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Report No. 15660

PROJECT COMPLETION REPORT

CAMEROON

**SECOND DEVELOPMENT FUND PROJECT
(LOAN 2567-CM)**

May 21, 1996

**Agriculture and Environment Operations Division
Central Africa and Indian Ocean Department
Africa Regional Office**

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CURRENCY EQUIVALENTS

Currency Unit = CFA Franc (CFAF)^{1/}
Average Annual Exchange Rates

Year	CFAF	US\$
1985	490 ^{2/}	1.00
1986	346	1.00
1987	301	1.00
1988	298	1.00
1989	319	1.00
1990	272	1.00
1991	282	1.00
1992	265	1.00
1993	283	1.00
1994	555	1.00

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

CFAF	CFA Franc
DDC	Directorate for Community Development, Ministry of Agriculture
DEP	Studies and Projects Department, Ministry of Agriculture
DGR	Directorate for Rural Works
DGTC	Directorate General for Large Works
DHR	Rural Hydraulics Department, Ministry of Mines and Energy
FIMAC	Fund for Micro-Projects in Agriculture and Community Development (Fond d'Intervention pour les Micro-Réalisations Agricoles et Communautaires)
FONADER	National Rural Development Fund
FSAR	Rural Development Fund Project (Fond Spécial d'Actions Rurales)
FSAR I	First Rural Development Fund Project
FSAR II	Second Rural Development Fund Project
MIDEVIV	Food Crop Development Agency
MINAGRI	Ministry of Agriculture
MINMAP	Ministry of Public Tenders
MINMEE	Ministry of Mines, Water and Energy
PPDR	Small-Scale Rural Development Activities (Petits Projets de Développement Rural)
SEMRV	Rice Promotion and Modernization Agency
SODECAO	Cocoa Development Company
SODECOTON	Cotton Development Company
SOGREAH	Société Géohydraulique (France)

FISCAL YEAR

July 1 - June 30

¹ The exchange rate for the CFAF was fixed at a ratio of 50:1 with the French Franc, which is a free floating currency, until the January 1994 devaluation, after which the exchange rate was fixed at a ratio of 100:1.

² This is the exchange rate used in the Staff Appraisal Report. For the other years, the exchange rates are the annual averages.

May 21, 1996

**OED EVALUATIVE MEMORANDUM
ON PROJECT COMPLETION REPORT**

Cameroon: Second Rural Development Fund Project (Loan 2567-CM)

The Cameroon Second Rural Development Fund project, supported by Loan 2567-CM for US\$25.5 million, was approved in FY85. The loan was closed on December 31, 1993 after an extension of two years. A total of US\$4.5 million was canceled because of a reduction in the scope of operations and cost savings. The Project Completion Report (PCR) was prepared by the Africa Regional Office.

The project's objectives were to improve living conditions and incomes in rural areas and to strengthen rural development institutions. The project continued operations initiated under the first Rural Development Fund (RDF) project. The RDF was a channel for funds for localized development activities not covered by the major externally funded projects, and largely implemented by departments of the Ministry of Agriculture or by agricultural parastatals.

Project activities were concentrated in the north of the country, and included: (a) drilling of about 1,000 boreholes for rural water supply (which comprised about 72 percent of total costs); (b) development of 1,000 ha of bottomland for rice and sorghum production; (c) construction and maintenance of 350 km of rural roads (in the south); (d) financing of local bullock fattening and groundnut shelling and marketing; (e) functional literacy training for village groups; (f) strengthening of the management of the RDF; and (g) a line of credit for small, high priority activities to be identified during the project.

Overall the specific objectives of the original project were only partially achieved. From 1985 the value of the CFA Franc rose steadily and from 1986/87 Government experienced increasing fiscal difficulties. Counterpart funds were not made available and work was not initiated on most of the smaller project components as agencies, facing financial stringency, concentrated on their core functions and drew back from smaller, socially oriented activities. The rural water supply component was much delayed. The Bank wished to agree on the principle of cost recovery for rural water supply, to provide a basis for continuing O&M. It took more than a year to reach an agreement to establish a National Water Committee which then took over three years to elaborate a national beneficiaries' participation policy. Implementation of the well drilling program was also held up by a procurement dispute.

However, by 1988, the procurement dispute had been resolved, and agreement was reached to streamline the project, scaling back the roads component, dropping most of the minor components, retaining the borehole program, and concentrating on developing a line of credit, focused on food

security operations. The original borehole target was exceeded at a reduced unit cost. The line of credit was used to support the creation of a fund for micro-projects (administered by the Ministry of Agriculture), which eventually formed the basis for the Food Security project, now under implementation.

The Operations Evaluation Department (OED) rates the outcome as marginally satisfactory, institutional development as modest, and sustainability as uncertain. Although the water supply target was achieved, the original concept of the RDF became untenable under the changed economic conditions. The Bank was initially over-optimistic about the scope of the operation but, when it was clear that the original concept was no longer tenable, the project was streamlined and the major element completed. For most of the implementation period, supervision records are missing. Bank performance is rated as unsatisfactory.

The PCR provides a satisfactory assessment of project implementation and results. Given the nature of the revised project, there is no recalculation of the ERR. The PCR is critical of appraisal for having been overoptimistic on cost recovery. The Borrower, in its submission, provides a somewhat more sympathetic review than the PCR of the background to the project, noting the complex institutional setting and the political reluctance to address the cost recovery issue – the principal reasons why the latter took so long to resolve. The principal lesson is that the value of a project by project approach is modest when the objective is to change a sector wide policy. No audit is planned.

Robert Picciotto
by Ulrich Thumm

Attachment

PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT
(Loan 2567-CM)

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PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT (Loan 2567-CM)

PREFACE

This is the Project Completion Report (PCR) for the Second Rural Development Fund Project in Cameroon, for which Loan 2567-CM in the amount of US\$25.5 million was approved on June 6, 1985. The Loan was closed on December 31, 1993, two years later than scheduled and the undisbursed balance of US\$4.5 million was canceled effective August 16, 1994.

The PCR was prepared by the Agriculture and Environment Division of the Central Africa and Indian Ocean Department of the Africa Region. Preparation of this report is based on a field visit in May 1994 and on a review of the Staff Appraisal Report, the Loan Agreement, supervision reports, correspondence between the Bank and the Borrower, internal Bank memoranda and information obtained during the PCR mission in February 1994. The Borrowers' comments on Part I and III of the PCR are presented in Part II.

PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT (Loan 2567-CM)

EVALUATION SUMMARY

Background

1. Cameroon is a Central African and CFAF zone country with rich and varied resources. From independence in 1960 till 1985 the country experienced high rates of economic growth. Starting in 1985, the year of loan signature, the country went into a deep recession with revenues from oil and international prices of agricultural exports (coffee, cocoa, cotton, logs) declining, the CFAF appreciating, and the large, inefficient public sector unable to adjust. People grew poorer, foremost, but not exclusively in the rural areas. In January 1994 the CFAF was devalued and a medium term program of reforms adopted to restore financial equilibrium and economic growth; results are positive but incipient so far.

2. This project was preceded by the Rural Development Fund Project (Cr. 723-CM), which had as its objectives to develop, strengthen and support Cameroonian institutions involved in rural development and thus increase their capabilities to carry out high-priority, small-scale development projects throughout the country. The project's main components were the rehabilitation or construction of wells and boreholes, reinforcing their equipment with pumps, the construction of small mountain dams and a few small, production-oriented subprojects. Project costs were estimated at appraisal at around US\$8.5 million equivalent, actual costs at project closing were estimated at about 50 percent more. Project planning and coordination were to be carried out by a newly created directorate with the National Rural Development Fund (FONADER).

3. Implementation of the project was uneven, primarily because of "over-bureaucratization" of the implementation teams. The project was able to drill only 232 boreholes against 430 planned and 4 dams out of 10 planned. However, 900 existing wells were rehabilitated (50 percent more than planned). The production-oriented subprojects, all of a pilot nature and corresponding to less than 15 percent of total project costs, including their share of overheads, also achieved mixed results, with the bottom lands development subproject being considered a total failure. The bullock fattening subproject was thought to have potential despite poor initial results. Lack of proper monitoring made it impossible to determine the economic (or even financial) returns on the subprojects. Institutional impact was limited by the lack of project attention to staff training. The PCR for this project concluded that the sustainability of the limited project achievements was unlikely.

4. The Second Rural Development Fund Project (FSAR II) was to build on the experiences of the first project. It had as its objectives to strengthen rural development institutions and to improve living conditions and incomes in rural areas, particularly in the dry and poorer North. It covered institution building, a fund for Small-Scale Rural Development Activities (PPDR), development of 1,020 ha of bottom lands, construction of about 1,000 deep tube wells for rural water supply, credits for bullock fattening, support for groundnut marketing and shelling, functional literacy training, and

construction and maintenance of about 350 Km of roads. Nine public agencies or services were to implement the project, with an agricultural credit institution, FONADER, as project planner and coordinator.

5. Project preparation was weak, except for the rural water supply component. The potential impact of the macro-economic crisis on the ability of Government to provide sufficient counterpart funds was disregarded, institutional capacities of the main implementing institutions were not reviewed in sufficient depth and key policies regarding beneficiary contributions to construction and maintenance of the wells and pumps were not agreed up-front. For these reasons, implementation was initially slow. It was not until after an amendment of the loan agreement in January 1990, when the disbursement percentages of the loan for all categories were substantially increased and activities were streamlined, that implementation could gain momentum.

Results

6. Overall, the specific objectives of the original project were achieved only in part and over a longer than planned implementation period. For the most important component, rural water supply, however, objectives were over-achieved; 1,117 wells were installed, compared to 1,000 wells planned originally at a per unit cost that was 24 percent lower than planned, US\$18,300 compared to the planned US\$24,000. These wells positively impact on a higher than planned beneficiary population. The original estimate of 350 beneficiaries per well, or a total of 350,000 is now projected to be 450 beneficiaries per well ³, therefore the actual beneficiary population would increase to 500,000 or 40 percent higher than estimated. Although there is still no national water policy, there is a regional one; the implementation arrangements were innovative and their example, as well as the practical experience accumulated in various services, will have a lasting positive effect on institutions and the design of future activities.

7. The achievement of specific objectives of the PPDR component are modest, especially as measured by original standards. In the end, and in line with the spirit of the revised loan agreement, its main contribution was to help gain experience for, and assure a smooth start-up of, the important and generally well performing Fund for Micro-Projects in Agriculture and Community Development component of the Food Security Project. Direct achievements in other areas were very small or nil.

8. No attempt has been made to quantitatively estimate ex-post economic or financial rates of return. At appraisal, rates of return had been calculated only for components which had a direct impact on production, such as bottom land development, rural roads, bullock fattening and ground nut marketing components; in the end, these components were essentially not implemented. At appraisal, rates of return had not been calculated for the institutional development, rural water supply, PPDR and literacy training components. Some inferences for the rural water supply component are in order. Most project spending and implementation activities focused on this component and its benefits are high. Its primary benefits are: (a) reduction of costs to the economy as a result of a reduction in water-borne diseases, the number one health hazard in Cameroon in general, and in the country's northern parts and for infants and children in particular. The Ministry

³ This estimate would need confirmation by independent and detailed studies. However, observations during field visits support the estimate, as in several cases the wells were reported to have contributed to the reversal of the past trend of rural migration.

of Health estimates that water-borne diseases virtually disappear once populations are granted access to water from deep tube wells; (b) reduction of time and effort in fetching water, particularly for women. Previously water had to be carried over an average distance of 7 km; now it is in easy walking distance within the village and time and effort thus saved can be allocated to other activities, most likely for increased agricultural production. Other benefits include reduced or reversed rural migration. A very summary calculation leads us to believe that the ERR of the project could well be in the order of 20 percent ^{4/} or higher, subject to rectification of the sustainability issues discussed below.

Sustainability

9. Sustainability of the rural water supply component is uncertain ^{5/}, despite the actions taken to ensure it. These include the introduction of beneficiary participation and the establishment of private spare parts and repair services. As for pump maintenance and replacement, sustainability has been substantially improved during the project's lifetime through an annual contribution of FCFA 135,000 from beneficiaries into a postal savings account. It remains to be seen, however, whether this is sustained. Besides the possibility that the postal savings scheme might become insolvent, it is widely felt that the three years of beneficiary preparation for participation are insufficient to sustain the momentum gained over the medium term. Without appropriate follow-up aimed at maintaining the gains in group organization, collection of maintenance funds etc., there is a risk that these achievements will gradually falter, an increasing number of wells will cease to function and the population will have to revert to fetching water from the nearest stream and/or watering hole. Another risk for sustainability is the potential absence of maintenance of underground infrastructures. Due to the continuing budget crisis, the Ministry of Mines, Water and Energy has little capacity to generate resources to carry out such maintenance. It is still entirely dependent upon external financing for workshop and transportation needs. Although there are signs that state revenues are increasing, it remains to be seen whether sufficient funds will be available.

10. The major lessons learned were:

- (a) misjudging the implementation capacity of the Government leads to design weaknesses that, in the case of this project, led to implementation delays. In retrospect, the existing implementation capacity of the participating Government agencies should have been carefully reviewed before agreeing to an extension of the area covered, particularly in light of the experiences under the "predecessor" project;
- (b) both macro and sectoral/sub-sectoral factors (policies, strategies, economy, finance, institutions, procurement), need to be carefully considered and assessed before proceeding with a project;

⁴ Basic assumptions were as follows: Project costs equal to project disbursements (for all components) plus 10 percent to account for local costs during the investment phase and annual maintenance costs per well of US\$ 175. Project Benefits: US\$10 per beneficiary/ year as an estimate of the benefits mentioned in para 6.3; gradual build-up of the number of beneficiaries to 500,000.

⁵ The PPDR component's sustainability will have to prove itself within the FIMAC component and is not further discussed here. However, repayment rates under the FIMAC are a problem that is being addressed.

- (c) the project by project approach has its limits; a sector and sub-sector approach with time slices of investment lending would most likely provide more continuity and improved sustainability;
- (d) as to design, several lessons can be drawn: (i) focus on a few key activities and institutions; a diverse assortment of activities, institutions and components is not likely to succeed; and (ii) approaches for infrastructure and direct production promotion activities require strong beneficiary participation in order to ensure project sustainability;
- (e) for implementation, the lessons are (i) contracts for supervising consultants should not be concluded unless basic decisions concerning implementation have been made; (ii) the presence of field-based task management or support is important for timely decision making; (iii) contracting implementation to private firms is good for project success and reduces stress on weak public agencies; (iv) local private sector capacities should be actively sought out in order to keep costs down and strengthen in-country capacities; (v) regular monitoring by independent consultants should be a systematic part of project implementation; and (vi) beneficiary participation in the maintenance of facilities and infrastructures is essential for long-term project sustainability.

PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT (Loan 2567-CM)

PART I: PROJECT REVIEW FROM THE BANK'S PERSPECTIVE

1. Project Identity

Project Name:	Second Rural Development Fund Project
Loan Number:	2567-CM
Loan Amount:	US\$25.5 million equivalent
Terms:	20 year including 5 years of grace, at the standard variable interest rate
RVP Unit:	Africa
Country:	Cameroon
Sector:	Agriculture
Sub-Sector:	Rural Development and Water Supply

2. Background

2.1 Cameroon is among the countries in the Central African region with the greatest development potential. With a population of 12 million, it can draw on a large hinterland (Chad, Central African Republic); it is endowed with tropical forests in the South, mineral resources (petroleum, bauxite, natural gas), fertile agricultural land and varied climatic zones. However, the North of the country reaching up to Lake Chad, includes very dry Sahelian areas where water is a main constraint to development.

2.2 The country's economy, served by a well developed infrastructure and communication network, experienced high and sustained rates of economic growth in the 25 years from independence in 1960 till 1985. Agriculture was the main source of growth and foreign exchange until 1978, when oil production started and became the cornerstone of growth. In the later phases, growth was associated with an unwieldy expansion, at high cost to the public sector, which controlled the economy and intervened directly in distribution and production.

2.3 In the period between 1985 and 1993, the implementation period of this project, the country went into a deep crisis with negative growth and large financial imbalances. It started with revenues from oil and prices for its agricultural exports (cocoa, coffee, cotton, wood) declining, and its currency appreciating against those of its major trading partners. The underlying fundamental causes were, however, that the economy had grown inefficient and was producing at too high a cost, with the public sector choking economic activity and siphoning off an increasing share of the income to unproductive uses. In the middle of a process of political change towards a multi-party system, complicated by ethnic considerations, and with its monetary policies depending on consensus within the CFA Franc (CFAF) zone, the country was unable to answer with quick and decisive adjustment measures such as exchange rate adjustment, liberalization of the economy and

reducing the size of the public sector. A long drawn-out process followed during which public sector management further deteriorated, exports declined, internal and external debt rose, social and productive infrastructure deteriorated and poverty increased. Agreements with the IMF were derailed, reforms supported by a Bank structural adjustment loan were not completed and arrears to the Bank forced three suspensions.

2.4 In January 1994, the Government undertook a series of reform measures designed to reverse the past trend. In concert with the other CFAF countries it devalued its currency from 50 CFAF French Franc (FF) to 100 CFAF/FF to improve basic competitiveness. It adopted the reforms agreed within the Central African Customs and Economic Union, shifting regulation of international trade from quantitative restrictions to tariffs. Backed by an agreement with the IMF and an Economic Recovery Credit from IDA, it adopted a new medium term program of structural reforms designed to re-establish macro-economic equilibrium and growth, further liberalizing the economy. It is still too early to judge results of this program; while exports, agricultural and other, responded favorably, progress on some of the structural reforms has been slow.

First Rural Development Fund Project (Cr. 723-CM)

2.5 The Second Rural Development Fund Credit (FASR II) was preceded by the Rural Development Fund Project (FSAR I; Cr. 723-CM), which was one of the first three rural development projects identified and approved in Cameroon (in 1976). As such, it had been designed mainly as an institution building and pilot operation with emphasis on rural water supply. FSAR I was designed to develop, strengthen and support Cameroonian institutions involved in rural development and thus increase their capabilities to carry out high-priority, small-scale development projects throughout the country. The project's main components were the rehabilitation or construction of wells and boreholes, reinforcing their equipment with pumps, the construction of small mountain dams and a few small, production-oriented subprojects. Project costs were estimated at appraisal at US\$8.5 million equivalent; actual costs at project closing were estimated at about 50 percent more. Project planning and coordination was to be carried out by a newly created directorate within the National Rural Development Fund (FONADER).

2.6 Project implementation was very uneven. For instance, despite the provision of technical assistance and considerable logistical support, the Rural Hydraulics Department (DHR) of the Ministry of Mines, Water and Energy (MINMEE) drilled only 232 boreholes (equipped with hand pumps) during the extended project period, against the 430 planned. The shortfall was due to an "over-bureaucratization" of the implementation teams, which should have been more action oriented. Similarly, the heavy administrative set-up of the Directorate for Rural Work (DGR) of the Ministry of Agriculture (MINAGRI) proved to be ill-adapted to implement effectively the ten small dams planned for water catchment in the Mandara mountains. As a result, but also because of inadequate preparation, the funds earmarked for the whole dam program were spent for the construction of only four dams. The project achieved substantial results in the rehabilitation of some 900 existing wells (50 percent more than originally envisaged). The production-oriented subprojects, all of a pilot nature and corresponding to less than 15 percent of total project costs, including their share of overheads, achieved mixed results. The bottom lands development component was a failure, because of the drought which had beset the region but also because of flaws in the component's overall technical and economic concept. This subproject has had a disruptive effect on the local villagers' economy. The market gardening subproject succeeded in expanding onion production but failed in its diversification objectives because of inadequate

research and extension cooperation. Marketing of onions proved to be a difficult and yet unresolved challenge. Bullock fattening, although giving limited financial results in the beginning, had potential for further expansion and improved income generation. Lack of proper monitoring made it impossible to determine the economic or financial returns on these small components. Institutional impact has been limited by the lack of project attention to staff training. Although the Development Credit Agreement contained a covenant according to which government was to propose, by the end of 1978, a beneficiaries' participation scheme to recapture part of these costs, none was submitted because of the politically sensitive nature of such a proposal. Sustainability of project results was considered unlikely. The lessons from this project were not fully reflected in the second phase project's design in that the second project was still overly complex and ambitious.

Second Rural Development Fund (FSARII) Project

3. Objectives and Description

3.1 The project was designed to support two objectives:

- (a) to strengthen rural development institutions at village, provincial and national levels; and
- (b) to improve living conditions and incomes in rural areas through the implementation of selected, high priority operations, not covered by other projects and programs.

3.2 To achieve these objectives, financing was made available under the project for the following components:

Institutional Development Component

- (a) Strengthening of regional agricultural planning, project preparation and appraisal capacity;
- (b) Strengthening of FSAR management at central and regional levels;
- (c) Executing three priority studies (vegetable marketing, preparation of an integrated rural development project, and training of blacksmiths); and
- (d) Establishing a line of credit for small, high priority rural activities, commonly known as PPDR (Petits Projets de Développement Rural) to be identified under the project and to complement on-going rural development programs.

Identified Sub-Projects Component

- (a) Development of about 1,000 ha of bottom land for rice and sorghum cultivation under partial water control in the northern region;
- (b) Drilling of about 1,000 boreholes for rural water supply;
- (c) Financing of bullock fattening credits to about 2,000 farmers;

- (d) Support for groundnut marketing and shelling;
- (e) Functional literacy training for village groups;
- (f) Pilot development of 20 ha of bottom lands for vegetable production around Yaoundé; and
- (g) Construction and maintenance of about 350 km of access roads in the areas covered by the Cocoa Development Company (SODECAO).

4. Design and Organization

4.1 At the time of identification and preparation in 1982 and 1983 few problems were expected as to project design and timing⁶. Project design followed that of FSAR I without major changes. It was based on a seemingly proven formula of using a central government agency administering and channeling funds to a number of public agencies and services implementing priority sub-projects in priority areas. The central implementing agency remained, as under FSAR I, FONADER. The key components and list of priority sub-projects remained the same also, except for minor additions. The priority area remained the northern part of the country; the area coverage widened somewhat to include minor activities in the southern part of the country. While the overall concept of the project was shared by all involved, only one issue posed a problem during preparation and appraisal - beneficiary participation and cost recovery in the rural water supply component. After two years had been lost between 1983 and 1985, it was decided, in order not to further delay the project, that this issue would be resolved in the early stages of project implementation.

4.2 For a better understanding of what follows, the key executing agencies and activities are briefly described below. They were as follows:

- (a) **FONADER.** Conceived as an agricultural credit institution, under MINAGRI, FONADER used to handle credit and non-credit activities; the latter involved administering funds for rural development projects such as FSAR I and the procurement and distribution of subsidized fertilizers. FONADER was itself executing agency of several institutional development activities (para. 3.1 (b)) and the bullock fattening scheme (para. 3.1 (g)).
- (b) **MINAGRI.** The ministry controlled FONADER, through which the project funds were channeled, and was itself the biggest implementor. Its Directorate for Studies and Projects (DEP) was to implement the PPDR component (paras. 3.1(a) and two studies (para. 3.1(c)). DGR was to implement the rural water supply component (para. 3.1(f)) with the help of the Directorate for Community Development (DDC); and
- (c) **Regional and/or subject specific state agencies.** The Cotton Development Company (SODECOTON) was to implement the ground nut (para. (3.1(h)) and

⁶ The project was identified and prepared by Government assisted by a consultant company.

functional literacy (para. 3.1(i)) components; the Rice Promotion and Modernization Agency (SEMRY) was to implement the bottom land development component in the North (para. 3.1(e)); the Food Crop Development Agency (MIDEVIV) was to implement the bottom lands development component in the South (para. 3.1(j)); the Cocoa Development Company (SODECAO) was to implement the rural roads component (para. 3.1(k)); and the National Center for Study and Experimentation of Agricultural Machinery was to implement the study on blacksmiths (para. 3.1(c)).

4.3 The activities financed under FSAR II covered an excessively wide array. Good FSAR I performers such as the rural water supply program and the bullock fattening credits were maintained. Also maintained was a strong institution building component, indicating - against the relative silence of the appraisal report in this area - that FSAR I had not really achieved much in institution building. The bottom land component in the North was also maintained. It is not clear to what extent lessons learned from FSAR I were incorporated into this component's design. Deviating from the FSAR I example, relatively small activities in the southern part of the country, such as road maintenance and construction were added. In spite of institutional capacity already showing strains, the project opened up from a regional to a national approach. The major design change, however, was a substantial increase of a formerly very small line for PPDR activities to a US\$6.0 million line of credit, financed equally by the Bank and the Government and absorbing 11 percent of total project costs; activities to be financed were to be identified and appraised by the DEP services of MINAGRI - a precursor to the Fund for Micro-Projects in Agriculture and Community Development (FIMAC) component of the ongoing Food Security Project (3388-CM; see Part III). A major design change also occurred in the rural water supply component, with FSAR II pressing for streamlined national policies on rural water supply, particularly on cost recovery.

4.4 Preparation and appraisal took a long time - from 1982 to 1985 - and were of high cost⁷, because of a lack of common understanding about the depth and precision of project preparation and a long debate over rural water supply policies. The consultants assisting Government in project preparation presented a series of micro-project proposals which were not precisely costed and thought through. Therefore, a considerable amount of additional preparation work had to be done later; this explains to a large extent the relatively high input of 138 staff weeks for project preparation, appraisal and negotiations. Ex-post experience, shows, however, that initial preparation and design had major flaws and that their correction in the course of the project was costly in terms of lost time, energy and money. Preparation and appraisal missions failed to examine the macro-economic framework with enough care. Thus, the first signs of the economic and financial crisis, which was going to have a profound impact on the project and its institutions were ignored; the CFAF had started to appreciate against the US Dollar in 1984 and raw material prices began to fall in 1985. The institutions, in general, and FONADER in particular, were not looked at closely enough; the risk analysis in the Staff Appraisal Report was flawed, referring specifically to the institutions' financial health. Also certain design features, already known to be a source of conflict and delays in project implementation, were accepted; there were obviously too many - nine in all - implementing agencies, control and implementing roles were not properly separated, and there were institutional overlaps and duplications.

⁷

At the level of the Bank a total of 138 Staff weeks were recorded for preparation (60 SW), appraisal (52 SW) and negotiations (26 SW). Supervision took 115 staff weeks.

4.5 Even though the technical services recommended beneficiary financial participation as early as 1980, Government did not implement this recommendation, due to concern that it would be politically unacceptable. This refusal caused about an 18 months delay in project processing; indeed, after the May 1983 appraisal, it necessitated a series of post-appraisal missions in May and October of 1984 to lay the ground work for inclusion into the loan documents of conditionality regarding beneficiary participation. Subsequently, the Government was asked to constitute a National Water Committee, a policy deliberation body, as a condition of negotiations. The committee was to elaborate a national beneficiaries' participation policy that would, inter alia, ask a financial contribution of at least FCFA 2,000 per family towards maintenance and replacement costs of hand pumps. Ratification by Government of a law providing for such beneficiary participation was finally made a condition of disbursement against the rural water supply component.

5. Implementation

A. Loan Effectiveness

5.1 The Loan was approved by the Board on June 6, 1985 and the Loan Agreement signed the next day. Effectiveness of the Loan Agreement was held up until February 28, 1986 because of delays in finalizing contracts for a financial management specialist, the project accountant, senior civil engineer and in setting up the management unit for the project. On February 27, 1986, the Bank agreed to waive several conditions of Loan effectiveness related to the establishment of the planning, management and control unit of the borehole drilling program, the employment of consulting engineers to support this unit and the employment of a financial controller and senior accountant. The Bank felt that sufficient progress had been made in meeting these conditions and that further delaying extension would not serve any purpose. The May supervision mission discovered, however, that the Government had backtracked on assurances given for the establishment of the planning, management and control unit and the contracts of the financial controller and accountant. It took almost two years for the latter issue to be resolved in part because of inadequate follow-up by the Bank.

B. Project Costs and Financing

5.2. At appraisal overall project costs were estimated at US\$44.4 million, with Government contributing US\$18.1 million (41 percent), project beneficiaries US\$0.8 million (2 percent) and IBRD US\$25.5 million (57 percent). Actual project costs are estimated at US\$24.5 million, with IBRD providing US\$21.0 million (86 percent) Government US\$3.0 million (12 percent) and project beneficiaries US\$0.5 (2 percent).

C. Disbursements

5.3 Disbursement performance may serve as an indication of implementation speed. It took about one and a half years after Loan Agreement signature for the first disbursements to take place and disbursements stayed at an average of about 25 percent of appraisal estimates until mid-1991. Over 70 percent of disbursements took place in the 36 months between January 1991 and December 1994, after amendments were made to the Loan Agreement on January 31, 1990. The

Loan was closed on December 31, 1994 and the final disbursement took place on March 8, 1994. The undisbursed balance in the amount of US\$4.5 million was canceled effective August 16, 1994.

D. Implementation Constraints and Actions Taken

5.4 Implementation faced major problems in the early phases of the project, exposing the above-mentioned project design and preparation defects. It took an amendment of the loan agreement in January 1990 and two extensions of the loan closing date from December 31, 1991 to December 31, 1993 to complete the project. After the amendments this project basically became a rural water supply project. In the end, all the other components either performed slowly and far below their expected activity level - this applies to components such as PPDR, functional literacy, groundnut marketing and rural roads - or were not implemented at all - this applies to the two bottom land development and the bullock fattening components.

5.5 The major problems the project faced in the period between loan signature and the amendment of the loan agreement were due to (a) the economic and financial crisis of the country; and (b) institutional weaknesses. As of 1986, the Government found it progressively difficult to honor counterpart fund obligations and, among others, was unable to continue to absorb the losses of FONADER. In June 1987, when Government decided to liquidate it, FONADER had loans and credits with a value of 36 billion CFAF outstanding (about US\$110 million), most uncollectible and about three times the value of its assets. The liquidation of FONADER in 1989 deprived the project of its core agency. The increasing inability of Government to pay counterpart funds ^{8/} affected all components, with the Bank's disbursement covering only between 20 percent and 50 percent^{9/}. Activities of all implementing agencies were progressively constrained by budget cuts, particularly of those without substantial non-budgetary revenues such as MIDEVIV, SODECAO, SEMRY and MINAGRI.

5.6 The major institutional weaknesses, besides the above financial constraints, were as follows: (a) the unresolved approach to beneficiary financial participation and institutional dispersion in rural water supply; (b) disagreements over implementation of the PPDR component between MINAGRI and FONADER; and (c) weak procurement. As to the rural water supply, it took the National Water Committee, created as a Bank condition, three years to resolve the key issues. While beneficiary financial participation had been identified as an issue during preparation, the institutional dispersion issue had remained unidentified during preparation; it was only in the course of the Committee's work that it was exposed. Many government agencies and donors were intervening - in parallel, in an uncoordinated manner and with different approaches - in rural water supply. MINAGRI (DGR, DDC) intervened with its FSAR projects; MINMEE had its own big rural water supply project in the North; and finally various integrated rural development projects had their own water development components. In mid-1988, the issues were finally settled by two decrees concentrating all water related responsibilities in MINMEE and instituting beneficiary

⁸ It took Government 8 months after effectiveness to deposit the initial CFAF 400 million into the project special account.

⁹ The 50 percent disbursement rate was for PPDR credits.

participation in rural water supply for the northern part of the country. For reasons of perceived political sensitivity, no national policy on beneficiary participation ^{10/} was promulgated.

5.7 As to the PPDR component, FONADER, not having fully accepted the agreements reached and with its survival at risk, tried to implement tasks which MINAGRI was supposed to handle such as identification and appraisal of projects; as a result, critical steps such as consultant contracts were delayed. The issue was settled with the dissolution of FONADER and MINAGRI taking on full control of the PPDR component ^{11/}. Procurement performance was weak and led to long delays. At the time procurement was handled by the inefficient Ministry of Public Tenders (MINMAP); MINMAP was dissolved in 1989 and a new agency the Directorate General for Large Work (DGTC) created; DGTC performed well under the project, but also faced problems later; it occupies a prominent place in today's administrative reform debate.

5.8 The amendment of the loan agreement on January 31, 1990 brought major improvements, but was again not free from some over optimism. While retaining the previous total loan amount of US\$ 25.5 million, it achieved the following:

- (a) simplifying the project: The number of components was reduced to three, namely (i) rural water supply, with the previous target of 1,000 installed and maintained wells; (ii) the PPDR component, modified to serve as a pilot and preparation activity for the FIMAC component of the Food Security Project, already under preparation at that time ^{12/}; and (iii) the bottom land development component for the North, also with the old 1,000 ha target. The assessment of the amendment as too optimistic refers to the fact that this bottom land component was never implemented: SEMRY, weakened by budget cuts and fully occupied with fighting for survival in its core activity, did not have the strength to focus on this subsidiary activity and during a 1992 supervision mission it was decided to discontinue the component;
- (b) adapting the project to the budgetary constraints: Bank disbursement rates were increased to 100 percent for operating costs, and for all other categories to 100 percent of foreign expenditures and 85 percent of expenditures in local currency;
- (c) introducing institutional improvements: In rural water supply, MINMEE was made solely responsible for the rural water supply component; DGTC joined as a new

¹⁰ Interestingly, the degree of beneficiary participation in decision making is still a hot issue today. Although there are numerous, well documented reports that portray the population as willing to contribute in order to obtain reliable supplies of drinking water, politicians still judge this to be a sensitive decision.

¹¹ Another interesting point about how design evolved over time: Under the FIMAC of the Food Security Project, MINAGRI, through DDC and not DEP, is still the lead agency, but at the provincial level credits are approved by a committee comprising other government departments and NGOs.

¹² Surprisingly, the later focus of FIMAC on directly productive activities, capable of generating funds for repayment, with substantial beneficiary participation, had not yet matured at that point in time. A tendency towards preference of directly productive activities was visible, but pure infrastructure development activities were still accepted. Thus an obligatory beneficiary participation to match subsidies was not required; an overly complicated Schedule 5 in the loan agreement risked potential mis-allocation of funds. This is another example of how difficult it was to develop and reach consensus on policies and strategies.

actor assisting in procurement as well as in administrative monitoring, and DDC's role was expanded to cover beneficiary sensitization. In the PPDR component, MINAGRI was made solely responsible for implementation; and

- (d) rearranging the financial allocations: The allocations for the water supply component were increased from US\$14 to US\$18 million, mainly reflecting increased technical assistance costs. The PPDR allocation remained roughly at its previous level, but allocations were shifted from sub-project financing to technical assistance.

5.9 Following the amendments, implementation of the rural water supply and PPDR components was fast, in spite of several generalized suspensions of Bank disbursements to Cameroon ^{13/}. The revised PPDR component was conceived as a tool for preparing the FIMAC component of the Food Security Project and assuring its smooth start-up. The Food Security Project became effective on May 27, 1992, and PPDR related disbursements under the project were gradually phased out by 1994. The project financed the training of the present core of FIMAC managers, initial technical assistance, an initial stock of vehicles and office equipment, and implemented 38 micro-projects. As to the rural water supply component, activities leapt ahead after the amendment was signed. Physical targets were even overachieved. That this happened was due to sound basic design choices, as follows: (a) a single entity, MINMEE, was now responsible, in spite of some dilution of responsibility by DGTC; (b) extensive use of private consultants and contractors for planning, supervision and implementation, with DDC the only exception; (c) a strong supervising consultant, SOGREAH; (d) a good choice of goods and services contractors; (e) and last but not least, a well designed and implemented system of beneficiary participation ^{14/}.

6. Results

6.1 Overall, the specific objectives of the original project were achieved only in part and over a substantially longer than planned implementation period. For the most important component, rural water supply, however, objectives were over-achieved; 1,117 wells were installed, compared to 1,000 wells planned originally at a per unit cost that was 24 percent lower than planned, US\$18,300 compared to the planned US\$24,000. These wells impact on a higher than planned beneficiary population. Originally the number of beneficiaries was estimated at 350 per well or 350,000 in total. With the project's estimate of 450 beneficiaries per well ^{15/}, the actual beneficiary population would be 500,000 or 40 percent higher than estimated. Although there is still no national water policy, there is a regional one; the implementation arrangements were innovative and their

¹³ The suspensions were caused by Cameroon's arrears with the Bank and independent of the project as well as beyond its control.

¹⁴ The system's key feature was a contract with the concerned community providing for: (a) a village development committee designating a village pump repair-maintenance person to be trained by the project; (b) collection of a first year contribution (deposit in postal checking account) of FCFA 135,000 or about 1/3 of the pump's cost and thereafter CFAF 100,000 annually towards eventual pump replacement, and (c) designation of a water point care taker ensuring cleanliness.

¹⁵ This estimate would need confirmation by independent and detailed studies. However, observations during field visits confirm it in tendency as in several observation cases the wells were reported to have contributed to the reversal of the past trend of rural migration.

example, as well as the practical experience accumulated in various services, will have a lasting positive effect on institutions and the design of future activities.

6.2 As to achievement of specific objectives among the other components, achievements of the PPDR component are limited in scale, with only 38 small credits actually implemented. At the end, and more in line with the spirit of the revised Loan Agreement, its main contribution was to help gain experience for and assure a smooth start-up of the important and generally well performing FIMAC component of the Food Security Project. Direct achievements in other areas were very small or nil.

6.3 No attempt has been made to quantitatively estimate ex-post economic or financial rates of return. At appraisal, rates of return had been calculated only for components which had a direct impact on production, such as bottom land development, rural roads, bullock fattening and ground nut marketing components; in the end, these components were, however, essentially not implemented. At appraisal, rates of return had not been calculated for the institutional development, rural water supply, PPDR and literacy training components. Some inferences may, however, be in order. The overall economic rate of return (ERR) of the project is most likely high, because of the rural water development component. Most project spending and implementation focused on this component and its benefits to health improvement and time-savings are substantial, although difficult to quantify. Specifically, the benefits to this component include: (a) reduction of costs to the economy as a result of a reduction in water-borne diseases, the number one health hazard in Cameroon in general, and in the country's northern parts and for infants and children in particular. The Ministry of Health estimates that water-borne diseases virtually disappear once populations are granted access to water from deep tube wells; (b) reduction of time and effort in fetching water, particularly for women. Previously water had to be carried over an average distance of 7 km; now it is in easy walking distance within the village and time and effort thus saved can be allocated to other activities, most likely for increased agricultural production. Other benefits would be found in reduced or reversed rural migration. A very summary calculation leads us to believe that the ERR of the project could well be in the order of 20 percent ^{16/} or higher, subject to the sustainability issues addressed below.

7. Sustainability

7.1 Sustainability of the rural water supply component is uncertain ^{17/}, in spite of major steps taken to ensure it. These include the introduction of beneficiary financial participation and the establishment of private spare parts and repair services. As for pump maintenance and replacement, sustainability has been substantially improved during the project's lifetime through an annual contribution of FCFA 135,000 from beneficiaries into a postal savings account. It remains to be seen, however, whether this is sustained. Besides the possibility that the postal savings scheme might become insolvent, it is widely felt that the three years of beneficiary preparation for

¹⁶ Basic assumptions were as follows: Project costs equal to project disbursements (for all components) plus 10 percent to account for local costs during the investment phase and annual maintenance costs per well of US\$ 175. Project Benefits: US\$10 per beneficiary/ year as an estimate of the benefits mentioned in para 6.3; gradual build-up of the number of beneficiaries to 500,000.

¹⁷ The PPDR component's sustainability will have to prove itself within the FIMAC component and is not further discussed here. It should, however be mentioned that repayment rates under the FIMAC are a problem, which is being addressed.

participation are insufficient to sustain the momentum gained over the medium term. Without appropriate follow-up aimed at maintaining the gains in group organization, collection of maintenance funds etc., there is a risk of these achievements gradually diminishing, an increasing number of wells stopping to function and of the population having to revert to fetching water from the nearest stream and/or watering hole. Another risk for sustainability could be the potential absence of maintenance of underground infrastructures. Although MINMEE is charged with this task, it has, at this moment and due to the continuing budget crisis, zero capacity to generate resources to carry out such maintenance. It is still entirely dependent upon external finance for workshop and transportation needs. Although there are signs that state revenues are increasing, it remains to be seen whether funds will be effectively made available.

8. Bank Performance

8.1 Bank performance had its strengths and weaknesses. Its main weaknesses arose during the preparation and appraisal phases where the looming macro-crisis was not assessed, the institutions not properly analyzed, and an overly complex project design accepted.^{18/} During implementation, the Bank's main weakness was insufficient action concerning weak financial management and outstanding audits. Supervision missions were not geared towards resolving substantial delays in producing audit reports. The Bank's main strength was on technical issues, where it demonstrated a practical 'problem solving' approach, patience and endurance on key issues, and a capacity to learn from past errors, to coordinate internally and to act rapidly when required.

8.2 During implementation, the Bank was patient throughout the long period that elapsed between signing and effectiveness of the loan. Staff realized the importance of good policies in rural water supply and kept on insisting while the Borrower was undecided. The design corrections under the amendment of the loan agreement were appropriate and judicious, as shown by the rapidity with which the remaining components were implemented afterwards. Under the water supply component, Government's decision to sign the Engineering Supervision contract well ahead of the borehole drilling contract was correctly criticized and brought to the attention of management. Although a project under an agriculture operations division, a number of supervisions were carried out by the infrastructure division, showing a capacity to skillfully handle cross sectoral interventions. Commendable decision making speed was also demonstrated at crucial moments; alerted by the field based task manager, the Division Chief approved within a day - two months before project closing - the construction of an additional 80 wells.

8.3 A criticism that might be leveled against the Bank is the conspicuous absence of a follow-up project. The rural water supply component is widely viewed as one of the few successes of the Bank in Cameroon. While there is certainly scope to achieve consolidation of institutions including deepening of policy reforms in the rural water supply sub-sector, the experience gained is still fresh and would make the preparation of a follow-up project relatively short and inexpensive. There is a

¹⁸ The rationale for Bank involvement was never seriously questioned. Discussion centered on beneficiary participation policies, on whether to have a free standing Rural Water Supply Project, and on safe criteria for the PPDR credits. Finally the view prevailed that a bigger and broader project would provide more leverage for beneficiary participation policies. An overwhelming set of criteria for financing of micro-projects was the outcome of discussions on that point.

need for such a project, not only to address the sustainability issues, but there is a substantial demand ^{19/} from beneficiaries.

8.4 Lessons - many already well known from other projects - can be drawn from this particular project in five main areas:

- (a) misjudging the implementation capacity of the Government leads to design weaknesses that, in the case of this project, led to implementation delays. In retrospect, the existing implementation capacity of the participating Government agencies should have been carefully reviewed before agreeing to an extension of the area covered, particularly in light of the experiences under the "predecessor" project;
- (b) both macro and sectoral/sub-sectoral factors (policies, strategies, economy, finance, institutions, procurement), need to be carefully considered and assessed before proceeding with a project;
- (c) the project by project approach has its limits; a sector and sub-sector approach with time slices of investment lending would most likely provide more continuity and improved sustainability;
- (d) as to design, several lessons can be drawn: (i) focus on a few key activities and institutions; a diverse assortment of activities, institutions and components is not likely to succeed; and (ii) approaches for infrastructure and direct production promotion activities require strong beneficiary participation in order to ensure project sustainability;
- (e) for implementation, the lessons are (i) contracts for supervising consultants should not be concluded unless basic decisions concerning implementation have been made; (ii) the presence of field-based task management or support is important for timely decision making; (iii) contracting implementation to private firms is good for project success and reduces stress on weak public agencies; (iv) local private sector capacities should be actively sought out in order to keep costs down and strengthen in-country capacities; (v) regular monitoring by independent consultants should be a systematic part of project implementation; and (vi) beneficiary participation in the maintenance of facilities and infrastructures is essential for long-term project sustainability.

¹⁹ During the project completion mission, Government representatives actually pointed out the possible consequences of the absence of a follow-up project, particularly in terms of continued villager sensitization. Also they pointed out that there was a persisting deficit of water points in the Northern parts of the country and that this need was made obvious by the population's response to the request for financial contribution; MINMEE presented evidence of more than 500 additional villages having collected the required FCFA 135,000 initiating fee. Data of 1991 for the two northern provinces covered by the rural water supply component of the project indicate a deficit of over 4200 water points (based on 450 people/point).

9. Borrower Performance

9.1 The Borrower's performance also had its strengths and weaknesses, the latter perhaps predominant. The Borrower's strength was, similar to the Bank, to be flexible, learn and adapt, as illustrated by the design changes in the revised loan agreement. Its weaknesses included:

- (a) supply driven behavior - demands from public agencies to participate in the financing pie and political considerations of regional distribution crowded out sound preparation along solid technical and economic principles; the large number of activities and implementing agencies, the signing of a loan agreement with unrealistic counterpart funding requirements reflect this influence;
- (b) lack of commitment to agreements reached; the slow start-up due to non-fulfillment of agreed conditionality on policies and counterpart funds is the main example (paras. 5.01; 5.03, Part III/6);
- (c) slow decision making, particularly on policies, and procurement; and
- (d) a pervasive lack of counterpart funds, which was a consequence of (a) and (b) as well as the very real problems of a budget crisis and distorted priorities in allocation of scarce resources.

10. Project Relationship

10.1 Throughout the whole project cycle the Bank-Borrower relationship was good enough to maintain an open dialogue that allowed progress, but there was also strain; the relationship was generally better in the years after the loan agreement had been amended. During preparation the absence of detail and slowness in policy decision on the Borrower's side created tensions. They continued in the early years of very slow project implementation; during these years the Borrower and the various implementing agencies were under heavy pressure from the macro-economic crisis and most of their attention was focused on short-term survival. The Borrower and the Bank, however, showed a great measure of patience and perseverance which allowed the amendment of the Loan Agreement in 1990. Relations at the project level improved substantially thereafter, in spite of the Bank and the Borrower globally having to cope with difficulties over structural adjustment and with Bank disbursements to Cameroon being suspended several times because of arrears on debt service.

11. Consulting Services

11.1 Experience with consulting services was generally positive, particularly on the rural water supply component, where the supervising consultant not only was of high technical quality, but also helped to bridge difficult periods of suspensions by providing small but effective bridge financing to the government agencies. Two caveats and lessons should be noted, however: First, except for the auditors, consulting services were exclusively foreign, and of high cost, so that at the end almost 40 percent of Bank disbursements were spent on consulting services. In the mid-1980's "consultant" was more or less synonymous with "foreign consultant"; ex-post, there was a lack of investigation of locally available consulting capacity. Second, funds were wasted due to inadequate

phasing of consultant services; the supervising consultants under the rural water supply component were kept in the field for two full years while waiting for the borehole drilling contract to be signed. Government and the consulting firm would have done better to suspend the contract until signature of the drilling contract.

12. Documentation and Data

12.1 While the staff appraisal report got quickly outdated for the other components, it held up very well for the rural water supply component. In spite of the long delay between appraisal and implementation, the elements of the staff appraisal report pertaining to this component, including underlying documents, were still valid during implementation. Costs estimates in local currency for the water supply component in CFAF remained valid during implementation. Cost estimates in US Dollars, however, were far off as the average exchange rate during project implementation worked out to about CFAF 289/US\$ 1 as opposed to the CFAF 490 prevailing during negotiations. Had the project not been downsized, i.e. most sub-projects and a major amount of the line of credit canceled, the loan amount would not have been sufficient to cover the CFAF costs. The discrepancy between the effective and estimated exchange rate, about 59 percent, is an indication of the fluctuations of international exchange rates during the mid 1980s.

12.2 Availability of data to compile the completion report was relatively good on the rural water supply component. The Project Completion Report concerning the water supply component, prepared by consultants for Government, is well documented and contains a lot of technical information. However, cost data were scarce, and in particular for the borehole drilling contract, details of actual costs were hard to come by. The contractor, although excellent from the technical point of view, did not share details about how the money was used under the contract. Furthermore, there was a lack of reporting on impact of the water supply component and on the experiences in all the other components. The lesson for future projects is for project design to include adequate and broad based monitoring - preferably by consultants not involved in project implementation.

PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT (Loan 2567-CM)

PART II: PROJECT REVIEW FROM BORROWER'S PERSPECTIVE

1. The First FSAR Project, which was launched during fiscal year 1977/78 with Bank financing and FONADER as executing agency, had its origins in an experiment conducted in the country's Northern province, or more precisely in four of that province's administrative departments, namely Margui-Wandala (which became Mayo Sava and Mayo Tshanga), Diamaré, Logone/Chari, and Mayo Danay. The project had three main components:

- production operations (bottom land development);
- a line of credit for production activities;
- water supply and well maintenance.

The results achieved in the period up to 1981 persuaded the Government and the World Bank to consider extending the project into a second phase. A feasibility study was accordingly commissioned — from two consulting firms, one English (HALCROW) and the other domestic (SEDA).

2. Preparation of the second project extended over three years, from 1982 to 1985, mainly because of the time taken up in attempts to settle three major questions essential to the success of the new venture but on which Government and Bank could not agree:

- choice of the project action zone;
- position of the project management entity;
- methods of constructing and maintaining rural water supply structures.

2.1 As to the choice of project action zone, the Government's position was that project activities should extend to all seven provinces, making it national in scope; the Bank would fund these activities in three provinces (Northern, Eastern, and South-Central), while other donors were to be found to finance them in the remaining four. The African Development Bank (AfDB), the International Fund for Agricultural Development (IFAD), the Central African States' Development Bank (BDEAC), *Fonds d'aide et de coopération* (FAC), and *Caisse central de coopération économique* (CCCE) were accordingly contacted and invited to take part in the appraisal mission.

The Bank, on the other hand, believed it was not realistic to extend the action zone, preferring a strategy of gradual extension, especially in view of the difficulties encountered in getting the FSAR into operation in the Northern province.

It is important to note that this point was never actually settled. As will be seen below, this had consequences that impeded project execution.

2.2 The question as to whether or not the project management entity should continue to be part of FONADER was never fully dealt with by the two parties, although the Government had already decided to convert it into a true bank that would specialize in mobilizing savings and lending to the agricultural sector. This decision, which brought into question the very existence of the entity responsible for execution of the project, meant that steps had to be taken to settle the matter during the preparation phase.

2.3 From the outset, there were differences of opinion on arrangements for drilling the 1,000 borehole wells envisaged. The Bank, relying on the results of a preparatory study made by an independent consultant, had proposed an accelerated three-to-four year drilling program using modern techniques, which would be placed in the hands of a prequalified contractor selected through international competitive bidding. The Ministry of Mines, however, took the position that entrusting all drilling operations to private companies was totally out of keeping with the project's policy of strengthening domestic capacities and thereby ensuring a real transfer of technology; it proposed instead that 50 percent of boreholes be drilled on force account by two units of the Groundwater Project. In the end, the Government, in order to retain Bank financing for all 1,000 wells, agreed that the program should be carried out by a single contractor.

2.4 Maintenance of village water supply systems and ways to fund it were key points during loan preparation and negotiation. The Bank, on the basis of experience gained in other African countries, advised from the outset that beneficiaries should be required to participate financially as soon as the systems were established, believing that this was the only way of making certain that villages would have permanent trouble-free water supply. The Government's position, however, went through a gradual series of changes:

1982:

- Creation of an entity with responsibility for maintenance. This organization was to be funded by the central government, the communes, and the Fund for Studies and Inter Communal Support.

1983:

- The principle of user financial participation was accepted. However, recourse could be had to commune associations for subsidies should smallholder contributions prove insufficient.

1984:

- The Government recognized the principle of user participation in pump maintenance and replacement costs.

- Instead of applying this principle within the context of a single project affecting only one region in Cameroon, the Government preferred to apply it throughout the water supply sector.

- The Government proposed to defer formulation and application of this sector policy until after creation of the National Water Committee, which would take on these responsibilities.

- The Government realized that this sector policy would need to be introduced rapidly once final delivery was taken of the first lot of 300 pumps provided for in the project plans.

- Until that point was reached, it would be up to project management teams to sensitize village communities and convince them to keep wells and pumps in good repair with the help of specialized extension services.

In other words, the Government, accepted the principle of beneficiary participation in pump maintenance and replacement costs within the strict context of the project. Although the 1,000 project boreholes were planned for the Northern province only, the Government wished to see the principle applied throughout the country as a whole, something that was to add another complication to execution of this project component, when the already urgent situation of the population groups that were bearing the brunt of a long drought was becoming more and more pressing.

3. The Loan Agreement for the second phase of the project was signed on June 7, 1985 and was to take effect from the following September 3. However, it actually became effective five months later, on February 28, 1986, a delay attributable (i) to the Government's difficulties in depositing CFAF 400 million in the project revolving fund, and (ii) to the fact that the consulting water supply engineer, the financial comptroller, and the chief accountant had not taken up their posts.

3.1 Once the conditions for loan effectiveness had been met, difficulties were encountered in actually getting the project under way — partly because of institutional problems that had not been fully resolved during the preparation period, and partly because of the Government's cash flow crisis, which became increasingly serious from fiscal year 1986/87 onwards. An additional difficulty was the very complexity of the project, with its seven components.

3.2 It proved impossible to begin the borehole drilling program prior to fiscal year 1987/88, although the consulting engineer had already completed the necessary preliminary work. The delay was due to lack of a national rural water supply policy that included user participation requirements, formulation of such a policy being part of the conditionality for commencement of the project. The National Water Committee, created precisely to coordinate and supervise rural water supply works and formulate this policy, had never come into operation. However, it had become clear in the course of government-run sensitization programs that the project beneficiary population was prepared to participate financially in maintenance, on condition it was actively associated with pre-execution decisions on the placement of water supply points. Thus, a program that was supposed to solve an urgent local problem was instead prevented from going ahead because of an attempt to solve a national problem.

3.3 Difficulties were also encountered in getting the small rural development projects (PPDR) component off the ground. This was a result of diverging MINAGRI and FONADER interpretations of project-document description regarding implementation procedures:

FONADER was to appraise and finance subprojects already studied and prepared by DEP/MINAGRI. However, FONADER was intent on controlling the entire procedure, all the way from identification of PPDRs to their financing. At the same time, the FONADER was attempting to justify its own position as executing agency, knowing that FONADER was to be dismantled.

3.4 The joint supervision mission of Government and World Bank specialists which took place between May 29 and June 10, 1988 managed, on the basis of a very detailed review of all components of the project, to simplify it as much as possible. Their recommendation was that all available loan resources be concentrated on the high-priority components of the project so that the burden on the Government could be reduced. Those components, three in number, were:

- village water supply;
- bottom land development (SEMRY);
- strengthening of the provincial branches of DEP, and implementation of PPDRs.

The mission also recommended that formulation of a national policy no longer be a prior condition for execution of the program to drill 1,000 boreholes, but that sinking of every single well be conditional on deposit in a post office bank account of dues/subscriptions from its particular group of beneficiaries.

3.5 The Loan Agreement amendment signed by the two parties in January 1990 finally put into effect the project simplification proposed by the supervision mission — after a lapse of almost two years. This long delay was ascribable in particular to reluctance on the part of FONADER senior management to accept the new orientation thus given to the project, mainly because the decision to channel financing for the three remaining components directly to the three executing agencies meant that the coordination function exercised by FONADER was no longer necessary. In the circumstances, FONADER made use of pretexts for not releasing financial and accounting data that would have allowed the new financing plan to be set up earlier.

4. In the end, it was this revision of the Loan Agreement that ensured the success of the project. The rural water supply component finally resulted in the drilling and equipping of 1,117 village wells with beneficiary participation, a figure well beyond the original goal of 1,000, while the PPDR component paved the way for FIMAC, one of the components of the Food Security Project.

5. The lessons learned from preparation and implementation of this project were:

- to identify the project action zone very clearly during the design phase;
- to settle institutional questions as much as possible during loan negotiations;
- to ensure that prior conditions affecting formulation of any policy apply only to the particular project and are satisfied prior to loan signature;
- to clearly identify and evaluate the agencies that are to execute different project components;

- to simplify the project as much as possible so as to facilitate its appraisal and execution;
- to postpone recruitment of technical assistance personnel until after all prior conditions have been satisfied;
- to entrust project execution to private contractors as much as possible, while at the same time emphasizing the development of national expertise;
- to negotiate beneficiary participation before project start-up.

6. The experience accumulated over the course of the First and Second FSAR Projects argues for a new, third project. Given the magnitude of the still unmet demand for rural water supply throughout Cameroon in general and the northern provinces in particular, a new rural water supply program should be a component of such a new project — especially as 500 villages in the project zone have already assembled the funds needed to maintain future water supply facilities. In addition, one of the Government's major objectives for the medium term is to develop water resource management in agriculture to the point where steady supply of both domestic and external markets with agricultural products is assured. To this end, an identification study on small irrigation systems has been carried out with assistance from the Israeli cooperation authorities, and the findings obtained would provide a solid foundation for an irrigation subproject based on beneficiary financial participation.

PROJECT COMPLETION REPORT

CAMEROON

SECOND RURAL DEVELOPMENT FUND PROJECT (Loan 2567-CM)

PART III: STATISTICAL INFORMATION

Table 1: Related Bank Loans/ Credits

Loan/Credit Title	Purpose	Year of Approval	Status
Credit No. 723-CM First Rural Development Fund Project	Develop local capability to prepare, appraise, and finance small-scale, but high priority rural development projects.	1977	Credit closed on December 31, 1983. In spite of early management problems and slow disbursements which led to two closing date extensions, the project achieved a satisfactory performance of its physical targets: 1400 wells were renovated (100% achievement); 60 wells capped (100%); 230 positive boreholes drilled (53%); 315 manual pumps installed (64%); 4 small dams constructed (40%); 1,100 cattle fattening credits allocated (55%); 60 market garden loans made (100%) and 300 ha of bottom land developed (100%).
Loan No. 3388-CM Food Security Project	(a) Create employment and increase purchasing power of rural groups, particularly women, and improve their access to food; (b) reduce impact of pests on food production; (c) improve efficiency of marketing and storage of foodstuffs; and (d) improve feeding and dietary practices among women and children.	1991	The main component is the FIMAC component which carries forward the FSAR II PPDR idea. FSAR II provided start-up aid for it. FIMAC is considered a success so far; it is the only major program providing formal rural financing. Some 1,200 micro-credits have been provided. Problem areas are repayment rates and high costs of management. The project's planned loan closing date is June 1999.

Table 2: Project Timetable

Item	Date Planned	Date Revised	Date Actual
Identification	1982	-	1982
Initiating Memorandum	08/06/1982	-	05/05/1984
Appraisal Date	1983	-	05/1983
Post-Appraisal	-	-	10/1984
Appraisal Report	-	-	05/10/1985
Loan Negotiations Start	11/1983	-	07/1984
Loan Negotiations End	11/1983	-	04/25/1985
Board Approval	-	-	06/06/1985
Loan Signature	-	-	06/07/1985
Loan Effectiveness	09/03/1985	-	02/28/1986
Project Completion	06/30/1991	06/30/1992	06/30/1994
Loan Closing	12/31/1991	12/31/1992	12/31/1994

Table 3: Project Costs and Financing**(in US\$ Million)**

	Estimated	Actual
Government	18.1	3.0
Beneficiaries	0.8	0.5
IBRD	25.5	21.0
Total	44.4	24.5

Table 4: Loan Disbursements**A. Disbursements by Quarter**

FY	Quarter	Disbursements in US\$ million		
		Estimated Cumulative	Actual Cumulative	Actual % of Estimated
86	1	-	-	-
	2	-	-	-
	3	0.8	-	0
	4	1.6	-	0
87	1	3.5	0.1	3
	2	5.3	0.9	16
	3	6.5	1.6	24
	4	7.4	1.9	25
88	1	8.5	2.2	26
	2	10.3	2.8	32
	3	10.9	3.1	28
	4	13.5	3.6	26
89	1	14.8	3.7	25
	2	16.4	3.8	23
	3	18.0	4.2	23
	4	19.5	4.5	23
90	1	20.5	4.9	24
	2	21.5	4.9	23
	3	22.5	5.1	22
	4	23.5	5.4	23
91	1	24.2	5.4	22
	2	25.0	5.5	22
	3	25.2	9.0	36
	4	25.2	9.8	39
92	1	25.4	11.5	45
	2	25.5	11.8	46
	3	25.5	13.4	52
	4	25.5	14.7	57
93	1	25.5	16.0	62
	2	25.5	16.9	66
	3	25.5	20.0	78
	4	25.5	20.2	79
94	1	25.5	20.2	79
	2	25.5	21.0 ^{20/}	82

²⁰ US\$4.5 million were undisbursed and canceled.

B. Disbursements by Category
(in US\$'000)

	Original	Revised	Actual
1. Civil Works			
(a) Buildings	1,250	700	568
(b) Boreholes	11,400	9,400	8,451
2. Vehicles and equipment (other than pumps and spare parts)	2,300	2,450	612
3. Pumps and spare parts	900	1,350	2,696
4. Goods and services	3,000	550	211
5. Experts' and consultant' services, training and fellowships	4,500	9,600	8,145
6. Operating Costs	0	300	288
7. Unallocated	2,150	1,150	0
TOTAL	25,500	25,500	20,993 ^{21/}
Cancellation Amount effective August 16, 1994 :			4,506,779.63
Last Disbursements took place on August 3, 1994.			

Cancellation amount effective August 16, 1994

²¹ This amount includes US\$22,018.45 of the special account, which was not broken down over the disbursement categories.

Table 5: Project Implementation

Indicators	Appraisal Estimate	Actual
Number of village wells sunk and operational	1,000	1,117
Hectares of bottom land developed in the North	1,000	0
Hectares of bottom land developed around Yaoundé	20	0
US\$ million of credit disbursed for small RDPs	6	0.1
Km of access roads maintained or constructed	350	100

Table 6: Status of Legal Covenants

Section of Loan Agreement	Status	Date	Description of Covenant	Comments
3.01			Borrower shall:	
3.01 (a)	OK		carry out the project through the designated implementing agencies (paras) all with due diligence and efficiency and with the proper administrative, financial, and agricultural practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the project.	Initially the Borrower did not comply. After the amendment of the loan agreement in January 1990 the Borrower did basically comply.
3.01 (b)	OK		make available staff with adequate qualifications and experience, and in sufficient numbers,	Complied with.
3.02	NFC		Under the original loan agreement the Borrower was to regularly deposit counterpart funds into the project special account. This condition was dropped in the amended loan agreement which limited itself to the Borrower following procurement provisions under Schedule 4.	The Borrower did not comply fully. He only made an initial counterpart fund deposit in 1986 and then stopped all further funding; this continued even after the counterpart fund requirements had been minimized under amendment of the loan agreement. Procurement faced problems, particularly at the beginning; problem were mainly delays, but there were also cases of procurement processes being canceled and started a fresh.
3.03	OK	04/1 each year	Under the original loan agreement this article obliged the Borrower to employ a long list of consultants in time and under conditions acceptable to the Bank. Under the amended agreement Borrower was to submit for review and comments detailed work programs and budgets.	The Borrower complied in substance. The rural water supply and PPDR components complied regularly, except for some delays, the bottom land component did not comply as it never started.
4.01			Borrower shall:	
4.01 (a)	OK		maintain separate and adequate accounts,	While there was non-compliance in the period prior to the amendment of the loan agreement, the Borrower complied thereafter.
4.01 (b)	OK	six months after FY closing	have accounts audited not later than 6 months after closure of FY	The Borrower complied in substance but with sometimes inordinate delays. The audits of the early phases usually revealed major weaknesses of accounts. The audits are completely available until 1991/1992; the 1992/93 and 1993/1994 is under way and expected to be available in late 1995.
4.02	NFC		Within national policy of recovering maintenance and renewal costs of rural water installations the Borrower shall propose means to enforce it, particularly at the project wells.	Borrower has complied in part only; recovery is not enforced systematically; at the level of the project wells the Borrower is not capable of maintaining required services after the closure of the loan.

5.01 5.02	NR		These articles insured under the amended loan agreement that SEMRY, the agency to implement the bottom land development component, could not be dissolved without agreement of the Bank.	This article became irrelevant as the concerned component was stopped in 1992.
Schedule 5	OK		In the amended loan agreement, this schedule contains a wide set of rules for appraising and handling PPDR activities.	The Borrower, in this case MINAGRI, complied.

Note: OK = Covenant complied with
NFC = Covenant not fully complied with
NR = Covenant no longer relevant
UNK = Status of covenant unknown.

Table 7: Detailed Review of Implementation History and Costs of the Rural Water Supply Component

Below follows a detailed history and review of implementation and costs of the Rural Water supply, component is presented, in order to retain the experience gained. The review focuses on the period after the amendment of the loan agreement in January 1990.

1. The tube well drilling contract was signed on December 11, 1990 with a Chinese contractor and the first borehole was sunk on March 4, 1991; the first villagers were trained on June 10, 1991 and the first hand pump installed June 11, 1991. Meanwhile, the SOGREAH contract for technical planning, implantation and supervision had to be renegotiated; the initial contract had been signed on November 3, 1986 and it had expired in April 1990, without one well having been installed. This is another area of weak preparation; phasing the consultant contract according to actual progress on the ground would have helped to keep TA costs down; others may argue that the implementation delay was a blessing in disguise as SOGREAH had over 4 years to carry out hydro-geological studies and select borehole drilling sites. With a view to standardize hand pumps in the North and Extreme Northern Provinces of Cameroon, the contract for 1,000 hand pumps was awarded to VERGNET of France; their product was the most widely used and adapted in Northern Cameroon; the contract with Vergnet was also signed on December 11, 1990.

Table 8: Boreholes

Under the overall supervision of the Rural Hydraulics Department of MINMEE, a total of 1,117 boreholes equipped with handpumps were sunk in the 30 months period between July 1991 and December 31, 1993 ^{22/}. The main actors, SOGREAH, CGC-CWE and the Community Development Department worked harmoniously together. Technically the rural water supply component did never cause problems; however, the village sensitization program has only just begun. Whereas at appraisal it was assumed that the borehole construction would be spread out over 5 to 6 years and, therefore, also the villager training/sensitization program, both actually were crammed in what turned out to be a mere 35 months period. The relatively short experience gained with villager sensitization demonstrated two principal facts: (i) the population's willingness to collect a financial contribution once word got out that this will lead to the installation of a borehole equipped with a pump; and (ii) that, in order to achieve lasting success with transferring responsibility for the 'new technology' (handpump), a campaign of more than 35 months is required.

The sitting of the 1,117 boreholes has been done in a way to benefit the population/ villages farthest away from drinking water sources. The ratio of positive boreholes and their distribution are contained in Table 1 below. Previously, beneficiaries walked between 3 to 10 km to fetch water. In many instances Government had come to the village previously promising them water, without following through. Thus, when the project approached villagers, it was a matter of regaining trust

²⁵ The following analysis covers only the 1037 wells completed in October 1993. The Other 80 wells could not be included in the completion report of SOGREAH.

and it was only through 'word of mouth' from their fellow neighbor that they were convinced of the sincerity of the proposal. However, once a village signed on, it was committed and contributed enthusiastically both in terms of labor and finance.

A. Number of positive and negative boreholes and villages served per district

DISTRICTS	BOREHOLES*		%	VILLAGES	
	POSITIVE	NEGATIVE		SERVED	NOT SERVED
DIAMARE	171	55	75.7	152	14
Logone/Chari	131	0	100.0	116	-
MAYO/DANAY	188	17	91.7	144	5
MAYO KANI	195	52	78.9	149	16
MAYO SAVI	104	24	81.3	95	14
MAYOTSANAGA	129	52	71.3	112	33
MAYO LOUTI	119	40	74.8	110	36
TOTAL	1,037	240	81.2	878	118

* Not including the 80 boreholes commissioned in October 1993.

Work to complete 1,037 boreholes stretched over three campaigns of 2, 7 and 8 months each for 1991, 1992 and 1993, respectively. This works out to an average of 72 boreholes per month or 50 percent above the contractual agreements with the drilling contractor. 54 boreholes were left unlined because otherwise would not yield sufficient water to make the installation of a pump worthwhile. The unlined boreholes were mostly drilled in hard rock at great depths as indicated in Table 2 below. They yield around 0.3 - 0.8 m³/h whereas the typical borehole in the Northern and Extreme Northern Provinces yields around 1.0 m³/h.

B. Average depth of unlined boreholes per District

District	Boreholes	Average depth (m)
Diamare	16	76.9
Mayo Kani	33	74.5
Mayo Sava	5	76.4
Mayo Tsanaga	4	63.9
Mayo Louti	1	59.7
TOTAL:	54	

Table 9: Pumps

Noteworthy about the delivery of pumps is the fact that, although incorporated in Cameroon, VERGNET of France did nothing to further the construction in Cameroon of its product and thus, no transfer of production technology took actually place. Vergnet did, however, train village repair and maintenance men and provided them with an initial, village based complement of spare parts for routine repairs. For more complex repair work, villages have to contact MINMEE for dispatching a repair team, with parts still being paid for by beneficiaries. Indeed spare part shops, operated by private traders, have been established throughout the provinces as indicated in Table 3 below:

A. Spare Parts Shops in the Northern And Extreme Northern Provinces

Village	Location	When opened	Name of Trader
Maroua	Comice Market	04/16/1992	MATAKON Mogoyok
Yagoua	Market Place	03/19/1992	BOUDOUNA Dominique
Kaele	Market Place	03/19/1992	BOUBA Beidi
Kousseri	Agric. Delegation	10/20/1992	ZAME Richard
Makary	City Center	10/23/1992	ABANI Minata
Mokolo	Central Market	10/26/1992	BOUBA Ndjdda
Mora	Central Market	10/07/1992	ISMAT Boukar
Guider	Taxi Station	06/17/1993	NOUHOU Abbo
Bourrah	Central Market	06/23/1993	ABDOURAHMAN A.
Maga	Taxi Station	06/25/1993	MATH Brahim

Perhaps the most important lesson to be drawn from the training of village repairmen and the making the village committee responsible for borehole/pump maintenance is the fact that it can not be done in a short, three year span. It will take longer to change the "Government does it all" attitude. Pump breakdowns which cannot be repaired by the village repairmen still may go unreported for long periods of times, with villagers going back to their old way of fetching water from the, often unsafe, source of water holes. Also the question of who is responsible for the follow-up of villager training - MINAGRI's Community Development Department or MINMEE - has not been properly addressed under the policy put in place. The danger is real that achievements to date will be gradually lost for lack of proper follow-up and supervision.

Table 10: Costs

Below follows a review of costs, by main actors - SOGREAH, the planning and Supervision Consultant; CGC-CWE, the borehole drilling Contractor, VERGNET, the supplier of hand pumps; and the Community Development Service - and in total.

SOGREAH. For sitting, technical assistance and supervision of the implantation of 1,117 boreholes including installation of hand pumps and training village repairmen, a total of CFAF 2,047 million was billed to the Government. Work stretched out over 6 years and 4 months.

The cost break down is as follows:

Engineering fees	44.5%
Purchase of materials	6.0%
Local salaries and wages	9.7%
Operating costs - vehicles	15.8%
Other Overhead costs	14.9%
Cameroonian Engineers' fees	8.2%

Costs per productive borehole were CFAF 2.04 million (US\$7,060); this includes the sensitization of villagers undertaken by the Community Development Service of the MINAGRI. It is questionable as to whether SOGREAH's 2 years of waiting for the conclusion of the borehole drilling contract SOGREAH actually had to spend can be justified. Cameroonian authorities should have taken more precautions in timing the signing of the three, major, contracts. On the other hand, it appears that SOGREAH utilized the time well by prospecting the area and sitting the boreholes. In the end this helped the drilling contractor to advance at a rapid pace.

CGC-CWE. The Chinese contractor was able to advance with the work at the considerable pace of more than 300 boreholes per year; the total contract sum of CFAF 2,618 million (US\$9.1 million) works out to CFAF 2.5 million (US\$8,740) per positive borehole. This compares favorably with the estimated cost of some US\$9,250 equivalent at appraisal. Overall, Government voiced its satisfaction with the work carried out by the contractor.

VERGNET-Cameroon. The contract for the 1,000 handpumps^{23/} worked out to CFAF 760.8 million (US\$ 2.6 million) or CFAF 733,000 (US\$ 2,540) per pump. Although more pumps were supplied, the contractor was able to save 10 percent of the contract sum because of a lesser than anticipated overall length of tubes.

Community Development Service. Owing to the good overall knowledge of the communities by the CD agents, the sensitization campaigns were carried out relatively cost efficient. The CDS spent only CFAF 67.4 million (US\$233,000) over the slightly more than three years' duration of the campaign. Given that work included training of village repairmen as well as

²⁶ The initial contract was for 1,000 pumps. 1,117 pumps were actually delivered. The additional 117 were delivered at the originally agreed price.

setting-up of spare parts shops in the two regions, the CDS worked very closely with the consulting engineer as well as the pump manufacturer. This is the reason that costs of the CDS per pump have been included in those of SOGREAH. Indeed both, Government and the consulting engineer stated that they were pleased with the cooperation of the entire team involved in the FSAR II water supply operations.

Overall costs as accounted for under the water supply component of FSARII, were CFAF 5,494 million (US\$19,0 million). For the 1,037 equipped boreholes, this works out to CFAF 5.3 million (US\$18,333) per positive borehole. With 37.3 percent the consulting engineering fees account for an inordinately big portion of expenditures. One reason for this is the fact of early signature of the contract. It can be argued that the presence of SOGREAH in the field provided MINMEE with a reliable source of operating expenditures (other than salaries for local staff); in fact besides counterpart funding for this contract, the Ministry had no provision for recurrent operating costs in these two regions. The borehole drilling contract, on the other hand, accounts for less than half of expenditures which is unusual. Finally costs presented here do not include other, indirect expenditures such as operating costs of the defunct FONADER, MINMEE, DGTC, etc. All these institutions have invested a considerable amount of time in the FSARII operations; however it is impossible to obtain a reliable estimate of the costs of such interventions. Direct costs for the water supply component are broken down as indicated in Table 4 below:

A. Summary of Cost in CFAF per Equipped Borehole

Activity:	Per Borehole	Total	%
Consulting Engineer	2,040,000	2,047,000,000	37.3
Borehole Drilling	2,500,000	2,618,000,000	47.7
Handpumps	733,000	760,800,000	13.8
Villager Sensitization		67,400,000	1.2
TOTAL	5,273,000	5,492,400,000	100.0

Table 11: Bank Inputs**A. Staff Time**

	82	83	84	85	86	87	88	89	90	91	92	93	94	95	Total
Pre-appraisal	0.3	59.5													59.8
Appraisal		18.4	33.1												51.4
Negotiation			2.1	23.6											25.7
Supervision				0.8	15.5	17.8	19.1	14.3	17.3	15.0	3.9	1.2	5.0	5.0	110.4
PCR														8.0	8.0
TOTAL	0.3	77.9	35.2	24.4	15.5	17.8	19.1	14.3	17.3	16.0	3.9	1.2	5.0	13.0	255.3

B. Supervision Mission ²⁴/

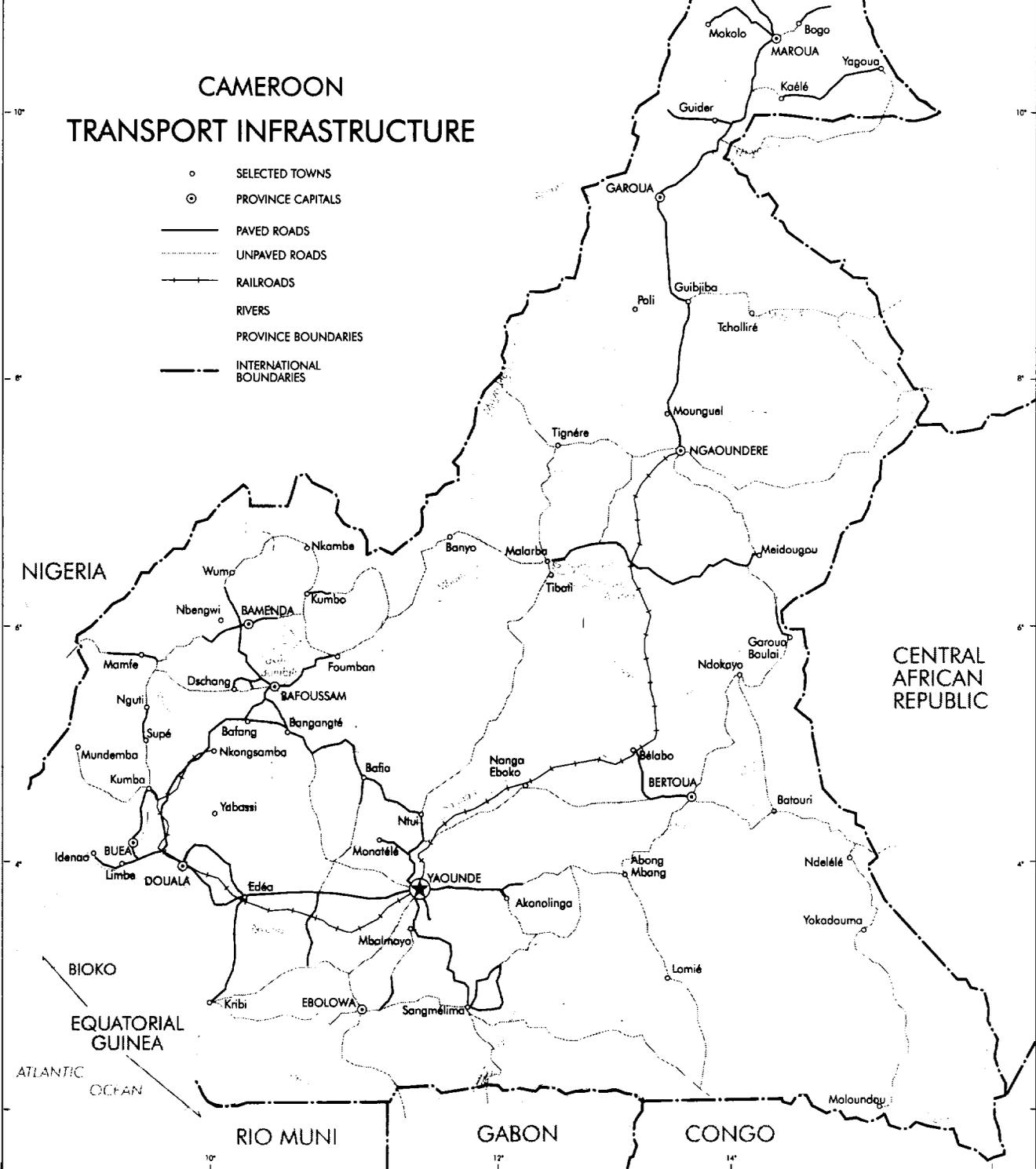
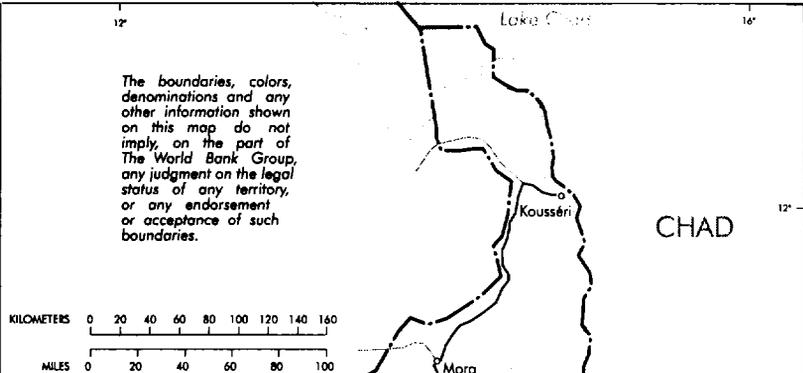
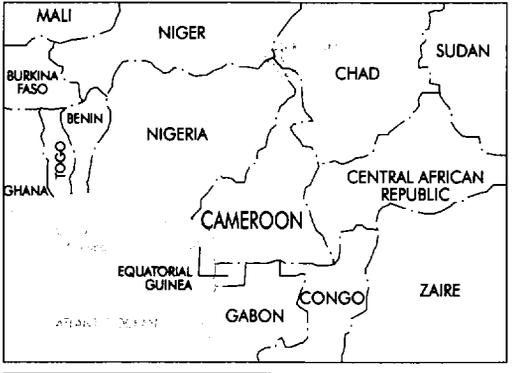
Date	No. of Persons	Days No Field	Specialization	Performance	Type of Problems
10/85	1	11	RE	2	
05/86	3	8	RE, 2 not defined	2	M
10/86	1	8	RE	3	M
10/87	3	N/A	N/A	2	M
06/88	N/A	N/A	N/A	2	M

Specialization represented: RE = Rural Engineer

AE = Agricultural Economist

Type of Problem: M = Managerial.

²⁴ Project files lack most supervision reports and Form 590s.



IMAGING

Report No: 15660
Type: PCR