

# Internal Ex-Post Evaluation for Grant Aid Project

conducted by Papua New Guinea Office: March 2014

Country Name	The Project for Construction of Wewak Market and Jetty
The Independent State of Papua New Guinea	

## I. Project Outline

Background	<p>With regards to Wewak in the East Sepik province, the Project's target region, the Wewak Market provided the economic base for local gardening and fishing villagers who sold their products. Also the Wewak Jetty provided the main access by sea to the Wewak Market, serving as part of the transport infrastructure. The channels for distributing key products, which were available at the Wewak Market, were consisted of fishing communities of the inland areas, eastern coasts and Wewak islands and, as well as agricultural products, fresh fish and smoked fishes were distributed.</p> <p>However, the following issues had been raised: (i) the Wewak Market was a risk of collapse because it was constructed 27 years ago and was often in an unhygienic condition to use at the time of high tide and heavy rain, (ii) the Wewak Jetty, which was 47 years old, was partly destroyed by the earthquake in 2002 and was out of use since then, and (iii) the old ice block making machines had been removed after over 20 years of use and no service for supplying ice blocks to fishing operators was available.</p>		
Objectives of the Project	To reconstruct market facilities, a jetty and an ice making plant, thereby contributing to promote and improve the trading activities by the retailers using the Wewak Market and the distribution of fish and vegetables in Wewak Town.		
Outputs of the Project	<ol style="list-style-type: none"> <li>1. Project Site: Wewak in the East Sepik province</li> <li>2. Japanese side <ol style="list-style-type: none"> <li>1) Construction of facilities: <ul style="list-style-type: none"> <li>• 3 buildings for market with 304 table booths and 296 floor booths, administration building, Kiosk, public toilet, corridor between the market buildings, pavement of premise, exterior</li> </ul> </li> <li>2) Ice making plant, including ice making machine and ice storage</li> <li>3) Replacement of jetty</li> <li>4) Soft components: <ul style="list-style-type: none"> <li>➢ Improvement of collection and accounting of market place fees</li> <li>➢ Improvement of garbage collection and disposal in the Market</li> <li>➢ Elaboration of basic operation and management rules for the Market</li> </ul> </li> </ol> </li> <li>3. PNG side: <ol style="list-style-type: none"> <li>1) Land reclamation</li> <li>2) Removal of existing facilities and obstacles</li> <li>3) Bank protection work</li> <li>4) Works for incoming lines of electricity, telephone and water pipes, fences and planting</li> <li>5) Procurement of furniture and fittings</li> </ol> </li> </ol>		
E/N Date	October 10, 2008	Completion Date	March 26, 2010
Project Cost	E/N Grant Limit: : 503 million yen, Contract Amount: 501 million yen		
Implementing Agency	Implementing Agency: National Fisheries Authority (NFA) Operating Agency: East Sepik Provincial Government		
Contracted Agencies	Konoike Construction Co., Ltd., Overseas Agri-Fisheries Consultants Co., Ltd.		
Related Studies	Basic Design Study: September 2007 – May 2008, Detailed Design Study: October 2008 – March 2010		
Related Projects	None		

## II. Result of the Evaluation

1 Relevance
<p>This project has been highly relevant with PNG's development policy ("promotion of fisheries including small-scale local fisheries" in the Medium-term Development Strategy (MTDS) 2005-2010 and MTDS 2010-2015), development needs ("promotion of fishery and trading activities in Wewak"), as well as Japan's ODA policy for PNG with priority area of rural development including support for small-scale fisheries at the time of both ex-ante and ex-post evaluation. However, some problems were observed in appropriateness of project design, in other words in specification of the Jetty, ice making machine and freezer at the time of ex-post evaluation. These problems were caused by insufficient examination of demand forecast of fresh fish in the project target area. Therefore, relevance of this project is fair. On the other hand, it is expected that the new Net Trap Project <sup>(Note1)</sup> by NFA will contribute to increasing the catch of fresh fish and the facilities would be fully utilized in the future as designed.</p> <p>Note 1: The newly established Net Trap Project in late 2013 has being aimed by NFA to further utilize the Jetty and Market Ice making storage to store fresh fish for commercial and individual customers. At the time of ex-post evaluation, even though this project was in a trial phase, it was confirmed that fresh fish such as tuna was caught as much as the volume needing ice storage and the number of boats using the Jetty increased.</p>
2 Effectiveness/Impact

The project has not achieved its objectives “to promote and improve the trading activities by the retailers using the Wewak Market and the distribution of fish and vegetables in Wewak Town.” The number of retailers using sales booths at Wewak Market (indicator 5) increased by more than six times from 150 in 2007 to 1,000 in 2013, which fully met its target value. According to the interview results with market manager, sellers and buyers, the number of shoppers visiting the Market greatly increased as the newly constructed Market infrastructure attracted buyers and sellers. However, at the time of ex-post evaluation, it is confirmed that the market got excessively crowded, and the market sanitation was deteriorated due to the toilet and drainage problems occurring during rainy season. Regarding indicator 1, the number of banana boats landing at the Jetty in 2013 was 5 boats/day which did not reach the target value of 10 boats/day. The primary reason for this was that most of fishermen did not go fishing every day due to high fuel price and only catch and sell fish when necessary. Another reason was supposed that there was no official guideline set by the local government on usage of the Jetty and payment of its utility fees. Target values were also not achieved for indicator 2 and 3 (see the table below for the details). It is because that the demand of fresh fish and block ice is much lower than estimated at the planning stage. There was one reason of these low demands: the demand of smoked and dried fish was still high in the market because the conservable fish products were preferred by the customers due to a distance from their home to the market. At the time of ex-post evaluation, individual fishermen buy crushed ice from the Ice making facilities on need basis. For indicator 4, the ice storage, which has a capacity of storing 500 kg, was not in operation due to high cost of electricity<sup>(Note2)</sup>. However, it does not hinder the market activities since the demand of ice is limited and there is no need of storing ice at the time of the ex-post evaluation.

Wewak Jetty is accommodating the small fishing boats and the Market is supplying ice blocks. Thus it has provided a preferable environment for freshness and food safety of fish products but the effect is not fully observed since the portion of fresh fish traded in the Market was the same level as at the planning stage. The effect on improvement of hygiene environment of the Market was realized by practicing daily collection (indicator 7) and provision of public toilets with frequent cleaning. However, it has been observed that the toilets were frequently blocked and the drains also overflowed especially during rainy season due to clogging up at the time of ex-post evaluation.

As for the impacts, according to the interview results with market manager and market users, it was identified that the amount of fish and vegetables and sales revenue of retailers at the Market were considerably increased.

The land acquisition was properly implemented in accordance with the related guidelines and regulations in PNG. According to the residents near the project site, the stone/cement wall that separates the sea from the market is not high enough to prevent high tides of water from crashing into the wall and over to the market's parameters, but no mitigation action has been taken to address this issue. No negative natural impact has been confirmed at the time of ex-post evaluation.

Therefore, effectiveness/impact of this project is fair.

### Quantitative Effects

Indicator	Baseline value (2007)	Target value (2011)	Actual value (2011)	Actual value (2013)
<b>Indicator 1:</b> No. of banana boats landing at Wewak jetty	0 boat/day	10 boats/day	N.A.	5 boats/day
<b>Indicator 2:</b> Volume of ice production	0 kg/day	500 kg/day	N.A.	276 kg/day
<b>Indicator 3:</b> Sales volume of ice produced at Wewak	0 tons/week	2.5 tons/week	N.A.	1.6 tons/week
<b>Indicator 4:</b> Volume of ice storage	0 ton	1.8 tons	N.A.	NIL
<b>Indicator 5:</b> No. of retailers using sales booths at Wewak Market	150	600	N.A.	1,000 <sup>(Note3)</sup>
<b>Indicator 6:</b> Amount of market place fee collected (collection rate)	Avg. 422.5 kinas/day (Approximately 50%)	—	N.A.	2,000 kinas/day (almost 100%).
<b>Indicator 7:</b> Frequency of garbage collection	Not regularly collected	Daily collection	N.A.	Daily collection

Source: National Fisheries Authority

Note 2: While 0.63 Kina/Kwh had been estimated at the time of project design, 0.77 Kina/Kwh was the actual cost at the time of ex-post evaluation.

Note 3: Estimation by the market manager. It is a maximum number vendors during holiday period.

### 3 Efficiency

Although the project cost was mostly as planned (ratio against the plan: 99.6%), project period slightly exceeded the plan (ratio against the plan: 105.6%) because of time required on re-tender. The outputs of the project were produced as planned. Therefore, efficiency of this project is fair.

### 4 Sustainability

The operation and maintenance (O&M) of the Jetty and ice-making facilities have been carried out by Division of Fisheries and Marine Resources (East Sepik Provincial Government) since December 2012. Regarding the O&M of the Wewak Market, the Wewak Town Commission (the Wewak Urban Local Level Government: WULLG), which was a land owner of the Jetty and the Market, is in charge of the market management affairs as initially planned. A controversial management issue between the provincial government and WULLG were observed, but resolved at the time of ex-post evaluation. Regarding the institutional aspect, 2 O&M staffs are assigned for the Market and the Jetty, and 2 staffs of the Net Trap Project is supporting the operation

of the Jetty. The basic design suggested 3 O&M staffs to be assigned, but 2 O&M staffs are enough to meet the current workload. Regarding the technical aspect, the fee collection and accounting, and garbage collection were conducted by the local staff at a certain level. For O&M of the Jetty and ice making facilities, specific qualified engineers or qualified technical staffs were not needed. Regarding the financial aspects, at the time of ex-post evaluation the provincial government began supporting the Jetty O&M through its recurrent budgetary support in terms of paying for wages of the two staff including covering costs for fuel, electricity and maintenance when they are needed. However, the revenue collected by the Jetty and ice-making facilities is not sufficient to cover all O&M due to small demand of fresh fish and block ice. Meanwhile, the newly appointed market management WULLG is putting in place a financial accounting management system to be able to correctly keep financial records for the operations of the market. Support by NFA to ensure the new financial accounting system will be completed by the first half of 2014. As for the current status of O&M of the project facilities, the Kiosk which is a small store selling drinks and snacks to the market users has not been used since its insulation because no tendering for the retailer has occurred. Similarly the ice storage has not been used since its installation because of low demand for the service by fishermen, and at the time of ex-post evaluation it has also not been used due to meter problem. However, with the new Net Trap Project, the ice storage facilities are expected to be used as designed.

This project has some problems in financial aspects and the current status of O&M of the project facilities, hence sustainability of this project effect is fair

#### 5 Summary of the Evaluation

The project has not achieved the project objectives “to promote and improve the trading activities by the retailers using the Wewak Market and the distribution of fish and vegetables in Wewak Town” at the time of ex-post evaluation. Although positive impacts were identified, such as the increase in amount of fish and vegetables and sales revenue of retailers at the Market, the number of boats landing at the Jetty, the volume of ice production and the volume of ice sales were not increased as expected. There are several factors that affected these results such as: (i) decrease in frequency of fishing by full-time fishermen due to high fuel price; (ii) no official guideline on usage of the Jetty and payment of its utility fees, (iii) limited demand for fresh fish in the local market. Since the majority of fish products sold in the Market are smoked and dried fish, quantity of fresh fish is the same level as at the planning stage. Therefore, the expected improvement of freshness and food safety of fish products is not achieved at the time of ex-post evaluation. On the other hands, the new Net Trap Project is being planned to increase the sales of fresh fish and utilize the ice storage in both Jetty and the Market. While the effect on improvement of hygiene environment of the Market was mostly realized by practicing daily collection and provision of public toilets with frequent cleaning, it has also been observed that the toilets were frequently blocked and the drains also overflowed in rainy season.

As for sustainability, the project has some problems in financial aspects and the current status of O&M of the project facilities. For efficiency, the project period slightly exceeded the plan due to re-tendering.

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

### III. Recommendations & Lessons Learned

Recommendations to implementing agency:

- It is recommended to set up an official guideline on usage of the Jetty and payment of its utility fees and notify them to fishermen in order to increase the utilization of the Jetty.
- It is recommended to clean the toilets and drains more frequently especially during the rainy season in order to avoid overflow of wastewater in the market place.

Lessons learned for JICA:

- Targets of jetty utilization, ice production and ice storage were set higher than the actual demands. In the future project, it is necessary to carefully examine the custom of fishermen and the trend of trading activities by the retailers, and set the target at the time of designing project.



Sales booths at Wewak Market



Low utilization of the ice storage