

Document of  
The World Bank

Report No: ICR2223

IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(IDA-H2070 TF-56544)

ON A

GRANT  
IN THE AMOUNT OF SDR 17.30 MILLION  
(\$25.00 MILLION EQUIVALENT)

AND A

GLOBAL ENVIRONMENTAL FACILITY GRANT  
IN THE AMOUNT OF \$10.0 MILLION

TO THE

REPUBLIC OF CAMEROON

FOR A

FOREST AND ENVIRONMENT DEVELOPMENT PROGRAM

Environment and Natural Resources Management Unit  
Sustainable Development Department  
Africa Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31, 2006)

Currency Unit = CFA Franc

539 CFA francs = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

ANAFOR	National Forest Agency (formerly ONADEF)
BEAC	<i>Banque des Etats d'Afrique Centrale</i> (Central Bank of the Central African States)
CAS	country assistance strategy
CIDA	Canadian International Development Agency
COMREM	<i>Comité chargé de la mise en œuvre de la revue institutionnelle, de la coordination et du pilotage du PSFE</i>
DFID	Department for International Development (U.K.)
DPL	Development Program Loan
DPO	Development Program Operation
EIA	Environmental Impact Assessment
EMP	Environmental Impact Mitigation Plan
EU	European Union
FEDPG	Forest and Environment Development Policy Grant
FEICOM	Cameroon Fund for Community Development
FESP	Forest and Environment Sector Program
FLEGT	Forest Law Enforcement, Governance, and Trade (initiative)
FMP	forest management plan
GEF	Global Environment Facility
GIZ	<i>Gesellschaft für Internationale Zusammenarbeit</i> (German development agency)
HIPC	Heavily Indebted Poor Countries
IDA	International Development Association
ISR	Implementation Support and Results
KfW	German International Development Bank
MES	management effectiveness score
MINATD	Ministry of Territorial Administration and Decentralization
MINEF	Ministry of Environment and Forests
MINFI	Ministry of Economy and Finance
MINEP	Ministry of Environment and Nature Protection
MINEPAT	Ministry of the Economy, Planning, and Regional Government
MINFOF	Ministry of Forests and Wildlife
MINIMIDT	Ministry of Industry, Mines, and Technology Development

OED	Operations Evaluation Department (World Bank)
ONADEF	National Office for the Development of Forests (now ANAFOR)
OPCS	Operations Policy and Country Services
PRSP	Poverty Reduction Strategy Program
QAG	Quality Assessment Group (World Bank)
RFA	<i>redevance forestière annuelle</i> (annual area-based forest fee)
SAC	Structural Adjustment Credit
SIGEFI	<i>systeme de gestion financière</i> (financial management system)
SIL	Specific Investment Loan
TTL	task team leader
UFA	<i>unité forestière d'aménagement</i> (forest management unit)
UTO	<i>unité technique opérationnelle</i> (technical operational unit comprising a forest concession and adjacent park)
WWF	World Wide Fund for Nature
ZIC	<i>zone d'intérêt cynégétique</i> (private game reserves)
ZICGC	<i>zone d'intérêt cynégétique à gestion communautaire</i> (community-managed game reserves)

Vice President:	Makhtar Diop
Country Director:	Gregor Binkert
Sector Manager:	Idah Z. Pswarayi-Riddihough
Project Team Leader:	Ananie Cyrille Ekoumou
ICR Team Leaders:	Ananie Cyrille Ekoumou/Salimata D. Folléa



**Republic of Cameroon**  
**Forest and Environment Development Program**

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A. Basic Information				
Country:	Cameroon	Project Name:	Forest and Environment Development Program	
Project ID:	P070656, P073020	L/C/TF Number(s):	IDA-H2070,TF-56544	
ICR Date:	02/08/2012	ICR Type:	Core ICR	
Lending Instrument:	DPL, SAD	Borrower:	GOV'T OF CAMEROON	
Original Total Commitment:	XDR 17.3M, \$10.0M	Disbursed Amount:	XDR 6.77M, \$3.8M	
Environmental Category: B		Focal Area: B		
Implementing Agencies: Ministry of Environment & Nature Protection Ministry of Economy and Finance				
Cofinanciers and Other External Partners:				
B. Key Dates				
Forest and Environment Development Program - P070656				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/24/2000	Effectiveness:	08/30/2006	09/18/2006
Appraisal:	05/10/2004	Restructuring(s):		
Approval:	02/28/2006	Mid-term Review:	07/13/2009	10/14/2008
		Closing:	12/31/2009	10/11/2011
Cameroon Forest and Environment Sector Program (FESP) - P073020				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/24/2000	Effectiveness:	08/30/2006	09/18/2006
Appraisal:	05/10/2004	Restructuring(s):		
Approval:	02/28/2006	Mid-term Review:	07/13/2009	10/14/2008
		Closing:	12/31/2009	10/11/2011
C. Ratings Summary				
C.1 Performance Rating by ICR				
Outcomes		Unsatisfactory		
GEO Outcomes		Unsatisfactory		
Risk to Development Outcome		Substantial		
Risk to GEO Outcome		Substantial		
Bank Performance		Moderately Unsatisfactory		
Borrower Performance		Moderately Unsatisfactory		
C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)				
Bank	Ratings	Borrower	Ratings	
Quality at Entry	Unsatisfactory	Government:	Moderately Unsatisfactory	
Quality of Supervision:	Moderately	Implementing	Moderately Unsatisfactory	

	Unsatisfactory	Agency/Agencies:	
Overall Bank Performance	Moderately Unsatisfactory	Overall Borrower Performance	Moderately Unsatisfactory

### C.3 Quality at Entry and Implementation Performance Indicators

#### Forest and Environment Development Program - P070656

Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Project at any time (Yes/No):	Yes	Quality at Entry (QEA)	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA)	None
DO Rating before Closing/Inactive status	Unsatisfactory		

#### Cameroon Forest and Environment Sector Program (FESP) - P073020

Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Project at Any Time (Yes/No):	Yes	Quality at Entry (QEA)	None
Problem Project at Any Time (Yes/No):	Yes	Quality of Supervision (QSA)	None
GEO Rating before Closing/Inactive Status	Unsatisfactory		

### D. Sector and Theme Codes

#### Forest and Environment Development Program - P070656

	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	25	25
Forestry	36	36
General agriculture, fishing and forestry sector	32	32
Law and justice	2	2
Subnational government administration	5	5
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	14	14
Biodiversity	14	14
Environmental policies and institutions	29	29
Other environment and natural resources management	29	29
Other rural development	14	14

#### Cameroon Forest and Environment Sector Program (FESP) - P073020

	Original	Actual
Sector Code (as % of total Bank financing)		
Forestry	35	35
General agriculture, fishing and forestry sector	32	32



General public administration sector	33	33
Theme Code (as % of total Bank financing)		
Biodiversity	100	100

## **E. Bank Staff**

### **Forest and Environment Development Program - P070656**

<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Makhtar Diop	Gobind T. Nankani
Country Director:	Gregor Binkert	Ali Mahmoud Khadr
Sector Manager:	Idah Z. Pswarayi-Riddihough	Joseph Baah-Dwomoh
Project Team Leader:	Ananie Cyrille Ekoumou Abanda	Giuseppe Topa
ICR Team Leaders:	Ananie Cyrille Ekoumou Abanda/Salimata Diallo Folléa	
ICR Primary Authors:	Salimata Diallo Folléa/Francois Wencelius/Julien Vallet (FAO)	

### **Cameroon Forest and Environment Sector Program (FESP) - P073020**

<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Makhtar Diop	Gobind T. Nankani
Country Director:	Gregor Binkert	Ali Mahmoud Khadr
Sector Manager:	Idah Z. Pswarayi-Riddihough	Joseph Baah-Dwomoh
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ICR Primary Author:	Salimata Diallo Folléa/Francois Wencelius/Julien Vallet (FAO)	

## **F. Results Framework Analysis**

Project Development Objectives (PDOs) and Global Environment Objectives (GEOs), from Project Appraisal Document

The Development Objective and Global Environment Objective of the proposed Forest and Environment Policy Development Grant (FEDPG) are to strengthen public and private efforts to achieve socially-, economically-, and ecologically-sustainable use of national forest and wildlife resources.

Revised PDOs/GEOs (as approved by original approving authority): n/a

**(a) PDO Indicator(s)**

<b>Indicator</b>	<b>Baseline Value</b>	<b>Original Target Values (from Approval Documents)</b>	<b>Formally Revised Target Values</b>	<b>Actual Value Achieved at Completion or Target Years</b>
<b>Indicator 1:</b>	Increase percentage of production forests under a forest management plan.			
Value (quantitative or qualitative)	66	100		90
Date achieved	03/01/2005	12/31/2009		12/31/2011
Comments (incl. % achievement)	Largely achieved. 83 of 92 assigned long-term forest management units (UFAs) have a management plan.			
<b>Indicator 2:</b>	Prevent additional kilometers of illegal roads built in all parks and forest management units.			
Value (quantitative or qualitative)	1,024 km	1,024 km	1,024km	N/A
Date achieved	12/30/2004	09/30/2011		
Comments (incl. % achievement)	Not possible to determine. Not possible to quantify the level of achievement because the value achieved could not be documented at the time of the ICR			
<b>Indicator 3:</b>	Forest management units (UFAs) with reviewed management plan (%)			
Value (quantitative or qualitative)	66	100	100	100
Date achieved	12/31/2005	12/31/2011		
Comments (incl. % achievement)	Fully achieved. All UFAs have reviewed their management plans.			
<b>Indicator 4:</b>	Forest management units (UFAs) with signed final concession agreements (%)			
Value (quantitative or qualitative)	0	100		33
Date achieved	01/31/2005	12/31/2011		12/31/2011
Comments	Partially achieved. 20 UFAs out of 65 have final concession agreements.			
<b>Indicator 5:</b>	Communal forest with reviewed management plan and gazette decree (%)			
Value (quantitative or qualitative)	0	100		26
Date achieved	01/31/2005	12/31/2011		12/31/2011
Comments (incl. % achievement)	Achieved 26%			
<b>Indicator 6:</b>	Communal forest with gazette decree			
Value (quantitative or qualitative)	0	10	12	12 communal forests with gazette decree already signed, and another 28 in preparation.
Date achieved	05/01/2005	12/31/2011		12/27/2011
(incl. % achievement)	Target exceeded (120%)			

<b>Indicator 7:</b>	Communal forest with approved management plan			
Value (quantitative or qualitative)	0	10	6	6 council forests with approved management plans. 7 with management plans in preparation.
Date achieved	05/01/2005	12/31/2011		12/31/2011
Comments (incl. % achievement)	Partially achieved (60%).			

**(b) GEO Indicator(s)**

<b>Indicator</b>	<b>Baseline Value</b>	<b>Original Target Values (from Approval Documents)</b>	<b>Formally Revised Target Values</b>	<b>Actual Value Achieved at Completion or Target Years</b>
<b>Indicator 1:</b>	Increase of average protected area management effectiveness score (MES) from 28 to 50+ for 8 key protected areas existing in 2005.			
Value (quantitative or qualitative)	0 UTO: SEG<20 2 UTO: 20<SEG<40	2 UTO: MES<20 3 UTO: 0<MES<40 3 UTO: 0<MES<55		2 UTO: 20<MES<40 1 UTO: 40<MES<55 5 UTO: MES>55
Date achieved	03/01/2005	12/31/2011		12/31/2011
Comments (% achievement)	Fully achieved.			

**(c) Intermediate Outcome Indicator(s)**

<b>Indicator</b>	<b>Baseline Value</b>	<b>Original Target Values (from approval documents)</b>	<b>Formally Revised Target Values</b>	<b>Actual Value Achieved at Completion or Target Years</b>
<b>Indicator 1:</b>	Maintain percentage of annual area fee revenue transferred to rural communes.			
Value (quantitative or qualitative)	40	50		50
Date achieved	04/27/2007	12/31/2011		12/27/2011
Comments (incl. % achievement)	Fully achieved.			
<b>Indicator 2:</b>	Increase ratio of number of sanctions effectively applied to number of sanction decisions with regard to illegal exploitation.			
Value (quantitative or qualitative)	37	90		60
Date achieved	04/27/2007	12/31/2011		12/31/2011
Comments (incl. % achievement)	Partially achieved (67%).			

### G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	GEO	Implementation Progress (IP)	Actual Disbursements (\$ millions)	
					Project 1	Project 2
1	09/08/2006	MS	MS	S	0.00	0.00
2	10/05/2006	MS	MS	S	1.40	0.00
3	03/28/2007	S	S	S	10.04	0.00
4	07/17/2007	MS	MS	MS	10.04	0.00
5	12/22/2007	MS	MS	MS	10.04	0.00
6	05/23/2008	MS	MS	MS	10.04	0.00
7	09/02/2008	MS	MS	MS	10.04	0.00
8	05/07/2009	MU	MU	MU	10.04	0.00
9	12/09/2009	MU	MU	MU	10.04	0.00
10	06/09/2010	MU	MU	MU	10.04	0.00
11	06/27/2010	U	U	U	10.04	0.00
12	03/29/2011	U	U	U	10.04	0.00
13	12/12/2011	U	U	U	10.04	0.00

### H. Restructuring (If Any)

The project was restructured once to extend its closing date from December 31, 2009, to December 31, 2011.

# **1. Project Context, Development and Environmental Objectives, and Design**

## **1.1 Context at Appraisal**

### **Country and sector background**

1. Occupying more than 475,000 square kilometers between Central and Western Africa, Cameroon extends from the arid fringes of the Sahara in the north to the humid rainforest biome of the Congo Basin in the south—with a range of climatic and vegetative zones in between. While this ecological diversity favors varied economic and agricultural activities, 70 percent of the population depends on agriculture and pastoral activities for their livelihood. The country is endowed with significant natural resources, including oil, high-value timber species, and agricultural products (coffee, cotton, cocoa). Untapped resources include natural gas, bauxite, diamonds, gold, iron, and cobalt, much of which is located in forested areas. Forest exploitation and related activities contribute significantly to the economy of Cameroon. They made up 8.9 percent of national gross domestic product (GDP) between 1992 and 2000 and have grown at a rate of 4.7 percent per year since 2000. The forestry sector likewise contributes significantly to exports, accounting for 28.2 percent of total nonoil exports in the same period.

### **Program background**

2. The Government of Cameroon initiated and led the development of a 10-year multidonor national Forest and Environment Sector Program (FESP). The FESP was adopted in June 2004 as a common sector-development framework for government institutions, local governing bodies, communities, the private sector, nongovernmental organizations (NGOs), and development partners active in the forest domain. Grounded in the implementation of Cameroon's 1993 Forest Policy and 1994 Forest Law, the FESP was designed to deepen and scale up forest policy reforms and secure those reforms initiated under the Third Structural Adjustment Credit for Cameroon (SAC III, 1998–2004).<sup>1</sup> The FESP focused on strengthening national institutions and the role of civil society to create conditions in which local communities and the private sector could gainfully engage in the sustainable management, conservation, and development of forests and other natural resources. The FESP was also designed to contribute to the poverty objectives laid out in the Poverty Reduction Strategy Program (PRSP, 2003–06) and to play a vital role in enacting the environmental policies laid out in the National Biodiversity Strategy and Action Plan and the Strategy for Conservation of Wildlife and Protected Areas. During elaboration of the FESP, Cameroon was also working toward the

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<sup>1</sup> The forest sector reforms under the SAC III include (i) the establishment of a regulatory framework for the design, approval, and monitoring of sustainable management in production forests; (ii) a competitive system to award commercial forest logging rights in the presence of an independent observer; (iii) profound changes in the forest taxation system supported by a joint forest revenue enhancements program by the Ministries in charge of Forests and Finance; (iv) a forest operation control and supervision system involving independent observers in field inspections and periodic interpretations of satellite imagery; (v) the establishment of a consultative body through which the Ministries in charge of Justice, Finance and Forest could exchange information on pending civil and criminal court cases (Program Document, page 10).

completion point under the Heavily Indebted Poor Countries (HIPC) initiative. It reached that point on May 1, 2006. Once achieved, this made a difference to the leverage of partners involved in FESP, as discussed later in this ICR.

3. The participation of the World Bank and bilateral partners in the FESP was guided by the principles of the Paris Declaration on Aid Effectiveness.<sup>2</sup> Together, the World Bank, the European Union (EU), the United Kingdom, Germany, Canada, France, and the Netherlands acknowledged that fragmentation and poor coordination had undermined the success of their past assistance in the forest and environment sector. In line with the Paris Declaration, these donors undertook to harmonize their assistance within the framework of the FESP and to channel their support through this program using common mechanisms. The common mechanisms agreed upon were: (i) budgetary support aimed at supplementing national forest and environment budget allocations and expanding sector programs; and (ii) pooled technical assistance known as the “Basket Fund” aimed at financing the capacity building required for the smooth implementation of the FESP.<sup>3</sup>

4. The Bank, through this Development Program Operation (DPO), participated in the budgetary support, but did not provide any financial resources to the Basket Fund; it remained a key participant in the Basket Fund through its participation in the common implementation framework followed by the donors. The Basket Fund totaling USD24.3 million equivalent, was financed by bilateral partners—U.K. Department for International Development (DFID), Canadian International Development Agency (CIDA), German International Development Bank (KfW), and Agence Française de Développement (AFD)—and executed by GiZ, the German cooperation agency. The scope of the Basket Fund is detailed in annex 4 of the Bank DPO Program Document.

5. These bilateral partners, along with the World Bank, were joined by other donors in the sector—the African Development Bank (AfDB), Food and Agriculture Organization (FAO), United Nations Development Programme, World Wide Fund for

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<sup>2</sup> The Paris Declaration 2005 outlines the following five fundamental principles for making aid more effective: (i) ownership: developing countries set their own strategies for poverty reduction, improve their institutions, and tackle corruption; (ii) alignment: donor countries align behind these objectives and use local systems; (iii) harmonisation: donor countries coordinate, simplify procedures, and share information to avoid duplication; (iv) results: developing countries and donors shift focus to development results and results get measured; and (v) mutual accountability: donors and partners are accountable for development results ([www.oecd.org/document/18/0,3746,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,3746,en_2649_3236398_35401554_1_1_1_1,00.html)).

<sup>3</sup> Excerpts from annex 4 of the World Bank Program Document: “The Basket Fund was designed to build sufficient capacity to implement the FESP, and will: (i) provide funding for quick, targeted and efficient provision of the technical assistance and training envisaged in the FESP, as well as any equipment directly related to this capacity building; (ii) enhance the financial and administrative capacity of the ministries (MINFOF and MINEP) in charge of implementing the FESP; (iii) support capacity building of the Ministries to enable them to implement, monitor and evaluate the FESP activities; (iii) enhance donor coordination and minimise transaction costs for the Ministries and (iv) attract it is hoped additional external funding in support of the FESP through the establishment and demonstration of an efficient financing mechanism.”

Nature (WWF), International Union for the Conservation of Nature, and SNV Netherlands Development Organization). All signed a code of conduct on January 5, 2006, committing to maintain alignment and harmonization in the forest sector by using common monitoring and evaluation tools and organizing joint review missions. The Bank led the donor partnership, acting as *chef de file*. These agreements, linked with the Paris Declaration, would later conflict with the Bank's own requirements for the DPO implementation, as discussed later in this ICR (see section 5.1.b).

6. It should be noted that, during the preparation of the World Bank–financed operation, internal consultations occurred between 2002 and 2004 to define the most suitable financing instruments for the Bank, including a parallel capacity-building credit to accompany the budgetary support.<sup>4</sup> The aim of the credit was “(i) to create adequate capacity within the Ministry of Environment and Forests (MINEF) to plan, implement, control, and monitor activities, including budget planning, financial management, and procurement matters; and (ii) to provide an independent assessment of MINEF's performance, especially for financial management, procurement, and physical implementation of its program of work.” However, due to resource constraints at the International Development Association (IDA),<sup>5</sup> the parallel capacity-building operation was not pursued. This would eventually impose several constraints on the Bank's role in DPO implementation, as noted later in this ICR (see section 5.1.a).

#### Rationale for Bank involvement

7. The Forest and Environment Development Policy Grant (FEDPG)—which will also be referred to as the DPO in this ICR—is a fully blended IDA and Global Environment Facility (GEF) contribution to support implementation of the FESP through budgetary support. The FEDPG was featured in the base case lending scenario of the August 2003 joint IDA–International Finance Corporation country assistance strategy (FY 04-06 CAS) for Cameroon. The FEDPG related strongly to two broader objectives set out in the CAS. First, it built on Cameroon's reform and poverty reduction gains of recent years through its treatment of governance issues. Second, it embodied the transition from project-specific investment to programmatic lending that the CAS prescribed for FY 04-06. The FEDPG was therefore a sectoral pilot budget-support grant being used for the first time in Cameroon and in Africa. It was expected to contribute to CAS objectives by helping the Government expand its budget allocation to sector programs using newly reformed national procurement and financial management procedures.

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<sup>4</sup> See (i) TTL Giuseppe Topa's note on choice of instruments of March 2, 2002; (ii) minutes on choice of instruments meeting of January 15, 2003; (iii) minutes of Government meetings of September 9, 2003 and of May 4, 2004.

<sup>5</sup> See minutes of meeting on choice of instruments dated January 15, 2003.

## **1.2 Original Program Development Objectives (PDOs), Global Environmental Objectives (GEOs), and Key Indicators (as Approved)**

8. The PDOs and GEOs were combined and were to strengthen public and private efforts to achieve socially, economically, and ecologically sustainable use of national forest and wildlife resources. The outcome indicators of the program are detailed in the policy matrix included in the Program Document (annex 1, page 34) and the Government's policy letter attached to the Program Document (annex 5, page 56).

9. For the first time, OP 9.01 related to the Procedures for Investment Operations under the Global Environment Facility, was waived to enable the GEF funds to be fully blended with IDA financing to support a DPO based on the same modalities and matrix of conditions and triggers. To enable this to happen, the GEF Council reviewed carefully and approved the design of the operation on May 19–21, 2004. A waiver of OP 9.01 was granted on April 13, 2005. This ICR therefore covers both the GEF and IDA financing.

## **1.3 Revised PDOs/GEOs (as Approved by Original Approving Authority), Key Indicators, and Reasons/Justification**

10. The PDOs/GEOs outcome indicators remained unchanged during implementation. The indicators in the Implementation Support and Results (ISR) reports, however, are formulated differently to fit the ISR system but are broadly in line with the policy matrix in annex 1 of the Program Document.

## **1.4. Original Policy Areas Supported by the Program**

The FEDPG covered the following five policy areas:

11. *Component/policy area 1: Environmental regulations and information management.* The objective was to help the Government strengthen the capacity of the Ministry of Environment and Nature Protection (MINEP) to monitor the natural environment, observe the environmental impact of the country's national forest and environment program, and ensure that the FESP's environmental management plan was implemented thoroughly and successfully.

12. *Component/policy area 2: Management of production forests.* The focus was to help complete the forest estate zoning plan; ensure implementation on the ground of forest management policies and plans; promote efficiency and value-added in timber processing and reduce waste; ensure efficient monitoring of forest production field operations by industry, enforce the law, apply penalties; and exploit nontimber forest products.

13. *Component/policy area 3: Management of protected areas and wildlife.* The objective was to help secure Cameroon's protected area network by improving regulations, increasing human and organizational capacity, adopting a landscape



approach, and pursuing a well-structured, phased approach to increasing the effectiveness of protected areas management.

14. *Component/policy area 4: Management of community forest resources.* The purpose was to deepen understanding of communal forest issues and strategies, improve the quality of ongoing community efforts in natural forests, improve and scale up community-based tree-planting schemes, help communities and local cooperatives manage woodlands to trade sustainably produced fuel wood around urban centers (through a fuel wood master plan), and reassign to communities or other managers state plantations formerly controlled by ONADEF (the National Office for the Development of Forests), a recently dissolved parastatal.

15. *Component/policy area 5: Strengthening of institutions, training, and research.* This component was intended to support capacity building across forest institutions and to stimulate the Government to make investments in infrastructure and human resources, thereby enabling the MINEP and the Ministry of Forests and Wildlife (MINFOF) to develop sufficient capacity to fulfill their mandates under the forest policy framework and the regulatory instruments created through SAC III.

### **1.5 Revised Policy Areas**

The policy areas were not revised.

### **1.6 Other Significant Changes**

16. Changes were made to the project's (i) scope and scale, (ii) schedule, and (iii) funding allocations.

*Scope and scale.* The project was designed around the fulfillment of selected conditions that would trigger the release of funds in three phases. All conditions for the release of the first tranche were met prior to effectiveness (see Key Dates), and funds were disbursed in September 2006. The project was closed before disbursement of the two subsequent tranches because the last trigger for the second tranche was not achieved. As a result, the project scope and scale were reduced (*ex post*).

*Schedule.* The project closing date was extended once, from December 31, 2009, to December 31, 2011, for two main reasons: (i) to correct the discrepancy between the Program Document, which indicates the actual duration of the DPO (48 months), and the IDA financing and GEF grant agreements which show a mistaken duration of 42 months; and (ii) to enable the Government to fulfill the last trigger of the second tranche, relating to the signing of final forest concession agreements and so make the transition to the third tranche. Despite the extension, that trigger was not achieved. At the request of the Government, the project was closed on October 11, 2011, before the scheduled closing date of December 31, 2011, with the second and third tranches left undisbursed.

*Funding allocation.* As a result of the non release of the second and third tranches, the

total undisbursed IDA fund was \$16.53 million, and the undisbursed GEF fund was \$6.20 million.

## 2. Key Factors Affecting Implementation and Outcomes

### 2.1 Program Performance

Tranche	Amount	Expected Release Date	Actual Release Date	Release
Tranche 1	\$9.8 million (International Development Association, IDA) \$3.8 million (Global Environment Facility, GEF)	September 30, 2006	September 18, 2006	Regular
Tranche 2	\$8.1 million (IDA) \$3.1 million (GEF)	December 31, 2008	Not released	Regular
Tranche 3	\$7.1 million (IDA) \$3.1 million (GEF)	December 31, 2009	Not released	Regular

#### Tranche 1 (Prior Actions, as per Program Document, Policy Matrix)

<i>List of conditions (all met at effectiveness)</i>	Status
Government adoption of the Forest and Environment Development Policy Grant (FEDPG) Environmental Impact Mitigation Plan (EMP) and funding for first year's relevant activities are included in the draft 2005 national budget for the forest sector.	Met
Suitable premises and a team of adequately trained and fully equipped staff are assigned to monitor implementation of the FEDPG EMP.	Met
Regulations on environmental impact assessment are issued. The decree on environmental impact assessment (EIA) is satisfactory to the Bank.	Met
The EIA, including the EMP, the Resettlement Policy Framework, and the Indigenous Peoples Development Plan are disclosed in two national newspapers and made accessible to the public in municipal administration facilities.	Met
Terms of reference for main EMP activities launched in January 2005 are made public.	Met
Forest management plans (FMP) for all concessions ( <i>unités forestières d'aménagement</i> , UFAs, long-term forest management unit) awarded prior to 2000 are examined. Those deemed to conform with requirements are approved.	Met
Forest ministry's comprehensive regulatory system is adopted: chain of custody control, control methods and procedures, and procedures for applying sanctions against forest crimes.	Met
Work programs for eight focus technical operations units (Unité Technique Opérationnelle, UTO, comprising a forest concession and adjacent park) are prepared and ready for implementation.	Met
Baseline data are made available to measure the management effectiveness of Cameroon's national parks.	Met
A study is completed on the use of FY2003 forest sector fiscal revenues by local communities.	Met
Restructuring of ANAFOR (National Forest Agency) is completed, with personnel reassigned	Met

according to plans, management structures, the FY2005 work program, and financial control structures in place.	
Qualified contractor is selected to carry out the Heavily Indebted Poor Countries (HIPC)-funded Capacity Building for Forest Community Management project.	Met
Forest ministry management positions filled and job descriptions revised.	Met
A new coded budget and accounting system is approved by the finance and economy ministry (MINFI) and adopted by the forest and environment ministries.	Met
The directors of budget and treasury are instructed by the MINFI to allocate budget lines to the MINFOF and the MINEP, into which external funding will be made available by external partners.	Met
Computerized financial management and control system software (SICAF) is operational within the MINFOF and MINEP and fully compatible with the computerized financial management and control system software (DEPMI) used by the MINFI.	Met
The MINFOF and MINEP 2005 annual work plans are consistent with the FEDPG and include national and external resources as part of their 2005 budget proposals to Parliament.	Met
Procurement plan prepared and bidding documents ready for launching the acquisition process for the main goods and services in the FY05 work plan.	Met
<b>Tranche 2 (Triggers, as per Development Grant Agreement)</b>	
List of conditions	Status
<i>Budget allocation and execution.</i> As of December 31 of the fiscal year during which the first tranche was released, the recipient has committed not less than 75 percent of the fraction of its forest and green environment sectoral annual budget financed out of the IDA grant, the GEF Trust Fund, and its own resources.	Met
<i>Comments.</i> This trigger was formally met in late 2009, based on financial records made available to the Bank (that is, financial audit for the fiscal years 2007 and 2008) and public expenditure reviews performed by other donors (such as DFID's review of the budget support performed in 2009 and the 2010 review of budget support by the Gesellschaft für Internationale Zusammenarbeit (GiZ), MINFOF, and MINEP). According to data obtained during donor joint supervision missions carried out in December 2009, the consumption rate of the external resources (first tranche) reached 86 percent (that is, 9.1 billion CFA francs out of the 10.6 billion allocated), whereas the utilization of internal resources stood at 96 percent for the MINFOF and 94 percent for the MINEP (as per 2008 data). The stakeholders' workshop held in Douala in November 2011 confirmed these figures.	
<i>Environmental and social monitoring.</i> The recipient has successfully implemented activities defined for 2006 in the EMP and established an environmental and social monitoring mechanism, as evidenced by work programs, reports, and implementation of mitigation measures.	Met
<i>Comments.</i> This trigger was formally achieved in 2009. The MINEP's Environmental Information System (EIS) is fully operational at the central level. The GéoBIEP Impact Monitoring Tool ( <i>base d'information et d'évaluation permanente</i> ), developed by the GiZ, was integrated into the EIS.	
<i>Sustainable management of production forests.</i> The recipient has: (i) reviewed management plans for all UFAs awarded before January 2002 and for all existing communal forests, and (ii) signed final concession agreements for UFAs with companies having fulfilled their obligations and taken appropriate measures against companies that are in violation of their obligations (including, as the case may be, the termination of the concession), all as evidenced by copies of the signed final concession agreements and relevant notifications to companies.	Not met
<i>Comments.</i> Based on the February 2012 assessment by the MINFOF:	

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(i) Management plans of all 65 UFAs awarded before January 2002 have been reviewed<sup>6</sup> and 64 were approved; 42 have an approved EIA. Of the 65 UFAs, 47 have been officially gazetted as part of the permanent forest estate. Six communal forests have reviewed and approved management plans, and seven have plans under preparation. 12 communal forests have a gazette decree already signed; another 28 are in preparation.

(ii) Final concession agreements (*conventions définitives*) have been signed for 20 out of the 65 UFAs. 19 of the concessions include a provision by the Government allowing for mining activities in the event of mines discovered in these UFAs. This is a potential threat to sustained management of forest resources. Three UFAs have been abandoned. For the remaining 42 UFAs, the conditions for signature of a final concession agreement are not yet fulfilled for a variety of reasons: no evidence of an existing or planned wood processing unit, no gazetting or missing EIAs.

Achievement of this trigger was the most important element of the DPO with respect to long-term sustainability of the forest sector. Without it, the long-term management of forests remains uncertain.

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*Wildlife and protected areas management.* Three focus UTOs have received a management effectiveness score (MES) between 40 and 55; three focus UTOs have received an MES between 20 and 40; one focus UTO has received an MES of at least 17, and one has received an MES of at least 6, all as evidenced by a third-party evaluation carried out on terms of reference satisfactory to IDA. Met

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*Comments.* This trigger was also considered as the GEO indicator. It was met in 2007. The assessment made by the WWF indicates efficiency scores that are higher than expected: 5 UTOs have an MES above 55 (Benue 79; Korup 77; Waza 76; Campo Ma'án 69; Mbam and Djerem 56); one has an MES between 40 and 55 (Boumba Bek-Nki 45), and two have an MES between 20 and 40 (Bakossi 28; Ndongoré 28).

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*Community management of forest resources.* Simple management plans of good quality have been prepared and/or satisfactorily implemented in 10 community forests, as evidenced by said plans, a report on their implementation has been prepared by the MINFOF and supervision assessments undertaken. Met

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*Comments.* This trigger was achieved in 2010. More than 10 (that is, 15) community forests are well managed in accordance with their simple management plan. This was formally confirmed by an assessment mission held by the MINFOF in January 2010. The October 2010 joint supervision mission was provided with a copy of the MINFOF report.

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*Institutional strengthening.* Satisfactory computerized financial management and monitoring mechanisms are operational within the MINFOF and MINEP at the central, provincial, and departmental levels and are consistent with the DEPMI, all as evidenced by documentation showing ongoing internal and external monitoring of the MINFOF and MINEP expenses and financial management. Met

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*Comments.* This trigger was met in February 2010. The computerized application for financial management (DEPMI Ordonnateur) is operational at the central level and is being deployed in the regions and departments. A presentation of the device was performed during the joint donor supervision mission in October 2010. This trigger was deemed met by the latter, although the DEPMI Ordonnateur was not fully operational at the decentralized level, owing to the time needed to shift from the former financial system (SICAF) to DEPMI, because of insufficient training of and equipment for the staff in the regions and departments.

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<sup>6</sup> As evidenced by reports from the MINEP on review of EIAs, monitoring implementation of mitigation measures in existing concessions.

<b>Tranche 3 (Triggers, as per Development Grant Agreement)</b>	
List of conditions	Status
<i>Budget allocation and execution.</i> As of December 31 of the fiscal year during which the second tranche was released, the recipient has committed not less than 75 percent of the fraction of its forest and green environment sectoral annual budget financed out of the grant, the GEF Trust Fund, and its own resources.	Not met
<i>Environmental and social monitoring.</i> An evaluation of the program activities' quantitative and qualitative impacts has been carried out, as evidenced by a publicly available report prepared on the basis of terms of reference defined in a participatory manner.	Not met
<i>Comments.</i> The terms of reference for an evaluation of the qualitative and quantitative impacts of the activities of the FESP were prepared in 2011 and the process to hire a competent consultant was underway.	
<i>Sustainable management of production forests.</i> Illegal logging is under control in all UFAs not awarded by December 2005 and in protected areas, as evidenced by satellite images used in the <i>Global Forest Watch Report</i> dated December 2005 and comparable satellite images and/or field visits of the same areas showing a significant decrease in the number of illegal logging roads in comparison to the level observed in 2005.	Not met
<i>Comments.</i> The World Research Institute recently updated the 2005 baseline data regarding illegal roads adopted at appraisal, which is now 1,024 kilometers. The institute will be commissioned to provide satellite images (terms of reference are under preparation) to measure the extent of illegal logging roads for the period 2008–11.	
<i>Wildlife and protected areas management.</i> Three focus UTOs have received an MES over 55; three focus UTOs have received an MES between 40 and 55; one has received an MES of at least 26, and one has received an MES of at least 17—all as evidenced on the basis of a third-party evaluation carried out on terms of reference satisfactory to IDA; the National Biodiversity Strategy and Action Plan has been updated and adopted by the MINFOF and MINEP; and the fraction of the Deng Deng zone retained for conservation purposes has been transformed into a wildlife reserve and the protection of this site has been guaranteed in the field. Terms of reference were prepared for an updated study to further review the scores.	Partially met
<i>Comments.</i> This trigger was achieved in substance. The MESs assessed by the WWF in 2007 were rated above the target values to be reached for the release of the third tranche. Terms of reference for a new assessment to update the 2007 scores have been prepared. The National Biodiversity Strategy and Action Plan have not been finalized. Beyond expectation, the total area of the Deng Deng retained for conservation has been converted into a national park, instead of a fraction of it converted into a wildlife reserve.	
<i>Community management of forest resources.</i> At least 90 percent of plantations established on state-owned gazetted land and previously under management of ONADEF (now ANAFOR) are reassigned to appropriate management structures, with competitive award of management contracts to the private sector, management contract with local communities, transformation into UFAs, integration into existing UFAs, transformation into protected areas with no productive purpose (conservation and/or protection), integration into national parks or environmental protection areas, or declassification of plantations into urban zones—all as evidenced by official signed acts by the MINFOF and/or MINEP in support of the new status.	Not met
<i>Comments.</i> 49 percent of plantations previously under ONADEF were reassigned. Out of the 17,306 hectares (ha) managed by the latter, 8,446 ha are now being managed under UFAs, 23 ha have become protected areas, 8,077 ha are planned to be transferred to municipalities, and 760 ha are awaiting reassignment.	

*Institutional strengthening.* At least 50 forestry facilities have been rehabilitated (including through infrastructure, equipment, and/or training) at the technical directorate, provincial, and departmental levels, as evidenced by upgrade reports, listings of works carried out, equipment bought, and field visits. Not met

*Comments.* Results show that 50 percent of the objective was met. The stakeholders' workshop held in Douala in November 2011 performed a review of all the investments toward forestry facilities. A list of investments was given to the Bank.

## 2.2 Major Factors Affecting Implementation

17. This operation encountered major delays. Six and a half years passed from the concept stage to effectiveness; and five years passed from effectiveness to closing, as shown in the following table:

Milestones	Date	Number of months	Number of years
Concept note review	February 22, 2000		
1 <sup>st</sup> Government decision meeting	September 9, 2003	43.17	
2 <sup>nd</sup> Government decision meeting	May 4, 2004	7.93	
Appraisal	May10, 2004	0.20	
Negotiations	October 3, 2005	17.03	6.58
Board approval	February 28, 2006	4.93	
Signing	June 20, 2006	3.73	
Effectiveness	September 18, 2006	3.00	
Closing of the operation	October 11, 2011	61.63	5.07

18. The initial delay was due mainly to: (i) the change of instrument from a Specific Investment Loan (SIL) to a DPO in the course of preparation, which required extensive consultations within the Bank to ensure the program's sound design, and externally, with the Cameroon Government, development partners, and NGOs, to ensure that this new instrument would be well adapted and understood by all stakeholders; (ii) the delay in the preparation and adoption of the Government's multidonor FESP, the sole instrument for donor support for forest sector development (the donor coordination process led by the Government was laborious, and the FESP was not adopted until June 2004); and (iii) delay in completion of prior conditions, mainly the restructuring of ONADEF into ANAFOR and adoption of several pending forest-related decrees.

19. Implementation was delayed owing to: (i) underuse of the IDA and GEF grant proceeds owing to a lack of understanding of the DPO flow-of-funds mechanisms in the ministries of finance (MINFI), forests (MINFOF), and environment (MINEP), after the departure of key staff involved in the preparation of the DPO<sup>7</sup>; (ii) institutional conflicts;

<sup>7</sup> Many of the FESP champions had left the ministries.

(iii) weak interministerial collaboration; (iv) multiple implementation committees; and (v) the delay in meeting the last trigger of the second tranche.<sup>8</sup>

#### Belated availability of funds

20. There was a lack of understanding by the MINFI, MINFOF, and MINEP of the budget-support mechanism and flow of funds procedures, mainly owing to the staff turnover mentioned above. Enhancement of stakeholders' technical and financial management capacity through the multidonor Basket Fund put in place to accompany implementation of the DPO and FESP proved insufficient. Until 2007 the Treasury appeared to be unaware of the central bank (BEAC) account into which budget-support resources were deposited and did not draw on those resources, which resulted in disbursement delays. Instead, it continued to use its own resources (such as the Special Fund for Forestry Development) to reach the DPO objectives. To address this issue, the Budget Act was amended in 2007 to mainstream budget support into the finance law, and a manual on budget-support utilization was developed. A DPO line was added to the Government budget by updating the budget coding system.

#### Institutional changes and conflicts

21. Poor cooperation between the MINFOF and MINEP deeply affected program implementation. The program was initially designed to benefit the Ministry of Environment and Forests, which was split into the MINEP and MINFOF in 2004. The former became responsible for component 1, and the latter for components 2–5. The two new ministries conflicted over their respective responsibilities on management of protected areas, and over the distribution of financial resources, which led the Government to establish a specific interministerial committee in a facilitation role. These conflicts, which persisted for four years, resulted in significant delays for environment-related activities under components 3 and 5. Because the MINFOF was managing the Basket Fund, the MINEP was at a disadvantage to receive funds for training and technical assistance, causing frustration.

22. *Conflict over financial resources.* During implementation of the DPO, the conflict was mainly over control of the budget for the environmental policy part of the DPO, because the newly established MINEP did not understand the nature of the operation and was insisting on getting its “piece of the pie” directly from the Bank. These kinds of conflicts could not be envisioned, especially because the Ministry of Finance clearly agreed to provide the MINEP with the necessary financing to implement its part of the program. For the Ministry of the Economy, Planning, and Regional Government (MINEPAT) the issue was different, because this ministry traditionally does not involve itself in implementation and would rather play a facilitating role between the Bank and

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<sup>8</sup> That trigger required the Government to have signed final concession agreements for UFAs with companies having fulfilled their obligations and to have taken appropriate measures against companies in violation of their obligations (including, as the case may be, the termination of the concession)—all as evidenced by copies of the signed final concession agreements and relevant notifications to companies.

the implementing agencies. This type of “conflict” had existed in other DPOs, for example, in Latin America, for which reason parallel technical assistance loans were developed to provide some direct support to the implementing ministry and to enhance their ownership of the DPOs, the resources from which normally went into the Treasury to help provide overall balance-of-payments support.

#### Weak interministerial cooperation

23. Weak interministerial cooperation also hampered several activities of the program. Completing the forest estate zoning plan, a successful MINFOF-led process that is essential for sustained forest management, was stalled soon after responsibility for the process was transferred to the MINEPAT. The latter did not take the zoning of the forest estate as a priority and made no efforts to stimulate and organize the much-needed cooperation among ministries in the sectors most relevant to this zoning process (for example, agriculture, mining, and infrastructure). Program objectives for the wood-processing industry in the South (see Policy Area 2 in the Program Document) and household energy in the North (see Policy Area 4 in the Program Document) were not reached, in a significant part due to weak cooperation between the MINFOF and the ministries of industry and energy.

#### Multiple implementation committees

24. The institutional structure organized to plan, coordinate, facilitate, and monitor implementation of the DPO was complex and did not perform in an efficient manner. The structure included regional planning committees in each of the regions where the program was active, five component program committees, the COMREM (*Comité chargé de la mise en œuvre de la revue institutionnelle, de la coordination et du pilotage du PSFE*), and the FESP facilitation committee, which was created to improve cooperation between the MINFOF, MINEP, and MINFI. These committees did not meet regularly, owing to Government funding constraints, and therefore could not closely monitor program implementation. The FESP facilitation committee (chaired by the MINFI) also had decision-making problems because its leadership was not at the appropriate level of authority. Furthermore, meetings were often chaired by a subordinate, further weakening the facilitation process. This committee could have been more effective if it had been led at the Prime Minister’s level.

#### Tranche 2 triggers

25. The trigger that related to final forest concessions<sup>9</sup> (also referred to as the UFA trigger) was the only tranche 2 trigger (of six) that did not reach its target value. From a target of 65 UFAs, only 20 obtained their final concessions (*conventions définitives*),

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<sup>9</sup> That is, the recipient has signed final concession agreements for UFAs with companies having fulfilled their obligations and taken appropriate measures against companies that are in violation of their obligations (including, as the case may be, the termination of the concession), all as evidenced by copies of the signed final concession agreements and relevant notifications to companies.



leading to nonrelease of tranches 2 and 3, and ultimately the failure of the DPO. The nonachievement of the UFA trigger was due to the decision by the Prime Minister's office not to sign the pending final concessions because of their nonconformity with article 50 (2) of the 1994 Forest Law, which required that each concessionaire build a sawmill in the area of the UFA to create local employment. Since there were 33 concession requests with sawmills inside the UFA, and only 20 were finally signed, it is clear that the nonachievement of the UFA trigger was also caused by other problems, other than the formal reason given by the Government. Among these are the inefficient processing of the concession dossiers by the MINFOF (including losing key documents, such as environmental assessments and even originals of the gazetting decrees, or *decrets de classement*).

26. It should be noted that the sawmill clause had created an overcapacity of wood processing in the country, which resulted in new concessionaires opting to associate with existing units and submitting their final concessions requests without a plan to create a new unit. The Presidency had proposed in the past that this be addressed by redrafting the forest law, a process that would take several years. Therefore, the Bank and the Government agreed in 2009 that an ordinance should be drafted for the President's signature that would alter the relevant section of the law to allow concession holders to have a single sawmill for multiple forest concessions, and for some concession holders that lacked sawmills to partner with existing sawmills rather than for each to build its own.

27. The ordinance was reviewed and cleared by the Prime Minister's Office and forwarded to the Presidency for signature, where it stalled. The Bank senior management team—during the November 2010 visit to Cameroon of the director of the Africa Sustainable Development Network (SDN)—requested the Prime Minister and the Minister of Forests to further follow up with the Presidency to sign the ordinance. Bank management (the AFTEN sector manager and staff based in the Cameroon country office, the sector leader, and the Country Management Unit) met with a senior adviser at the Presidency in February 2011 to follow up on the ordinance issue and later approached the Presidency to reiterate the need for a signature and for approval of the final concessions. Both the Presidency (during the February 2011 meeting) and the Minister of Finance (during the 2011 spring meetings of the World Bank and International Monetary Fund, and on other occasions) made clear that they did not perceive that permanent allocation of land to timber companies would bring “sufficient economic benefits to the State” (versus other land-use options). This Government perception could explain the delays in the final concession allocations and in promulgation of the ordinance (which would have removed the obstacle to the allocations).

28. A shortcoming on the Bank side that may have contributed to the Government's reluctance to sign the pending concessions is that while management was working with the Government to address the matter of the UFA trigger through the promulgation of a presidential ordinance, several supervision missions suggested that the trigger could either be reformulated or postponed to tranche 3 (see aide-memoire of June 2008, May 2009, and October 2010). These proposals may have raised expectations on the

Government side that tranche 2 could be released without full achievement of the UFA trigger. But the task team's suggested options were not viable, as they entailed the restructuring of the operation, which conflicted with the essence of the DPO instrument under OP/BP8.60. The confusion between the SIL instrument (which can be restructured) and the DPO (which cannot unless the unmet trigger is waived by the Board) could explain the task team's suggested strategies. Another important drawback of these options, independent from DPO rules, was that they were risky, given that there was no guarantee that postponing the issue to the third tranche would yield the desired results. Therefore, working with the Government to issue an ordinance appeared to be the best option to ensure sustainable management of forests.

29. Accordingly, the task team's proposals were not approved by management. Following the visit of the director of the Africa SDN to Cameroon in November 2010, the Cameroon country director wrote to the Government recommending that action plans be developed by the Ministry of Forests (i) for the fulfillment of the UFA trigger with target dates for end-January, March, and June 2011, and (ii) for the achievement of tranche 3 triggers before September 2011. The action plan was not achieved by the time the DPO was closed on October 11, 2011, at the request of the Government but precipitated through Bank discussions.

30. In reality, the forestry sector in Cameroon today faces increasing pressures, driven by growing demand for land for mining and industrial plantations and now backed by attractive investment opportunities. Economic opportunities in the mining sector, in particular, are likely to overtake those for the forestry sector at the highest levels of the Government. In addition to this, one cannot ignore the fact that there was likely "reform fatigue" following completion of the HIPC requirements on May 1, 2006, when the Government was probably not feeling ready to reengage in another set of reforms probably considered cumbersome, as opposed to actual investments on the ground.

31. A general shift in the Government's focus and interest can be observed—from sustainable livelihoods and natural resources management at the time the DPO was prepared toward a greater emphasis on economic growth and employment in the latter years of its implementation. Although the forestry sector is a key source of employment, it appears to have been facing new competition from other sectors in the recent growth and employment strategy (*stratégie pour la croissance et l'emploi*).

### **2.3 Monitoring and Evaluation (M&E) Design, Implementation, and Utilization**

32. *Design.* The design of the M&E system was based on (i) the "Policy Matrix of Key Actions and Indicators" (annex 1 of the Program Document), which details the baseline and expected outcomes for each component, the conditions for tranche release, and the key milestones of the program, and (ii) the "Monitoring and Evaluation Indicators and Baseline Values" (annex 10 of the Program Document), which described, for each condition and milestone, the results indicators, their baseline and target values, and the verification source.

33. Overall, the indicators used to monitor and evaluate implementation of the program were relevant and well structured to measure the outcomes expected from the DPO. But the 0-or-1 rating system adopted for many indicators was not suitable for measuring the intermediate progress achieved by several aspects of the program (that is, key steps actually taken in upgrading/developing a system or a policy, with only few steps left to make the system or the policy operational).

34. *Implementation.* The Government was in charge of implementing the M&E system, with core responsibility given to a monitoring unit (*cellule de suivi*) within the MINFOF. Some external monitoring of the program was provided under an independent review commissioned by the MINFOF and by the joint donor supervision missions organized on a yearly basis. The MINFOF established a set of M&E procedures pursuant to a manual developed in a participatory manner and issued in early 2007. The manual fully integrated M&E in the planning and implementation process of the FESP as a whole. Collecting and synthesizing data on past activities were supposed to be performed using the same bottom-up approach used to plan future activities. Regional planning committees, component program committees, the COMREM, the monitoring committee, and the FESP facilitation committee were to meet twice a year to plan and to feed the M&E system.

35. The system worked reasonably well, with a few shortcomings resulting from inadequate funding of M&E activities. It produced annual reports and *Rapports de rendement* (progress reports) that provided cumulative assessments of progress of the FESP activities. But it was not fully able to meet the needs of the Bank. The system could not cope with the diversity and complexity of the FESP. Only one annual meeting could be organized at each level of the planning/M&E process because of funding constraints (because they were not eligible for Bank or other donor support, such meetings were funded only partially by the Government); and planning was thus given precedence over M&E, often resulting in incomplete data collection and superficial evaluation of indicators. Because of the same funding constraints, little verification of data could be organized in the field. Finally the *Rapports de rendement* ended up feeding into a matrix, known as “CIDA matrix,” developed with Canadian bilateral assistance. This matrix was designed to monitor and evaluate the FESP at large, beyond the activities funded by the Bank. To meet the needs of the Government and of all the donors supporting the FESP, it gradually superseded and deviated from the World Bank matrix presented in annex 10 of the Program Document, which was eventually effectively ignored by the M&E system as implemented by the MINFOF.

36. External monitoring proved helpful but did not seem to make a real difference. Only one late independent review was carried out in 2010. This review was descriptive, rather than analytical, and mainly highlighted the positive aspects of the implementation of the FESP. The joint donor supervision missions gave good opportunities for donors and Government representatives to assess results in the field. But they focused mostly on conditions for tranche release and often overlooked broader aspects of overall program implementation. In addition, these missions referred to the *Rapports de rendement* and the CIDA matrix during most of the DPO implementation and also gradually abandoned the annex 10 matrix. When, in the end, they had to return to the latter, it became difficult to quantify indicators with the same level of accuracy.

37. *Utilization.* The M&E system served mainly as an overall reporting tool and as the instrument used to assess progress for tranche release. It helped only partially in assessing the overall outcomes and results achieved by the DPO because its indicators were not quantified with the same level of reliability and accuracy.

## **2.4 Expected Next Phase/Follow-up Operation (If Any)**

38. No follow-up operation or next phase was planned when the ICR was prepared. But the need for continuing some level of dialogue in the forestry sector is acknowledged. The intensity of that dialogue must be guided by the findings of the ICR and the present political economy of the sector.

## **3. Assessment of Outcomes**

### **3.1 Relevance of Objectives, Design, and Implementation to Current Country and Global Priorities, and Bank Assistance Strategy**

39. *Relevance to past global country priorities.* At the time of project preparation, the project objectives were highly relevant to the Government's global priorities of ensuring macroeconomic stability, reducing poverty, investing in social services, and making progress on privatization and reform of the forestry sector. These priorities were also triggers for Cameroon to reach the Heavily Indebted Poor Countries (HIPC) initiative completion point, which became effective on May 1, 2006. In line with the forestry sector reform, the Government, in coordination with its development partners, including the World Bank, was engaged in the preparation of a 10-year FESP to implement reforms in the sector. The FESP was adopted in June 2004. The DPO objectives were in line with the FESP, as well as with the 2003 results-based country assistance strategy (CAS), by supporting two poverty reduction pillars: (i) improvement of pro-poor economic management and service delivery and (ii) economic diversification and accelerated growth. The operation was also meant to make the transition from project-specific investment to programmatic policy-based lending that the CAS prescribed for FY 04–06, and was therefore used as a pilot program for sectoral budget support in Cameroon.

40. *Relevance to current global priorities.* The project objectives remained relevant throughout implementation and are relevant to the current CAS (FY10–13), more particularly with respect to its first strategic theme (“increasing Cameroon’s competitiveness”) and its axis 2 (“activities geared toward ensuring the transparent, equitable, and sustainable use of natural resources, including mining, agriculture, fisheries, and protected areas”). The FEDPG is key to achieving CAS outcome 6 pertaining to improved transparency, equity, and sustainability in the use of natural resources.

41. *In the context of current development priorities* expressed in the Government’s Vision 2035 and the new PRSP for the 2010–20 period, the program objectives appear to be less relevant than during its preparation and implementation period. The time elapsed

between setting the program's goals and the latter years of its implementation was so great that the national policy agenda moved on, putting more emphasis on economic growth and employment. "Cameroon Vision 2035" serves as the long-term anchor for the PRSP, known as the Growth and Employment Strategy (*Document de stratégie pour la croissance et l'emploi*, DSCE). The Government's current declared long-term development priorities are: (i) to reduce poverty to less than 10 percent, (ii) to become a middle-income country, (iii) to industrialize, and (iv) to consolidate democracy and national unity. To achieve this national vision, the strategy aims at increasing growth, employment, and industrialization. The forestry and environment sectors, in general—and the sustainable use of national forests and wildlife resources, in particular—are not explicitly identified as priority growth and employment avenues for the development of the economy. Rather, emphasis is put on value chains that add more value within the country and improved competitiveness through the use of natural resources, including mining and extensive agriculture (which, if not managed properly, could have a significant adverse impact on the sustainable use of such resources).

42. Although the Government changed its priorities, the forest industry remains a very important employer in Cameroon (in both the formal and informal economies), and fuel wood is a major source of energy. In the context of a jobs-and-industry-oriented growth strategy, a well-managed forest industry and small- and large-scale fuel wood and charcoal production have a role to play in meeting domestic demands, just as much (and perhaps more) than supplying external markets. This is important because "becoming a middle-income industrialized country with growth and jobs" and having a vibrant, well-managed forest sector with a transparent investment environment can go hand in hand. The operation was "about" this, and so in that regard is still highly relevant.

### **3.2 Achievement of PDOs**

43. Achievement of PDOs is measured through the PDO/GEO) outcome indicators, tranche triggers, and milestones. The PDO/GEO outcome indicators, as described in section F of the datasheet are worded differently from the Program Document for the purpose of the ISR system. But they are broadly in line with the policy matrix in annex 1 of the Program Document which provides a much more thorough basis for assessing PDOs. The ICR will therefore base its assessment on the policy matrix.

44. PDOs and GEOs are combined "to strengthen public and private efforts to achieve socially, economically, and ecologically sustainable use of national forest and wildlife resources." In line with ICR good practice and guidelines, and considering that "the DO is so broad and/or vaguely worded as to preclude a meaningful evaluation" (ICR Guidelines-OPCS, August 2006, updated on May 10, 2011), the assessment of achievement of the development objective is inferred from associated outcome targets as defined at the component level in the policy matrix. To achieve its overall development objective, the FEDPG had 14 interdependent outcomes (defined in the policy matrix) to be pursued under the 5 components. The table below describes the FEDPG's 14 proposed outcomes and their actual degree of achievement.

45. Compared with the baseline outlined at the component level (see Policy Matrix of Key Actions and Indicators, annex 1 of the Program Document), and based on the assessment provided in the table below, the overall achievements of the operation appear modest.

46. However, the GEO level indicator, that is, an “increase of average protected area management effectiveness score (MES) from 28 to 50+ for 8 key protected areas existing in 2005” was fully achieved, thereby adhering to the GEF Strategic Objective 1 (SO-1, to catalyze sustainability of protected area systems) and Strategic Program 3 (SP3, “Strengthening Terrestrial Protected Area Networks”) of the GEF Biodiversity Program. Considering this, the project’s overall achievement with respect to the GEF’s concerns was substantial.

Outcomes and Evidence of Achievement	Status
<p><b>Outcome 1 (component 1, implemented by MINEP).</b> <i>Adequate regulatory instruments and institutional capacity enable the Environment Ministry to monitor and evaluate the social and environmental impact of national forest policies and programs, particularly the impact of the FEDPG. Public consultation mechanisms and collaboration with civil society are improved.</i></p>	Achieved
<p>This outcome was linked to two tranche 1 prior actions, and one condition for the release of the second tranche.</p> <p>(i) Regulations on environmental impact assessment (EIA) were issued and the decree on EIA was satisfactory to the Bank. The Government adopted general regulations on EIA procedures and standards in 2005 through a decree (2005/0577/PM–23/02/2005) and an enforcement regulation (<i>arrêté</i> 0070/MINEP–22/04/2005) spelling out the activities subject to an EIA. Three other <i>arrêtés</i> provided rules for EIAs (00001/MINEP–03/02/2007), procedures allowing consulting firms to perform EIAs (00004/MINEP–03/07/2007), and terms of reference specific to EIAs in production forests (plantations and reforestation) and communal forests (00002/MINEP–13/02/2007).</p> <p>(ii) Suitable premises and a team of adequately trained and fully equipped staff were assigned to monitor and evaluate the implementation of the FEDPG’s environmental impact mitigation plan (EMP). The organizational chart of the Ministry of Environment and Nature Protection (MINEP) was approved (Decree 2005/117, adopted on April 14, 2005; Decree 2005/496, adopted on December 31, 2005). To date, out of the 596 positions listed in the organizational chart of the MINEP, 482 positions are filled (81 percent of the objective).</p> <p>(iii) FY 2005 EMP activities were carried out with adequate institutional capacity for social and environmental monitoring.</p> <p>(iv) As regards public consultations and collaboration with the civil society, see outcome 14.</p>	
<p><b>Outcome 2 (component 1).</b> <i>The public has access to information on the environment and the management of public environmental goods.</i></p>	Partially Achieved
<p>This outcome was implemented by the MINEP. The MINEP has created an environmental information system (EIS) that is online (<a href="http://www.SIE-cameroun.com">www.SIE-cameroun.com</a>), and is also made directly accessible to the public through the CIDE (<i>Centre d’Information et de Documentation sur l’Environnement</i>), located in the MINEP, thanks to a facility providing computers and tutorial support to selected users (primarily students and NGOs). The EIS fully integrates the German Cooperation Agency’s (GIZ’s) GéoBIEP system. Further integration of other environmental information systems, such as the EMIS and the CPSP/CAPECE information system, has not been achieved, although planned since 2009.</p>	
<p><b>Outcome 3 (component 2, implemented by MINFOF).</b> <i>100 percent of production forests allocated, 75 percent managed according to approved FMPs, and the remainder having FMPs under preparation.</i></p>	Achieved

According to the MINFOF's February 2012 assessment of the situation of all forest management units (UFAs) awarded in Cameroon since 1996, 83 out of a total of 92 (or 90 percent) have an approved management plan (PDO indicator 1). All management plans have been reviewed.

<b>Outcome 4 (component 2).</b> <i>Illegal logging is halted or very significantly reduced in state-managed forests (in production and protected areas), and violators of the forest code are actively and publicly pursued.</i>	Partially achieved
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As per the third trigger to release the third tranche—halting or reducing illegal logging, as evidenced by satellite images assessing the extent of illegal forest roads—could not be documented (PDO indicator 2). Although illegal logging has been significantly reduced and strong action has been taken (limitation of *petits-titres*) in nonpermanent State forests (which was not subject of the trigger), it has not been fully halted. Illegal logging in unallocated UFAs and Protected Areas was measured by the World Research Institute in 2008 using a very specific methodology. They were to repeat this assessment in 2011, and terms or reference were prepared. But due to the fact that it was becoming clear that the Government was failing to meet trigger 2, pressure to achieve all tranche 3 triggers was reduced.

The national forest control strategy is implemented. From 2006 to 2011, the coverage rate of forests visited by the Central Control Unit (UCC) of the MINFOF and/or by regional control brigades each year, with the support of the independent observer, increased from 60 percent to 100 percent. Violations are published now quarterly in official and private newspapers. But there was a long period (several years) when violations were not published regularly, which was subject of much criticism by the civil society.

<b>Outcome 5 (component 2).</b> <i>A draft land-use plan is prepared collaboratively by concerned ministries through a highly participatory process.</i>	Not achieved
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The ministries of planning, land administration, forests and environment, and agriculture and animal husbandry have not yet agreed on a common approach to land-use/zone planning for areas not yet covered (zones 6 and 7 and the Northern Provinces), and the forest-zoning plan earlier prepared by the MINFOF for zone 5 has not yet been validated by the Government. A specialized firm has been selected to undertake socioeconomic surveys, mapping, and other tasks related to land-use planning in preparation for the zoning of zones 6 and 7.

<b>Outcome 6 (component 3, implemented by MINFOF).</b> <i>50 percent of protected areas achieve a satisfactory management effectiveness rating. Endangered species are effectively protected.</i>	Achieved
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Pursuant to the fourth trigger for the second tranche and the fourth trigger for the third tranche, the management effectiveness scores of protected areas assessed by the WWF for the eight focus UTOs (Technical Operational Unit) in 2007 were rated above the target values to be reached for release of the two tranches (a GEO indicator), thus confirming that endangered species were reasonably well protected in the eight focus UTOs.

<b>Outcome 7 (component 3).</b> <i>Local communities participate in the management of protected areas and hunting zones.</i>	Partially achieved
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Existing regulations relevant to participatory development, approval, and implementation of management plans for protected areas clearly stipulate local people's rights and obligations in protected areas, particularly with respect to: (i) modalities of access, (ii) type of activities allowed, (iii) implementation of agreed regulation, and (iv) conflict resolution mechanisms and application of sanctions. So far, 10 management plans for protected areas have been developed along these lines and approved.

No community-based wildlife management plan was prepared, and only terms of reference for preliminary studies were prepared. Community hunting zones are managed on the basis of a *Cahier des charges* signed by the communities and MINFOF.

<b>Outcome 8 (component 3).</b> <i>Forest logging companies implement biodiversity protection measures in concessions located near ecologically sensitive areas.</i>	Partially Achieved
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FMPs incorporate measures to protect wildlife and preserve biodiversity. All FMPs were reviewed and are being implemented under regular control by the MINFOF's central and regional control units. But reports by the independent observer show that about 40 percent of logging companies comply only partially or not at all with the requirements of their FMPs. A GiZ-financed study also clearly showed that the quality of FMPs was often not good, or consistent.

<b>Outcome 9 (component 3).</b> <i>The foundation for modern and autonomous management of protected areas and wildlife has been created.</i>	Achieved
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The MINFOF and MINEP made regulatory, institutional, and financing adjustments to conform with the 2003 Wildlife and Protected Area Strategy. With respect to regulations, decree 95/466 on concession procedures, surveillance, contractual obligations in ZIC/ZICCGs (*zone d'intérêt cynégétique*), and community access to wildlife management (for example, the MINFOF *cahier des charges* appended to game and wildlife management contracts with communities in the vicinity of protected areas) was revised. With respect to institutions for autonomous Protected Areas and wildlife management, nonessential functions were delegated to private entities and local communities (for example, the MINFOF *arrêtés* allocating 25 ZICCGs to local communities). With respect to financing, measures were taken for the utilization and distribution of revenues and taxes, diversification, budget and financial control, and partnership with foundations (for example, Joint Ministerial Order 520 on the management and redistribution of forest and wildlife taxes).

<b>Outcome 10 (component 4, implemented by MINFOF).</b> <i>A comprehensive incentive framework stimulates communities to engage in and benefit from: (i) community-based management of natural forests and hunting zones; (ii) tree planting; and (iii) woodland management of trade in wood fuels.</i>	Not achieved
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Although 15 community-based management plans (*plans simples de gestion*) were successfully implemented (fifth trigger for the second tranche), the MINFOF has not yet enacted regulations to stimulate the development of community woodland management or fuel wood master plans and tree planting schemes by communities, individuals, and investors. This appears to be due to the MINFOF's unwillingness to decentralize its power over forest management to the community level. This is a significant failure of the Program.

<b>Outcome 11 (component 4).</b> <i>All state-owned plantations and other areas previously under the National Office for the Development of Forests' (ONADEF's) responsibility are reassigned to more appropriate management structures.</i>	Partially achieved
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With reference to the fifth trigger for release of the third tranche, only 49 percent of the 17,306 hectares of previous ONADEF plantations were transferred to more appropriate structures.

<b>Outcome 12 (component 5, implemented by MINFOF).</b> <i>Revitalized public institutions are able to provide fundamental oversight and management services at the field level.</i>	Partially Achieved
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Public institutions were revitalized based on the following three criteria: (i) human resources, (ii) computerized financial management, and (iii) rehabilitation of offices.

*Human resources:* All the MINFOF vacancies are filled, both at the central and local levels, and job descriptions revised (condition for first tranche release). The management of the MINFOF personnel has been improved through the SIGIPES (*Système Informatisé de Gestion du Personnel et de la Solde*). Personnel have been trained on policy, law, and regulation (2,000 man-days of training were provided on these topics) and incentives (such as performance awards) were introduced. But these incentives were ineffective. They were only aimed at some staff and not performance based, but became entitlements, regardless of performance. This was a significant failure of the program.

*Computerized financial management.* The MINFOF and MINEP managers at the central level are using the new financial management software named “DEPMI *Ordonnateur*” for financial management and control of public expenditures; SICAF, the software previously used, has been abandoned, a condition for second tranche release).

*Rehabilitation of offices:* 25 new facilities were built or rehabilitated, a condition for third tranche release.

<b>Outcome 13 (component 5).</b> <i>The National Agency for Forests Development (ANAFOR) is successful in its new capacity to support private tree planting and has shed the old functions of the ONADEF.</i>	Partially achieved
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The ANAFOR (the new National Agency for Forests Development which replaced ONADEF) is not yet fully operational since the National Program for the Development of Forest Plantation (PNDPF), which is supposed to be its core strategic and planning basis, is not yet ready. The same goes with the Fund for the Development of Plantations (FDP), which should be its main instrument to fund the development of forest plantations. But the ANAFOR made significant progress in improving the regulatory environment for smallholders forest plantations, developing its staff capacities in line with its specific new mandate, informing stakeholders, and transferring the ONADEF plantations to more appropriate management structures.

<b>Outcome 14 (component 5).</b> <i>The MINFOF effectively enforces forest laws and regulations and maintains a constructive dialogue with the private sector and civil society.</i>	Partially achieved
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Results show some progress has been made in law enforcement. This could be reflected by the ratio between the number of sanctions effectively applied to the number sanction decisions related to illegal exploitation. That ratio grew from 37 percent in 2007 to 60 percent in 2011 (intermediate outcome indicator 2). But several cases were never properly recorded and submitted as “cases for judgment.” Regular consultations with the private sector (*comités consultatifs*) are held through at least six meetings a year. Multipartner consultations are also held at the regional level to prepare and monitor annual work plans.

*Source:* Outcomes from policy matrix of key actions and indicators, annex 1, Project Document; evidence of achievement from the PDO indicators and M&E indicators identified in annex 10 of the Project Document.

### 3.3 Justification of Overall Outcome Rating, Combining Relevance, and Achievement of PDOs

#### *Rating: Unsatisfactory*

47. This operation achieved some positive results despite the difficulties encountered in its execution. First, all 18 prior actions of the first tranche were achieved, leading to the disbursement of \$13.6 million of which \$9.8 million (from IDA) and \$3.8 million (from GEF) on September 18, 2006, before the original planned disbursement date of September 30, 2006. Second, despite the nonrelease of tranches 2 and 3, totaling \$21.4 million (of which GEF gave \$6.2 million and IDA \$15.2 million), 8 of the 14 outcomes (57 percent) were either fully or partially achieved. The main reason for rating the overall

outcome unsatisfactory is the fact that the one tranche 2 trigger that was not achieved was the most important part of the operation with respect to long-term sustainability of the forest sector. Without it, the long-term management of forests remains uncertain. Furthermore, failure to complete this trigger led to the closure of the project without further disbursement over the five-year duration of the operation, thereby totally defeating the fast-disbursing purpose of the DPO.

48. More importantly, some of the unachieved indicators—for example, halting illegal logging, preparation of a draft land-use plan, enforcement of forest laws and regulations, participation of communities in the management of protected areas and hunting zones, implementation of biodiversity protection measures by forest-logging companies—have undeniable implications for the sustainable use of national forest and wildlife resources by public and private stakeholders and, thus, for achievement of the PDO/GEO of strengthening public and private efforts to achieve socially, economically, and ecologically sustainable use of national forest and wildlife resources.

49. Finally, substantial delays and issues in achieving some of the outcomes, along with the cost to the Government and the Bank of keeping a program running this long and then not achieving the desired outcomes or disbursing the full amount of the DPO, reflect shortcomings in efficiency, whereas apparent inconsistencies in the country's current development priorities point to shortcomings in relevance. Thus, the overall outcome is rated *Unsatisfactory*.

### **3.4 Overarching Themes, Other Outcomes, and Impacts**

#### *(a) Poverty impacts and social development*

##### Poverty impacts

50. Although there was no specific indicator in this regard, FEDPG components 2, 3, and 4 had an impact on poverty reduction. An evaluation was not conducted to substantiate this, but the ICR mission had discussions with stakeholders, including a UFA, one with a signed final concession, that provided relevant evidence. This UFA informed the mission that “improved management of [the] UFA has resulted in local employment to meet the demands of forest management plans, to do field work (for example, forest inventories, organized felling and skidding, registration of stumps and logs) and administrative work (for example, recording field data, preparing the documentation required by the forest and customs administrations). Improved management of wildlife and protected areas is also bound to provide employment in relation to tourism and hunting. Direct income to neighboring communities is generated by activities, such as hunting, allowed in the protected areas or in their buffer zones.” According to people engaged in community forest management encountered during the ICR mission, this activity has provided the community with income from wood sales, increased employment opportunities (for example, inventories, felling and processing of logs, manual transportation of sawn products, provision of food to field workers, and some administrative work), and also additional indirect benefits, such as improved access to and control over the forest land allocated to the community.

51. Although this impact could not be quantified during the FEDPG implementation, it will be possible to do so in the future as the result of the *Base d'information et d'évaluation permanente* (GéoBIEP), an impact-monitoring tool developed with German support and now integrated in the Environmental Information Management System recently developed by the MINEP with the FEDPG support. GéoBIEP was designed to link forest management with the evolution of poverty levels, governance, and natural resources. To date, however, no poverty data are available to document changes since 2007 and evaluate how the latter relates to the FESP in general and to the FEDPG in particular.

#### Social development

52. FEDPG policy areas 2 and 4 also affected social development in forest areas. Under the modern forest management plans (FMPs) of UFAs, concessionaires are delivering various social services to the population under a *Cahier des charges*, which is negotiated with village communities and stipulates the concessionaires' social obligations (for example, building schools and health centers, maintaining roads and bridges, building sawmills to provide jobs locally, or creating facilities for poultry farming to replace bush meat). This social impact is particularly important in UFAs managed under a certification scheme. In the most successful communal forests, a significant part of the revenues generated by wood sales is also used to fund some social investments, mainly schools and village health centers.

53. The FEDPG has also helped to consolidate the achievements of SAC III regarding redistribution of the proceeds of the annual forest fee (*redevance forestière annuelle*, RFA) at the local level for development initiatives. It advocated for an improved culture of transparency (through the regular publication of forest fees in newspapers), which is crucial due to prevalent corruption risks. In addition, the findings of a 2007 Review of the use of local forest tax revenues has indicated an urgent need to strengthen the governance of the RFA and the larger system of political representation in which it operates. To date, the RFA functions under Joint Order 520/MINATD/MINFI/MINFOF of June 3, 2010 (enforced by the Finance Law 2009/019, under which non-forest-producing councils are included as beneficiaries of the forest royalties). Joint Order 520 provides that 10 percent of the RFA proceeds are directed to the local population (*communautés villageoises riveraines*, 90 percent for investments in micro-projects and 10 percent for operating costs), 20 percent to municipalities located in forest areas (forest-producing councils), and 20 percent to fund projects drafted by the national fund for strengthening municipalities (*Fonds Spécial d'Équipement et d'Intervention Intercommunale*, FEICOM). The remaining 50 percent goes to the state treasury. Tax revenues collected by local governing bodies are to be directed to finance microprojects that deliver local public goods, such as social infrastructure and rural roads. The quality of these microprojects (targeting and implementation) would have benefited from further assessment. But in the course of program implementation, the RFA allocation key was revised and the new formula is less attractive for communities near forest concessions. Under political pressure, 20 percent of revenues are now channeled through the FEICOM to all municipalities in Cameroon.

*(b) Institutional change and strengthening (particularly with reference to impacts on longer-term capacity and institutional development)*

54. The MINFOF and MINEP were the first ministries in Cameroon to adopt, during the implementing phase of the FESP, a new results-based budget allocation to sector programs. Capacity for operational planning, monitoring, and evaluation improved significantly after regular supervision by technical assistants (for the preparation of annual work plans and activity reports). A central and transparent system for planning, budgeting, and monitoring all ministry activities (the DEPMI Ordonnateur) became operational in 2011. An audit of the multidonor budget-support mechanism for FY07 and FY08 demonstrated weaknesses in record-keeping and accountability, but, according to the ISRs, the situation is reported to have improved in FY09 and FY10. The MINFOF and MINEP are now recognized as vanguards in the field of the results-based program budgeting and serve as examples for other ministries. Under the *Document de stratégie pour la croissance et l'emploi*, this approach will be integrated gradually in all other sectoral ministries as part of the implementation of administrative reform.

*(c) Other unintended outcomes and impacts (positive and negative)*

55. In the context of the lack of subsequent Bank disbursements owing to the unfulfilled condition for the second tranche, the Government (more particularly the MINEP) prefinanced and pursued environmental activities following its medium-term expenditure framework and annual workplans. An external evaluation in 2010 reported that, from budget support of 1.03 billion CFA francs, the MINEP had eventually disbursed 1.595 billion (as of 2009). Besides, a number of supervision missions (June 2008, May 2009, and October 2010), suggesting that signature of the remaining final concession agreements could be postponed to the third tranche, might have reinforced the Government's expectations that the trigger issue would be solved and second tranche funds released. When it became official that the FEDPG would be closed, the Government requested that the Bank reimburse it (about 10 billion CFA francs according to the Government's ICR) for the activities that were prefinanced. During the ICR mission, the Government reiterated its request to be reimbursed for funds expensed and the Country Management Unit representative explained that this was not doable according to the Bank guidelines.

56. This reinforces the fact that the newly created MINEF did not understand the purpose of the DPO, which do not provide funds for specific investments for Ministries, but are essentially balance of payments support through the provision of rapid injections of foreign exchange (against the meeting of a set of conditions/triggers for specific tranches) to the Treasury.

### **3.5 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

57. Consultations were conducted by the ICR mission in February 2012 with civil society organizations (CSOs, NGOs represented by their apex organization), representatives from a communal forest, and several delegates from the private sector

(concessionaires and wood-processing industries). Overall, CSOs have emphasized an important number of issues and expressed critical concerns (see annex 2 for more details) as follows: (i) although CSOs were involved in program formulation, participation in program implementation was very limited and unsatisfactory (for example, the CSOs were not involved in the preparation of annual work plans, and no mechanisms were devised to fund NGO involvement in program implementation); (ii) the procedures manual for managing and acquiring community forests was a success and has improved communities' access to natural resources (no data was provided by the CSOs to substantiate this); (iii) the adoption of the regulation regarding the redistribution of annual forest fees is a significant benefit from the program to communities and local governments<sup>10</sup>; (iv) the FESP and FEDPG are credited by the private sector for the improvements resulting from mandatory forest management plans and for more professional and equitable forest control, law enforcement, and application of penalties; and (v) the FESP and FEDPG fell short of providing the forest industry with the fiscal incentives that were much in demand by the private sector to promote lesser-known species and exports of processed wood.

#### **4. Assessment of Risk to Development Outcomes**

58. Risks to development outcomes and sustainability are assessed against institutional support, political/Government ownership, and environmental and social risk criteria.

*Rating:* Given the risks and the mitigation measures presented below, the overall risk to the development outcome is rated *Significant*.

59. *The institutional support risk to development outcome is moderate.* Through the results-based budget-allocation approach to sector programs, the FEDPG contributed greatly to institutional strengthening (through improved financial transfer mechanisms between the Treasury and line ministries and preparation of annual work plans at the national and regional levels), empowerment, and capacity building. Although some gaps (cumbersome and nontransparent procurement procedures) still need to be filled to ensure sustainability, the MINFOF is now considered as a positive example in Cameroon for implementing results-oriented programming, budgeting, and monitoring.

60. *The environmental risk to development outcome is significant.* The FEDPG significantly improved the management of wildlife and protected areas, promoting environmentally conscious management of production forests. The sustainability of outcomes, however, may be at risk for three main reasons: (i) the lack of predictable and adequate funding that may affect the sustainability of the protected areas network; (ii) increasing pressure from other sectors (commercial agriculture and mining) on forest resources; and (iii) the absence of coordination between line ministries (MINFOF, the MINEPAT, the Ministry of Agriculture and Rural Development, and the Ministry of

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<sup>10</sup> After the initial formula was very beneficial for forested communities, it was revised to be more evenly shared across Cameroon, thereby diminishing benefits for communities

Industry, Mines, and Technology Development [MINIMIDT]) to agree on land-allocation measures and use. The risks of allowing mining activities in the permanent forest estate are particularly significant given that the MINIMIDT grants operating permits to mining companies without consulting with the forest and environment ministries. Furthermore, the allowance of mining activities in the final concession agreement appears to be a highly significant risk for the sustained management of forest resources and protected areas. There are already many examples where mining exploration permits have been issued that overlap with Protected Areas and Forest Concessions.

61. *The social risk to the development outcome is low.* The FEDPG played a major role in altering the forest taxation system (RFA) to transfer revenues to local governing bodies for development initiatives. There is a low probability that the Government will overturn social reforms begun under the SAC III and reinforced under the present DPO that have boosted local development.

62. *Government ownership and political risks to the development outcome are significant.* Government ownership, which seemed strong during preparation, declined during project implementation period, mainly due to shifting national priorities from forestry to mining and industrial agriculture, the root cause of the nonsignature of the final concession agreements. But the risk to the development outcomes may be considered *moderate*, since the Government signed the Voluntary Partnership Agreement (VPA) with the EU under the auspices of the Forest Law Enforcement, Governance, and Trade (FLEGT) initiative in 2010. As previously noted, significant political risk to development outcomes, however, resides in the lack of interministerial coordination and vision on land use. In this regard, the FEDPG missed the opportunity to establish, under the leadership of the MINEPAT, institutional mechanisms to strengthen collaboration between ministries.

## **5. Assessment of Bank and Borrower Performance**

### **5.1 Bank Performance**

*(a) Bank performance with respect to quality at entry (that is, performance through the lending phase)*

***Rating: Unsatisfactory***

*Quality at entry*

63. *Background analysis.* The DPO background analysis was generally adequate. The background analysis reviewed the Bank support to the Cameroon forest sector which started in 1978 supporting small-scale industrial plantations and erosion control and later in 1982, a \$17 million forest project was approved. Owing to poor implementation, this project closed in 1990 with cancellation of \$12 million. As indicated in the Program Document (page 12), the background analysis highlighted lessons learned from this failure as well as results of the policy dialogue (1990–97) between the Bank and the

Government to enhance the country policy framework. The Program Document also identifies (page 13, para. 51) a series of analytical studies that were undertaken during preparation, further substantiating the adequacy of the background analysis at entry.

64. *Lessons reflected in project design.* The project design benefitted from the following lessons (Program Document, page 12): the 2002 evaluation of overall World Bank involvement in the forest sector in Cameroon (OED, ISBN 0-7658-0940-0); (ii) the 2003 evaluation of quality at supervision by the Bank's Quality Assessment Group (QAG SAC III, Review of Quality of Supervision Report); and (iii) the evaluation of the GEF-supported Cameroon Biodiversity Conservation Program. Specific lessons that informed the project design through these reports are presented in the box below drawn from the Program Document, one of which being that results-based instrument tends to be more effective than traditional lending instruments:

(i) To ensure success of reforms and reform implementation efforts, development partners should work not only with the executive branch of the Government, but with a broader range of partners including the legislature, the public at large, NGOs, and community development partners; (ii) Getting the correct framework and high-level Government buy-in are more important than physical investments. Through the forest component of SAC III, the Bank realized that, unless healthy institutions are created and distortions eliminated, results on the ground cannot be achieved; (iii) Forest sector reforms require a clear understanding of issues and options by all stakeholders. Clarity of expected outcomes, a focus on fundamental objectives, and flexibility to adapt to changing situations are important factors for the success of forest sector reforms and operations; (iv) Creating a strongly appropriate regulatory, institutional, legal, and incentive framework is critical for achieving desired goals. Establishing an effective and legitimate rule of law provides a balance between positive incentives that reward compliance to the law, and the deterrent value of penalties for breaking the law; (v) In the context of Cameroon's forest sector, a results-based instrument such as sectoral structural adjustment tends to be far more effective and feasible than other types of lending instruments; (vi) Biodiversity values should be given more prominence in land use planning. Individual area-based project interventions can be very complex to manage and are less likely to have an enduring impact than broad landscape-based national programs

65. The project design also took into account the lessons from the July 2000 Cameroon country case study entitled "Forest Sector Development in a Difficult Political Economy" undertaken by the Operations Evaluation Department, World Bank (OED). The project team, fully knowledgeable of the forest sector issues in Cameroon, also provided inputs<sup>11</sup> to this study.

*Assessment of project design.* The project design was informed by all the above cited lessons, as reflected in the policy areas covered by the DPO. Furthermore, the DPO was crafted based on extensive internal and external consultations to ensure buy-in at all levels, especially by the Government and forest sector stakeholders. "The design was embraced by all donors, cited as innovative by the Board, and referred to as best practice

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<sup>11</sup> Quote from page xi of the July 2000 Cameroon country case study entitled "Forest Sector Development in a Difficult Political Economy" by OED "Mr. Giuseppe Topa of the Africa Region of the World Bank offered excellent cooperation in sharing with the authors all relevant information at his disposal and his insights into the forest sector in Cameroon. He also provided very useful comments on the first draft of the report."

and used in training sessions on DPOs, SWAPs, and Safeguards.”<sup>12</sup> But the design which included both aspects of DPOs and SILs turned out to be complex for the monitoring of both SIL-related activities and results indicators typical to DPOs. The addition of SIL features to this DPO instrument could be attributed to the fact that the operation was initially prepared as a SIL and later changed to a DPO. But the PD still included aspects of SILs and DPOs, although in the Legal Agreements it was identified as a DPO instrument. Another major shortcoming of the design was the rejection of the Bank-financed capacity building operation owing to IDA resource constraints at the time of preparation, which affected the delivery of much-needed technical assistance to the government on many aspects of the DPO. The Bank has since noted this failure, and the new generation of DPOs include a technical assistance line, if judged necessary.

66. It should be noted that this was the first DPO of the Bank in Africa; therefore, the team could not draw lessons on past experiences in the region to further inform the design of the operation. In hindsight and based on the clarity that now exists on what a DPO is as an instrument, we would rate quality at entry *unsatisfactory* mainly due to the mix of instruments in the project appraisal document and the rejection of the capacity building operation to accompany the DPO.

67. *Lending instrument.* At the outset of design (concept review meeting), the Bank management requested that “project preparation should address head-on the challenges that have prevented success for most traditional investment operations in Cameroon.” It recommended reviewing options such as sectoral adjustment lending with tranches released as results are achieved, or sector lending supported by a public expenditure review.”<sup>13</sup> Based on this recommendation, the project team engaged in a series of internal consultations with OPCS, AFTQK, LEGAL, and LOAAF, as well as external consultations with the key players of Government authorities (ministries of finance, forestry, and environment), other donors, and NGOs. The following design was submitted for management approval: (i) budget support to the forest sector; and (ii) a capacity-building credit to accompany the budget support. After further in-depth consultations on the proposal with all stakeholders involved in the forest sector in Cameroon, and two ROC meetings (September 9, 2003, and May 4, 2004), the first option was adopted as the best suited lending instrument. The capacity-building component would be supported as a parallel financing by bilateral partners (United Kingdom, Germany, France, and Canada, known as “Basket Fund”) in line with the Paris Declaration and aid effectiveness. This approach was similar to approaches previously undertaken in other Bank regions, particularly Latin America and the Caribbean (LAC), by combining a policy-based loan with a parallel technical assistance project, although in most cases, the parallel technical-assistance operations were Bank-financed and managed in tandem with the associated DPOs rather than being administered by other donors.

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12 Outgoing TTL note (Giuseppe Topa) of May 5, 2009.

13 See Giuseppe Topa’s note of March 2, 2002, on “discussion note on Bank instruments to be used in support to the new forest and environment sector operation.”



68. *Assessment of risks and their mitigation.* Risks related to financial sustainability were adequately identified and mitigation measures put in place. The fiduciary risk being significant at the time, a comprehensive fiduciary risk assessment of the FEDPG was carried out by the Bank, and mitigation measures were adequately implemented. But the political risks related to the signing by the UFA of final concessions to forest companies were inadequately assessed, given that the issue of overabundant wood-processing units was already known at the project preparation stage. This should have been identified as a risk at preparation.

***(b) Quality of supervision (including M&E arrangements)***

***Rating: Moderately Unsatisfactory***

69. The Bank team made significant efforts to resolve the UFA trigger impasse. Bank management and senior management deserve credit for their involvement in conducting policy dialogue at the highest political level. The Bank task team should also be recognized for its efforts to explore options to resolve the issue, even if their suggestions were not feasible, for the reasons explained earlier. In the end, the Bank as a whole acted in good faith to ensure a satisfactory outcome of the operation, which should be highly commended.

70. Implementation support and supervision missions in accordance with the Paris Declaration on Aid Effectiveness proved challenging for the Bank. A single, annual joint donor supervision mission had been agreed upon in the code of conduct, implying joint annual aide-memoires that would provide a broad assessment of the FESP. But the Bank also was obliged to monitor and evaluate its specific interventions and to present them in aide-memoire formats consistent with Bank rules and procedures. Therefore, in addition to leading the joint donor supervisions (including the general forestry sector, Basket Fund supervision, and donor coordination), and producing joint aide-memoires, the Bank had to comply with its own institutional requirements by developing additional aide-memoires specific to the DPO. This resulted in the transmittal to the Government of two different aide-memoires for the same mission, creating tension between a “unified partner approach” and the Bank’s own requirements. Communication issues surfaced, alongside conflicted opinions, and the Government received mixed signals from the donors. The Government and the donors supporting the forestry sector through the Basket Fund also had a problem understanding Bank requirements. Confirmation of understanding should have been obtained by the Bank up front and, if possible, included in the code of conduct.

71. The quality of Bank supervision was also hindered by the high turnover of task team leaders (TTLs), some of whom were new to the Bank. Continued involvement of a single experienced TTL was secured from preparation until May 2009, when he moved to another region of the Bank. From that period to project closure, TTLs changed regularly. The program had four successive TTLs between May 2009 until the project closed on October 11, 2011, and all of them had recently joined the Bank.<sup>14</sup>

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<sup>14</sup> It should be noted that one of the four TTLs undertook this role only for a few weeks. As a matter of fact,

72. Based on the above discussion, the rating of the Bank at supervision is *Moderately Unsatisfactory*.

***(c) Justification of rating for overall Bank performance***

***Rating: Moderately Unsatisfactory (MU)***

73. Overall Bank performance is rated *Moderately Unsatisfactory*. Adequate background analysis was performed at entry; lessons learnt were incorporated in the design; in-depth consultations were conducted to ensure sound design in the absence of previous experience to build upon, as this was the very first DPO in Africa,. However, the presence of aspects of SIL and DPO in the Program Document, the rejection of the Bank-financed capacity building component to support the DPO implementation, high turnover of TTLs and the sending of mixed signals to the client about the UFA trigger should have been avoided. These shortcomings led to the MU rating.

**5.2 Borrower Performance**

***(a) Government performance***

***Rating: Moderately Unsatisfactory (MU)***

74. The Government deserves credit for taking all 18 prior actions required by the Bank to release the first tranche of the IDA and GEF grants. But the nonachievement of the UFA trigger that ultimately led to the failure of the DPO was clearly due to the changing priorities of the Government, as indicated in section 2.2. Although noncompliance with the 1994 Forest Law was given as the formal<sup>15</sup> reason for not signing the final concession agreements, this issue could have been resolved by means of the presidential ordinance discussed earlier.

75. Furthermore, support to the FEDPG program from other high-level ministries was uneven. It took some time for the Ministry of Finance to implement the changes required by the new budget-support approach, resulting in significant delays in delivering Bank support. While preserving an excellent relationship with the Bank as the Government interface with the international donor community, the MINEPAT did not play its essential role in stimulating interministerial coordination, which was much needed by the MINFOF and MINEP to implement the FEDPG program.

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it turned out that the TTL, who was on secondment from DFID, was paid by the trust fund he would be managing, as DFID was a donor participating in the budget support to the forestry sector. There was therefore a conflict of interest, and the TTL had to be removed, but he continued to be a team member.

<sup>15</sup> The fact that 33 UFAs had timber-processing units inside the concession, but that only 20 final concession contracts were signed, clearly shows that the alleged legal problems caused by the location of the processing unit, though important, were not the only problem.

76. Overall Government performance is therefore rated *Moderately Unsatisfactory* because of its failure to communicate clearly and much earlier to the Bank that, owing to changing priorities, it would not take action to ensure completion of the UFA trigger.

***(b) Performance of implementing agency or agencies***

***Rating: Moderately Unsatisfactory (MU)***

77. The performance of the MINEP was satisfactory, since all outcomes of component one for which the ministry was responsible for implementing, have all been achieved. The MINEP also performed well in implementing milestones and meeting the second tranche release conditions related to environmental regulation and information management and ensured the implementation of the FEDPG Environmental Impact Mitigation Plan.

78. Conversely, the performance of the MINFOF was unsatisfactory. The MINFOF, responsible for implementing components 2–5, can be praised for its efforts to deliver on protection from illegal logging and for notable results in the management of wildlife and protected areas. But the inefficient processing of some of the concession dossiers by the MINFOF (including losing key documents, such as environmental assessments and even originals of the gazetting decrees “*decrets de classement*”) contributed to the UFA trigger deadlock. Furthermore, the MINFOF did not perform so well in terms of improving community forest management, supporting the wood-processing industry, and promoting nonwood forest products, thus affecting the social dimension of the FEDPG. The MINFOF developed a good dialogue with the NGO community during FESP preparation, but it was unable to develop the mechanisms to fund NGO involvement in FESP implementation. Similarly, the MINFOF had a continued dialogue with the private sector but had a hard time converting that dialogue into productive support to the forest industry. Overall, the MINFOF had leadership problems throughout the implementation of the FEDPG program.

***(c) Justification of rating for overall borrower performance***

***Rating: Moderately Unsatisfactory (MU)***

79. On balance, based on the performance rating of Government (MU) and the implementing agencies (MU) overall borrower performance is rated *Moderately Unsatisfactory*.

## **6. Lessons Learned**

80. *Financing instrument.* The most important lesson from this DPO is the need to avoid mixing DPO and SIL content in a single operation. The principal objective of DPOs is to rapidly disburse large sums of foreign exchange against agreed policy and institutional reforms which are under control of the executive branch of the government (that is, establishing a condition that is bound to require revision of laws that need to pass

through the legislature, for example, should normally be avoided). In addition many of the actual activities to be supported by this operation were more appropriate for a SIL. More specifically, the fiduciary arrangements (such as the request for traceability audits) were not adapted to a DPO, given the “fungibility” of the funds. The very high risk related to ownership at the highest level and governance seems to have proved to be the main reasons for the project’s unsatisfactory performance. There appears to have been a “leap of faith” that taking a DPO approach would provide sufficient incentive to the Government to overcome these risks, but, in practice, this did not work and the project failed both as a DPO (that is, the majority of the funds were not disbursed) and as a SIL (many of the targets were not or only partially achieved).

81. *Twinning a DPO with a technical assistance (TA) support project funded by other donors.* Innovations, such as the multidonor basket-fund instrument used to support DPO implementation, should be well coordinated. Though potentially relevant for improving aid coordination and country ownership, and in line with the Paris Declaration on Aid Effectiveness, the instrument was, however, overambitious in terms of being able to achieve results in the expected time frame, given the time needed to build political commitment and technical capacity among stakeholders. The “TA Basket Fund” instrument, twinned to the DPO and funded by other donors, was expected to facilitate the implementation of the FEDPG. Although creative, the system failed to respond to the capacity-building needs during the first years of implementation due to coordination issues, TA needs being partially reported to the Basket Fund committee, and overall some governance issues internal to Basket Fund management. As a result, activities funded by the Basket Fund ended up being disarticulated from those of the sector budget support.

82. *Combining a policy-based operation with a parallel technical assistance credit, both supported by the Bank.* Given that the Basket Fund did not yield the expected results as indicated above, in the future, the LAC, Ghana, and Mozambique models should be considered—that is, DPOs should be developed in tandem with a TA operation, with both being financed by the Bank to give the Bank more leverage in the use of both instruments. As a matter of fact, this was the initial proposal of the task team, which, unfortunately was not pursued because of IDA resource constraints at the time of preparation. Had it been approved, the operation might have worked differently.

83. *GEF contribution to the DPO.* For the first time, OP 9.01 was waived to enable GEF funds to be fully blended with IDA financing to support a DPO based on the same modalities and matrix of conditions and triggers. On one hand, this pilot was partially successful in the sense that all GEF-related indicators were achieved. On the other hand, due to the impasse related to the UFA trigger, the GEF grant resources could not be disbursed and ended up being returned to the Trust Fund general pool, which represents a loss for Cameroon. If the GEF funds had been used differently, through a parallel SIL for example, they could have been used to continue to support biodiversity-related activities in the country.

84. *Monitoring and evaluation.* Overall project objectives (PDOs/GEOs) have to be realistic, specific, and monitorable through clearly defined performance indicators, and

achievable. This was not the case in this project, for which PDOs/GEOs were general and ambitious with no clearly associated indicators, and this issue should have been anticipated from the very start, either during appraisal or during the first stages of supervision. Furthermore, the M&E system for the FEDPG (with a large number of detailed output indicators that are normally required in SILs) should have been limited to conditions for tranche release and outcomes specific to a DPO. It should also have been clearly incorporated in the overall FESP “CIDA” M&E system under a FEDPG-specific section.

85. *Institutional.* The evolving institutional environment of the FEDPG (split of the Ministry of Environment and Forests into the MINFOF and MINEP; weak interministerial cooperation overall) was likely to result in either conflicts or inertia. Strong leadership for the overall coordination of policy and institutional commitments associated with DPOs that involve several line ministries is of critical importance. The chairmanship of the Facilitation Committee was not at the appropriate level of authority, and the FEDPG consequently encountered decision-making problems. The Facilitation Committee would have been more efficient and effective if chaired at the Prime Minister’s level to address issues beyond the control of sectoral ministries. Furthermore, coordination between the budget-support activities and those of the “TA Basket Fund” would have benefited from an overarching governance authority.

86. *System to cope with Government staff turnover.* Several key personnel involved in the preparation of the DPO were reassigned during implementation. A system ensuring swift training as well as motivation of incoming staff should be embedded in project design to avoid institutional memory loss and to facilitate ownership and continuity of skills.

87. *Continuity of Bank staff.* High turnover of TTLs is detrimental to the success of any program or project. It was especially so for a DPO that was being tested for the first time in Africa. Frequent TTL changes increases the chances that recommendations will not be followed from one aide-memoire to the other, leading to institutional memory losses.

88. *Bank internal communication.* Bank management and task teams should ensure that actions and recommendations in aide-memoires do not contradict with policy dialogue conducted by management and senior management. Coherence of message is key to maintaining the Bank’s credibility with the client and maximizing the chance that the policy dialogue will produce a positive outcome. This has important implications for Bank participation in joint donor supervision missions of sectorwide programs, where the Bank does not have sole control over the content of aide-memoires.

89. *Management of relationship with partners in line with the Paris Declaration.* The Bank’s role as the *chef de file* for partners in the forestry sector led to tension between a “unified partner approach” and the Bank’s own requirements. This could have been avoided through better management of relationships and communications with donor partners and the client to build mutual trust and ensure adherence to joint agreements—in

this case, the code of conduct. The Bank should have made clear to the Government during preparation the Government's obligation to meet the requirements of legal agreements with the Bank, even if these did not bind other donors providing support to the same program, as in this case the Basket Fund. That understanding should perhaps have been included in the code of conduct to avoid tension among partners and with the Government.

90. *Strong partnership between the World Bank and bilateral donors.* An important lesson from the project is the importance of partnerships, especially when working in a difficult sector such as forestry. The Basket Fund, despite its challenges, actually ensured that, for the most part, actors spoke with one voice and acted in a coordinated manner. The strong relationship with DFID was an added bonus. When DFID closed its office in Yaoundé, it committed resources to a Trust Fund executed by the World Bank to second a staff member to the World Bank country office to jointly supervise investments made by DFID and the World Bank in the FESP, thereby enabling the two institutions to leverage resources from one another.

## **7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

91. The borrower and other donors involved in the FESP (that is, Canada, France, Germany, and the United Kingdom) agree that the Bank deserves credit for the relevance and efficiency of the reforms in the forestry sector, which were launched under SAC III and which the FEDPG was intended to consolidate and scale up. They acknowledge the clear linkages between Bank support to the forestry sector and other Bank operations in Cameroon, as well as the coherence of the Forest and Environment Development Policy Grant (FEDPG) with the FY04–06 CAS, the poverty objectives of the PRSP, and the sectoral objectives of the HIPC process. They are also appreciative and grateful for the Bank's clear leadership in supporting the FESP and mobilizing significant co-funding from other donors. But the Bank's withdrawal, as a leader of the FESP donors, has created substantial disappointment in Cameroon that could weaken future collaboration with partners involved in the forestry sector.

## Annex 1. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team Members

Names	Title	Unit
Abdoulaye Seck	Country Manager	ECCMD
Ananie Cyrille Ekoumou Abanda	Forestry Specialist	AFTEN
Carole Megevand	Sr Natural Resources Mgmt. Specialist	AFTEN
Cary Anne Cadman	Sr Forestry Spec.	AFTOS
Christophe Crepin	Sector Leader	EASER
Clotilde Ngomba	Senior Agriculture Economist	AFTEN
Cyprian F. Fisiy	Director	SDV
David Tchuinou	Senior Economist	AFTP3
Emeran Serge M. Menang Evouna	Forestry Specialist	AFTEN
Emile Louis René Finateu	Consultant	AFTFM
Giuseppe Topa	Lead Specialist	EASER
Fridolin Ondobo	Financial Management Specialist	AFTFM
Gilles Marie Veuillot	Consultant	AFTEG
James Acworth	Senior Forestry Specialist	AFTEN
Jeanne d'Arc Edima	Team Assistant	AFCC1
Mohamed Arbi Ben-Achour	Consultant	AFTEG
Mohammed A. Bekhechi	Consultant	MNSSO
Nathalie S. Munzberg	Sr. Counsel	LEGEN
Nestor Coffi	Country Manager	AFMNE
Simon Rietbergen	Senior Forestry Specialist	AFTEN
Stephen D. Mink	Lead Economist	AFTSN
Wolfgang M. T. Chadab	Senior Finance Officer	CTRLA
Yves André Prevost	Lead Environment Specialist	AFTEN
Yvette Laure Djachechi	Senior Social Development Specialist	AFTCS

### (b) Staff Time and Cost

Cost Object	Staff Weeks	Labor	Travel	Other	Total
PE-P070656-LEN-BB -CM-Forestry & Env DPL (FY06)	122.57	\$ 358,463.98	\$ 211,707.25	\$ 16,353.74	\$ 586,524.97
PE-P070656-LEN-BBFAO -CM-Forestry & Env DPL (FY06)	-	\$ -	\$ -	\$ 127,500.00	\$ 127,500.00
PE-P070656-SPN-BB -CM-Forestry & Env DPL (FY06)	162.77	\$ 469,212.34	\$ 161,742.11	\$ 49,100.56	\$ 680,055.01
PE-P070656-SPN-BBFAO -CM-Forestry & Env DPL (FY06)	-	\$ -	\$ -	\$ 116,335.00	\$ 116,335.00
GE-P073020-LEN-BBGEF -CM GEF Forest & Env DPL (FY06)	49.60	\$ 218,179.84	\$ 82,363.49	\$ 53,660.28	\$ 354,203.61
GE-P073020-SPN-BB -CM GEF Forest & Env DPL (FY06)	1.47	\$ 9,164.42	\$ -	\$ 882.57	\$ 10,046.99
GE-P073020-SPN-BBGEF -CM GEF Forest & Env DPL (FY06)	46.03	\$ 192,449.14	\$ 87,879.75	\$ 4,121.01	\$ 284,449.90

## **Annex 2. Beneficiary/Stakeholders Survey Results**

Consultations were conducted the following program beneficiaries/stakeholders: (i) civil society organizations (13 NGOs/Consultation Group partners of the Ministry of Forests and Wildlife (MINFOF) and of the Ministry of Environment and Nature Protection (MINEF) : (i) *Cercle de Concertation de la Société Civile Partenaire du MINFOF et du MINEP* (CCSPM) ; (ii) community forest representatives; (iii) private sector representatives/Cameroon Timber Industry Group (GFBC); and (iv) private sector representatives/Growers Industrial Transformers and Special Products Exporters Union (SETIEPS).

Below are the outcomes of these consultations:

According to civil society organizations (CSOs):

- National CSOs participated in the FESP planning and development process between 2002 and 2004. But they were very little or not involved in the FESP monitoring and evaluation. Indeed, they have never been involved in the development of annual work plans of FESP in its operational phase from 2006 to 2011.
- The involvement of some national CSOs in the implementation of FESP came down to mere participation in meetings of general information with no influence on the decision making, and to small and very few contracts for individual consultants to act just as moderators (no organizers) of workshops or small ad hoc studies;
- The activities of national CSOs, even when not benefitting from the program funding mechanisms, have converged to the objectives of FESP, to the extent that FESP reflects and reinforces the Cameroonian vision of sectoral development and the political, strategic and operational planning of the interventions of all the stakeholders in the forestry and environment sector;
- The need to identify ways to remove all obstacles to the participation of national CSOs in every decision-making step in the process of implementing future programs (planning, setting up annual work plans, implementation, monitoring and evaluation) led by the Government.

With regard to communities owning communal forests, it appears that the community and collaborative management of forest resources benefited from two important tools, that is:

- The February 2009 manual of management and procurement procedures of community forests, which greatly improved access to the timber resources, thanks to the signing of an interim management agreement allowing the opening, under authorization of the forestry administration, of access tracks and track service roads for the removal of lumber by agricultural tractors or any other low-power device.



- The adoption by the Ministry of Territorial Administration and Decentralization (MINATD), Ministry of Economy and Finance (MINFI), and MINFOF of a new joint order (n° 0520 MINATD / MINFI / MINFOF of 3 June 2010) laying down detailed rules for the use and the monitoring of management of revenues from the exploitation of forest and wildlife resources for municipalities and adjacent village communities.
- The communities experienced some difficulties in obtaining the documents required for forest exploitation, due to the centralization of decisions on forest exploitation at the ministry responsible for forests. The presence of NGO support is often important to find effective solutions to community problems.

According to the Cameroon Timber Industry Group (GFBC)

- Significant progress has been made in terms of forest management, forest certification, forest monitoring (National Monitoring Brigade and Independent Observer), and SIGIF management of exploitation of data. The GFBC believes that the requirements of the international timber market provide the most important boost to forest certification in Cameroon, but it is also important to recognize that the institutional, legal, and normative framework supervised by the FESP has been an efficient environment for obtaining forest certification by companies.

Growers Industrial Transformers and Special Products Exporters Union (SETIEPS)

- For the SETIEPS, the greatest advance has been the consideration of special products particularities by tax authorities, but more efforts are needed, including access to resources through the acquisition of a license that is difficult to obtain.

### **Annex 3. Summary of Borrower's ICR and/or Comments on Draft ICR**

This summary was prepared by the Government on the basis of its ICR.

#### **Relevance**

The Government recognized the relevance of the program objective, which addressed the challenges of the forest and environment sector. Those challenges stem from disconnects between the political, legislative, and regulatory frameworks necessary to ensure sustainable management of natural resources and control of the ongoing degradation of those resources.

The task was to deal with the institutional, technical, and programmatic deficiencies identified during the diagnostic assessment of the forest sector carried out in 2002.

Because the program was not able to harmonize the various civil society interventions (by NGOs, in this case), there were frequent duplications in the implementation of certain activities on the ground, even though one of the goals of the program had been to coordinate actions in the forest and environment sector.

#### **Results**

Borrower asserts having achieved a large number of results. Borrower describes all of the results achieved in each of the [program] components, emphasizing the activities that did not yield clear positive results. Borrower claims credit for having implemented the entire program independently of the World Bank financing tranches tied to the triggers for the second and third tranches.

#### **Assessment of World Bank performance**

In terms of monitoring and evaluation, Borrower criticized the role of the World Bank, notably the organization of several specific missions organized unilaterally by the World Bank and certain partners, whereas the principle agreed on at the outset was one of joint, multipartner missions. Borrower also believes that the inflexible stance of the World Bank with regard to the achievement or nonachievement of certain triggers was contrary to the principles of the program approach.

#### **Lessons learned**

##### *1. Institutional organization and management*

- *Triggers.* Financing triggers are necessary to guarantee the achievement of results, but assessments of those triggers must be flexible so that financing for an entire project is not blocked because a single trigger is not reached.
- *Budget-support mechanism.* The implementation of a new financing mechanism requires a substantial program of capacity building to strengthen the capacity of all ministries involved (finance, economy, planning, as well as relevant sectoral ministries).

Until the new financing mechanism is completely operational, it is important to

- provide a back-up financing system to permit access to funds and avoid long delays in the initiation of project activities.
- *Program approach:* The change from programming based on institutional structures to results-based planning and budgeting constitutes a major reorientation of the culture of public agencies. That reorientation requires long-term training and assistance for responsible officials from advisers possessing the necessary expertise.
  - *Program coordination:* A sectoral program such as the FESP requires strong leadership to coordinate and advance action through Government involvement in carrying out reforms and ensuring that managers are committed to their activities.
  - *Interministerial programs:* To implement a program involving several ministries, it is important that the responsibilities of each ministry and the management rules common to all be clearly defined from the outset. Particular attention to such management problems by monitoring missions should make it possible to identify and resolve the difficulties encountered (achievement of triggers; collaboration between forestry, environment, and finance ministries).

## *2. Program ownership*

There is a need to design and put in place a mechanism to promote ownership of the program among all stakeholders (beneficiary agencies and partners, civil society organizations, members of parliament, and private entities), particularly at the outset (launch workshop) and on the occasion of staff changes.

#### **Annex 4. Comments of Cofinanciers and Other Partners/Stakeholders**

According to the Basket Fund Cofinanciers:

- The mission of the Basket Fund was not well understood at the start of the program. The Basket Fund was managed as if it were a project rather than a tool to support the implementation of the FESP.
- Budget support was very difficult for the Government of Cameroon because the institutional environment was not prepared to handle the program budget.
- The performance of FESP's management units did not meet expectations.
- The drafting of joint Aide-Mémoires sometimes caused conflict between the World Bank and the other partners.
- Most of the joint missions were based on monitoring the attainment of triggers. In 2010 the focus of monitoring shifted to the program as a whole.

The FESP's financial and technical partners invited the World Bank to continue to support the program approach by reviewing the level of flexibility pertaining to triggers.

The program's other financiers recognized that the Canadian aid agency strongly supported the processes of operational planning and monitoring and evaluation. Because budget support was intended essentially for investments, the Basket Fund mechanism played an important role in financing training, technical assistance, and certain planning studies.

## Annex 5. List of Supporting Documents

### World Bank documents

- FESP Program Document, dated January 31, 2006.
- World Bank, 2010, CAS FY10–13.
- World Bank, 2003, CAS FY04–06.
- Missions' aide-mémoires (joint missions and World Bank missions).
- Implementation Status and Results (ISR) reports.
- Development grant agreement dated June 20, 2006.
- ICR report guidelines, OPCS, August 2006 (last updated 10/05/2011).
- ICR report template for development policy lending operations (May 2010).
- Good practice note for development policy lending (OPCS, 2011).
- E-mails found in the system about the shift from a SIL to a DPO.

### Background documents

- *Document de stratégie pour la croissance et l'emploi* (growth and employment strategy document), August 2009.
- Cameroun Vision 2035, June 2009.
- Forest policy, 1993.
- Forest law, 1994.
- FLEGT voluntary partnership agreement between Cameroun and the European Union, information note, May 2010.
- Final concession agreement: decree 2010/2572/PM of September 13, 2010 granting a concession to SFIL for UFA 10025.

### Documents produced during the FEDPG

- Progress reports (*rapports de rendement*) prepared in 2008, 2009, and 2011 in the course of FESP's implementation.
- External evaluation report on FESP, September 2010.
- FESP monitoring and evaluation procedures manual, April 2007.
- FESP social and environmental evaluation, July 2005.
- MINEP reports on environmental study review and environmental monitoring of existing forest concessions.
- Report of the workshop on evaluation of World Bank and CIDA support for FESP, Hotel la Falaise Bonanjo, Douala, 15–19 November 2011.

### External reviews

- Monitoring mission report N 001/OI/AGRECO by the independent observer of forest compliance and infractions in Cameroon, October 2010.
- Final report of audit of compliance with targeted budget support for FESP by Cabinet GECI, December 2009.
- Working paper prepared by André Simon (FAO, TCIA): "Préparation de la mission de formulation du rapport d'achèvement—phase 1—21/28 juin 2011."
- Working paper prepared by André Simon (FAO, TCIA): "Contribution d'André

- Simon a la mission de Supervision du 7 au 21 juin 2010.”
- Report of accounting and finance audit related to targeted budget support for fiscal years 2007 et 2008.
  - Communiqué of CCSPM (civil society cooperation group of the MINFOF/MINEP) following the meeting between the ICR mission and CCSPM on February 22, 2012.

Web resources

- [www.cameroun-foret.com/geobiep/default.htm](http://www.cameroun-foret.com/geobiep/default.htm).
- Environmental Information System (EIS), [www.SIE-cameroun.cm](http://www.SIE-cameroun.cm).

# CAMEROON

- SELECTED CITIES AND TOWNS
- ⊙ PROVINCE CAPITALS
- ⊕ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- PROVINCE BOUNDARIES
- INTERNATIONAL BOUNDARIES

