

Overall Rating **C** A Foundation for Sustained Growth
Human Resource Development



50 Cameroon Douala Port Container Terminal Modernization Project

Promoting the modernization of a major port in Cameroon and contributing to the economic development of neighboring African countries

Loan Amount/Disbursed Amount 6.0 billion yen/5.999 billion yen
Loan Agreement May 1987
Terms & Conditions Interest rate 4.75%, Repayment period 25 year (grace period 7 years), Partially untied
Final Disbursement Date May 2001
Executing Agency Port Authority of Douala



Project Objectives

The objective of this project was to improve the handling capacity of containers at Douala Port, the largest trading port in Cameroon, through the installation of cranes, etc., and thereby contributing to the economic development in Cameroon and neighboring landlocked countries.

Effectiveness & Impact

Rating **b**

This project provided cranes, tractors, and computer systems, thus increasing the container handling ability of the port. Although initial plans called for a container handling capacity of 262,000 TEU*, the actual number of containers handled was limited to 180,000 TEU, making it difficult to state that this project is producing an adequate effect. Possible causes of this include the sluggish economy of Cameroon during the project period. Cameroon's real economic growth rate was negative from the end of the 1980s until the early 1990s. However, the rate became positive after 1995, leading one to the conclusion that this project's equipping of Douala Port contributed in part to the country's economic development. Furthermore, as the port serves as a stopping point for the distribution of goods to Chad and the Central African Republic, this project is considered to have contributed to the facilitation of trade with landlocked neighboring countries. Therefore, this project has brought certain effects, and its effectiveness is moderate.

* TEU (Twenty-foot Equivalent Unit)

Relevance

Rating **a**

This project has been highly relevant with Cameroon's national policies both at the time of the appraisal and at the time of the ex-post evaluation. This project was planned in accordance with Cameroon's Sixth Five-Year Plan and during ex-post evaluation. The importance of international trade and the port sector was noted

Shifts in the Number of Containers Processed at Douala Port



in the Country Strategy Paper, considered to be the guideline for Cameroon's economic management, and in the Poverty Reduction Strategy Paper. Douala Port is an important port for Cameroon, handling 95% of the country's port cargo. The promotion of port privatization and the infrastructure improvement in Douala region are being raised as national policy issues.

Efficiency

Rating **b**

Although project costs were below initial plans (approximately 87% of planned value), the project period was much longer than planned (302% of planned value); therefore the evaluation for efficiency is moderate. Causes of project delays included numerous adjustments to project implementation with the World Bank, the provider of structural adjustment credit, and procedural delays of the national government in Cameroon.

Sustainability

Rating **b**

The executing agency was not cooperative in providing financial status information, so data could not be obtained; however, there are no technical or structural problems, leading to the conclusion that sustainability of this project is moderate.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be moderately satisfactory. This project adopted policy on the structure of operation and maintenance based on suggestions made by a consulting service. However, improvements to the structure of operation and maintenance were incomplete due to the effects of privatization following project completion. This caused a reduction in the project's sustainability. It is hoped that more efforts will be made to produce project effects by improving the unpaved roads around the port.

Third-Party Opinion

This project allowed for a reduction of prices through increasing the efficiency of cargo loading and unloading, and an increase in tax revenue. However, from a sustainability standpoint it is hoped that new equipment procurement and maintenance systems will be established.

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