

## Ex-ante Project Evaluation

### 1. Name of project

Name of country: The Republic of Cameroon

Name of project: Transport Facilitation Program for the Bemenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor

L/A signing date: March 31, 2009

Loan amount: 4,540 million yen

Borrower: The Government of the Republic of Cameroon

### 2. Background and Necessity of the Project

(1) Current conditions and issues in transportation sector of the Republic of Cameroon, Federal Republic of Nigeria and their surrounding region

The importance of economic integration within Africa is increasingly recognized, particularly in the New Partnership for Africa's Development (NEPAD), which advocates comprehensive economic and social development for Africa. As such, the need to build transportation infrastructure, and roads in particular, to ensure the smooth movement of cargo across national borders is gaining advocates. Currently, high cost of inland transport in Sub-Saharan Africa forms a bottleneck for economic development.<sup>1</sup>

With donor support, several plans to develop infrastructure for wide-area roads straddling national boundaries in countries in central and eastern Africa are now underway. Cameroon and Nigeria play central roles in their respective regional economic zones (Cameroon belongs to the Economic Community of Central African States, or ECCAS, and Nigeria belongs to the Economic Community of West African States, or ECOWAS), but progress has been slow in developing transportation networks of roads to connect these two neighboring countries. In many cases, the existing road networks linking the two regional economic zones are unpaved or the pavement is deteriorating, making travel difficult during the rainy season. This situation poses obstacles for economic activity and efforts to improve living conditions in both regions. Trade between Cameroon and Nigeria is estimated to be about US\$ 550 million, which amounts to a mere 1% of Nigeria's trade on a monetary basis.

(2) Cameroon's transportation sector policies and role of this project

In Cameroon's transportation sector, the beneficiary of the Japanese ODA loan, about 90% of travelers and about 75% of freight depends on road transportation. In recent years, traffic on paved roads has surged about 9% a year, but only 10% of the total approximately 50,000 km of roads is paved. This makes the development of road networks especially urgent in jumpstarting economic activity.

Cameroon's poverty reduction strategy (2003-15) posits infrastructure development to improve economic productivity and support the social sector and the promotion of regional integration as its key issues. This project is intended to focus on addressing these issues in the transportation sector. Moreover, agriculture is the main industry in Cameroon's northeastern provinces and southwestern province, the beneficiaries of this project, and this project will help to secure a route for the transportation of agricultural produce within and outside of the country.

(3) Japan and JICA's aid policy for Cameroon's transportation sector and its achievements  
JICA has traditionally emphasized the importance of the establishment of a transportation

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<sup>1</sup> In 2001, freight costs as a percentage of total import value amounted to a global average of about 6%, while the average for Sub-Saharan African countries was more than twice this, at 13.8%, and as much as 20.7% for landlocked Sub-Saharan countries (Source: JICA Social Development Division, "Final Report on Research on Approach to Support of Transportation Infrastructure in Africa (Project Research) (March 2008)").

network in Cameroon's economic development. The initiative of "Enhanced Private Sector Assistance for Africa (EPSA for Africa)", aiming at developing Africa's private sector, also identify the "establishment of economic and social infrastructure" and "promotion of trade and direct investment" as important sectors.

#### (4) Response by other aid organizations

Many other aid organizations also support this project's objective, namely to revitalize local economies and encourage integration by developing cross-border trunk roadway network. In particular, the African Development Bank (AfDB), which is providing the joint financing for this project with JICA, provides loans for projects in Sub-Saharan African countries, including Cameroon, and is also active in providing intellectual support in creating a framework for the development of wide-area infrastructure that will integrate the regions.

#### (5) Need for project

This project will not only build trunk roads connecting Cameroon and Nigeria, but will also establish related facilities (feeder roads, schools, water supply facilities, markets, etc.) along the roads. This will revitalize economic activity and encourage integration in the project's targeted regions, as well as improving living conditions for those living in the areas along the roads. Accordingly, the need and relevance of JICA support for this project is high.

### **3. Project Description**

#### (1) Project Objectives

The purpose of this project is to augment transportation capacity and improve access to social services for local residents by building an international trunk roadway between Bamenda in Cameroon and Enugu in Nigeria, and establishing ancillary social infrastructure. This would promote economic integration between these two countries, and also contribute to improved living standards for the local residents living along the road.

#### (2) Project Site / Target Area

443km of the international trunk roadway between Bamenda in Cameroon's Northwest Region and Enugu in Nigeria's Enugu Province: The Japanese ODA loan provided by JICA will be used to construct the section of the road running between Bachuo Akagbe, Mamfe and Ekok (approximately 91km; joint financing with AfDB).

#### (3) Project Outline

- 1) Construction, paving and maintenance of roads and bridges
- 2) Establishment of related facilities along the road (feeder roads, schools, etc.)
- 3) Construction of facilities to ease international traffic (One Stop Border Post)
- 4) Consulting services (construction management, surveys and seminars to ensure smooth international traffic, educational campaigns targeting residents along the road on infectious diseases, including AIDS, and traffic safety, etc.)

#### (4) Total Project Costs / Loan Amount

45,590 million yen (of which Japanese ODA loans: 4,540 million yen)

#### (5) Project Implementation Schedule

Planned for July 2008 – December 2013 (total of 66 months); project will be completed when guarantee period covering civil engineering has ended.

#### (6) Project Implementation Structure

- 1) Borrower: The Government of the Republic of Cameroon
- 2) Executing Agency: Ministry of Public Works (MINTP)
- 3) Operation / Maintenance: MINTP

#### (7) Environmental /social awareness / poverty reduction / social development

##### 1) Environmental / social awareness

- a. Category : A
- b. Reasons for categorization: This project corresponds to Category A because the project could have an adverse effect on the environment, as described in the JBIC Guidelines for Confirmation of Environmental and Social Considerations (established

April 2002).

- c. Environmental Permit: An Environmental and Social Impact Assessment (ESIA) report on the stretch of road to be located in Cameroon was approved in December 2007 by Cameroon's Ministry of the Environment and Nature Protection.
- d. Anti-Pollution Measures: This project will plant trees and take other measures to alleviate noise and deteriorating water quality after the road is opened.
- e. Natural Environment: The regions targeted in the project are not regions such as national parks that would be likely to suffer adverse impact, nor are they near such regions, and thus any undesirable impact on the natural environment would be minimized.
- f. Social Environment: This project is expected to result in the relocation of approximately 100 households in Cameroon. This relocation will proceed in accordance with the relocation plans drawn up by MINTP.
- g. Other / Monitoring: In accordance with the environmental and social management plan, MINTP will monitor the impact that air quality, noise and resident relocations have on living conditions along the stretch of the road located in Cameroon during construction and after the road is opened.

2) Promotion of Poverty Reduction:

This project is expected to contribute to the reduction of poverty by revitalizing economic activity in the targeted region and improving access to social services as a result of the trunk roadway and related developed by this project.

3) Promotion of Social Development (gender perspective, measures addressing infectious diseases such as AIDS, consideration of handicapped people, etc.)

Educational activities on traffic safety and infectious diseases such as AIDS and malaria are to be carried out within this project's framework for consulting services.

(8) Coordination with Other Donors: This project is to be implemented through joint financing with AfDB.

(9) Other Important issues: None

**4. Outcome Targets**

(1) Evaluation Indicators (Operations and Effect Indicator)

Indicator	Baseline (2007 actual value)	Target value (2013 [when project is completed])
Time required for travel (Bamenda-Enugu) (See note)	8-12 hours (depending on whether it is dry season or rainy season)	About 5 hours
Average border crossing time	About 12 hours	About 3 hours
Reduction in travel costs (USD/vehicle, km)	1.99 (large vehicle) 1.47 (passenger car)	1.27 (large vehicle) 0.94 (passenger car)
Average walking distance to a safe drinking water supply facility for residents in project's targeted region	5km	2km

Note: This excludes the average border crossing time.

(2) Internal Rate of Return

Based on the assumptions below, the economic internal rate of return (EIRR) for this project would be 28.4%.

**【EIRR】**

Cost: Construction costs (excluding taxes), maintenance and management costs, etc.

Benefits: Reduction in travel time, reduction in vehicle operation cost, etc.

Project life: 20 years

#### **5. External factors / risk control**

A joint technical committee will be established by the related organizations (Cameroon and Nigerian governments, ECOWAS, ECCAS) to handle coordination to ensure that project implementation is smoothly managed and adjusted.

#### **6. Lessons learned from Findings of Similar Projects Undertaken in the Past**

Past ex-post evaluations have emphasized the importance of coordination between the two countries when implementing projects covering two countries. This project would ensure smooth coordination and management by adopting a system centered on ECOWAS for coordinating between the countries and institutions involved (through the establishment of a joint technical committee made up of representatives from the two governments, ECOWAS, ECCAS).

#### **7. Future evaluation plan**

(1) Indicators used in future evaluations

1) Time required for travel (Bamenda, Enugu)

2) Average border crossing time

3) Reduction in travel costs (USD/vehicle, km)

4) Average walking distance to a safe drinking water supply facility for residents in project's targeted region

5) EIRR

(2) Timing of future evaluation

Project completion