

Cameroon: Radio Equipment for the Railways

Ex-post evaluation

OECD sector	21030 / Railway sector	
BMZ project number	1985 66 192	
Project-executing agency	Régie Nationale des Chemins de Fer du Cameroun (RNCF) / Cameroonian Railway Corporation (CAMRAIL)	
Consultant	DE-Consult / DETECON	
Year of evaluation	2002	
	Project appraisal	Ex-post evaluation
Start of implementation	Q 2 1987	Q 2 1995
Period of implementation	30 months	29 months
Investment costs	EUR 15.5 million	EUR 21.5 million
Counterpart contribution	EUR 0.5 million	EUR 0.63 million
Financing, of which FC funds	EUR 15 / 15 million	EUR 20.9 / 20.9 million
Other institutions/donors involved	None	None
Performance rating	2	
• Significance / relevance	2	
• Effectiveness	3	
• Efficiency	1	

Brief Description, Overall Objective and Project Purposes with Indicators

The project comprised the provision of radio equipment for the Transcameroon railway between Douala and Ngaoundere (Transcam I and II). Besides the supply, construction and installation of a directional radio line and other communications facilities consulting service were also financed from the FC funds.

The overall objective of the project was to maintain and increase RNCF's / CAMRAIL's transport services (indicator: development of the transport performance).

The project purpose was to increase the efficiency of railway operation (indicators: reduction of wagon turnaround time and of average delays).

Major Deviations from the original Project Planning and their main Causes

Originally only the section of Transcam II (Yaounde - Ngaoundere) of the Transcameroon line was planned to be provided with a directional radio line, since Transcam I (Douala – Yaounde)

was already equipped with radio facilities. Moreover, it was planned to install railway radio communication on the entire line. However, due to difficult negotiations regarding the loan agreements and protracted tendering procedures the project implementation was delayed by approx. eight years. In the meantime the proper functioning of the existing radio equipment on Transcam I could no longer be ensured, and as a result the installation of the directional radio line was extended to include Transcam I and the installation of railway radio was dropped. Investment costs under the new project design rose by about EUR 6 million to EUR 21.5 million. The originally envisaged promotional loan was replaced by an FC loan. The construction phase was implemented according to schedule.

Key Results of the Impact Analysis and Performance Rating

The project's overall objective and the main project purposes were reached. Together with the privatisation of the project executing agency, the project contributed significantly to increasing the efficiency of the Cameroon railways (project purpose) and thus to transferring in particular supra-regional and international freight transport, for which the railway is the most efficient means of transport, from the road to the rail. Owing to the high growth in freight transport (overall objective) railway transport has turned from a recipient of subsidies into a source of income for the state, even though passenger transport still needs to be subsidized. The latter had to be maintained, especially so as it is the most important means of transport for the population living along the railway line and constitutes the basis of commercial agriculture.

It was not possible to reduce average delays, which are an indicator for the efficiency increase in railway operation (project purpose), as much as expected. Though this problem will probably be alleviated by the comprehensive investment programme of the private operator, which will be launched shortly, we are not satisfied for the time being with the performance of this specific indicator. In the wake of privatisation CAMRAIL introduced a stringent financial planning and a reorganisation of material logistics, among others. For this reason we see only low risks for the continuous procurement of spare parts. There is rather the danger that Siemens might decide to abandon the production of directional radio equipment. Siemens' refusal to conclude a contract for the repair of such equipment entails a risk for sustainable operation. However, this risk can be mitigated by a significant increase in the stock of spare parts and due to the fact that additional standby equipment will be provided from the sections to be expanded. Overall, we assign the project a **satisfactory degree of effectiveness** (partial evaluation: **rating 3**).

We consider the **significance and relevance** of the project to be **satisfactory (partial evaluation: rating 2)**. Given the relative importance of the railways for Cameroon's transport sector the project's developmental relevance is very high. However, the relative contribution (significance) should not be overestimated. Without the successful privatization of the executing agency the developmental effect of the project would certainly have been lower. Furthermore, the project will only be able to unfold its full developmental effect once the remaining railway infrastructure and equipment has been significantly improved as a result of the investment programme which is currently being launched. Only then can a marked reduction of delays (indicator) be expected.

Given the project's contribution to the macroeconomic advantages and the microeconomic success of the railways we consider the allocation efficiency to be very good. The production efficiency is good: At the time of the final evaluation of the project (1985) and the conceptual adjustment (1990) the project design was the most cost-effective solution for the provision of the required basic infrastructure. Due to the dynamic development of CAMRAIL's business activities it is already clear today that there is a need for further expansion. However, this

expansion can also be implemented at a later stage and would not have been justifiable at the time of project planning. (**partial evaluation efficiency : rating 1**)

In summary, we judge the **developmental effectiveness of the project to be satisfactory (rating 2)**.

General Conclusions applicable to all Projects

The project has shown the decisive influence which a privately organized management can have on the success of a project. The highly satisfactory development of the transport performance is due to a large extent to the stronger customer orientation and the productivity gains of the private operator company. The FC project made available the communication facilities indispensable for this success. The above-mentioned only adequate effectiveness of the project is mainly due to a degradation of the railway infrastructure, which has its origins in the improper maintenance and lack of investments during the many years when the railways were operated by the state. The investment programme, which tries to tackle these deficiencies and is financed to a large extent from the equity of the private operator, and the technical assistance of the two majority shareholders of the operator will contribute to eliminating such deficiencies and to substantially increasing the project's effectiveness. This again will considerably reduce the still existing sustainability risks.

Legend

Developmentally successful: Ratings 1 to 3

Rating 1 Very high or high degree of developmental effectiveness

Rating 2 Satisfactory degree of developmental effectiveness

Rating 3 Overall adequate degree of developmental effectiveness

Developmental failures: Ratings 4 to 6

Rating 4 Overall inadequate degree of developmental effectiveness

Rating 5 Clearly insufficient degree of developmental effectiveness

Rating 6 The project is a total failure

Criteria for the Evaluation of Project Success

The evaluation of a project's "developmental effectiveness" and its assignment during the final evaluation to one of the various success levels described below in more detail focus on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project effectiveness)?
- Does the project generate sufficient **significant developmental effects** (project **relevance and significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate**? How can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project concept)?
- To the extent that undesired (**side**) **effects** occur, are these tolerable?

We do not treat sustainability, a key aspect to consider for project evaluation, as a separate category of evaluation (as is the case at the World Bank) but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities created over an economically reasonable period of time or to successfully continue the project activities on their own once the financial, organizational and/or technical support has come to an end.