry services (three times per week between Djibouti and Tajourah, and twice per</p>

week between Djibouti and Obock) have been carried out, and the number of passengers per annum has reached the target. Although the data on the annual goods transport volume was not obtained, the annual number of vehicles transported has almost reached the target. In addition, the time required for transport as well as waiting time have reduced compared with the existing dhows and land transport, and the convenience of the passengers has improved because of the availability of the regular ferry services. The existing dhows and small boats were laboring and very dangerous, however, the navigation of the ferry provided by the project is stable and has provided very comfortable services. While the existing dhows and small boats failed to meet the safety standard, the ferry constructed under the project meets the safety standard. Although the fare has increased compared with the existing dhows, the passengers interviewed said they are satisfied with the fare because of its convenience. In addition, the fare is economical compared with the land transport.

As for impact, transport of livestock products and marine products from the northern region has not been active, although they were expected to increase at the time of ex-ante evaluation. The marine products have not been transported because both of the ferry and the Djibouti port do not have cold storage facilities, and in the case of livestock products, the number of livestock itself has decreased due to the droughts. However, as a result of the operation of the ferry under the project, convenience of the people in the northern region has improved as they are able to obtain the commodities regularly.

Therefore, the effectiveness/impact is high.

Quantitative Effects

Indicators	2007 Before the project Actual value	2010 (Target year) Target value	2010 (Target year) Actual value	2012 (The latest full year) Actual value
Indicator 1: Annual number of passengers transported by regular service	0	26,021	n.a.	30,322
Indicator 2: Annual number of vehicles transported by regular service	0	1,169	n.a.	1,039
Indicator 3: Annual volume of goods transported by regular service	0	1,565 tons	n.a.	n.a.

Source: Directorate of Maritime Affairs

3 Efficiency

The outputs of the project were produced as planned, and both the project cost and the project period were as planned (ratio against the plan: 99%, 98%). Therefore, efficiency of this project is high

4 Sustainability

The operation and maintenance of the facilities and equipment constructed/procured by the project have been carried out by the Directorate of Maritime Affairs of the Ministry of Equipment and Transport. Although a new division for ferry operation and management has not been established, contrary to the plan at the time of ex-ante evaluation, 17 additional staff members have been recruited (contract basis) which is sufficient for the ferry operation. There is no division responsible for maintenance in the Directorate of Maritime Affairs, and therefore, the large-scale maintenance on the ground (such a repair of ferry's hull, engine and others) other than the periodical inspection and maintenance were expected to be contracted and carried out by Port Autonomy International Djibouti (PAID) at the time of ex-ante evaluation. However, the large scale maintenance has not been contracted to PAID due to the privatization of PAID. PAID was privatized to be the Port of Djibouti in 2012, and the Port of Djibouti contracts out inspection activities to a Dutch company "Damen". Due to this arraignment, the government-owned ferry is also required to pay a service charge for inspection. In order to save the service charge, the large-scale inspection on the ground has been carried out by the ferry operation management and technical staff without obtaining cooperation from the technical staff of PAID, contrary to the expectation at the time of ex-ante evaluation.

There is no problem with the navigational capacity of the crew, as the person in charge of technical aspects transfers the navigation skills. However, crew members are not confident with how to respond to the breakdown during the navigation if any, and therefore want to have training opportunities by follow-up cooperation. In addition, due to the low salary, the motivation of the crew is low and reluctant to continue working as the crew of the ferry. The Directorate of Maritime Affairs (DMA) takes the following measures in order to strengthen the technical capacity of operation and maintenance; i) accept college students as trainees as a candidate of the DMA engineer and provide them the O&M related trainings and ii) hold the study meetings and trainings among the engineers working in the DMA to enhance their skills and knowledge on the O&M.

The financial data were not obtained. According to the Director general of the Directorate of Maritime Affairs, most of the budget allocated from the Ministry of Equipment and Transport to the Directorate of Maritime Affairs is payroll and therefore, little amount is allocated to maintenance. However, the director general also said the direction is that the section in charge of the budget for maritime affairs would be changed from the financial division of the Ministry to the Directorate of Maritime Affairs, and therefore, there is a prospect of improvement in budget allocation. A bank account was opened in May 2013 in the Central Bank on behalf of the Directorate of Maritime Affairs to ensure the transparent management of revenues from the ferry. Since September 2013, the recipe is properly registered.

As to the current status of maintenance, the function of the ferry has been kept so far. A maintenance plan has been prepared, and once-a-week regular inspection (on the non-operation day), and once-a-year inspection on the ground are carried out accordingly. However, the implementation agency has a problem that the budget to carry out the maintenance

plan cannot be secured, and therefore, the required consumables and spare parts cannot be purchased. For example, spare parts for main engines and generators cannot be purchased in Djibouti, and in addition, the budget for the purchase of those items are not available. Therefore, the technical staff is concerned with the situation that the ferry is operated without carrying spare parts with it. Further, there are problems at the port facilities: The fenders at the Tajourah port fell and the terminals at the target ports are not sufficiently maintained. In the meantime, the procurement of the spare parts is expected to be improved due to the above mentioned change in the budgeting procedure. In addition, as the Direction of Maritime Affairs has taken fiscal measures to receive the appropriate services, repair and maintenance service from the privatized Port of Djibouti is expected.

The waiting area at the Djibouti port owned by the Directorate of Maritime Affaires was removed due to expansion of the coastal guard's facilities. Without the waiting area, the passengers are forced to wait for boarding in an area where cars also stand by. The situation is dangerous and actually accidental contacts happen. Although the Directorate of Maritime Affaires is planning to build a fence to separate passengers and cars, still the measure does not seem appropriate. At the Tajourah and Obock ports, there is a concern of possible accident as children jump into water from the deck upon departure of the ferry. However, the situation at the Djibouti port is expected to be improved as the coastal guard has a concrete plan for development of the concerned area.

Thus, although some improvement is expected, currently there are problems in institutional, technical, and financial aspects as well as the current situation of the operation and maintenance, and therefore, sustainability of the effects of this project is low.

5 Summary of the Evaluation

The project has largely achieved its objectives, "to improve maritime transport capacity between Djibouti and the northern region (Tajourah and Obock) ", as regular ferry services (three times per week between Djibouti and Tajourah, and twice per week between Djibouti and Obock) have been carried out, and the number of passengers per annum and the annual number of vehicles transported has reached the target. In addition, as the time required for transport and the waiting time have reduced, and the convenience of the passengers has improved.

As for sustainability, there are some problems in institutional and technical aspects in the large scale repair, and for the continuity of crew and navigation techniques. In addition, the implementing agency has problems of insufficient maintenance budget and inability to purchase spare parts accordingly. Thus, there are problems in institutional, technical, and financial aspects as well as the current situation of the operation and maintenance. The relevance and efficiency of the project are high.

In light of the above, this project is evaluated to be satisfactory.

III. Recommendations & Lessons Learned

Recommendations to implementing agency:

Under the current situation of the operation and maintenance of the ferry, the Directorate of the Maritime Affaires is recommended to ask the Ministry of Equipment and Transport for securing the budget for the procurement of the necessary spare parts, and thus to take an ownership for the sustainability of the project effects. At the same time, measures are needed to improve the salary and other working conditions of the crew in order to motivate the crew to continue working for the ferry navigation. The Directorate of Maritime Affaires also needs to secure the waiting area for the passengers and thereby to improve the safety of the passengers.

Lessons learned for JICA:

The maintenance of the facilities to be borne by the Djibouti side has not been fulfilled as there are problems of budgeting capacity of the government as well as the delay in the procedure for disbursement from the Ministry of Finance. Therefore, at the planning stage, JICA needs to fully study and discuss the financial capacity of recipient countries, and on the items agreed, JICA needs to obtain commitment from the recipient countries.



The ferry arriving at the Obock port



The ferry arriving at the Tajourah port