

Evaluation Report

2016-06

Ex-Post Evaluation on the Administrative Complex in Hambantota Project

The Export-Import Bank of Korea

(Government Agency for EDCF)

EDCF Evaluation Team

(Evaluated by Hanguk Consortium)

This Evaluation was entrusted to Hanguk Consortium by EDCF for the purpose of independent evaluation research. The opinion, findings and conclusion or recommendations expressed in this report are those of the external evaluator and do not necessarily reflect the view of EDCF

I. Project Overview

1. Project Details

- Name of the Project: The Administrative Complex in Hambantota Project
- Name of the Borrower: Ministry of Finance and Planning (MOFP)¹⁾
- Execution Agency: Urban Development Authority (UDA)
- Requested Loan Amount: Korean Won equivalent to USD 20 million
- Condition of Loan
 - Interest rate: 0.5% per annum
 - Repayment period: 30 years including a grace period of 10 years

2. Project Purpose

- The main goal was to improve the efficiency and convenience of operating the administrative functions for citizens and public servants alike through building an administrative complex.

3. Project Scope

- The project scope was constructing an administrative complex and its facilities for gathering in one place various government institutions scattered around the region of Hambantota.

1) The name of the Ministry of Finance and Planning (MOFP) changed to the Ministry of National Planning and Economic Affairs (MNPEA)

<Project Scope>

| Item | Scope |
|---------------------------|--|
| Construction of Buildings | Main building, individual office building, public library building, depots and accommodation |
| Civil Works | Leveling of ground, provision of roads, landscapes and water tanks in the Administrative Complex |
| Infrastructure Facilities | Provision of infrastructure facilities such as water supply, electricity, drainage and communication within the project site |
| Consulting Services | Supervision of detailed design and construction, preparation and evaluation of bidding documents |

II. Introduction

- As the old urban center of Hambantota was completely destroyed due to the tsunami in 2004, the Sri Lankan government planned to set a buffer zone near the coastlines and move major facilities further inward to prevent similar accidents from happening again.

- The Administrative Complex in Hambantota Project is one of the projects for building a new city in Hambantota, under the urban development plan of Sri Lanka. In this context, the Project planned to establish the new city of Hambantota as the main administrative hub by gathering in one place the various government institutions scattered around the region of Hambantota.

- As the Sri Lankan government asked to amend the project design, the total construction period took 52 months which was originally planned to be 36 months. The actual project cost, however, remained within the original project budget.

- Since the completion of the project, 42 administrative agencies moved to the complex and have been providing administrative services to civilians. Thanks to this complex, the Hambantota local government was able to provide one-stop administrative services, improving the efficiency and convenience of administrative services for the citizens.

III. Summary of Evaluation

1. Purpose of Evaluation

- This ex-post evaluation aims to assess the performance of the Administrative Complex in Hambantota Project and to draw lessons learned and make recommendations for future projects.

2. Methods of Evaluation

- The evaluation criteria incorporated the characteristics of the project based on the OECD DAC's five evaluation criteria (relevance, efficiency, effectiveness, impact, and sustainability), and cross-cutting issues²). Furthermore, the triangulation method was used to deduct highly feasible results and verify the criteria.
- To achieve the independence and integrity of the evaluation process, the evaluation team complied with the following guidelines: the Evaluation Guidelines of EDCF Ex-post Evaluation and the EDCF Evaluation Manual.

3. Results of Evaluation

- (Overall) The project is evaluated as successful according to the evaluation guidelines provided by EDCF. The overall score in the evaluation was 3.72 points out of 4.0 points as shown in the table below.

2) Cross-cutting issues are the issues for which all EDCF projects should be evaluated. This category includes environmental issues, gender and minority, AID/HIV, relocation of population and others.

<Evaluation Results>

| Evaluation Criteria | Weight | Evaluation Rating | Evaluation Value |
|----------------------------|---------------|--------------------------|-------------------------|
| Relevance | 20% | Highly Relevant | 3.93 |
| Efficiency | 20% | Efficient | 3.50 |
| Effectiveness | 20% | Highly Effective | 3.75 |
| Impact | 20% | Highly Influential | 3.83 |
| Sustainability | 20% | Sustainable | 3.60 |
| Overall Rating | | | 3.72 |

- (Relevance) The project is rated as highly relevant (3.93/4.00); The project was well aligned with the Sri Lankan government's Hambantota New Town Plan and was also in line with EDCF's cooperation strategy.
- The project design is evaluated to be relevant. The project site is located in a safe zone 3km back from the shoreline to secure safety from tsunami. By building an administrative complex, the project aimed to improve the administrative efficiency of public institutions and administrative service convenience for the citizens.
 - The Urban Development Authority (UDA) successfully promoted the implementation of the project by utilizing its experience in town planning and development projects. The UDA is also continuously supporting the post-management of the administrative complex.

- (Efficiency) The project is rated as efficient (3.50/4.00); The project was completed within the project time frame which was 52 months, approximately sixteen months later from its original plan. However, the actual project cost remained within the original project budget.
 - The revision took place due to the unexpected inflation during the project implementation period but the UDA efficiently implemented the project related tasks from the early stage of conceptual design for the administrative complex to the end of the project.

- (Effectiveness) The project is deemed to have been highly effective (3.75/4.0) based on its achievement of intended output, successfully constructing the administrative complex for 32 government institutions and agencies.
 - The administrative complex and its infrastructure facilities were completed as planned. Originally, the complex was constructed for 32 government institutions and agencies but accompanied 42 government institutions and agencies in the end.
 - By gathering various government institutions in one place, the Hambantota local government was able to provide one-stop administrative services and improved the administrative efficiency and convenience for the citizens.
 - In addition, the Hambantota local government has enabled all public transportation going in and out of Hambantota to pass by the administrative complex, increasing citizen accessibility and enhancing project effectiveness as a result.

- (Impact) The project is rated as highly influential (3.83/4.0); The project has positively impacted Sri Lanka's administrative sector by improving the quality of public service.
 - The provision of one-stop administrative services contributed to saving the economic cost by reducing the complaints handling time and duplication of administrative work.

- (Sustainability) The project is evaluated to be sustainable (3.60/4.0).
 - The UDA, the project executing agency, had well-managed the administrative complex buildings by introducing a highly systematical maintenance and management system. However, the UDA needs to consider reducing high maintenance costs to ensure that the facilities are operated in a sustainable manner.

- (Cross-Cutting Issues) The administrative complex has facilities and services for vulnerable groups.
 - Considering the high proportion of female employees, the administrative complex is operating a day care center (child care during working hours) to improve female workers' work efficiency. Furthermore, it was found that the administrative complex was properly equipped with the convenience for disabled people such as elevator installation, staff support, rest rooms, and wheelchair ramps.

IV. Lessons Learned and Recommendations

1. Lessons Learned

□ Success Factors

- The UDA, the project executing agency, efficiently responded and actively participated in the project from the early stage to the end of construction and post-project monitoring.
- In addition, the Hambantota local government enabled all public transportation going in and out of Hambantota to pass by the administrative complex, increasing citizen accessibility and enhancing project effectiveness as a result.

□ Limitations

- The project was delayed around 16 months due to the UDA's delay in detailed designing and the partner country's request for the modification of detailed design of the project. To prevent similar matters from happening, EDCF and the partner country would need to manage the project timeline more systematically by frequently having consultations among the project implementing agency of the partner country, consultants, and suppliers when the project design has to be revised at the request of the partner country.
- The maintenance cost of the administrative complex was calculated in the economic analysis at the time of project designing, but no specific discussions were made on the financing method of the recipient organization. At the time of evaluation, the administrative complex was being well maintained but the state had difficulty in fully taking care of all maintenance expenses for itself.

2. Recommendations

- Consider the project executing agency's capacity from the early stage
 - Since the capacity of the project executing agency is a crucial driver of any project's success, it will be helpful to analyze and evaluate the competence of the project executing agency in the pre-feasibility study stage and reflect the result in the project design in order to improve the success rate of the project.

- Improve the accessibility of the project outcomes
 - Accessibility is one of the key factors for the successful implementation of the project. In implementing similar projects in the future, we suggest that the partner country's government consider including the public transportation route development from the initial stage of the project.

- Confirm the financial resources for the maintenance in the early stage
 - It is expected that the maintenance cost of the facility will be estimated at the time of designing the project or at the beginning of the project. It is recommended that the organization to be in charge of maintenance after the completion of the project complete the consultation for securing the maintenance budget in the early stage of the project.