

Simplified Ex-Post Evaluation for Grant Aid Project

Evaluator, Affiliation	Masaaki Shiraishi Waseda Research Institute Corporation (WRI)	Duration of Evaluation Study
Project Name	The Project for Supply of Road Construction and Maintenance Equipment (Phase II)	January 2010 – December 2010

I Project Outline

Country Name	The Republic of Uzbekistan	
Project Period	January 2005-February 2006	
Executing agency	State Joint Stock Company UZAVTOYUL	
Project Cost	Grant Limit: 976 million yen	Actual Grant Amount: 893 million yen
Main Contractors	ITOCHU Corporation	
Main Consultants	Construction Project Consultants, Inc.	
Basic Design	October 2004	
Related Projects (if any)	None	
Project Background	After achieving independence from the USSR in 1991, the Republic of Uzbekistan emerged as a landlocked country where at least two national borders must be crossed to reach the sea. Therefore, it was determined that land routes should be improved and expanded for the economic development of Uzbekistan. However, the transition to a market economy caused an increase of traffic volume, bringing about damage to roads. Effective and efficient maintenance of roads is crucial for smooth distribution of goods in the market. UZAVTOYUL, an authorized government agency which is in charge of the road transport sector, considers it urgent to improve performance, and gives priority to renewal of construction machinery. At the request of the government of Uzbekistan, the Japanese government agreed with Uzbekistan government to grant assistance for purchase of such requirement.	
Project Objective	To provide road construction equipment in order to improve conditions for transportation and physical distribution on 378km of national trunk road from Samarkand to Termez.	
Output[s] (Japanese Side)	<ul style="list-style-type: none"> - Motor Grader 150 HP - Dump Truck 10 ton - Asphalt Hand Sprayer 400L - Roller >6.5 ton - Pneumatic Roller >8.5 ton - Pick-up Truck >5 person - Water Tank Truck 8,000L - Multi Purpose Truck - Road Line Marker - Asphalt Finisher width 2.5-4.5m - Asphalt Distributor 4.5m(w), 6,000L - Trailer Truck 30 ton - Road Planer 0.5-1.0m(w) 160mm(d) - Mobile Testing Lab (soil, asphalt) - Mobile Workshop (crane, DG, welder) - Excavator 0.8 m3 bucket - Wheel Loader 2.5 m3 bucket - Truck Crane 25 ton - Air Compressor >7 m3 - Tamper 70 – 75kg - Hand Guide Roller 700kg min. 	

II Result of the Evaluation

Summary of the evaluation
<p>This project conforms to the social development policy and needs of the Armenia and Japan's ODA policy as well. The project has been implemented nearly as planned. In its effectiveness aspect, however, a deficiency in achievement of expected outcome has been identified due to an unknown cause of difference in understanding on the "planned schedule". For the rest of relevant points, operation and maintenance of the project has been consistently performed, and though there are some unclear points of financial sustainability, in matters of budget allocation, in relation with the above "difference in understanding", they are considered to be irrelevant as a financial issue.</p> <p>In light of the above, this project is evaluated to be satisfactory.</p>

1 Relevance
<p>(1) Relevance with the Development Plan of the Uzbekistan</p> <p>At the time of project planning, the targeted trunk road from Samarkand to Termez had been designated as one of the thirteen major projects under the National Road Improvement and Rehabilitation Plan, and therefore it had conformed to the national policy of the Uzbekistan. In the time of post-evaluation, it conforms to Presidential Decree PP-1103 (April, 2009), On Measures to Reconstruct and Develop Uzbekistan National Highways for 2009~2014, and therefore this project conforms to Uzbekistan's policies since 2004 throughout the project period and present.</p> <p>(2) Relevance with the Development Needs of the Uzbekistan</p> <p>At the time of project planning, there had been number of needs for rehabilitation of the trunk roads such as deterioration of road surface and aging of maintenance equipment due to increase of heavy cargo transportation and volume of cargoes which are accelerated by development of market economy, and needs for renewal of road maintenance equipment. At the time of post-evaluation, there are growing needs for trade promotion, rural development, improvement of regional public services, political needs for formation of regional common market, and needs for cross boarder logistics through Afghanistan. Therefore, relevance of this project with needs of Uzbekistan is very high.</p> <p>(3) Relevance with Japan's ODA Policy</p> <p>At the time of project planning, Japan's ODA policy for the countries in the Central Asia and Caucasus region emphasized the fields of economic management, communication, healthcare and transport infrastructure that contribute to socio-economic stabilization of the Central Asia (ODA White Paper 2004). Further, considering the geographical importance of Uzbekistan in the Central Asia, the Japanese government has intended to assist indigenous needs of Uzbekistan that, from the viewpoint of the contribution to promote mutual cooperation among the countries of Central Asia. Renewal and Improvement of Economic Infrastructures (Transportation and Energy)" was one of three priority areas (Country-wise Data Book – 2005, the Ministry of Foreign Affairs). This project thus precisely conforms to one of the above priority areas.</p> <p>This project has been highly relevant to Uzbekistan's development plan, development needs, as well as Japan's ODA policy, and therefore its relevance is high.</p>
2 Efficiency
<p>(1) Project Outputs</p> <p>Despite slight changes, outputs by the Japanese side have been attained essentially as planned.</p> <p>(2) Project Period (Project Inputs)</p> <p>The project implementation period of 13 months has been attained as planned. (100.0%)</p> <p>(3) Project Cost (Project Inputs)</p> <p>The actual project cost of 893 million Japanese yen was lower than planned budget of 976 million Japanese yen. (90.1%)</p> <p>Both project period and project cost were within the plan, and therefore efficiency of the project is high.</p>
3 Effectiveness / Impact
<p>(1) Quantitative Effects</p> <p>The target outcome of the project had been defined as 328km of the total distance of 378km of the highway from Samarkand to Termez. The total construction period had been estimated as five years after delivery of construction equipment under the project. According to answers to our questionnaire, however, actual construction accomplished has been only 246km as of the time of post-evaluation (i.e., 2010). Details of said actual performance have been; 20km in 2006, 100km in 2007, 30km in 2008, 5km in 2009, and 90km in 2010, respectively. Despite the discrepancy, the implementation agency in Uzbekistan has reported that performance has been as planned. However, it has not examined the reason for the different understanding on the target outcome. Based on the target distance given in the Basic Design Study, achievement rate of actual performance by the implementation agency is 75%. Unfortunately, however, as no annual figures for the target outcome or breakdown of total distance of 328km were given in the Basic Design Study, achievement of outcome cannot be evaluated.</p> <p>(2) Impacts (Impacts on the Natural Environment, Land Acquisition and Resettlement, Unintended Positive/Negative Impact)</p> <p>According to the reply from the implementation agency, by implementation of the project, strengthening of transportation capacity, improvement in safety and reliability of road transportation, and improvement of road conditions have been realized. As specific impact by the project there have been increases in traffic speed and cargo transported, and a sharp increase in passenger transportation, a decrease in traffic accidents, and a decrease in vehicle body damage. Further, as environmental impact, the socio-economic environment of the area along the highway has been improved, though no numerical evidence of this has been obtained. No negative impacts due to destruction of nature, land expropriation, relocation of inhabitants, etc. have been occurred.</p> <p>This project has somewhat achieved its objectives, and therefore its effectiveness is fair.</p>
4 Sustainability

(1) Structural Aspects of Operation Maintenance

The State Joint Stock Company UZAVTOYUL is a state organization. The number of staff members assigned to the project area covered the three states was 5,626 (as of November, 2003) including 1,333 engineers and technicians. This organization was reformed in 2006 under Presidential Resolution No. PP-551, On Measure to Improve the Organizational Structure of the State Joint Stock Company "UZAVTOYUL", however, reportedly the overall structure and management system is not changed significantly.

(2) Technical Aspects of Operation Maintenance

According to the implementation agency, they are very confident in technical operation and maintenance of the project, and there are no overt technical issues at all. No information for preparation of operation and maintenance manuals and/or training performance was provided. The implementation agency procures spare parts for equipment in August every year. Further, the implementation agency says that they share their experience in road construction and repairs and maintenance under the project. In the context of the above, nonattainment of the targeted outcome is considered to be not attributable to technical reasons.

(3) Financial Aspects of Operation Maintenance

All of construction, maintenance and restoration of the roads performed by the JSC UZAVTOYUL is implemented under the plan and budget of the Republican Road Fund, and therefore, the budget for maintenance and renewal of construction equipment is also considered to be included in the governmental budget. However, no answer to the question about financial statements was provided, and details of the operation and maintenance budget for the equipment under this project is unknown, though they stated that reserves for future renewal of the equipment are being maintained. Nevertheless, since the JSC UZAVTOYUL is a government owned corporation, no particular financial constraints are considered to exist.

(4) Current Status of Operation Maintenance

Despite the planned rehabilitation of 328km trunk road between Samarkand and Termez using construction equipment supplied under the project, 25% (82km) of road is incomplete. Nevertheless, the implementation agency has responded that the project is completed as planned. The cause of this discrepancy is not known.

No major problems have been observed in terms of operation and maintenance system, therefore sustainability of the project effects is high.