



# Project evaluation: summary report

Cameroon: Modernising public finances

Project no.:	2013.2293.2
CRS Purpose Code:	151101 Public sector policy and administrative management
Project objective:	The Ministry of Economy, Planning and Regional Development (MINEPAT) and the Ministry of Finance (MINFI) steer the budget process according to national development objectives.
Project term:	03/2014 – 02/2017
Project volume:	5,000,000 Euro
Commissioning party:	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)
Lead executing agency:	Ministry of Economy, Planning and Regional Development ( <i>Ministère de l'Economie, de la Planification et de l'Aménagement du Territoire</i> , MINEPAT)
Implementing organisations (in the partner country):	MINEPAT, Ministry of Finance ( <i>Ministère des Finances</i> , MINFI), Inter-ministerial coordination committee for the program evaluation ( <i>Comité Interministériel pour l'Examen des Programmes</i> , CIEP), Technical College for Public Management ( <i>Institut Supérieur de Management Public</i> , ISMP), Council to support public-private partnerships ( <i>Conseil d'Appui à la Réalisation des Contrats de Partenariat</i> , CARPA)
Other participating development organisations:	none
Target groups:	Entire population of Cameroon

## Project description

Cameroon's "Vision 2035" and the national strategy document for growth and employment (*Document de Stratégie pour la Croissance et l'Emploi*, DSCE) recognize three strategic priorities to improve the population's situation: growth, employment and (strategic) governance. The DSCE is based on seven sector strategies (by recent count: ten), which are developed using the planning guideline revised in 2011. This guide describes a unique process of official adoption of the sector strategy ("validation") on technical and political level. The multi-stage process is participatory and therefore quite elaborate. While the guide requires the integration of a gender perspective in the sector strategies, the impact of climate change is not a cross-cutting issue. To date, two sector strategies are finally validated.

Cameroon's system of public finances is characterized by a regionally and internationally low tax ratio of 14.1%, a limited budget transparency and a weak control of public financial management by Parliament and Supreme Audit Institutions. A permanent core problem of the Cameroonian system of public finances is the fragmentation of budgetary competencies,

and, consequently, the entanglement of responsibilities in the two relevant ministries MINFI and MINEPAT. This means that strategic and medium-term planning (*planification* and *programmation*) and the monitoring of the implementation of strategic documents (*suivi*) are situated in various directorates of MINEPAT while the competency for budgeting (*budgétisation*) is split: the Directorate General for Budget in MINFI is responsible for current expenses and another directorate of MINEPAT is responsible for investment spending. Thus, processes of the so-called PPBS (*Planification, Programmation, Budgétisation, Suivi*) chain are not built on each other and are incoherent, so that both inefficiencies and discretionary spaces appear. Different IT systems are used for recording and processing of budgetary data, data of the previous budgetary phases are entered manually, and there are even parallel processes of medium-term and annual planning taking place.

Since 2013, there is a shift towards results-based budgeting which requires new capacities both in MINFI and MINEPAT and in the line ministries. The development of these capacities is difficult because there is no specialized professional education and training for the public service. Cameroon has therefore developed a system where administration professionals train other public service employees or other stakeholders in issues of public finance reform.

Modified or new processes and functions also require new organizational structures, cooperation mechanisms, etc. Occasionally, implementing regulations are missing; laws are being revised or are not respected. In total, reforms are often implemented only slowly and gradually in such a complex environment. While as many processes as possible should take place automatically, on the basis of IT systems to discourage errors or fraud, new standardised software should be used only for reformed processes. The characterization, identification, procurement and introduction of such software are generally perceived to take as long as ten years, while adaptation to functions and confident application might take even longer.

Finally, the possibilities for financing national development objectives through domestic resources are not completely exhausted: Due to the fragmented computerization and breaks in the chain of data transmission and the associated opportunities for tax avoidance, the tax administration does not work very effectively. On the tax policy side, the tax base is fairly eroded rather than broadened through tax subsidies. Tax forecasts are not properly prepared, monthly tax revenues are not monitored, which makes planning and steering of the budget more difficult.

The module objective of the project is: "MINEPAT and MINFI steer the budget process according to national development objectives." The project works in three areas of activity: the automation of budgetary processes, the strengthening of the PPBS chain and strengthening of public revenues.

In the field of "Automation", MINFI and MINEPAT should be supported to adapt the processes of the PPBS chain to the new program budgets and to simplify them. Subsequently, a new and integrated system for the automated management of public finances should be introduced, other partners having had signaled financial contributions for. During the transition period – which would probably last several years – the IT solution PROBMIS, which had been developed in Cameroon, should be extended to all links of the PPBS chain.

In the field of "Strengthening the PPBS chain", the reform unit public finances of MINFI in connection with certain units of MINEPAT should be supported in its task of accompanying the sector ministries in the transition to program budgets, with a focus on program budget preparation and performance aspects. The sectoral PPBS-committees should, in turn, be strengthened through education and training, so that the PPBS chain would be applied effectively by all stakeholders.

In the field of "Strengthening public revenues", the Directorate General for Taxation of MINFI should be advised on steering and analytical capacities, as well as on work processes and IT operations. First, an overarching strategy and work plan should be developed on the basis of comprehensive organizational and process diagnostics, which should eventually lead to IT specifications as the basis for an integrated IT solution. The partners had however not communicated that draft specifications already existed.

In addition to the described approaches, the project targeted the integration of two cross-cutting issues, gender and adaptation to climate change into the sector strategies of the partner country. These are recognized as national development objectives. The project also supports the Council for the realization of partnership contracts. CARPA is mandated to advise the sectoral ministries in deciding whether investment projects are carried out as public tenders or as public-private partnerships. By supporting the development of a joint strategy of the Ministry of Environment and MINEPAT, international resources should be acquired for adaptation to climate change.

The results logic of the project is coherent with the two main areas of intervention automation and strengthening the PPBS chain; with regard to the intervention field strengthening public revenues it falls short because it does not address how to deal with the already existing specifications. The level of ambition of the project's target seems generally adequate to a three-year project with a thematically related predecessor project. However, in making this assessment certain risks and assumptions are not taken into account that hinder steering the budget process according to national development objectives (in particular the fragmentation of the budget process as described above, the partially restricted political will at the highest level to stick to a rule-based budgetary process as well as the incomplete and frequently not respected legal framework).

The four indicators of the project measure in two cases the achievement of the project's objective or elements thereof (transmission of national development objectives in objectives and indicators of program budgets, anchoring the cross-cutting issues of gender and climate in sector strategies), in two other cases, they measure elementary conditions for the achievement of the project's objective (trained employees, integration of the PPBS-links "planning" and "programming" into PROBMIS). The latter two indicators are not strictly SMART (specific, measurable, achievable, relevant and time-bound) since they miss the criterion 'relevant' because they measure results on output and not on outcome level. Nevertheless, this should not detract from their significance.

As an overarching development result (impact), the program objective can be retained as follows: "The state budget is implemented according to national development objectives." To this end, not only the steering of the budget according to these objectives by MINFI and MINEPAT is required but the sector ministries for their part must dispose of the capacity to steer and implement their budget so as to contribute to the achievement of development objectives. Two indicators at program level - the transmission of national development objectives' priorities in program budgets and the use of a new and integrated IT system as a prerequisite – will be used as indicators for the achievement of impact. In addition, increased domestic public revenues represent a developmental impact, which leads coupled with the improved steering of the budget to an improved execution of the budget in accordance with national development objectives. Conclusive reports of CARPA on the allocation of large public investment projects increase transparency of public financial management.

Basis for assessment of the OECD-DAC criteria:	Individual and overall rating of the OECD-DAC criteria:
<p>To determine the TC measure's overall rating, calculate the average of the individual ratings of the five OECD-DAC criteria:</p> <p>14 – 16 points: very successful      12 – 13 points: successful      10 – 11 points: rather successful      8 – 9 points: rather unsatisfactory      6 – 7 points: unsatisfactory      4 – 5 points: very unsatisfactory</p>	<p>Relevance: 16 points - very successful      Effectiveness: 10 points - rather successful      Impact: 10 points - rather successful      Efficiency: 10 points - rather successful      Sustainability: 10 points - rather successful</p> <p>Overall, the TC measure is rated <b>rather successful</b> with a total of 11 out of 16 points.</p>

#### Relevance (Are we doing the right thing?)

The target group of the project is the entire population of Cameroon. Their concerns for development are summarized in the national strategy document for growth and employment DSCE, which in turn is based on seven sectors. The allocation of public means in such a way that progress towards national development objectives is achieved, therefore, is an important building block for the development of Cameroon and thus a key concern for the target group.

The project is consistent with the key strategies of the partner country, on the one hand by construction with the DSCE and the sectoral strategies, on the other hand with the plans of MINFI and MINEPAT to reform public finances. These include in particular the plan to modernize public finance (2013-15) and the plan for the modernization of the tax administration. In the first, ten strategic axes were defined for modernization; support through the project joins the first axis (planning - programming - budgeting), the second axis (revenue) and ninth axis (automation). In the latter, the project contributes to the establishment of an information platform between customs and tax administration ("Fusion") in order "to reduce the fiscal gap", and the review of tax subsidies to "improve the structure of the tax system" as the two sub-objectives of the general objective no. 1 "improving the tax quota" are formulated.

The project is consistent with the relevant strategies of the German government, in particular the G8 Action Plan for Good Financial Governance (2. "Strengthening of tax systems" and 3. "Establishment of transparent and comprehensive budgetary procedures") and the BMZ Strategy "Good Financial Governance in German Development Cooperation" (BMZ strategy paper 4/2014).

The relevance of the TC measure is rated **very successful** with 16 points.

### **Effectiveness** (Will we achieve the project's objective?)

According to the module objective indicators the effectiveness of the project is as follows:

Objective indicator	Target value according to the offer	Current status according to the project evaluation
1. Objectives and indicators of program budgets reflect national development objectives.	90%	With the support of the project, the CIEP has carried out a preliminary analysis of 10 programs that are most expenditure effective. This analysis showed that in 2014 the objectives and indicators of 60% of the examined programs reflect national development goals (baseline 2013: 52%). The results were then adopted by the CIEP and provided an important foundation for the subsequent improvement of objectives and indicators, the consistency of national policies, and the results-oriented steering structure in the ministries with respect to the program budgets for 2015. The next analysis will be done in May 2016; a further move towards the target value is expected but it will probably not be fully achieved.
2. 150 officers are trained in results-based public financial management, program budgets and application of IT solutions.	150	In the area of results-oriented public financial management and program budgets, the following trainings were held in January-April 2016: module "formulation of objectives and indicators" with 84 participants, module "planning and update of the programs" with 104, module "process of carrying out the medium-term expenditure planning" with 104 and module "maturation of investment projects" with 76 participants. Among the total of 227 participants were 56 women (23.6%). These trainings were followed by intense coaching, where the trained officers are supported in the practical implementation of training contents (updating the programs, drawing up the medium-term expenditure planning) – this coaching is currently ongoing. Until the end of 2016 further trainings are planned: On the subject of "monitoring" a pilot training is planned by the Technical College ISMP with 25 participants. Subsequently, the training should be offered directly by ISMP to the public administration of Cameroon. On the topic "Controlling", 40 participants will still be trained in 2016 according to the training plan; the modules are currently being developed. In the area "application of IT solutions", trainings were not yet required.
3. The cross-cutting issues of climate change and gender are anchored in the seven sector strategies.	7	Two sector strategies out of seven are currently validated. The project has not developed to date an analytical framework for the interpretation of the term "anchoring". There is no official analysis of whether the cross-cutting issues are anchored in the strategies, neither by the partners nor by the project; for gender, this will be part of a study whose terms of reference is currently discussed. Until May 2015, the cross-cutting issue climate was mentioned in no sector strategy. It was then planned, however, that it should be integrated during the validation process of the sector strategies for rural development, infrastructure, health, and industry and services. "Integration" means in this case, to name the topic as politically important in the narrative. Only the strategy for rural development has been subjected to a climate-proofing by which the climate issue has really been "anchored". The cross-cutting issue of gender is integrated into the "strategic choices" ( <i>choix stratégiques</i> ) of the education, good governance and health strategies. The document on the strategic choices in rural development mentions gender - but this is only descriptive, hence peripherally without effective integration of the theme. According to a "little analysis" by the relevant unit in MINEPAT, Gender is integrated in the strategies for education, good governance and rural development (other strategies were not included in this study). Currently, it is discussed whether 10 rather than 7 sector strategies would be

		appropriate. The Cameroonian interest in gender sensitivity is in any case directed to the programs and not to the strategies. It is not to be expected that the number of strategies with significant gender reference (“anchoring”) will still increase during the term of the project.
4. The ministries use a common IT solution for the preparation, execution and monitoring and evaluation of program budgets.	1	At the time of the evaluation mission on the ground, neither planning nor programming was connected with budgeting using the IT solution PROBMIS, although already the predecessor project had negotiated a financing contract with the MINEPAT on this issue. The evaluation team was informed orally of the willingness of MINFI to fund the connection of the programming module, which was confirmed by the (mixed) participants in the final workshop of the mission. 27 of May was stated as the date for the release. The application of the common IT solution PROBMIS will not be extended to planning until the end of the term, and the use of IT solution would require training, which has not yet occurred.

The evaluation team comes to the conclusion that objectives indicator 1 will probably be *partly* achieved, objectives indicator 2 will be *fully* achieved, objectives indicators 3 and 4 will probably be *partly* achieved by the end of the project.<sup>1</sup>

The evaluation team has not received any information of negative effects of the project.

The effectiveness of the TC measure is rated **rather successful** with 10 points.

#### Overarching development results (impact) (Are we contributing to the achievement of overarching development results?)

Developmental results have been achieved to a low degree as can be demonstrated by the following two program target indicators (see above):

- (1) The priorities of the national development strategy are implemented annually in the program budgets of the line ministries.

In 2016, the performance reports of eight of the most expenditure effective program budgets for 2014 – that were related to the DSCE – were examined with respect to their financial realization rate. Compared to the program budgets of 2013 (baseline) there was an increase of 68.5% to 107.41. While thus the target value of the program objective indicator of 75% was exceeded, however, spending more budget resources than provided by law (including supplements) does not represent a particularly good implementation of DSCE priorities, but several serious problems in the system of public finances. Since the alleged link to DSCE often is rather loose and the selected programs account for only 15% of the budget, this operationalization of the indicator does not allow for an evaluation of achievements towards the program objective.

(2) MINEPAT and MINFI jointly use a new integrated IT system for preparation and execution of program budgets. The main ministries concerned have validated a shared vision for the integration of their IT systems. These are not only MINFI and MINEPAT, but also the procurement Ministry and the Ministry of State Property, Cadastral and Land Matters as well as parts of the Prime Minister Office. This is an indispensable element for the introduction of a common IT solution.

In addition, the project advises the tax administration on processes, with which unjustified value added tax-refund claims are to be avoided and the MINFI will be able to take informed tax policy decisions related to tax subsidies. As a result, more domestic revenues can be secured, which will, however, not be the case by the end of the term. Moreover, PAMFIP has tried to assist MINEPAT in the elaboration of an action plan for the acquisition of international climate financing. Two individual measures were executed during the term to date. To achieve impact, a closer cooperation of MINEPAT with the Environment Ministry which is responsible for climate issues is required. Finally, in cooperation with CARPA, an instrument (the *Comparateur*) has been developed which enables risk management and is used for all projects since its launch in March 2016 which may in principle be carried out in public-private partnership. CARPA published these evaluation reports (to date 3) on its website, thereby contributing to transparency and accountability of the Cameroonian government.

The system of training in public finances supported by professionals and managers who are trained as trainers and thereby become multipliers, which is supported by the project, shows quite broad impact over the shorter period, while preserving

---

<sup>1</sup> The indicators that are used to measure the OECD-DAC criteria do not fully adhere to the SMART-criteria; i.e. they are partly not specific, measurable, achievable, relevant or time-bound. Therefore, the validity of the assessment might be constrained to some extent.

the innovative character – new to Cameroon – of orientation towards application which is quite labor-intensive. This can be demonstrated by the enormous number of trained officers in the first four months in 2016.

The impact of the TC measure is rated **rather successful** with 10 points.

#### **Efficiency** (Are the objectives being achieved cost-effectively?)

It is difficult to assess the adequacy of resources in relation to the results achieved, since not all expenditures of the project can be assigned to its areas of activity and there, not to the achieved objectives and indicators. Limited evidence can be gathered from the following points.

Until March 2016, the project was marked by partially substantial vacancies for various reasons, which mainly affected the area of activity automation and the integration of cross-cutting issues into sector strategies. Whether, given the target system, more could have been achieved, however, is questionable, since the lack of political will in the use of a common IT system and the complexity of the national elaboration process in the anchoring of cross-cutting issues into sector strategies hampered the achievement of indicators 3 and 4 anyway. The other way round, additional results (with or without full cast) that may have come from a modified system of objectives will remain indeterminate.

The partner has made two offices available at the Directorate Generals for Budget and Taxation available. However, the intended exchange at Director General-level only took place in the General Directorate for Taxation while the exchange in the Directorate General for Budget was seriously impeded by mutual absences.

Support for the development of the information platform (Fusion) was carried out by a specialized international non-governmental organization that demands no fee for the license and otherwise operates on a cost recovery basis only; the system itself is very adaptable, so that there will be only relatively low cost also for the partners in the long term.

With the development partners of Cameroon active in the area of public finances (European Union (EU), France, International Monetary Fund (IMF)), the project works together in the sector committee public finances. In particular, further training courses were carried out together with the EU. Regarding the computerization of the budget process, the EU was also active in the inventory of processes and exchanged closely with the project on this, as long as contact persons were present on both sides. Coordination with the IMF African Center for Technical Assistance (AFRITAC) in the area of tax administration results in the coherence of policy recommendations (IMF) and technical assistance (PAMFIP).

The efficiency of the TC measure is rated **rather successful** with 10 points.

#### **Sustainability** (Are the positive results durable?)

In order to assess the probable durability of the positive results of the project, the following points are relevant.

The software PROBMIS - developed however by the preceding project – will be applied and extended for a few more years as a temporary solution. The strategic training plan 2016-18 will outlast the term of the project and may be updated. The training of specialists and managers of the public administration for practice-oriented training must be looked at differently under medium to longer-term sustainability considerations than under more short-term broad impact considerations. As the specialists and managers change their jobs frequently, they may in the medium term be no longer available for conducting events lasting several days, so that new officers need to be trained as multipliers. This risk for sustainability should be taken more into account by the advice services of the project. Sustainability is positively affected by the fact that some of the training modules developed with the support of the project are incorporated into the program of the technical college ISMP. They will become available at least in the medium term for (paying) interested administrations. There are manuals available for various subjects, which are in principle suitable for becoming a permanent basis of administrative action. Not all manuals are already mandatory. New, simplified formats for more effective handling of the PPBS chain are validated, that is agreed by all stakeholders. In Cameroonian context, they are thus anchored in the administration because the signatories are committed to the implementation of these formats; it can therefore be assumed that the current use is continued. The instrument *Comparateur* will continue to be used by CARPA. The information platform Fusion is in principle suitable as a component of an integrated IT system in revenue administration, so that it will continue to be used, provided that Cameroon - as promised – will receive the programming code of the application.

Overall, it can therefore be assumed that the positive effects of the project will largely persist.

The consideration of risk factors requires that these factors are identified in detail that they are monitored and that risk reduction measures are considered. All these steps should include the partner. The evaluation team has not been informed about such considerations. At the risk of non-achievement of indicators 3 and 4, as they came to light in the course of the

first year of real implementation, the project has, however, reacted and made proposals for a modification offer. The BMZ has not responded to this.

The sustainability of the TC measure is rated **rather successful** with 10 points.

**Published by**

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices  
Bonn and Eschborn

Friedrich-Ebert-Allee 40  
53113 Bonn, Germany  
T +49 228 44 60 0  
F +49 228 44 60 1766

Dag-Hammarskjöld-Weg 1–5  
65760 Eschborn, Germany  
T +49 61 96 79 0  
F +49 61 96 79 1115

E [info@giz.de](mailto:info@giz.de)  
I [www.giz.de](http://www.giz.de)