

## Simplified Ex-Post Evaluation for Grant Aid Project

Evaluator, Affiliation	Akihiro Nakagome, Keisuke Nishikawa Ernst & Young Advisory Co., Ltd.	Duration of Evaluation Study
Project Name	The Project for the Improvement of the Circumferential Road around Pohnpei Island in the Federated States of Micronesia	February 2010 – December 2010

### I Project Outline

Country Name	Federated States of Micronesia	
Project Period	Phase I: January 2004-February 2005 Phase II: November 2004-December 2005	
Executing Agency	Pohnpei State Government / Pohnpei Transportation Authority (PTA)	
Project Cost	Grant Limit: 940 million yen	Actual Grant Amount: 904 million yen
Main Contractors	(Construction) Maeda Corporation	
Main Consultants	Katahira Engineers International	
Basic Design	March, 2003	
Related Projects (if any)	[Grant Aid Project] Local Road and Agricultural Road Network Improvement Project (1980, 1982) Road Pavement Project in Pohnpei State (1987) The Project for the Road Improvement for the State of Yap (2000-2002)	
Project Background	The circumferential road around Pohnpei Island is the only arterial road on the island, to which all other roads are connected. People and goods moving between villages all go through the circumferential road. It is an important part of the island's basic infrastructure that supports social and economic activities on the island. However, some parts of the road have not been completed. Vehicles have difficulties in running on these sections as the sections are less reliable. The unfinished parts of the road are a hindrance to safe and smooth passenger traffic and goods flow between the communities along the sections and Palikir, the capital of Micronesia, or Kolonia, the capital of the Pohnpei State, and this is one of the factors causing disparities between the regions of the island. This project broadly serves to raise living standards in the project areas for reducing disparities between communities and to promote social and economic activities on the island.	
Project Objective	Unpaved sections of 11.8 kilometers on the circumferential road around Pohnpei Island are improved to deliver safe and smooth traffic along these sections.	
Output[s] (Japanese Side)	Road improvements to 11.8 km of unpaved sections on the circumferential road around Pohnpei Island (Phase I: 5.1 km; Phase II: 6.7 km) <ul style="list-style-type: none"> <li>• Carriageway: 6.0 m (2 lanes); Shoulder: 1.2 m (both sides)</li> <li>• Design speed ranges from 30 km/h to 50 km/h, depending on sections</li> </ul>	

### II Result of the Evaluation

Summary of the evaluation
<p>In conducting this ex-post evaluation, data were gathered by sending questionnaires to the Pohnpei Transportation Authority (PTA) and receiving its responses. But adequate answers were not given to some questions and the documents or reference materials to some of its answers were not attached, which imposed some restrictions on the evaluation results. It should be noted, therefore, that this ex-post evaluation is based on limited information. Such restrictions were taken into account in carrying out the ex-post evaluation.</p> <p>This project improved the circumferential road around Pohnpei Island, which has a very important position as part of the social and economic infrastructure, and achieved smooth flows of passengers and goods. In this regard, the project was highly effective and succeeded in promoting economic activities. The construction work was completed on time and within the budget. The project, therefore, can be said to have been conducted efficiently. However, in terms of the operation and maintenance of the road, some concerns have arisen; although PTA is provided with the arrangements and skills for road operation and maintenance, the problem of insufficient budget prevents the road from being operated and maintained in an appropriate manner, causing rapid deterioration of its condition.</p> <p>In light of the above, this project is evaluated to be satisfactory.</p> <p>&lt;Recommendations&gt;</p> <p>In terms of operation and maintenance, the Executing Agency must work with the residents in mowing the grass along the road and cleaning side ditches and drainage ways along the route. They must also consider, from the long-term perspective, how to allocate the largest possible portion of the budget to operation and maintenance purposes.</p>
1 Relevance

#### (1) Relevance with the Development Policy of FSM

When the plan for this project was formulated, the construction, operation and maintenance of roads was included in the public sector investment plan, which explicitly included completion of the circumferential road (improvement of its unpaved sections). The Strategic Development Plan (SDP), formulated afterwards in 2005, pointed out the development of the social infrastructure as one of its ten priority fields. In 2008, the president also mentioned that, in his state-of-the-nation address, infrastructure development was a key issue. As described above, road construction and improvement has always been positioned as a priority issue in the development policy of FSM.

#### (2) Relevance with the Development Needs of FSM

Pohnpei Island's road network had been constructed with the circumferential road as the main artery. Some parts of the road, however, had not been paved or completed, with the road surface left damaged and the shoulders eroded at an increasing number of sections along the road. At these points, vehicles were forced to slow down and had difficulties in driving safely. Both at the time the plan was formulated and at the time the ex-post evaluation was conducted, the circumferential road was important for the people on the island as a social and economic foundation. It can be said that there was a great need for this project to be carried out in order to realize safe and smooth transportation of people and goods and reduce disparities on the island.

#### (3) Relevance with Japan's ODA Policy

When the project was planned, Japan declared that for island countries in the entire Pacific area, not only for FSM, "(Japan should work to) develop the economic and social infrastructure that should serve as a foundation for their economic and social activities and help them overcome their dispersed locations and geographical isolation as island countries." Implementation of this project conforms to this policy.

This project has been highly relevant with the country's development plan, development needs, as well as Japan's ODA policy; therefore its relevance is high.

### 2 Efficiency

#### (1) Project Outputs

Outputs by Japan were generated generally as planned while there were some minor alternations.

#### (2) Project Period (Project Inputs)

The project, designed to be completed in 28 months (Phase I: 14 months; Phase II: 14 months) in the original plan, and it actually finished in 28 months (14 months in each phase) as planned (100% to the plan). The Executing Agency says that the contractors in Pohnpei Island were sufficiently experienced to carry out the road construction work quite efficiently, a major factor that enabled the project to be completed on time.

#### (3) Project Cost (Project Inputs)

The project, designed to cost ¥940 million in the original plan, actually cost ¥904 million, lower than the planned cost (96% of the plan).

Both project period and project cost were mostly within the plan, therefore efficiency of the project is high.

### 3 Effectiveness / Impact

#### (1) Quantitative Effects

On the sections covered by the project, the average vehicle speed has risen from 20 km/h in 2002 to 40 km/h, reaching the target speed in 2008. In terms of the travel time required, the Executing Agency has no data, but a calculation based on the average speed suggests that presumably the project sections can be covered within the target time of 18 minutes.

In this project, the road surface has been raised to a higher level and the crossing drainage facilities have been improved. As a result, the road can now avoid any submersions, thus ensuring smooth traffic flows.

#### (2) Impacts (Impacts on the natural environment, Land Acquisition and Resettlement, Unintended Positive/Negative Impact)

According to the Executing Agency, the road improvement has delivered easier access to places around the island, allowing an increasing number of tourists to visit various tourist spots. They also say that agricultural and marine products can be transported more easily, which has brought about positive effects to the economic activities.

After the project, in addition, substantial dredging of coral materials is no longer needed in operation and maintenance of the road, which has reduced the environmental burden on the sea. The pavement of the road has solved the problem of surface soil being washed away, preventing muddy water from polluting the seawater in the lagoons. Debris from the road construction was appropriately disposed of at a government plant, with no environmental pollution found to have been caused by the waste.

Acquisition of the land for the project, which had been estimated to be 1,710 m<sup>2</sup>, was carried out without delay and without any resettlements of the residents.

This project has largely achieved its objectives; therefore its effectiveness is high.

### 4 Sustainability

#### (1) Structural Aspects of Operation Maintenance

Since the project was completed, the road has been operated and maintained by the Construction Division of PTA.

#### (2) Technical Aspects of Operation Maintenance

PTA's operation and maintenance staff have sufficient skills and techniques for the daily operation and maintenance work. However, training for road operation and maintenance is not offered.

#### (3) Financial Aspects of Operation Maintenance

Road maintenance cost 150,000 dollars in 2002. In 2008, however, without any further need to replenish roadbed materials (coral materials), except those for road shoulders, the maintenance cost fell to as low as 50,000 dollars. The target of 20,000 dollars has yet to be observed, but a significant cost reduction to one third of the expenses before the project was achieved.

However, in their answers to the questionnaires, the Executing Agency has commented that no operation and maintenance expenditure was recorded for the circumferential road in 2009 due to the lack of budget.

(4) Current Status of Operation Maintenance

The road surface was originally in good condition. But with no operation and maintenance work carried out for the road other than mowing and ditch cleaning that the local government routinely carries out, the condition is deteriorating rapidly. As the Executing Agency does not have sufficient mowing machines for servicing the road, some road edges have appeared covered with weeds.

Major problems have been observed in terms of financial aspects; therefore the sustainability of the project effects is low.