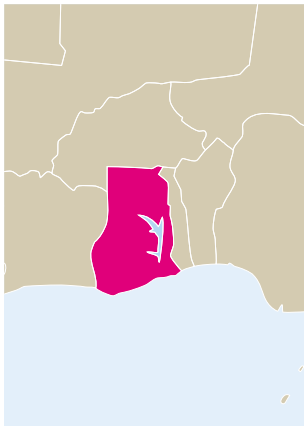


Overall Rating **C** Poverty Reduction
A Foundation for Sustained Growth



51 Ghana Water Sector Rehabilitation Project

Contribution to the supply of safe water through the repair and expansion of water facilities for nine cities

Loan Amount/Disbursed Amount 5.444 billion yen/5.369 billion yen
Loan Agreement March 1994
Terms & Conditions Interest rate 2.6%, Repayment period 30 year (grace period 10 years), General untied
Final Disbursement Date January 2001
Executing Agency Ghana Water Company



Project Objectives

The project's objective was to improve the water supply service by rehabilitating and expanding water supply facilities and providing of the necessary equipment and materials for maintenance of the national water supply systems in 9 cities of the Volta Region and the northern area, thereby contributing to the improvement of population hygiene standards and infrastructure for industrial development.

Effectiveness & Impact

Rating **b**

Whilst the project was generally carried out as planned, repairing and expanding water supply facilities and providing equipment and materials, actual results varied greatly among the target cities. In Hohoe, Tamare, Ho, and Keta/ Anloga, it was confirmed that the target water facilities of the project had difficulty ensuring sufficient water supply volumes. Hence, in Hohoe, facilities were expanded in 2006. Also, in Ho and Keta/ Anloga, separate water sources were developed. Furthermore, in Denu/ Aflao the estimated demand and project value of the target facilities had been excessively high at the time of the appraisal so the project was limited to repairs only. It was confirmed that excluding the water facilities of Ho, Keta/ Anloga, and Denu/ Aflao the achieved ratio of target water supply volume*1 was 81.3% (6 locations) and the average facilities utilization ratio*2 for all 9 locations was 61.4% (2006).

In a survey of the beneficiaries, approximately 80% of respondents thought that both water quality and volume had improved. The national water supply ratio is a low 40%, so the demand for safe water is high. Therefore, this project rate a highly satisfactory level of effectiveness since it has largely achieved its objectives.

*1 Facilities performance ÷ project value

*2 Average daily water supply ÷ facilities performance

Project values and actual values for water supply performance, etc., for target facilities of the project

Water supply system	Time of appraisal (project values)			Time of ex-post evaluation (actual values)				
	1993 Water supply volume (actual) (m ³ /day)	2005 Water demand estimated volume (m ³ /day)	Water supply performance (m ³ /day) A	Water supply performance (m ³ /day) B	2006 Water supply volume (m ³ /day) C	Facilities usage ratio (%) C/B	Achieved ratio of target water supply volume (%) B/A	Unaccounted water ratio (%)
Ho	6,389	7,686	1,260	15,000	7,748	52	–	51.3
Hohoe	847	3,458	2,400	2,280	1,507	66	95	33.7
Konya/ Ahenkro	49	141	226	94	57	61	42	39
Sovi/Djigbe	62	133	196	186	51	27	95	30.3
Anyako	261	359	600	336	271	81	56	19.4
Keta/Anloga	311	4,042	4,600	7,272	2,973	41	–	20.6
Denu/Aflao	336	3,811	2,330	960	357	37	–	40.3
Tamare	12,700	27,660	15,900	19,560	17,770	91	123	–
Wa	560	7,799	1,490	1,151	1,117	97	77	8

Relevance

Rating **a**

Both at the time of the appraisal and at the time of the ex-post evaluation, this project has been highly relevant to Ghana's national policies (such as Ghana Poverty Reduction Strategy). The project is a part of the Water Sector Restructuring Project (WSRP) which was jointly financed by the World Bank, DFID (England), AfDB (France), and others.

Efficiency

Rating **b**

Whilst project cost was kept within budget, the project period was much longer than planned (188%); therefore, the evaluation for efficiency is moderate. Reasons for the project extension included delayed provision of communication equipment and transformers.

Sustainability

Rating **b**

There are concerns in operation and maintenance systems because the central government of the country can not grasp the actual management situation of the project, and there is still no information management system in place to efficiently manage facility operations. During the ex-post evaluation, it was confirmed that, as a part of the separate Urban Water Project, there were initiatives to strengthen operation and maintenance systems by using private enterprise, which should be able to deal with this type of situation. Financial situation may also improve in the future since sales growth is firm and a debt waiver is also being planned by the government for the executing agency. Therefore, sustainability of this project is moderate.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be moderately satisfactory. In future, establishment of an information management system is desirable in order to improve operation and maintenance performance of the executing agency.

Third-Party Opinion

The repairs and expansion of water facilities conducted by the project are important. However, it is hoped that the project will also deal with such issues as the establishment of a tariff structure based on the consideration of social justice and affordability for the poor along with the measures against the high unaccounted water ratios.

Specialist: Mr. Bishop Akolgo (NGO)

Obtained a master's degree (Economics) from Wales University. Presently holds the posts of the Representative of the Integrated Social Development Center (NGO) & President of Ghana Evaluators Association. Specialized in social development, project management, local administration, and development of human resources.