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IMPLEMENTATION COMPLETION AND RESULTS REPORT

(IDA-4780)

ON A

CREDIT

IN THE AMOUNT OF SDR 19.9 MILLION

(US\$30 MILLION EQUIVALENT)

TO

THE REPUBLIC OF CAMEROON

FOR THE

CAMEROON - COMPETITIVE VALUE CHAINS (P112975)

September 30, 2017

Trade & Competitiveness Global Practice
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective July 31, 2017)

Currency Unit =	CFA Franc (CFAF)
CFAF 555.72=	US\$1
US\$1 =	SDR 0.58

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CFAF	<i>Communauté Financière Africaine Franc</i> (Franc for African Financial Community)
CPF	Country Partnership Framework
ESMF	Environmental and Social Management Framework
FLEGT	Forest Law Enforcement, Governance and Trade
GDP	Gross Domestic Product
ICRR	Implementation Completions and Results Report
IDA	International Development Association
IFC	International Finance Corporation
IRR	Internal Rate of Return
M&E	Monitoring and Evaluation
MINEPAT	Ministry of Economy, Planning and Regional Development
PCU	Project Coordination Unit
PDO	Project Development Objective
PPA	Project Preparation Advance
SDR	Special Drawing Rights
SIL	Sector Investment Loan
SME	Micro, Small and Medium Enterprise

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TABLE OF CONTENTS

DATA SHEET	1
I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES.....	5
A. CONTEXT AT APPRAISAL.....	5
B. SIGNIFICANT CHANGES DURING IMPLEMENTATION (IF APPLICABLE)	7
II. OUTCOME	10
A. RELEVANCE OF PDOs	10
B. ACHIEVEMENT OF PDOs (EFFICACY)	10
C. EFFICIENCY.....	13
D. JUSTIFICATION OF OVERALL OUTCOME RATING	14
E. OTHER OUTCOMES AND IMPACTS.....	14
III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME.....	15
A. KEY FACTORS DURING PREPARATION	15
B. KEY FACTORS DURING IMPLEMENTATION	16
IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME.....	18
A. QUALITY OF MONITORING AND EVALUATION (M&E).....	18
B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE	18
C. BANK PERFORMANCE.....	20
D. RISK TO DEVELOPMENT OUTCOME.....	21
V. LESSONS AND RECOMMENDATIONS	22
ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS	24
ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION	31
ANNEX 3. PROJECT COST BY COMPONENT.....	34
ANNEX 4. EFFICIENCY ANALYSIS.....	35
ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS.....	37
ANNEX 6. SUPPORTING DOCUMENTS (IF ANY)	40
ANNEX 7. LIST OF SUPPORTING DOCUMENTS	47



DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P112975	CAMEROON - COMPETITIVE VALUE CHAINS (P112975)
Country	Financing Instrument
Cameroon	Specific Investment Loan
Original EA Category	Revised EA Category
Full Assessment (A)	Full Assessment (A)

Organizations

Borrower	Implementing Agency
Ministry of Economic Affairs, Programming and Regional Development	Project Coordination Unit

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to contribute to the growth of the wood and tourism value chains in Cameroon by improving their competitiveness and the investment climate.

Revised PDO

The PDO is to contribute to the growth of the wood transformation and tourism industries.



FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
World Bank Financing			
IDA-47800	30,000,000	26,063,328	24,391,995
Total	30,000,000	26,063,328	24,391,995
Non-World Bank Financing			
Borrower	0	0	0
Total	0	0	0
Total Project Cost	30,000,000	26,063,328	24,391,995

KEY DATES

Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
22-Jun-2010	29-Apr-2011	10-Nov-2014	30-Mar-2016	31-Mar-2017

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
11-Dec-2013	7.34	Change in Project Development Objectives Change in Results Framework Change in Components and Cost Change in Institutional Arrangements Change in Implementation Schedule
25-Mar-2016	15.41	Change in Results Framework Change in Components and Cost Change in Loan Closing Date(s) Reallocation between Disbursement Categories Change in Implementation Schedule
23-Mar-2017	22.88	Change in Components and Cost Cancellation of Financing Reallocation between Disbursement Categories



KEY RATINGS

Outcome	Bank Performance	M&E Quality
Unsatisfactory	Moderately Unsatisfactory	Negligible

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	27-Mar-2011	Satisfactory	Satisfactory	0
02	27-Dec-2011	Moderately Satisfactory	Moderately Satisfactory	3.13
03	13-Aug-2012	Moderately Satisfactory	Moderately Satisfactory	3.22
04	24-Feb-2013	Unsatisfactory	Unsatisfactory	3.81
05	25-Sep-2013	Unsatisfactory	Unsatisfactory	4.49
06	06-May-2014	Moderately Unsatisfactory	Moderately Unsatisfactory	5.70
07	25-Jan-2015	Moderately Unsatisfactory	Moderately Unsatisfactory	7.30
08	04-Aug-2015	Moderately Unsatisfactory	Moderately Satisfactory	8.30
09	08-Feb-2016	Moderately Unsatisfactory	Moderately Satisfactory	9.63
10	19-Apr-2016	Moderately Unsatisfactory	Moderately Satisfactory	11.26
11	03-Aug-2016	Moderately Unsatisfactory	Moderately Satisfactory	12.54
12	21-Feb-2017	Unsatisfactory	Unsatisfactory	14.70



SECTORS AND THEMES

Sectors

Major Sector/Sector	(%)
Industry, Trade and Services	100
Public Administration - Industry, Trade and Services	23
Other Industry, Trade and Services	77

Themes

Major Theme/ Theme (Level 2)/ Theme (Level 3)	(%)
Economic Policy	100
Trade	100
Trade Facilitation	100

ADM STAFF

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I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

A. CONTEXT AT APPRAISAL

Context

1. In the decades preceding the conception of this project, Cameroon had endured an extended period of economic decline, with per capita Gross Domestic Product (GDP) growth averaging negative 4.14 percent per annum during 1988-1997, followed by a modest recovery averaging 1.14 percent per annum during 1998-2007. Amidst the 2008 and 2009 global food and financial crisis, the country suffered some setbacks, with GDP growing at 0.1 percent and negative 0.8 percent respectively.
2. The Cameroon Government, seeking to put the country back on a path of sustainable growth, developed a Growth and Employment Strategy for 2010-2020, as the first ten years of its long-term vision (2035). Among the key value chains identified to spur economic growth and employment were timber and tourism.
3. Cameroon forests occupy 20 million hectares, contain more than 300 species of wood, and the wood industry accounts for around nine percent of Cameroon's GDP. The industry is segmented. About two million cubic meters of mostly precious wood species is exported each year, mostly having gone only through the first stage of wood processing (sawing, rotary cutting, slicing). About 662,000 cubic meters of wood products, mostly from non-precious species, are sold in the domestic and regional markets. The development challenge was that the processing relies on wasteful second and third stage processing techniques, and often obtained from illegal logging activities.
4. In the same vein, Cameroon has a number of world-class nature and culture based touristic assets. Cameroon is among a handful of countries with a large population of gorillas in the wild, it has one of the largest volcanoes in the world (Mount Cameroon) and a multitude of traditional kingdoms in the West and North, each with their own culture. Yet, these assets are under leveraged. Less than 15,000 tourists a year choose Cameroon – most of Cameroon's 500,000 international visitors come for business or family reasons. Tourism in Cameroon is mostly limited to week-ends and vacations – resulting in very low occupancy rates (around 30 percent). Although underdeveloped, the tourism industry in Cameroon already accounts for 2.5 percent of GDP and 55,000 jobs in hotels and restaurants alone. The development challenge was how to leverage these assets to stimulate a robust tourism sector that contributes to growth and employment.
5. It is in this regard that the Government of Cameroon requested for the World Bank's assistance in these two domains. The rationale for the Bank's favorable response to this request included the high potential of these two value chains to leverage other International Development Association (IDA) supported projects in the forestry, transport and energy sectors. In addition, the requested project would have a demonstration effect, with the possibility of replicating the proposed approach on other value chains with similarly high potential. It would also build on a number of diagnostic reports, including the 2004 Competitiveness Diagnostic Study which had assessed the potential of all the main local industries, the 2006 Investment Climate Assessment (ICA), the 2007 Development Policy Review, the 2008 Cost of Factors Study and the 2008 Private Sector Development Study. The project would be part of a wider government program to improve Cameroon's competitiveness, a major pillar in the country's Growth and Employment Strategy. Competitiveness was also central to the then new CAS (discussed by the Board of Directors of the World Bank on March 30, 2010) and the updated 2007 Africa Action Plan. Overall, the project would support the country's higher level of objectives of increasing growth, reducing employment, and reducing poverty.



Theory of Change (Results Chain)

6. Wood Industry. The theory of change suggested by the project was to contribute to the growth of this sector by : (a) promoting policies for encouraging the development of a domestic market for legal and sustainably managed wood; (b) facilitating the small second and third stage wood processors and community forests to have a voice in terms of market access and participation; (c) imparting knowledge and skills on the small second and third stage wood processors in the use of dry wood (which extends the quality and life expectancy of the wood products considerably) and efficient wood processing techniques; (d) facilitating SMEs' access to affordable financing to invest in the skills and equipment required; and (e) improving cross-cutting investment climate constraints – for example, heavy regulatory and fiscal burden, high costs and poor quality of energy and transportation, difficulties to access financing and poor governance. The basic assumption was that a combination of these factors would increase the productivity of SMEs and improve the quality of their products, hence making them competitive on the emerging domestic market for quality wood products. This in turn would increase employment in the sector and reduce poverty among sector participants.

7. Tourism. In order to make the types of touristic sites mentioned above more attractive, a series of measures would need to be undertaken including: (a) improving the infrastructure at these sites; (b) improving infrastructure management; (c) promoting the various tourism products; (d) making the sites secure; and (e) and tackling investment climate issues in order to attract private sector investment. This would grow the number of tourists, which in turn would grow the number of jobs among tour operators, hoteliers, artifact makers, and other sectors related to this service industry.

Project Development Objectives (PDOs)

8. The objective of the Project is to contribute to the growth of the wood and tourism value chains within the territory of the Recipient by improving their competitiveness and the investment climate.

Key Expected Outcomes and Outcome Indicators

9. The following are the original key expected development outcomes and key indicators.

Objective 1: To contribute to the growth of the wood value chains within the territory of the Recipient. The key indicators are:

- (i) Number of artisans and formal workers in the wood value chain;
- (ii) Value of wood product exports for the third stage processing;

Objective 2: To contribute to the growth of the tourism value chains within the territory of the Recipient. The key indicators are:

- (i) Number of hospitality workers in the tourism value chain; and
- (ii) Increase in the number of international visitors to Cameroon.



Components

10. The project consisted of the following components¹:

11. *Component 1: Sustainable wood processing (US\$2.2 million at appraisal; US\$6.79 million at ICR).* The objective of this component was to sustainably increase the economic value added of the wood value chain in Cameroon (second and third stage processing). The project aimed to support a critical mass of interventions in the wood value chain to trigger productive private investments and job creation. This component included the following three subcomponents: (a) improvement of the policy framework; (b) promotion of sustainable wood processing techniques and vocational training; and (c) preparation studies for the creation of a wood cluster in Yaoundé.

12. *Component 2: Ecotourism (US\$8.70 million at Appraisal; US\$7.61 million at ICR).* This component aimed to address a critical mass of constraints preventing the growth of the tourism industry in Cameroon. The core of the proposed tourism development strategy was to focus on Cameroon's world class touristic assets to constitute a few and compelling touristic packages. This component included the following two subcomponents: (a) investments to upgrade and preserve world-class tourism assets; and (b) technical assistance to improve the regulatory and institutional framework of the tourism sector.

13. *Component 3: Cross-cutting interventions to support competitiveness and investment (US\$9.20 million at Appraisal; US\$1.12 million at ICR).* This component aimed to support: (a) investment climate reforms; and (b) an innovation grant to help increase the competitiveness of small and medium enterprises in the wood and tourism value chains.

14. *Component 4: Project coordination, monitoring and evaluation (US\$6.00 million at Appraisal; US\$4.13 million at ICR).* The component would support the establishment, equipment and operations of a dedicated team responsible for overall project implementation, procurement, financial management and Monitoring and Evaluation (M&E).

B. SIGNIFICANT CHANGES DURING IMPLEMENTATION

Revised PDOs and Outcome Targets

15. The PDO was revised in the first restructuring and the Outcome Indicators were revised in both the first and the second restructurings as indicated in the table below (the motivation for these changes is discussed further down under Section B.4).

¹ The cause of the differences between appraisal amounts and the actual amounts at ICR are related to, and are therefore discussed further below under "Revisions to Project Components" and "Rationale for the Changes".

**Table 1. Summary of Changes Made to PDO and Outcome Indicators**

At Project Board Approval (22-Jun-2010)	First Restructuring (03-Dec-2013)	Second Restructuring (25-Mar-2016)
Project Development Objective		
The objective of the Project is to contribute to the growth of the wood and tourism value chains within the territory of the Recipient <i>by improving their competitiveness and their investment climate.</i>	The objective of the Project is to contribute to the growth of the wood <i>transformation</i> and tourism <i>industries</i> within the Recipient's territory. (Revised)	The objective of the Project is to contribute to the growth of the wood transformation and tourism industries within the Recipient's territory.

Revised PDO Indicators

PDO Indicators		
Number of artisans and formal workers in the wood value chain.	Number of artisans and formal workers in the wood value chain.	Number of artisans <i>and SMEs using project financed equipment</i> to transform wood. (Revised)
Value of wood products of the third stage processing (US\$).	Value of wood products benefiting from second and third stage processing. (Revised)	(dropped)
Number of hospitality workers in the tourism value chain.	(dropped)	
Number of international arrivals in Cameroon.	The number of international visitors in Cameroon.	(dropped)
		Number of <i>new and rehabilitated tourist sites</i> . (New)

Revised Components

16. There were significant changes to the reallocation of funds among components during the first restructuring of December 03, 2013, as follows:

Table 2: Adjustments to Project Allocations during the first restructuring

Component	US\$ (M)	US\$ (M)
1. Sustainable wood processing	2.2	7.2
2. Ecotourism	8.7	10.7
3. Cross-cutting actions to support competitiveness and investment	9.2	6.2
4. Project coordination	6.0	3.0
Non-allocated funds	1.0	
Reimbursement of Project Preparation Advance	2.9	2.9
Total:	30.0	30.0



17. There were also major structural changes to the components during the first restructuring, including: (a) modifications to the private-public partnerships initially envisaged under the wood and tourism components in form of matching grants; (b) elimination of the “Doing Business” activities; and (c) scaling down of the Project Coordination Unit.

Other Changes

18. *Extension of Project Closing Date and Revision of Results Framework.* The project’s closing date was extended from March 31, 2016 to March 31, 2017 to allow for completion of ongoing contracts during the second restructuring. The results framework was also simplified. Specifically, the key PDO indicators were focused on more immediate outputs than long term outcomes that could not be attained during the project’s life.

19. *Cancelling Some of the Project Funds.* Because of implementation delays, and the inability to perform by the contractor for the development of Ngoyé beach (discussed further down), US\$4 million was cancelled during the third restructuring, and the resources applied to other priorities in the country program.

Rationale for Changes and Their Implication on the Original Theory of Change

20. *Wood Processing.* The original approach of leveraging private sector funding through matching grants to Small and Medium Enterprises (SMEs), estimated to be around 90, to purchase equipment and acquire knowledge needed to improve their performance in the second and third stage processing of wood was dropped during the first restructuring in favor of the project fully paying for this equipment and making it available to thousands of artisans under shared arrangements in order to amplify project outreach. This led to significantly increasing funds under Component 1.

21. A total of twelve associations of artisans meant to benefit from the equipment were selected from various locations across the country according to agreed criteria. The original arrangement was for the project to finance the construction of facilities at the sites belonging to the beneficiary associations to house this equipment. However, this approach was found unsuitable mainly because: (a) the sites identified for the construction of the said infrastructure were not registered in the names of these associations; (b) some sites were contested by other claimants; (c) developing the sites, as well as installing and commissioning the equipment could not be completed in the remaining project implementation period; (d) the identified associations had low managerial, technical and financial capacity to ensure the long-term management of the equipment; and (e) access to and the control of legal wood by these associations could not be assured.

22. As a result, the Government of Cameroon opted to engage Strategic Partners who would enable the main beneficiary artisans, as well as other stakeholders in the timber sector, to access the equipment and receive appropriate training from these Strategic Partners. The terms and conditions for accessing the equipment and training, as well as the roles and responsibilities of the various parties involved, were defined in the Concession Agreements (“*Contrats de Concession*”) and the accompanying Terms and Conditions (“*Cahiers des Charges*”) signed by the various stakeholders.

23. *Ecotourism.* Under its original formulation, the project intended to *partially fund* “for profit” activities, such as eco-lodges and refreshment areas, through matching grants. Under its restructured formulation, the project would *fully fund* the construction of such facilities with the expectation of placing them under private sector management through public-private partnership arrangements. This was driven by the need to expedite project implementation.

24. *Investment Climate and Innovation Fund.* During the first restructuring, it was agreed that the agenda under the investment climate reforms was too broad and was, for the most part, beyond the scope of this project. Moreover, elements of this agenda were already being spearheaded by IFC through the Cameroon Business Forum. Hence Component 3 was correspondingly scaled down. It should also be noted that although the innovation fund was not dropped from the project during the first restructuring, it was ultimately not implemented and funds were subsequently reallocated to other activities.



25. *Project Coordination Unit (PCU)*. Scaling down the PCU, which was deemed too heavy and unproductive, would liberate resources to be used in scaling up other components as indicated above.

II. OUTCOME

A. RELEVANCE OF PDOs

Overall Rating: High

Assessment of Relevance of PDOs and Rating

26. The broad project development objective remains highly relevant. The new CPF (FY17-FY21) calls for, among other things, fostering “broad-based, private sector led growth”, promoting “economic diversification”, increasing “employment and economic opportunities”, and increasing “total factor productivity”. The project’s interventions in the wood sector, especially the use of modern machinery in carpentry, will significantly increase labor productivity and improve product quality among the target beneficiaries (artisans), thus facilitating them to be gainfully employed and positioning them to compete more favorably in the increasing demand for quality furniture as exemplified by the growing wood furniture imports (10,600 cubic meters in 2015). Interventions in tourism have expanded the menu of options for tourists, thus helping Cameroon compete better with other tourist destinations, which is consistent with the CPF’s goal of diversifying the economy. The project’s interventions promote incremental employment in the travel, hospitality, and artisanal craft industries, key beneficiaries of the tourism industry. It is also consistent with the Government’s Growth and Employment Strategy that specifically identifies the wood and tourism sectors among key sources of growth and employment. The recent security developments in the north of the country, continued lack of sufficient supply of appropriate hotel accommodation, and limited travel routes make the development of tourism more of a long-term aspiration; on the other hand, the wood sector, properly and sustainability developed, remains highly relevant and essential sector for economic development and poverty reduction.

B. ACHIEVEMENT OF PDOs (EFFICACY)

Assessment of Achievement of Each Objective/Outcome

Justification of Overall Efficacy Rating

Overall Rating: Negligible

27. Contributing to the growth of the wood transformation industry. The Key Performance Indicator for this objective was 3,000 artisans and SMEs using project financed equipment to transform wood by project’s end. This could not be ascertained at the project’s closing because the equipment had not yet been fully installed. However, a series of intermediate indicators were fully or near fully met as discussed below which have potential for contributing to the growth of the wood transformation industry. Nevertheless, since the acquisition of the project-funded equipment occurred late, the future sustainability of the operation and maintenance of the equipment by the Strategic Partners cannot be established with certainty at this point. Hence, progress towards achieving this objective is rated *Negligible*. The following is the status of the various intermediate indicators.

28. Number of wood drying units established. The target of 17 wood dryers funded by the project was achieved, albeit towards the project’s closing. The annualized wood drying capacity has, as a result, been increased by 6,800 cubic meters.



These units will significantly improve product quality and enhance business turnover (kiln drying is a lot faster than air drying). The project also funded precision-design wood working equipment including jointers, tenoners, mortisizers, electric planers, lathes, etc. (with a total capacity of 21,240 hours per year). The product quality of this equipment is much better than manual alternatives, and a lot faster – again with potential for increasing business turnover by the users of this equipment. Overall, the impact of the equipment-funding activity is expected to be significant in growing the quality-product segment of the wood product retail market and begin to compete favorably with imported wood products (estimated at 10,600 cubic meters in 2015 as indicated earlier), thus preserving Cameroonian jobs and incomes.

29. Number of workers trained in the wood value chain. Training was provided to approximately 2,150 artisans on efficient wood working business skills, exceeding the target of 2,000. Although formal arrangements have so far only been made with 12 artisans’ associations to receive hands-on training on the use of this equipment once fully installed at the Strategic Partners who will house this equipment, all artisans will have access to this opportunity, a key stipulation in the *Contrats de Concessions*. Moreover, artisans generally learn from one another through informal apprenticeships and other informal arrangements. In addition, some of the equipment has been provided to training institutions to produce a new generation of artisans better equipped to serve an increasingly sophisticated and discerning consumer base.

30. Arrangement to ensure use of legal wood by beneficiaries adopted and enforced. As discussed in more detail under the Environmental Compliance section further down, the envisaged measures were carried out including: 1) the preparation of a guide to monitor the legality of wood used under project funded equipment; 2) the recruitment of an independent monitor; and 3) ensuring that the conventions signed between the Government and the Strategic Partners (*Contrats de Concessions*) as well as the agreements between the Strategic Partners and Artisans’ Associations (*Cahiers des Charges*) contain legal wood sourcing provisions.

31. Number of new reforms in the wood sector. Standards and norms for maximizing the utilization of wood in building and public works were developed. These norms and standards were disseminated, and training carried out among members of the industry, including construction, artisans, and policy makers which will enhance the efficiency in wood utilization in this market segment.

32. In addition, a project-funded study identified constraints to the growth of the wood transformation sector. For the most part, these constraints are similar to those affecting other industries, such as access to credit, need for simplifying the tax system, etc. The stakeholders will, within the Framework of the Cameroon Business Forum, prioritize the reforms and agree with their Government partners on the way forward. The Cameroon Business Forum is a public-private sector platform that was set up in 2009 and meets annually to identify priority reforms, review progress on agreed actions and set new goals².

33. Contributing to the growth of the Ecotourism Industry. The Key Performance Indicator for this objective was the development or rehabilitation of at least 13 tourist sites. The goal was to increase the attractiveness of the various sites and contribute to the growth of tourism in Cameroon. This target was nearly achieved, with 10 sites developed or rehabilitated. However, one big contract (for the development Ngoyé beach near Kribi town) could not be completed before the project’s closing date and was terminated. Hence, progress towards this objective is rated *Modest*.

² It should be noted that whereas the project helped identify key areas that constrain the wood sector, prioritization of individual reforms is by consensus within the multi-stakeholder Cameroon Business Forum, and the project cannot “push through” any one given reform. However, there are several ongoing reforms which will benefit wood SMEs as well. For instance, the 2017 Cameroon Business Forum action plan includes dealing with issues pertaining to access to electricity, access to credit, and payment of taxes, all of which were deemed important for wood SMEs in the study.



34. The status of site development/rehabilitation can be summarized as follows:

- (a) Mount Cameroon. The project successfully supported a series of activities to promote mountain climbing tourism on Mount Cameroon. These included: (i) completing the delimitation of the Mount Cameroon National Park boundaries; (ii) updating the Management Plan for the Mount Cameroon National Park; (iii) developing two trails, one of 12.5 km and another of 25 km on the slopes of Mount Cameroon; (iv) constructing a tourist information center in Buea; (v) training park management; (vi) training and equipping tour guides; and (viii) constructing two eco-lodges and two watchtowers.
- (b) Campo Ma'an National Park. The project carried out most of the agreed actions, namely: (i) the Management Plan for the park was updated; (ii) significant progress was made on the ongoing Gorilla habituation program by the World Wildlife Fund on Dipikar Island in Campo Ma'an park; (iii) capacity-building activities for park management in ecotourism activities were successfully implemented; (iv) roads and trails were rehabilitated and signs within the park installed; (v) two eco-lodges (completed up to 75 percent by the project's closing – one of the project's shortcomings), four watchtowers, and one base camp in the park constructed.
- (c) Cultural Sites. The project partnered with the *Route des Chefferies* program in constructing or rehabilitating cultural huts, restoring works of art, and other similar activities. Specifically, it financed construction/rehabilitation of cultural huts in Bafou, Bamendankwe, Bamesso, Bandja, Bangoua, Bapa, and Fouban chiefdoms, and supported scenography and the systematic description of museum objects in Bafou, Bamougoum, Bandja, Bangoua, and Bapa. It also supported the rehabilitation of works of art in the Sultanate of Fouban and in the Bafut chiefdom.
- (d) Kribi Beach. The project was supposed to finance: (i) the upgrading of Kribi's beaches and the city center, and (ii) technical assistance and equipment to the tourism office in Kribi. The contract to implement these activities was signed in the final year of the extended project timeline-May 2016. However, although it started the work, the company failed to complete the agreed activities under the contract, which was subsequently terminated (January 2017) when the company informed the PCU that it will not be able to complete the work by the end of the project. One of the reasons why the company could not complete the work was the delay in launching the construction works as the result of delays in receiving the advance payment from the project, which was in turn due to the difficulty that the company was experiencing in providing its security deposit which was expected from abroad. The activities remain incomplete and Government will need to seek remedies under the law, and mobilize resources to complete these activities. The technical assistance and equipment to the tourism office in Kribi were provided as planned.

35. Because of the belated completion of the activities cited above, the number of visitors to the sites supported by the project (one of the project's intermediate indicators) stood 25,061 by the project's closing, against the targeted 31,400. Other intermediate indicators included the training of some 2,280 workers in the tourism value chain by programs supported by the project, against a target of 1,000; and registering 2,770 hits on the e-tourism platform versus the targeted 100,000. They also included successfully supporting two reforms as envisaged. First, a new law was promulgated on 18 April 2016 (Law Number 2016/006) partly based on background studies financed by the project. The law sets out a framework for a modern and competitive tourism environment, including providing protections against sexual exploitation, especially of minors. The project also supported a study for the establishment of a new legal and institutional framework for the sustainable management of protected sites and areas. Its recommendations will inform Government deliberations on this important issue.



C. EFFICIENCY

Assessment of Efficiency and Rating

Overall Rating: Modest

36. *Economic Analysis.* As indicated above, the project has financed a range of wood working equipment aimed at improving the efficiency and product quality among project beneficiaries. Based on basic assumptions on efficiency and product quality enhancements (as detailed in Annex 4) the Internal Rate of Return (IRR) for the Wood Component is estimated at 11 percent, with an estimated Net Present Value of US\$0.4 million. Similarly, the project improved tourist product offerings at various sites which will make these sites more attractive. Assuming very modest increments in tourism at Mount Cameroun, Campo Ma'an National Park, and at cultural sites as a result of the project's interventions, the internal rate of return on the tourism component is estimated at 17 percent, with a Net Present Value (NPV) of US\$10 million. For the combined project, the IRR is estimated at 15 percent and the NPV is estimated at US\$10.5 million. The original project did not calculate the IRR but computed the NPV. The comparisons between the Appraisal estimates and the Implementation Completion and Results (ICR) reports estimates are as follows:

Table 3: Economic Analysis Summary

Appraisal Estimate			
	Wood	Tourism	Overall Project
NPV (US\$ Million)	65	40	100
	N/A	N/A	N/A

ICR Estimate			
	Wood	Tourism	Overall Project
NPV (US\$ Million)	0.4	10	10.5
	11%	17%	15%

37. At appraisal, the project had hoped to leverage private sector financing to amplify the amount of investments in the wood and tourism sectors. This did not happen. Second, some investments, such as Ngoyé beach near Kribi were not carried out as envisaged. These factors, plus a downward revision of some of the appraisal projections, contributed to the variance between the appraisal and ICR projected economic performance estimates.

38. *Design and implementation aspects.* At project design, the project's coordination costs were set at 20 percent of total project costs, which were deemed high during project implementation and reduced to ten percent of total project costs during the Restructuring of December 2013. However, at project closing, project coordination costs had risen to 16 percent of total project costs. This was in part due to a US\$4 million cancellation of project costs which increased the proportion of project management costs relative to the reduced total project costs.

39. *The project was also very slow in disbursement, which led to some of the activities not being completed, or were completed at the very end of the project, which did not allow ample time to monitor their performance and resolve outstanding issues, or monitor the impact of the training that was funded under the project. Thus, overall, efficiency is rated Modest.*



D. JUSTIFICATION OF OVERALL OUTCOME RATING

Rating: *Unsatisfactory*

40. The project was and remains relevant for Cameroon. However, regarding efficacy, some of the project activities were not completed, or were completed towards the end of the project with insufficient time to validate their functionality. Regarding efficiency, there was significant delay in completing project activities, although the investments made have a positive rate of return when projected over their useful life. The overall rating is, therefore, Unsatisfactory.

		Original PDO	Revised PDO	Overall Rating
1	Rating	Unsatisfactory	Unsatisfactory	Unsatisfactory
2	Rating Value	2	2	2
3	Weight (% disbursed: Original Credit/Restructuring)	30%	70%	100%
4	Weighted Value	0.6	1.4	2

E. OTHER OUTCOMES AND IMPACTS

Gender

41. *Gender.* Female employment opportunities are mostly expected to occur in the tourism industry (as travel agents, guides, interpreters, hotel and restaurant workers, gift-shop operators, etc.), more so than in the artisanal wood sector that tends to attract males compared to females. A major gender related outcome of the project is the protection against sexual exploitation contained in the tourism legislation to which the project contributed through background studies.

Institutional Strengthening

42. *Institutional Strengthening.* With respect to the wood industry, 22 norms and standards on efficiency in the use of wood were established. About 2,150 wood artisans were trained. The project also facilitated the establishment of an “inter-profession” among the industry stakeholders. Similarly, the project facilitated the establishment of a similar “inter-profession” among stakeholders in the tourism industry. It must be noted that these inter-professions are still in their nascent stages and further support will be needed to ensure their sustainability. The project also strengthened the capacity of park management for Mount Cameroon and Campo Ma’an as well as the Kribi Tourist Board. About 2,300 workers in the tourism industry were trained.

Mobilizing Private Sector Financing

43. *Mobilizing private sector financing.* In its original design, the project was supposed to leverage private sector financing through matching grants. This was changed over the course of project implementation. However, the private sector is expected to play a role in managing some of the infrastructure financed under the project (equipment, eco-lodges), thus tapping into private sector management skills than leveraging their financing as originally envisaged.



Poverty Reduction and Shared Prosperity

44. *Poverty reduction and shared prosperity.* The project dealt with small scale artisans to improve their performance to produce competitive products. Similarly, the project improved some tourist destinations thus creating income opportunities for guides, hotel and restaurant workers and artists in the artifact industry and their dependents.

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

45. *Realism of PDO.* The original objective, namely to “to contribute to the growth of the wood and tourism value chains within the territory of the Recipient by improving their competitiveness and their investment climate” was not inherently too complex, and exhibited internal logic. The initial wide array of possible value chains identified during project preparation had systematically been narrowed down to two, and the project was meant to undertake a series of actions (some of which were investment climate related) in order to trigger private sector investments and growth in these two value chains. The goal was achievable. However, the challenge seems to have emanated from the failure to discern the most critical elements needed to achieve these two objectives and circumscribe the project’s scope of interventions to those critical elements. For instance, the project could have made an impact in its investment climate interventions by being more selective and tackling a few critical issues, such as easing the visa process in order to promote tourism.

46. *Simplicity of Project Design.* As indicated above, project design could have benefited from few targeted interventions aimed at ensuring that the objectives are achieved. Instead, the project had too many elements, a number of which were not particularly relevant to accomplishing the project’s objectives. For instance: (a) benchmarking studies on key factor costs (transportation, financial services, telecom, cement, fertilizers and land); (b) elaboration of strategies for export driven agribusiness value chains; and (c) elaboration of a master plan to develop Cameroon’s Maritime Growth Pole. All these were not particularly pertinent to achieving the project’s objectives.

47. *Pertinence of Results Framework.* The results framework was ambitious, and had shortcomings on attribution. Hence, the targets, especially for tourism were industrywide, and not limited to what the project could reasonably achieve. It was also not clear how such data was going to be collected. The indicators were restructured twice, with the final iteration focusing more on the outputs of the ongoing activities, after recognizing that the project outcomes would only be realized with a lag, after the project had closed.

48. *Adequacy of Stakeholders Selection.* The principal interlocutor was the Ministry of Economy, Planning and Regional Development (MINEPAT), which housed the PCU and was generally in charge of project implementation. In retrospect, a different project design, giving the line ministries the primary responsibility for their respective components, with the MINEPAT playing a coordinating role, would have been a preferred option and would have most likely yielded better outcomes.

49. *Adequacy of risk mitigation measures identification.* Of the main risks identified at appraisal (possible weak demand for wood and tourist products, weak political will for investment climate reforms, elite capture of innovation grant, possible degradation of protected areas), the risks associated with the principle ministry’s unfamiliarity with IDA financed projects, and weak coordination with line ministries seem to have impacted the project the most. The risk was mitigated by restructuring project oversight arrangements (smaller steering committee), and reducing the size and composition of the PCU, including changing its leadership. However,



implementation performance improved modestly after these changes, and only accelerated towards the project's closure.

50. *Readiness for implementation.* A series of studies had been carried out and a number of Terms of Reference drafted during project preparation. An 18-month procurement plan had been prepared. However, it was ambitious and lacked prioritization which, in some ways, impaired project implementation. The process of staffing the PCU started during this period, but most of the Government staff involved in project preparation did not take part in project implementation.

B. KEY FACTORS DURING IMPLEMENTATION

(i) Factors subject to government and/or implementing entity control

51. *Delayed Effectiveness.* Although the project was approved by the Board in June 2010, it only became effective in April 2011, after extensive delays in constituting a PCU and completing the Project Implementation Manual.

52. *Poor Performance of the PCU, especially in the project's early years.* The technical performance of the PCU was very limited, resulting in protracted procurement processes. These were exacerbated by belated responses/inattention to simple queries which resulted in major procurement delays. In addition, there was little institutional memory as the PCU was composed of new people who had not participated in project preparation. The fact that the leading Minister (MINEPAT) at the time of project preparation also changed dissipated some of the momentum behind the project, given his exceptional interest in the project.

53. *Political Economy.* Cameroon's generally weak government institutions contributed to slow project implementation. Progress tends to rely heavily on champions with strong personalities. As stated above, during project preparation, momentum on the Government side was driven by the Minister of the Economy, Planning and Regional Development. With his departure during the project's implementation phase, progress slowed significantly. Momentum picked up in the late years of project implementation, but could not fully recoup lost ground.

54. *Inadequate communication strategy.* The PCU failed to design and implement an effective communication strategy during the course of the project, especially in regards to the wood sector interventions. Beneficiaries (small wood artisans) publicly complained multiple times and shared their frustration openly, fearing that project interventions would not fully benefit them but rather would be advantageous to large private operators. This was mainly due to misunderstanding on the project steps and could have been better managed upfront.

(ii) Factors subject to World Bank control

55. *Adequacy of supervision.* The first Bank TTL during project implementation was procurement accredited which facilitated quick turnarounds of procurement processes (although, as clearly documented in the ISRs, the Government counterparts were exceedingly slow in addressing the comments made³). The Bank team quickly

³ As documented in a series of ISRs, World Bank procurement turn-around during the early years of project implementation was quick, at a time when the PCU's procurement performance was particularly weak with extensive delays (e.g. ISR #4 where the PCU took 141 days to follow up on Bank comments and a further 120 to provide clarification sought by the Bank on the same procurement activity).

³ After the Board, the implementation team was led by a "procurement accredited TTL" who also led the 2013 level 1 restructuring. He was followed by the second set of TTLs (one based in DC and another one on the ground) who led project implementation until project closing.



realized – barely one and a half years after project effectiveness – that there were issues with the project that merited restructuring, and undertook a restructuring mission as early as October 2012. However, the first restructuring does not seem to have been effective, especially in radically trimming project activities and prioritizing the critical contracts. The project was further simplified during a second restructuring based on the estimated time required to complete activities but faced delays in the execution of contracts. The implementation support teams included a diverse range of expertise, and the missions agreed with the counterparts on detailed action plans. During the later years of project implementation, the co-TTL was based in the field, and held biweekly meetings with the PCU to expedite project implementation. Besides the set of TTLs that designed the project and took it to the Board in 2010, there were only two turnovers in team leadership over the project’s implementation phase, which created some level of stability⁴.

56. *Adequacy of reporting.* Project reporting, both in the aide-memoires and in the ISR, was comprehensive. This provided a good basis for management to fully understand what that going on, and provide guidance accordingly.

57. *Delays preceding the Second Restructuring.* The requirement by the World Bank that adequate measures be taken to safeguard against the use of legally sourced wood as well as ensure good governance for the wood processing equipment to be distributed to Strategic Partners delayed the approval of the second restructuring. Specifically, the first condition required the approval and signing by relevant stakeholders of policy documents to ensure that project beneficiaries now and in the future exclusively use legally harvested wood to be processed with equipment acquired with World Bank support. While justified, these conditions, added to implementation delays for the wood component.

(iii) Factors outside the control of government and/or implementing entities

58. *Conflict and instability in the North.* Although largely confined to the north, Boko Haram terror attacks might have some impact on the tourism sector. Overall, tourism in Cameroon has grown at about 9.6 percent per annum from 2010 to 2014 (the most recent data) but there was a dip in 2013 compared to 2012, and the 2013-2014 recovery is rather modest. It’s hard to establish a concrete link with terror attacks, but continued attacks will certainly remove northern attractions from most tourist itineraries.

59. *Novelty of, and high risk related to, some Project Activities in the Wood Sector.* Part of the challenge faced by both Bank and Government teams in this project stemmed from the reality that they had little precedent to go by, and were learning by doing which slowed down implementation progress. This was compounded by the need for establishing strong mitigation mechanisms prior to delivering the equipment to beneficiaries to ensure that illegally harvested wood is not processed by Bank-funded equipment. The considerable amount of time taken to set up these mechanisms significantly contributed to the equipment’s belated delivery, leaving no time to oversee its installation before the project’s closing, a major shortcoming.



IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

A. QUALITY OF MONITORING AND EVALUATION (M&E)

M&E Design

60. As originally designed at project appraisal, the Monitoring and Evaluation framework relied on industry-wide parameters (e.g. number of artisans and formal workers in the wood value chain), which not only created the problem of attribution, but also mechanisms for obtaining such information. In particular, there was also an overly optimistic implicit assumption that project activities would be completed very early on during project implementation, and in short order they would have a perceptible impact on industry wide metrics. This false assumption was true not only for the PDO indicators but also for most of the intermediate indicators that ordinarily should focus on project activities and outputs. This anomaly was not corrected in the December 2013 restructuring. It was only partially rectified during the restructuring of March 2016, towards the end of project implementation. It should also be mentioned that the position of an M&E specialist was abolished in the December 2013 restructuring, and replaced with periodic contracted monitoring arrangements. The M&E design was poor, as was its implementation and utilization. It is, therefore, rated *Negligible*.

B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

B.1 Environmental Compliance

61. The Environmental and Social Management Framework was publicly disclosed in country as well as in the World Bank's Infoshop in December 2009. A number of site-specific environmental studies were conducted during project implementation in accordance with the framework. As already indicated in Section II.B above, management plans were prepared for both Mount Cameroon National Park and Campo Ma'an National Park.

62. But more broadly, a key concern of the project was ensuring that project beneficiaries use wood legally obtained from sustainably managed sources. By the time that this project was approved by the World Bank Board in June 2010, the process of establishing wood certification mechanisms to ensure sustainable management of Cameroon's rain forests was already ongoing, led by the European Union. In May 2010, Cameroon had already signed a Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade with the European Union (APV/FLEGT). This would not only affect wood exported to the European Union, but also wood traded on the local market as well. A National Monitoring Committee for the implementation of the APV/FLEGT was established in September 2012 (Decree No. 126/CAB/PM). A Joint Cameroon/European Union Monitoring Committee and a Joint Cameroon/European Union Implementation Council were also established. The criteria and conditions for issuing certificates of legality of wood under the APV/FLEGT licensing scheme were defined by the Ministry of Forestry in February 2013 (Decree No. 0004/MINFOF). The responsibility to issue certificates of legality of wood starting in 2016 was given to Bureau VERITAS in July 2013 (Decision No 0276/MINFOF/SG/DF).

63. On the World Bank side, an independent monitor to control the legality of wood processed by project project-financed equipment for project beneficiaries (Field Legality Advisory Group or FLAG) was recruited on July 13, 2016. Awareness modules were developed for sensitizing project beneficiaries about the importance of using legally harvested timber and about the type of paper work the lumberyards should show them in order to attest to the legality of their timber. Sensitization sessions were conducted by FLAG among project beneficiaries. FLAG's mandate also entailed verifying the legality of the wood used by project beneficiaries, including: (a) checking the



validity and keeping a copy of the forestry license or operating certificates or the processing license of the wood supplier; (b) checking all the related paperwork indicating the origin, volume and destination of the wood and logging authorization (*certificat d'assiete de coupe, carnet de chantier, lettre de voiture, fiches de suivi de sechage et d'usinage*); and (c) preparing monthly reports on their findings. In addition, the 12 concession holders who will be housing and operating the project-funded equipment have, in their concession agreements (*concession d'exploitation des equipements*) with Government, strict conditions on utilization of legal wood. Similarly, project beneficiary associations, in their agreements (*cahiers des charges*) with the concession holders, are subject to strict conditions of the use of legal wood.

B.2 Social Compliance

64. Involuntary Resettlement. There was no involuntary resettlement as the Wood Clusters that had been envisaged, with possible financing from an Additional Financing to the project, were dropped. Project funded equipment is housed in existing buildings.

65. Cultural Sites. The rehabilitation/restoration of the cultural facilities under the project was done with the communities and in accordance with their norms and traditions.

66. Indigenous Peoples. An action plan was partly implemented for the Bagyéli indigenous community around the Campo Ma'an national park. Subprojects were aimed at: (a) promoting the Bagyéli's social inclusion; (b) raising their awareness about their use rights regarding the Campo Ma'an National Park; (c) promoting alternative economic opportunities; and (d) improving their access to potable water. The project supported Bagyéli in obtaining National Identity Cards for adults and Birth Certificates for children, although this process was handicapped by the Government of Cameroon's highly bureaucratic process. They were sensitized about their freedom to exercise their customary rights of use in the national park and received small tools for the collection of non-wood forest products, as well as training on sustainable methods of harvesting and conservation of non-wood forest products. They were also supported in establishing community fields (although the success rate was uneven because of moisture distress) and in product marketing. Other activities included supplying hunting dogs to women as per their wish, promoting ecotourism (by constructing samples of traditional Bagyéli huts), and supplying the community with potable water by constructing wells.

67. It is important to note that the Indigenous Peoples Plan was implemented almost at the end of the project's life (between October 2016 and March 2017). Most activities were not fully implemented because of the very short implementation period (around 4-6 months only). Normally, activities for Indigenous Peoples require a longer execution time.

B.3 Fiduciary Compliance

68. Financial Management. Overall, Financial Management performance during the course of project implementation is deemed moderately satisfactory. However, fiduciary risk was consistently rated High (from project inception to 2013) or Substantial (thereafter till project closing).

69. Initial financial reviews and audits identified shortcomings mostly related to belated establishment of financial management systems and processes, and in the areas of internal controls, including: (a) setting up an integrated financial management system within the PCU; (b) recruiting external auditors for the Project; (c) submitting acceptable Interim Financial Reports; and (d) submitting the first bi-annual activity report due December 31, 2011. Examples of initial problems included unsatisfactory Financial Management Reports, failure to account for the full amount of activities financed through counterpart funding, e.g. US\$280,000 advanced to the



Government's Competitive Committee, the PCU's solicitation and receipt of US\$950,000 from Government as counterpart funding without agreed corresponding activities in the work plan (and without the Bank's prior knowledge), and some qualified audits.

70. As a result, the rating for financial management performance had declined to moderately unsatisfactory by 2012 and 2013. The conflictual work environment within the project coordination unit contributed to some of the financial management challenges. Thereafter until project closing, its performance improved and was consistently rated moderately satisfactory. Good quality Interim Financial Reports were submitted on time and two audit reports (2014 and 2015) were also submitted on time with unqualified opinion. The last audit report covering 2016 and 2017 is underway and might be submitted by the end of August with a two-month delay. Recommendations from supervision reviews and issues from project audits were followed up/addressed in a timely manner. However, the last financial management supervision review raised a few shortcomings related to lack of proper oversight over financial management activities and delays in the justification of advances financed through counterpart funds and made to a service provider amounting US\$58,000. The project is still following up on the latter to come to closure.

71. *Procurement.* Although procurement performance was very poor with processes taking exceedingly long periods of time, there were only few instances of questionable transactions, including non-transparent recruitment of two support staff in the PCU in the early stages of project implementation. The major procurement concern of the project relates to the contract for developing infrastructure on Ngoyé beach near Kribi as indicated earlier. Little was done, and Government has been urged to seek redress for the firm's failure to honor its obligations.

C. BANK PERFORMANCE

Quality at Entry

72. A number of activities had been done to enhance quality at entry, including: (i) extensive consultations with the Government, beneficiaries and the private sector in particular; (ii) conducting or benefiting from a number of existing studies to inform project design; and (iii) identifying the type of skills needed at the PCU in view of the range of activities envisaged under the project. However, the resulting project design was complex, not proportionate with the counterpart's implementation capability. Also, as indicated in the first ISR, the Project Operational Manual was officially expected to be completed by March 31, 2011 as well as the recruitment of staff of the PCU, nine months after the project's approval by the Board in June 2010. The modus operandi of the Competitiveness Innovation Fund was to be defined during project implementation. This never happened till it was restructured out of the project. Line ministries (tourism and forestry) did not assume full responsibility as it should have been in order to ensure ownership and sustainability. The quality of M&E system was poor, and the novelty of the interventions in the wood sector limited the preparation team's ability to adequately gauge the risks ahead.



Quality of Supervision

73. As indicated earlier, the Bank team was proactive, trying to implement a rather ambitious project, and pioneering many things with little precedent to go by in some instances, especially in the wood sector. Implementation support missions were regular, with diverse expertise, including extensive coverage on environmental and forestry support because of the sensitivity of the issues pertaining to the wood sector. Tourism specialists were not as frequent in implementation support missions, a supervision quality shortcoming. Mission aide-memoires contained clear action plans, and ISRs clearly highlighted issues for management attention. As already stated, a co-TTL was based in the country office during the latter part of project implementation to ensure constant support to the Government counterparts and try to help expedite project implementation. In addition to Country Management Unit support, Sector Management participated in some missions to support the task team.

Justification of Overall Rating of Bank Performance

74. Although the Quality at Entry had several shortcomings, supervision was proactive. However, the team could have better gauged the project's implementation challenges at restructuring and streamlined the project more than was the case, including properly calibrating the time needed to complete the activities retained after restructuring. The overall Bank performance during project implementation is, therefore, *Moderately Unsatisfactory*.

D. RISK TO DEVELOPMENT OUTCOME

75. A number of measures have been taken to enhance the chances of sustaining project outcomes. But a number of challenges remain, which make the overall risk *Substantial*.

76. *Wood Component.* The project selected strategic partners to house and operate the project-funded equipment based not only on space availability but more particularly on their interest in undertaking this responsibility⁵. Nonetheless, some of them lack experience in the sector, a major shortcoming. Second, a study was carried out to determine the optimal pricing for the various services that would ensure adequate revenue for financing the requisite operation and maintenance. This information was made available to the strategic partners and their potential clients (the wood artisans' associations). Third, equipment suppliers are training the hosting strategic partners on the operation and maintenance of the equipment during the installation process. However, it must be emphasized that the installation process was still ongoing by the time that the project closed, making it difficult to sort out some teething problems. For instance, for some wood dryers which were supplied without boilers, construction of ovens is still ongoing to ensure the supply of energy to the dryers. There is still need for close follow-up to ensure that all the equipment is fully set up and up-and-running. In addition, the mechanism for ensuring that project-funded equipment only utilizes legally harvested timber relied on a project-funded non-governmental organization (FLAG). The committee in the Ministry of Forestry that has been overseeing this process will now have to take up this responsibility of ensuring complete installation and operation of this equipment, as well as ensuring that the wood used is from legal sources. The Government might also consider approaching other development partners (such as the Germans) who are active in the sector for support. Similarly, the Bank needs to remain engaged for at least one year to 18 months to ensure a logical conclusion of this process. It should be noted that given the lack of experience in wood transformation by some of the strategic partners, public-private partnerships should be encouraged for management of this equipment.

⁵ The Strategic Partners are comprised of four training centers, six local government facilities, two private sector SMEs.



77. Ecotourism. (a) *Mount Cameroon*. There is an existing organization (the Mount Cameroon Inter-Communal Ecotourism Board) which had been set up with the assistance of the German Corporation for International Cooperation in cooperation with the German Development Service and whose capacity was strengthened under the project and will continue to ensure that project accomplishments are sustained. Park fees collected can be used to sustain park operations. (b) *Campo Ma'an*. The World Wildlife Fund continues to work with the park, providing technical assistance, along with support from the German Cooperation. Again, park fees collected can be used to sustain park operations. However, the Government needs to complete some of the basic infrastructure that had not been fully completed (about 75 percent complete). (c) *Cultural Tourism*. Project interventions were made in the framework of an existing program – “*Route des Chefferies*” (supported by some Cameroonian diaspora, and other development partners) which oversees such assets as those created under the project. Fees collected from visitors can be used to maintain the facilities. The existing frameworks for ensuring the sustainability of project investments under the tourism component are generally adequate.

V. LESSONS AND RECOMMENDATIONS

78. *In a multi-sectoral/inter-ministerial project, it is important that the key sectors/line ministries be given primary responsibility during the entire project cycle.* Under this project, the MINEPAT played more than a coordinating role. The sector ministries did not develop the right ownership. Such ownership would have been critical for providing technical support (or where it was lacking the project would have contributed to building it). Secondly, such sector ownership is now very critical in ensuring the project’s sustainability.

79. *In transitioning from the Project Preparation Phase to the Project Implementation Phase, it is important to keep as many of the same team as possible.* This should be the case both on the Bank and on the Government side. It is particularly pertinent with a complex project, with plenty of new, untested ideas. In this particular project, where the Bank TTLs, the Government TTL, and the Minister at the time of project preparation all changed after project preparation, there was loss of momentum and institutional memory. The newly hired PCU members took time to catch up.

80. *In complex projects, it is important to start small, and scale up as competence and familiarity with the project improves.* This underscores the fundamental importance of ensuring very high quality at entry and realism in project design. The call for realism goes beyond limiting the number of components, and includes ensuring that activities are proportionate to local capabilities, with clear stakeholder coordination arrangements. In this particular case, project implementation was exacerbated by a very complex procurement plan that could have overwhelmed a newly instituted PCU, and contributed to the project’s slow start.

81. *It is important to use Performance Based Contracts for PCU staff.* The PCU was characterized by several performance issues. Although several implementation support missions highlighted the PCU’s poor management as a major concern, change occurred only when the contracts for those identified as poor performers had expired (two years later). In future, contracts should be structured in such a way that performance can be evaluated more frequently against agreed deliverables, and appropriate action taken in time against sustained underperformance.

82. *Monitoring indicators in Results Frameworks should be realistic in attribution and achievability during implementation.* The targets set for the project should clearly be attributable to the project’s activities. They should also be achievable within the project implementation time frame. This was a major shortcoming in this project.



83. *Developing and applying an effective communication strategy should be a key aspect of project given the sensitivity around the targeted sectors.* Under this project, due largely to miscommunication and misunderstanding of project implementation, the Bank faced reputational risks.

84. *Good project preparation and implementation requires careful consideration of multiple factors from multiple perspectives.* Drawing from this project's experience, this should include: (i) assessing potential reputational risks and opportunity costs associated with the sectors and activities that World Bank funding shall support; (ii) determining and capitalizing on the complementarities of the proposed Investment Project Financing with IFC advisory services; and (iii) ensuring timely preparation of safeguard documents (such as Indigenous People's Plans) to facilitate full and satisfactory implementation of activities within the project's timeframe.

85. *In complex projects in fragile settings which aimed to promote economic diversification but which do not yield the results expected, the Bank should consider what would be an appropriate role following project closure.* This could include providing for post-completion monitoring, sharing of other successful experiences, engaging in policy dialogue, and incorporating the lessons learned to inform design of new support mechanisms for promising sectors that would be demand-driven, private-sector owned, and environmentally sustainable.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

1. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: Component 1: Sustainable wood processing

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of artisans and SMEs using project financed equipment to transform wood (% of women)	Number	0.00	0.00	3000.00	0.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2017

Comments (achievements against targets): The process of installing the equipment was still ongoing at project closing. As of September 2017, the equipment has been installed.

Objective/Outcome: Component 2: Ecotourism

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of new and rehabilitated tourist sites.	Number	0.00	0.00	13.00	10.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2017



Comments (achievements against targets):

A.2 Intermediate Results Indicators

Component: Component 1

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of wood drying units established	Number	0.00	17.00	17.00	17.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2017

Comments (achievements against targets):

Component: Component 1: Sustainable wood processing

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of workers trained in the wood value chain	Number	0.00	2000.00	2000.00	2150.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2017

Comments (achievements against targets):

Component: Component 1: Sustainable wood processing

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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				Target	
Arrangement to ensure use of legal wood by beneficiaries adopted and enforced	Text	0 27-May-2010	2.00 30-Mar-2016	2 31-Mar-2017	3 31-Mar-2017

Comments (achievements against targets): 1) - independent monitor is recruited; 2) - conventions were signed between the Government and partners; 3) - Guide to control the legality of wood was prepared

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of new reforms in the wood sector	Number	0.00 27-May-2010	2.00 30-Mar-2016	2.00 31-Mar-2017	2.00 31-Mar-2017

Comments (achievements against targets): 22 norms and standards were adopted; A professional association was established

Component: Component 2: Ecotourism

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of visitors to the sites supported	Number	0.00 27-May-2010	31400.00 30-Mar-2016	31400.00 31-Mar-2017	25061.00 31-Mar-2016

Comments (achievements against targets):



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of workers trained in the tourism value chain by programs supported by the project	Number	0.00	1000.00	1000.00	2280.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2017

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of hits on the e-tourism platform	Number	0.00	100000.00	100000.00	2770.00
		27-May-2010	30-Mar-2016	31-Mar-2017	31-Mar-2016

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of new reforms in the tourism sector	Number	0.00	2.00	2.00	2.00
		27-May-2010	30-Mar-2016	31-Mar-2016	31-Mar-2017

Comments (achievements against targets): Project contributed to the tourism law adopted in April 2016. A new legal framework for the management on touristic sites prepared with the project's support is being finalized.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Beneficiaries(workers, firms) satisfied with project supported training	Number	0.00	5000.00	5000.00	0.00
		27-May-2016	30-Mar-2016	31-Mar-2017	31-Mar-2017

Comments (achievements against targets): A beneficiary satisfaction survey was not carried out.

Unlinked Indicators

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Financial Monitoring Reports (FMR) are submitted on time and are satisfactory to the World Bank.	Yes/No	N	Y	Y	Y
		02-Oct-2013	30-Mar-2016	30-Mar-2016	31-Mar-2017

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Financial audit report is submitted on time and is unqualified	Yes/No	N	Y	Y	Y
		02-Oct-2013	30-Mar-2016	30-Mar-2016	31-Mar-2017

Comments (achievements against targets):



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
At least 80% of beneficiaries (bagyeli population) are satisfied with the activities from the IPP implemented with support from the project	Text	na 27-May-2010	Yes 30-Mar-2016	yes 31-Mar-2017	na 31-Mar-2017
Comments (achievements against targets):					



A. KEY OUTPUTS BY COMPONENT

Objective/Outcome 1	
Outcome Indicators	1. 2.
Intermediate Results Indicators	1. 2. 3.
Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)	1. 2. 3. 4.
Objective/Outcome 2	
Outcome Indicators	1. 2. 3.
Intermediate Results Indicators	1. 2. 3.
Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)	1. 2. 3. 4.

ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION

A. TASK TEAM MEMBERS

Name	Role
Preparation	
Vincent Palmade	Lead Economist
Aissatou Diallo	Financial Officer
Carole Megevand	Nat. Res. Management Specialist
Dileep Wagle	Consultant
Emeran Serge Menang Evouna	Forestry Specialist
Guillemette Jaffrin	Sr Financial Sector Specialist
Irene Chacon	Operations Analyst
Irene Nnomo Ayinda-Mah	Team Assistant
Ivan Rossignol	Sector Leader
Jacqueline Veloz Lockward	Program Assistant
Jean-Christophe Ngo	Consultant
Kouami Hounsinun Messan	Procurement Specialist
Lucienne M'Baipor	Social Development Specialist
Nathalie Munzberg	Senior Counsel
Sekou Keita	Consultant
Simon Rietbergen	Senior Forestry Specialist
Sylvie Munchep Ndze	Team Assistant
Supervision/ICR	
Amadou Dem	Team Leader
Alphonsus Nji T Achomuma	Team Leader
Alain Owono	Social Development Specialist
Alexandre Hugo Laure	Private Sector Specialist
Aissatou Diallo	Senior Finance Officer



Aminata Ndiaye	Junior Professional Associate
Ananie Cyrille Ekoumou Abanda	Forestry Specialist
Anne Lise Fotso	Team Assistant
Bernadette Djapa Nyanjo	Procurement Assistant
Celestin Adjalou Niamien	Financial Management Specialist
Cyrille Ekoumou Abanda	Forestry Specialist
Emeran Serge M. Menang Evouna	Senior Environmental Specialist
Enagnon Ernest Eric Adda	Financial Management Specialist
Eric Adda	Financial Management Specialist
Fallou Dieye	Consultant
Francis Tasha Venayen	Financial Management Specialist
Gilberto de Barros	Senior Private Sector Development
Guillemette Sidonie Jaffrin	Senior Private Sector Development Specialist
Irene Marguerite Nnomo Ayinda-Mah	Program Assistant
Jacqueline Beatriz Veloz Lockward	Program Assistant
James Michael Acworth	Sr Forestry Spec.
Jeannette Kah Le Guil	Senior Program Assistant
Jean Christophe Ngo	Tourism Expert
John Speakman	Adviser
Kouami Hounsinou Messan	Senior Procurement Specialist
Kristyna Bishop	Safeguards Specialist
Leonard Ngumbah	Project Assistant
Lucienne M. M'Baipor	Senior Social Development Specialist
Magueye Dia	Finance Specialist
Mohamadou S Hayatou	Private Sector Development Specialist
Mohamed El Hafedh Hendah	Procurement Specialist
Monique Courchesne	Senior Operations Officer
Natalie Tchoumba Bitnga	Team Member
Nathalie S. Munzberg	Senior Counsel



Odilia Hebga	Communication Officer
Paul Noumba Um	Sector Manager, PSD
Sekou Keita	Consultant
Serge Menang Evouna	Sr Environmental Specialist
Simon A. P. Rietbergen	Sr Forestry Specialist
Sylvie Ndze Munchep	Procurement Assistant
Vincent Palmade	Lead Economist
Milaine Rossanaly	Private Sector Specialist
Eustacius Betubiza	Consultant
Mariama Daifour Ba	Program Assistant

1. STAFF TIME AND COST

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
Preparation		
FY10	0	330,162.10
FY11	0	0.00
Total	0.00	330,162.10
Supervision/ICR		
FY11	0	150,348.52
FY12	0	64,947.50
FY13	0	103,075.18
FY14	17.995	116,916.08
FY15	44.316	218,945.15
FY16	53.430	188,877.88
FY17	25.949	106,019.12
FY18	.692	5,691.67
Total	142.38	954,821.10

ANNEX 3. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
1. Sustainable wood processing	2.20	6.79	0
2. Ecotourism	8.70	7.61	0
3. Support towards technical training in the wood and tourism value chains	9.20	1.12	0
4. Project coordination	6.00	4.13	0
Reimbursement of Project Preparation Advance and non-allocated funds	3.90	2.41	0
Total	30.00	22.06	0.00

(b) Financing

Source of Funds	Type of Co-financing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
IDA Credit		30.00	22.06	74%
Government of Cameroon			2.74	
Total Project Costs		30.00	24.80	

Figures may not add up due to rounding



ANNEX 4. EFFICIENCY ANALYSIS

Introduction

1. The project's development objective (at the time of the ICR) is to contribute to the growth of wood transformation and tourism industries within the Recipient's territory.

Wood

2. With respect to wood, the primary activities that were carried out in order to achieve the above objective included provision of:

(a) *Wood Dryers.* Each kiln had a nameplate capacity of 40 cubic meters. It was assumed that run time would be limited to not more than 11 out of 12 months in a year (to allow for service and routine maintenance), with assumed wet-wood to dry-wood drying time of not more than 30 days (time varies considerably by thickness and species). Hence turnover for each dryer is assumed at not more than 440 cubic meters, or 7,480 cubic meters for the 17 dryers per year. As a counterfactual, wet-wood to dry-wood air-drying time for a 2-inch thick plank was estimated at *twice* the amount of kiln drying time, at a minimum (thicker dimensions take a lot longer to air-dry to workable moisture content).

(b) *Other Machinery.* Examples are electric saws (band saws, jig saws, table saws, radial saws), edge banders, planers, molders, jointers, tenoners, mortisizers, lathes, and other finishing and sharpening equipment. The combined total annual work time of the machines was 21,240 hours. The counterfactual varied extensively. Some of the tasks as just not doable manually at all, or the manual alternative is several times slower: for most of the high precision or finer finish tasks – at least ten times slower.

3. Product quality is much superior when using kiln dried lumber and high precision electrical equipment for designing, joinery, sanding, and overall finishing. A conservative quality premium of 30 percent was assumed, although it is generally much higher.

4. Training of some 2,150 artisans was carried out on various topics including not only legal wood sourcing, but also maximizing plank yields, maximizing margins, etc. Also, further training will be provided by Strategic Partners (who will be managing the project-funded equipment) on getting the most out of this equipment, further adding to the artisans' profitability.

Tourism

5. With respect to tourism, international tourist arrivals in Cameroon grew by an annualized compound rate of 9.4 between 2010 and 2014. This can be considered as a "without project" scenario (since none of project activities had been completed and so could not have contributed to this outcome). It is to this "natural rate" of growth which the project funded activities are meant to add to, or at the very least preserve (not lose this ongoing growth to other competitors).

6. *Impact of Project Activities on Mount Cameroon Tourism.* Based on trends for similar attractions elsewhere (such as mountain climbing in Tanzania), the ICR team finds the appraisal estimate of an incremental 9.6 percent annual growth (attributable to the project) to the number of tourists already visiting Mount Cameroun too high. At ICR, an incremental rate of 3.2 percent is used instead, which is deemed more reasonable, in view of the



investments that have been made, making Mount Cameroun a competitive destination (trained and equipped guards, improved infrastructure).

7. *Impact of the Project on Activities on Incremental Tourism at Campo Ma'an National Park.* An additional attraction (gorillas) has been added to the park, some infrastructure improvements made (though some were not yet fully completed by ICR time), and park management trained. The appraisal estimate of an annual incremental growth of 13.7 percent in the number of visitors is deemed too ambitious by the ICR team which, instead, considered a more conservative rate of about 4.6 percent.

8. *Impact of the Project of Cultural Tourism.* At appraisal, an incremental impact of 1.9 percent per year was assumed compared to a do-nothing scenario. This conservative estimate has been maintained at the ICR stage.

ICR Update of the Project’s Economic Analysis

9. Based on the above assumptions, the project’s economic analysis has been updated as follows (using a ten percent opportunity cost of capital for the Net Present Value estimates):

Appraisal Estimate			
	Wood	Tourism	Overall Project
NPV (US\$ Million)	65	40	100
	N/A	N/A	N/A

ICR Estimate			
	Wood	Tourism	Overall Project
NPV (US\$ Million)	0.4	10	10.5
	11%	17%	15%

10. At appraisal, the project had hoped to leverage private sector financing to amplify the amount of investments in the wood and tourism sectors. This did not happen. The project decided to fund the investments by itself. Second, some investments, such as Ngoyé beach near Kribi were not carried out as envisaged. This, and some of the adjustments made to the assumptions, explain the difference between the appraisal and the revised estimates.



ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS

Page ii

NOTATION DE LA PERFORMANCE DU PROJET DANS LES ISR

Je constate que les notations du projet dans les ISR s'arrêtent en février 2017, ce qui pénalise le projet. Or, de mars à juillet 2017 et conformément à l'accord de crédit qui prévoit un délai de grâce de 04 mois (avril-juillet) pour liquider les différents paiements en cours avant la date de clôture, le taux de décaissement a significativement grimpé pour atteindre près de 97% du montant global des ressources allouées.

En effet, et concernant notamment les équipements de transformation du bois, la plupart des marchés y relatifs (en dehors de ceux initialement destinés à l'Association ATBO) ont été payés en mars 2017, c'est-à-dire après l'installation effective des équipements sur les sites retenus, sur les plateformes construites par le projet. Il en est de même pour le 2^e plus gros marché de la composante tourisme (1,2 milliards de FCFA), à savoir celui relatif aux travaux réalisés dans le Parc National du Mont Cameroun, dont les deux derniers paiements, assez consistants, ont été effectués après février 2017.

Certes, ce rapport d'achèvement est basé sur les données disponibles en fin février, mais il ne reflète pas la totalité des réalisations du projet au terme de son exécution.

Page 11

Je ne comprends pas comment sont calculés la VAN et la TRI ? Aussi, je ne peux pas faire de commentaires. Par contre, j'aimerais savoir quel est le lien entre le « financement du secteur privé qui devait être obtenu pour augmenter les investissements des filières du bois et du tourisme » et la performance économique du RFE-R, étant entendu que plus haut, il est mentionné que l'acquisition des équipements du bois par le projet (qui est un investissement important) permet de les mettre à la disposition de milliers d'artisans, afin d'amplifier le champ d'application du projet.

Page 12

Point 37 : A mon sens, le non achèvement de certaines activités n'est pas lié à la lenteur des décaissements mais plutôt à la lenteur du processus de passation des marchés. En effet, ce sont les délais passablement longs du processus de passation des marchés qui ont induits des retards considérables, et de ce fait ont entraîné la mise en œuvre tardive des activités.

Pages 14-15

« Par ailleurs, le changement de ministre-chef de file (MINEPAT) pendant la mise en œuvre du projet – le précédent ayant manifesté un intérêt exceptionnel pour le projet lors de la phase de préparation - a également réduit l'enthousiasme du personnel pour le projet. »

Cette assertion ne me semble pas pertinente, voire tendancieuse. Le changement de ministre intervient au moment où le projet est suspendu pour résultats insatisfaisants. C'est dans ce contexte que le nouveau ministre sollicite la restructuration du projet ; avec pour corollaire le changement de la direction du projet. « Le manque d'enthousiasme du personnel » n'est donc pas lié au changement du chef de file.

« Comme indiqué ci-dessus, lors de la préparation du projet, l'élan du côté du gouvernement a été dirigé par le ministre de MINEPAT. Avec son départ, les progrès ont considérablement ralenti »

La performance du projet a été jugée insatisfaisante au cours des premières années de son exécution, donc avant le changement survenu à la tête du MINEPAT.



Page 14

« *Préparation à la mise en œuvre.* Une série d'études ont été réalisées et un grand nombre de termes de référence ont été rédigés au cours de la préparation du projet. Un plan de passation des marchés sur 18 mois a été élaboré. Cependant, il était ambitieux et ne définissait pas clairement les priorités, entravant quelque peu la mise en œuvre du projet initial. Le processus de dotation en personnel de l'UCP a commencé au cours de cette période, mais la plupart des fonctionnaires gouvernementaux impliqués dans la préparation du projet n'ont pas participé à sa mise en œuvre. »

Il convient de préciser également que cette phase de préparation a connu l'intervention de plusieurs TTL. Ce qui, au regard du caractère nouveau de certaines interventions dans le secteur du bois, a manifestement impacté la qualité de cette préparation ; d'où notamment l'incapacité à distinguer les éléments les plus essentiels à la réalisation des deux objectifs du projet et à limiter la portée des interventions du projet à des éléments essentiels. Comme vous l'indiquez dans ce rapport, la conception du projet aurait pu tirer profit de quelques interventions ciblées pour s'assurer que les objectifs soient réalisés.

L'impression qui ressort au final est que chacun des TTL a apporté sa propre expérience et que le tout a été fusionné dans le document de projet.

Page 15

“L'UCP n'a pas su concevoir et mettre en œuvre une stratégie de communication efficace au cours du projet, en particulier pour les interventions dans le secteur du bois. Les bénéficiaires (petits artisans du bois) se sont plaints publiquement à plusieurs reprises et ont exprimé ouvertement leur frustration, craignant que les interventions du projet ne les favorisent pas pleinement, mais avantagent plutôt les grands opérateurs privés. Cette difficulté, due principalement à une incompréhension des étapes du projet, aurait pu être mieux gérée dès le départ.”

Certes, le projet ne disposait pas d'un responsable en charge de la communication. Le cabinet de communication qui avait été recruté lors de la phase I d'exécution du projet pour concevoir et mettre en œuvre la stratégie de communication n'a pas été reconduit ni remplacé après la restructuration, tout comme le responsable du S&E (réduction drastique de l'équipe du projet).

Il convient cependant de noter que les associations des artisans du bois ont été associées à tous les changements opérés dans le cadre de l'affectation/mise à disposition des équipements de transformation du bois (recherche de sites sécurisés pour l'installation des équipements, validation des critères de sélection et recherche des partenaires stratégiques, etc.). Il ne s'agit pas de manque de communication mais de frustration de la part de certaines associations (03 sur 12) qui, malgré les insuffisances constatées notamment en termes de capacité financière et de gestion, s'étaient déjà projetées comme gestionnaires, voire propriétaires desdits équipements.

AUTRES OBSERVATIONS

Toutefois, la restructuration ne semble pas avoir été efficace, en particulier dans la réduction radicale des activités du projet, dans la priorisation des contrats essentiels et **dans l'évaluation du temps nécessaire pour l'exécution des activités restantes, l'extension proposée d'un an se révélant trop optimiste**

Retards avant la seconde restructuration. La seconde restructuration a été retardée en raison de la volonté de la Banque mondiale de prendre des mesures adéquates pour garantir l'utilisation de bois uniquement légal et une bonne gouvernance avant que l'équipement de transformation du bois soit distribué aux partenaires stratégiques.



Justification de la notation globale de la performance de la Banque. Bien que la qualité à l'entrée ait eu plusieurs lacunes, la supervision a été proactive. Toutefois, **l'équipe aurait dû mesurer adéquatement les défis de mise en œuvre du projet lors des restructurations et rationaliser davantage le projet, y compris un étalonnage réaliste du temps nécessaire pour compléter les activités retenues après les restructurations.** La performance globale de la Banque durant la mise en œuvre du projet a ainsi été jugée *Modérément satisfaisante.*

Nécessité de poursuivre le soutien de la Banque. Étant donné le caractère encore nouveau et fragile des activités initiées dans le cadre du projet, et afin de consolider les gains et tirer parti des leçons apprises de la préparation et la mise en œuvre de ce projet complexe, il serait opportun pour la Banque de financer une opération de suivi. Une telle opération pourrait non seulement assurer la durabilité des gains de Ce projet, en particulier dans le secteur du bois, mais également utiliser cette expérience sur d'autres chaînes de valeur très prometteuses.

La recommandation adressée à la Banque Mondiale de financer une opération de suivi pour assurer la durabilité des gains du projet, en particulier dans le secteur du bois, s'avère judicieuse, quoiqu'insuffisante, au vu des éléments ci-dessus surlignés. En effet, il aurait été plus judicieux, au regard des avancées significatives enregistrées par le projet avec l'acquisition importante des équipements du bois et le lancement des activités majeures de la composante Tourisme, d'être moins intransigeant sur la durée du projet et sa notation initiale, et prendre davantage en compte la nécessité de disposer du temps nécessaire pour garantir l'atteinte des objectifs de développement du projet, lors des négociations avec le gouvernement pour la prolongation de la durée de vie du projet. Car manifestement, compte tenu du contexte, 12 mois ne suffisaient pas pour assurer l'utilisation optimale des équipements de transformation du bois ; acquisitions qui constituent un investissement lourd.

Dans cette optique, l'on aurait pu également relancer rapidement l'activité d'aménagement et d'électrification de la plage de Ngoyé, sur la base du DAO existant, toutes choses qui auraient permis une évaluation de l'impact des réalisations du projet.

Malheureusement, ce ne sont pas ces « critères » qui ont prévalu, mais plutôt la notation des projets du portefeuille de la Banque Mondiale au Cameroun.



ANNEX 6. SUPPORTING DOCUMENTS (IF ANY)

I. INTRODUCTION

1. The review of the Competitive Value Chains Project (CVCP) was carried out by an independent consultant from 28 February to 31 March 2017. This review was based primarily on the Documentation available from the Project Coordination Unit (PCU), as well as discussions with the Working Group set up to oversee this activity, meetings with project beneficiaries from the Central, the Littoral, the North West, the West, the South and the South West Regions organized into three focus groups, visits to some project sites, individual interviews with the PCU management staff, and the CVCP Officer at the World Bank office in Yaoundé.

2. The elaboration of the CVCP Completion Report focused on the review of its performance based on the assessment of the relevance, effectiveness, efficiency, sustainability and impact of its interventions. The analysis was based on the following performance indicators:

Very satisfactory:	the expected results were achieved as - or better - than expected
Satisfactory:	the positive aspects are more important than the negative aspects
Moderately satisfactory:	the positive aspects are important but the gains remain fragile
Moderately unsatisfactory:	results are encouraging, but require additional efforts to meet expectations
Unsatisfactory:	the positive aspects are weak compared to the negative aspects
Very unsatisfactory:	serious deficiencies, very few positive aspects

II. REVIEW OF PROJECT RELEVANCE, EFFICACY, EFFICIENCY, AND SUSTAINABILITY

3. Globally, the implementation of CVCP is **Moderately Satisfactory** with a Global Score of 4.06/6.

(a) Relevance: Moderately Satisfactory With A Score of 4/6.

4. This score is obtained because of the alignment of the CVCP with national priorities as defined in the policy and development strategy papers, including the Cameroon Vision for 2035, the Strategy Paper for Growth and Employment, the Sectoral Program for Forests and Environment, and the Sectoral Strategy for Tourism Development.

5. CVCP's design took into account Cameroon's international commitments to meet the MDGs/ SDGs, as well as the needs expressed by the beneficiaries, in particular in terms of access to high-performance equipment for sustainable wood transformation, improving the competitiveness of wood and tourism value chains, and access to technical, organizational and managerial training, etc.

6. The support provided by the World Bank to CVCP was considered to be in line with its strategic orientations, particularly with regard to its Country Assistance Strategy (CAS), which is consistent with Cameroon's strategy for growth and employment. On the other hand, this support was justified by the fact that the World Bank's updated Action Plan for Africa emphasizes the need to increase the competitiveness of exports and the diversification of the economy.

7. The intervention approach drew on lessons from past and ongoing interventions by the World Bank and other donors that support private sector development in Cameroon and other regions, leading to better ownership



of the CVCP by the stakeholders involved in its implementation. It was on this basis that strategic choices were identified for this project, including those that consisted of:

- Giving priority to growth chains and localities with a real competitiveness potential in order to address a set of cross-sectoral and sectoral issues related to policy, infrastructure, market inefficiency and skills. To this end, it was decided to concentrate CVCP's capacities and its limited resources on the 2nd and 3rd stage transformation of wood, as well as on ecotourism;
- Providing a critical mass of complementary interventions to trigger a strong private sector response through an association of infrastructure investments with policy reforms and targeted support to enterprises to enable producers to reach a high level of productivity;
- Complementing and stimulating other projects, including those of other partners, including the Forestry and Environment Sector Program and the Agricultural Competitiveness Project supported by the World Bank, as well as the European Union on Investment Climate, the African Development Bank's Land Reform and Investment Project, and the initiatives of the International Finance Corporation to improve the investment climate;
- Simplifying the design of the project by giving priority to two key growth sectors (sustainable wood transformation and ecotourism), without claiming to solve all the difficulties related to the investment climate in Cameroon;
- Ensuring full ownership by the client and strengthening implementation capacity through the World Bank's advance of US\$2.9 million to the Government of Cameroon to ensure the thorough preparation of the Project. The Project Appraisal Document indicates in this regard that the Government Preparation Team was fully engaged in the preparation of the Project and provided essential technical data in the design of the Project, and facilitated extensive public and private sector participation in its design.

8. Despite the precautions taken in preparing the CVCP, this project was restructured within two years of its start-up due to its poor performance. Very early on, the analysis of the CVCP conceptual framework revealed the inherent cumbersome nature of the over-dimensioning of its components, as well as the inadequacy of institutional arrangements for its strategic direction and oversight. All this has been complemented by the constraints linked to the plethora of the staff of the PCU and the absence of a monitoring and evaluation mechanism, etc. Taking into account the difficulties encountered in achieving the desired levels of performance, it can be assumed that the restructuring measures adopted in the context of the restructuring were delayed in producing all the expected effects.

9. Through the reduction of resources and the elimination of the studies envisaged under Component 3, the project's ability to drive reforms and provide targeted support to firms to enable them to achieve a high level of productivity was impaired. This decision should automatically have led to adjustments to the PDO, which was not the case. To affirm, as stated in the restructuring document, that the PDO remained the same after the restructuring, should be better backed up, given that the PDO measurement indicators were modified.

(b) Effectiveness: Moderately Satisfactory with A Score of 4.5/6.

10. The Government of Cameroon and the World Bank relied on the low disbursement rate achieved until 2014 (35 percent of the total amount of US\$30 million, 3.5 years after its effectiveness and 18 months away from the closing date of March 30, 2016) to justify the refocusing of the Project on a limited number of activities which would improve the disbursement rate to 50 percent in May 2015 and 70 percent before the end of 2015. The disbursement rate had reached 42 per cent of the total amount of US\$30 million, and according to projections made, it would reach 76 percent by the end of 2015. In March 2016, the implementation support mission of the



World Bank rated project performance as Moderately Satisfactory on the basis of its disbursement rate alone (disbursement rate at this stage: 57 percent, commitment rate 31 percent).

11. At the close of the project, the impact of all of the measures taken for its recovery resulted in
 - A dramatic increase in the disbursement rate to approximately 92 percent as at March 31, 2017;
 - Regular mobilization of counterpart funds;
 - Acceleration of the level of implementation of activities with an average execution rate of around 70 percent; and
 - A perceptible impact of the Project's action on the growth of the targeted value chains as well as on the beneficiaries in terms of the availability of, and accessibility to, the equipment for the sustainable transformation of high-quality wood, the rehabilitation of several tourist sites, support for the improvement of two national parks, support for the structuring of the wood and tourism sectors, training of more than 4,000 actors in the wood and tourism sectors, support for the creation of jobs in these two sectors, etc.

12. Regarding the results obtained by the Project, it may be noted that:
 - Prospects for achieving the Project Development Objective are good. At the end of the project, one outcome indicator out of three is adequately documented. This indicator shows a rate of progression of 76.92 percent relative to its target. The other two indicators are likely to reach their respective targets after the sustainable wood processing equipment becomes operational; and
 - Regarding intermediate outcome indicators, all indicators of the timber component have reached their respective targets; two of the four indicators of the ecotourism component show a rate of increase of more than 70 percent, while the other two are below 20 percent.

(c) Efficiency: Moderately Satisfactory with A Score of 4/6.

- The projected disbursement rate at the project's closing is over 90 percent, indicating strong performance in the execution of project expenses and activities;
- The project's major effectiveness and disbursement conditions related to heavy investments were fulfilled;
- The procurement process has improved over time;
- The rate of physical execution of the products and effects is estimated at 83.95 percent;
- Financial management has always been generally satisfactory – financial monitoring reports, as well as audit reports, have always been submitted on time;
- However, almost all Project activities experienced delays, particularly activities requiring significant investments that are likely to generate significant and sustained benefits to the targeted beneficiaries. This was compounded by significant delays in the procurement process;
- Several activities were canceled after being carried out totally or partially, including a project with an estimated cost of more than CFAF 2 billion;
- Monitoring the execution of awarded contracts does not appear to have been sufficiently effective in order to avoid the termination of several contracts or the questionable quality of certain works; and



- The project management was deficient, activity follow-up poor, and there was little team work.

(d) Sustainability and Impacts: Satisfactory with A Score of 5/6

- The project's financial sustainability outlook appears to be moderately satisfactory as long as MINEPAT's Directorate General for Economics insists on the need to consolidate the achievements of this project among its priorities for action;
- Institutional sustainability and the capacity building process are considered satisfactory. The project has formed a critical mass of players in both value chains and has been working on structuring them. Proposals for reforms to improve the institutional framework and the stimulation of private investment are results for which the project should be credited. It is hoped that the sectoral administrations will take over to ensure that the reforms are integrated into the institutional and regulatory architecture of the tourism and timber sectors;
- Assessment of ownership and sustainability of partnerships is rated moderately unsatisfactory, with a score of 3/6. Stakeholder involvement was weak throughout project implementation, and although partnership initiatives appeared to be emerging at the time of its closure, they were not because of actions by the Project; and
- The assessment of environmental and social sustainability is considered moderately unsatisfactory with a score of 3/6, in view of the shortcomings observed in the implementation of the measures prescribed by the Environmental and Social Management Framework. Added to this are the delays observed in the implementation of the social measures defined in the PPAV.

III. PARTNER PERFORMANCE

(a) World Bank Performance

13. Through IDA, the World Bank fully played its role as a funder in that at no point in its life did the project lack the necessary resources to ensure the continuity of its operations.

14. Supervision missions which were conducted in the field at a steady pace helped to ensure regular monitoring of activities in a context marked by the absence of a monitoring and evaluation specialist within the PCU team.

15. While these missions contributed significantly to strategic and operational decisions, including those which led to the restructuring of the Project and the setting of clear objectives backed by the satisfactory execution of the Priority Action Plan and its implementation, it should be noted that the strong involvement of the responsible staff at the Bank in the day-to-day management of the project exposed them to the risk of micro-management which could make them accountable for the possible non-performance of the Project. It is desirable in the future that the World Bank stick to its role as Lender, with a view to making the country fully accountable for project results.

16. In the end, the level of involvement of the World Bank appears to be quite mixed. While it is true that the lender was present throughout the implementation of Project activities and played an important role in approving the activities through non-objections which it gave in the context where the Steering Committee was not meeting as it should, the long delays in the issuance of these no-objection notices largely and negatively impacted the implementation of the activities and hence the Disbursement which, moreover, appeared as the major indicator of project performance for the World Bank.



(b) Performance of the Government of Cameroon

17. Government can be credited for several positive developments, including: (a) compliance, albeit late, with effectiveness conditions and with disbursement conditions for major investments; (b) the Government's allocation of resources for counterpart funding.

18. Regarding counterpart funds, however, it should be stressed that they were unpredictable and generally arrived at the Project with considerable delay. By way of illustration, funds to support the 2016 activities arrived at the project in March 2017. Over the years, this caused procurement difficulties as well as led to the accumulation of tax debt arrears in respect of the VAT refund.

19. On the other hand, it is clear that Government did not fully exercise leadership during project implementation. This review is not aware of the responses given or measures taken by the implementing ministry in response to the recommendations contained in the Audit Reports and Aide-Memoires of the World Bank. In the same vein, no explanation was obtained to justify the irregular operation of the Steering Committee. In absolute terms, this situation could lead to the declaration of ineligibility of expenditure made on the basis of AWPBs not approved by the Steering Committee.

20. In the case of MINEPAT, its involvement can be seen as wanting, that is to say, below expectations in its role of steering and unblocking difficult situations having implications for the implementation of activities and respecting deadlines. The project's appraisal had already identified, among other risks, the limited experience of MINEPAT in carrying out IDA-financed operations. This risk proved to be well founded and remained considerable following the profound restructuring of the PCU team at the project's mid-term review.

21. As far as sectoral ministries are concerned, they were involved in designing the Project and continued to have within them project focal points. They also facilitated the implementation of certain activities. The experts' reports, however, reveal some misunderstandings as to the level of involvement of these administrations in the effective implementation of the activities of which they were beneficiaries and the low level of commitment and initiative of the ministries in the impetus and implementation of the activities that fall within their sector and statutory responsibilities.

(c) Performance of the Project Coordination Unit

22. In general, the Project Coordination Unit was deemed to be inefficient throughout the course of the Project because of the obvious difficulties of efficiently and effectively implementing the activities in a context marked by imprecise strategic and policy framework.

23. The results obtained at the close of the project reflect the real efforts made by this team to redress the situation. These efforts intensified in the final months of the Project, and the activities carried out during this period were carried out in an emergency context that can impair the quality of the expected results. There is no doubt that the situation would have been different in a more serene and less confrontational working environment. In this respect, the exchanges held by the Consultant and the members of this team during the Consultant's mission, both on an individual basis and through group meetings, highlighted the prevalence of an unhealthy working environment, characterized by interpersonal conflicts and lack of team spirit.

(d) Beneficiary Performance

24. As for the beneficiaries, they were generally judged active in facilitating the implementation of project activities. This involvement was evident in the search for land for the installation of equipment financed by the



Project for the wood sector. However, the opportunistic nature of the beneficiaries, especially those of the ecotourism component, deserves to be emphasized. Most of the time, they treated the project as a "donation distribution organization".

IV. SYNTHESIS OF KEY LESSONS AND RECOMMENDATIONS

(a) Key Lessons Learned from Project Implementation

25. Regarding the context: (a) Progress in Cameroon at the political level can be considered as a favorable asset to capitalize on for the sustainability of the benefits derived from the CVCP, despite the prevalence of a degraded security context; (b) The Government has stepped up efforts to accelerate growth despite an unfavorable security environment and an international environment unfavorable to growth in export earnings; (c) Despite the praiseworthy efforts it has received, and beyond the condemnation of the managers of public wealth, corruption continues to plague the administrative apparatus. One of the advances made in recent years is the compliance status of the Extractive Industries Transparency Initiative (EITI) and the ratification of the United Nations Convention against Corruption. Unfortunately, these efforts have been plagued by numerous shortcomings, including the non-ratification of the African Union Convention against Corruption, the non-application of Article 66 of the Constitution on the declaration of assets, and the absence of an anti-corruption law, and the non-protection of whistle-blowers; (d) Although the forest sector represents a significant part of the wealth creation of the country, its added value is not yet sufficiently exploited; and (e) The tourism potential of Cameroon remains enormous but under-exploited. Despite an unfavorable security context, tourism demand keeps growing.

26. Regarding the relevance of the project: (a) Implementation of the project revealed conceptual limitations that led the Government of Cameroon and the World Bank to restructure it within two years of its start; (b) The restructuring of the project resulted in a reframing of certain project activities by setting new deadlines; (c) As part of the restructuring of the project, the post of Monitoring and Evaluation Officer was abolished. Its contribution to the reflection in the context of the restructuring would have facilitated the immediate adjustment between the PDO, the specific objectives, and the indicators for measuring the results; and (d) As part of the project design, a number of risks were identified and mitigation measures recommended. Continuous evaluation of these risks and updating mitigation measures was not rigorously followed throughout project implementation

27. Regarding Effectiveness: (a) Pursuing the implementation of project without any assurance that it would meet the development objective set for this Project was to overshadow the obligation to achieve results. It is therefore surprising that the Government of Cameroon and the World Bank decided to maintain planned investments in full knowledge of the facts; (b) The challenge of aligning programmed activities with the development objectives defined for this purpose should be taken into account, taking into account that the resources made available to the State of Cameroon by IDA represent a loan that Cameroon is to repay. The management of these resources should, above all, be directed towards the attainment of the results and, therefore, with the utmost caution.

28. Efficiency: (a) Given the time remaining until 30 March 2016, and given the late start of certain activities such as the electrification and development of Ngoye (Kribi) beach, it is permissible to formulate reasonable doubt about the realism of the Priority Action Plans whose elaboration appears to have ignored extremely time-consuming exogenous factors totally outside the control of the project, such as the development or updating of the protected area management plans targeted by the project, the carrying out of environmental impact studies, the drawing up of a master plan for the town of Kribi, etc.; (b) The basis for monitoring the progress of the Project was mainly the Priority Action Plan developed after the restructuring and updated annually or adjusted according to the recommendations of the supervision missions of the World Bank; and (c) The delay in implementation start-



up was compounded by significant delays in the procurement process. Several activities were canceled after they had been carried out in full or in part, including a project of more than CFAF 2 billion, and the monitoring of the execution of awarded contracts does not seem to have been sufficiently effective to avoid the termination of several contracts or the questionable quality of certain works.

29. Sustainability: (a) For the completion of these activities, the project Financing Agreement stipulates that the financing of all Project activities not completed by 31 March 2017 will be covered by the Government of Cameroon. In the current context of scarcity of financial resources, this orientation of the Agreement without concrete precision on alternative sources of financing does not guarantee their easy handling by the Government; (b) With regard to the institutional sustainability of the project and capacity building, many constraints, difficulties and obstacles could offset the favorable emerging trend; and (c) Because of the uncertainties at the closure of the project in terms of preservation and consolidation of achievements, it is recommended that the Government of Cameroon consider measures to ensure better performance of similar projects in the future.

(b) Key Recommendations

➤ **Regarding the World Bank**

30. Throughout the implementation of the project, there was a strong involvement of WB officials in Yaoundé in the day-to-day management of the project, which may have hampered the initiative within the project implementation team. The holding of monthly meetings between the PCU team and the Project Manager is an illustration of the World Bank's involvement in the micro-management of the project. It is desirable in the future that the Bank stick to its role as Lender in order to make the country fully accountable for the results achieved.

➤ **Regarding the Government of Cameroon**

31. The provision of counterpart funds was managed in an unpredictable manner. These funds generally arrived at the Project very late. For example, funds to support the 2016 activities were received by project in March 2017. These delays created difficulties in meeting contractual obligations and hampered timely VAT refunds.

32. On the other hand, it is clear that the leadership which the Government should have assumed in project implementation was not fully exercised.

33. In this context, it would be essential for the Government to ensure the continuity of project activities in order to ensure the sustainability of the flows of benefits derived from the project.

➤ **Regarding the Implementing Ministry and Project Coordination Unit**

In general, the Project Coordination Unit was deemed to be inefficient throughout the course of the Project because of the obvious difficulties of efficiently and effectively implementing the activities in a context marked by an imprecise strategic and policy framework for the Project. However, the situation would have been different in a more relaxed and less confrontational working environment.

To ensure the continuity of the benefits of the project, it would be appropriate to capitalize on the experiences of the PCU. To this end, the experts recruited under the project should finalize their implementation reports in order to assess the actual state of implementation of the project before it is assumed by the Government.



Annex 7. List of Supporting Documents

1. Project Appraisal Document (Report No. 53956-CM) – Competitive Value Chains Project, May 27, 2010
2. Financing Agreement (Credit Number 4780-CM), Competitive Value Chains Project, October 19, 2010
3. Amended and Restated Financing Agreement (Credit Number 4780 – CM), Competitive Value Chains Project, January 27, 2014
4. Amendment to the Amended and Restated Financing Agreement (Credit Number 4780 – CM), Competitive Value Chains Project, March 31, 2016
5. Restructuring Paper (Report No: 81579 - CM) for the Competitive Value Chains Project, December 03, 2013
6. Implementation Support Mission Aide-Memoires
7. Implementation Status and Results Reports
8. Rapport d’Achèvement du Projet, Projet Compétitivité des Filières de Croissance (PCFC) – Crédit IDA N° 4780-CM, Ministère de l’Economie, de la Planification et de l’Aménagement du Territoire, Version finale, Mars 2017