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FOR CONSIDERATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Cecilia AKINTOMIDE
Acting Secretary-General

SUBJECT : CAMEROON: 2010-2014 COUNTRY STRATEGY PAPER*

Please find attached hereto, the above-mentioned document.

Attch. :

Cc : The President

Questions on this document should be referred to:

Mr. J.M. GHARBI	Director	ORCE	Ext. 2060
Mr. A. BERNOUSSI	Lead Economist	ORCE	Ext. 2705
Mr. A. GAHUNGU	Resident Representative	ORCE/CMFO	Ext. 6800
Mr. R. KANE	Chief Country Economist	ORCE/CMFO	Ext. 6818

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



**COUNTRY STRATEGY PAPER 2010-2014
CAMEROON**

**REGIONAL DEPARTMENT, CENTER
(ORCE)**

October 2009

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ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
ADB	African Development Bank
ADF	African Development Fund
AFP	French Development Agency
ANIF	National Financial Investigation Agency
ARMP	Public Procurement Regulatory Agency
BEAC	Bank of Central African States
BPW	Building and Public Works
CAA	Autonomous Sinking Fund
CAMTEL	Cameroon Telecommunications
CAS	Country Assistance Strategy
CEMAC	Central African Economic and Monetary Community
CONAC	National Anti-Corruption Commission
CPIA	Country Policy and Institutional Assessment
CSP	Country Strategy Paper
CTS	Reform Programme Technical Monitoring Committee
DWSS	Drinking Water Supply and Sanitation
ECCAS	Economic Community of Central African States
EITI	Extractive Industries Transparency Initiative
EPA	Economic Partnership Agreement with the European Union
ESF	Exogenous Shocks Facility
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries (Enhanced HIPC Initiative)
ICT	Information and Communication Technology
IFC	International Finance Corporation
IMF	International Monetary Fund
MDG	Millennium Development Goal
MINEPAT	Ministry of the Economy, Planning and Regional Development
MTEF	Medium-Term Expenditure Framework
NEO	National Elections Observatory
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organization
NGP	National Governance Programme
OHADA	Organization for the Harmonization of Business Law in Africa
OLC	Anti-Corruption Observatory
PEFA	Public Expenditure and Financial Accountability
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SME/SMI	Small and Medium-sized Enterprises/Small and Medium-sized Industries
SDR	Special Drawing Rights
SIGEFI	Integrated Public Finance Information System
SIGIPES	Integrated Computerized State Personnel and Payroll Management System (SIGIPES)
TFP	Technical and Financial Partners
TSP	Transport Sector Programme
UNDP	United Nations Development Programme
US	United States
WTO	World Trade Organization

This report was written following a mission carried out by the Bank's Regional Office in Cameroon, under the coordination of Mr. R. KANE, Chief Country Economist in ORCE based in CMFO. This mission, which was fielded from 11 to 27 May 2009, also comprised Mrs. A. APETAY (OPSCOM), Mrs. BOLLO-TEMA (CMFO), Mrs. B. ALPERTE (OSGE), Messrs S.B TOUNKARA (CMFO), D. TANKOUA (CMFO), J.B NGUEMA-OLLO (OINF), M. MBODJ (OINF), S. MBA (CMFO), J.M MENG LIHINAG (CMFO), J.BISSAKONOU (CMFO), A.DIAW (OSAN), P.HORUGAVYE (OWAS), L. MBONG-MBONG (ESTA) and L. KOUAKOU KOUA (ESTA).

EXECUTIVE SUMMARY

1. 2009 is the final year of the current Bank Group Operations Strategy for Cameroon. Approved by the Boards on 20 October 2005, this strategy (ADB/BD/WP/2005/109 - ADF/BD/WP/2005/121) was implemented during the ADF 10 cycle and the first two years of the ADF 11 cycle. The completion report on the implementation of the strategy (ADF/BD/IF/2009/207) confirms the progress made in the Bank's two focal areas, namely: (i) promotion of good governance to ensure transparent public resource management; and (ii) improved infrastructure to reduce poverty. Over the 2010-2014 CSP implementation period, the Bank intends to further enhance the country's principal strengths and opportunities, including its geographic position which gives it a comparative advantage in the sub-region, its forest, agricultural and mining potential as well as the diversity of its ecosystem. Tapping of this potential has, however, been impeded by persisting constraints relating, in particular, to a lack of basic infrastructure and weak governance. Therefore, the Bank's intervention will be anchored to building central government's strategic management capacity and to making the most of Cameroon's geographic position (it shares frontiers with six countries), within the context of the Central African region integration process.

2. **Political and Economic Context:** The political situation has been marked by relative stability over the past five years, with the exception of 2008, when there were riots in protest against the high cost of living. In particular, Cameroon has pursued the decentralization process, carried out the revision of the constitutional law ending the limit on Presidential terms in April 2008 and peacefully obtained the handover of the Bakassi Peninsula by Nigeria. From the macro-economic standpoint, the results obtained in improving the quality of the macro-economic framework enabled Cameroon to reach the HIPC decision and completion points in 2000 and 2006, respectively. The Government's agenda has, for the most part, been implemented according to the sequences envisaged under the PRSP, which enabled it to conclude 6 IMF PRGF reviews (July 2005 to June 2008). However, over the past five years, average GDP growth in real terms has been below 3.5% compared with an original estimate of over 5%. With regard to governance, the Government has embarked on major reforms, even though significant obstacles remain in terms of enhanced transparency, the fight against corruption, the business environment and accountability.

3. **The Government's Agenda:** By drawing lessons from the implementation of its first poverty reduction strategy, the Government has, for the first time, embarked upon the formulation of a long-term development Vision for Cameroon. This Vision, which projects an image of the country up to 2035, aspires to make Cameroon *a democratic emerging country, united in its diversity*. Specifically, the Vision constitutes a reference framework for: (i) reducing poverty to a socially acceptable level; (ii) reaching middle-income country status; (iii) becoming a newly industrialized country; (iv) consolidating the democratic process and strengthening national unity.

4. *These specific objectives have guided the orientations of the Growth and Employment Strategy Paper (GESP) for the 2010-2020 period, covering the first ten years of the long-term Vision.* The main issue concerning the implementation of GESP will be to focus on growth acceleration, the creation of formal jobs and poverty reduction. It is, therefore, planned to: (i)

increase growth to an annual average of 5.5% over the 2010-2020 period; (ii) reduce under-employment from 75.8% to below 50% in 2020, with the creation of tens of thousands of formal jobs every year in the next ten years; and (iii) reduce the monetary poverty rate from 39.9% in 2007 to 28.7% in 2020. To achieve these objectives, the Government intends to implement in a coherent and integrated manner: (i) a growth strategy, (ii) an employment strategy, and (iii) a strategy to improve governance and central government's strategic management.

5. **Challenges and Constraints:** *The major challenge for Cameroon is to achieve strong and sustainable economic growth, the fruits of which will be equitably distributed among its population.* To that end, the country will have to diversify its exports largely comprising oil and remove a number of constraints, the most serious of which concern the inadequacy of basic infrastructure, governance and weak capacity, as well as an unfriendly private sector environment. All these constraints should be lifted, against a backdrop of a stable and high quality macro-economic environment.

6. **Bank Group Operations:** Lessons from implementing the Bank's strategy show the relevance of previous strategic options and acknowledge the need to consolidate the results obtained by building capacity and strengthening the driving role of Cameroon in the integration process in the Central African region. These lessons stem from an assessment of the above-mentioned constraints still facing the Cameroonian economy. The persistence of these constraints is also corroborated by the Bank's economic and sector work during implementation of the 2005-2009 CSP. The strategic approach that the Bank intends to adopt over the next five years aims to take advantage of Cameroon's strengths and opportunities by pursuing the removal of these constraints. This approach will focus on the following two key areas: first, building central government's strategic management capacity to strengthen its role in the delivery of public services but also in improving the business environment and second, taking advantage of Cameroon's strategic position in the integration process in Central Africa through support to infrastructure densification, in particular roads, communications and electric power grid interconnection. Thus, the two pillars underpinning this strategic approach are:

- (i) **Strengthening of governance with a view to improving central government's strategic management; and**
- (ii) **Infrastructure development.**

7. The pillars thus defined are in keeping with the orientations of the country's Growth and Employment Strategy Paper (GESP), in particular those which contribute to heightening the impact in terms of a sustainable increase in production and the strengthening of poverty-reduction-related activities. Furthermore, the reform operations and actions planned under the Bank's strategy will foster inclusive growth by focusing on economic diversification and will have a job creation impact which is one of GESP's key objectives.

8. **Conclusions:** The Bank's strategy for the 2010-2014 period takes into account the lessons drawn from implementing the previous strategy. It will contribute to creating the enabling conditions for taking greater advantage of Cameroon's strengths and opportunities, in particular, by easing the constraints relating to weak governance and inadequate infrastructure.

Through the pillar on governance, the overall objective is to build central government's capacity as a facilitator and regulator of social and economic activity to ensure: (i) transparent and efficient public finance management; (ii) improved business climate; and (iii) modernization of the land survey register. With regard to infrastructure development, the Bank's intervention will help to strengthen basic infrastructure, necessary for development of the private sector and improvement of the living environment. The Bank will consolidate the results achieved concerning: (i) the construction of roads to densify the internal network and link Cameroon to other countries of the sub-region to strengthen regional integration; (ii) the opening up of the agricultural regions to facilitate the population's access to markets and basic social services; (iii) improved access to electricity in urban and rural areas; and (iv) support to the Government's drinking water supply and sanitation policy. In a concern for selectivity and complementarity, the Bank's intervention will take into account the focal areas of development partners operating in the other sectors.

9. Recommendations: The Boards of Directors are invited to approve the strategy proposed in this Country Strategy Paper for Cameroon for the 2010-2014 period.

I. INTRODUCTION

1.1 2009 is the final year of the current Bank Group Strategy for Cameroon which was approved by the Boards on 20 October 2005. This strategy (ADB/BD/WP/2005/109 and ADF/BD/WP/2005/121) was implemented during the ADF 10 cycle and the first two years of ADF 11. The completion report on its implementation confirms the progress made in the Bank's two focal areas, namely: (i) promotion of good governance to ensure transparent public resource management; and (ii) improved infrastructure to reduce poverty. Over the 2010-2014 CSP implementation period, the Bank intends to take advantage of the country's principal strengths and opportunities, including its geographic position which gives it a comparative advantage in the sub-region, its forest, agricultural and mining potential as well as the diversity of its ecosystem. However, tapping this potential has been impeded by persisting constraints relating, in particular, to a lack of basic infrastructure and weak governance. Therefore, the strategic approach retained by the Bank will allow it to focus its intervention on building central government's strategic management capacity in order to strengthen its role in public service delivery, improve the business environment and exploit Cameroon's strategic position in the integration process in Central Africa through support to infrastructure densification, in particular roads and communications, and the electric power grid interconnection.

1.2 The Bank's Strategy for the 2010-2014 period was prepared against a backdrop of consolidating the harmonization of our operations with the World Bank. Indeed, in keeping with the principles of the Paris Declaration (2005) and the conclusions of the Accra meeting (2008) on the Action Plan to implement the said Declaration, the Bank and the World Bank fielded a joint mission to prepare their respective strategies. It was agreed that each institution would finalize its own document according to its own format and schedule, and would indicate complementarity in terms of the strategic intervention pillars. This preparation work was also carried out when the Growth and Employment Strategy Paper (GESP), which constitutes the second generation poverty reduction strategy in Cameroon, was being finalized.

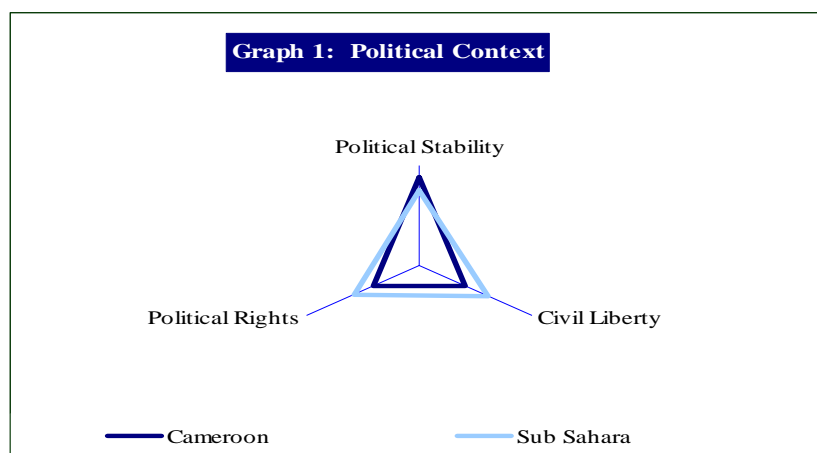
II. CONTEXT AND PROSPECTS

2.1. Political, Economic and Social Context

2.1.1. Political Context

The situation has been marked by relative stability over the past five years, with the exception of 2008 when there were riots in protest against the high cost of living. In the wake of these violent demonstrations, the President of the Republic instructed the Government to suspend customs duty on

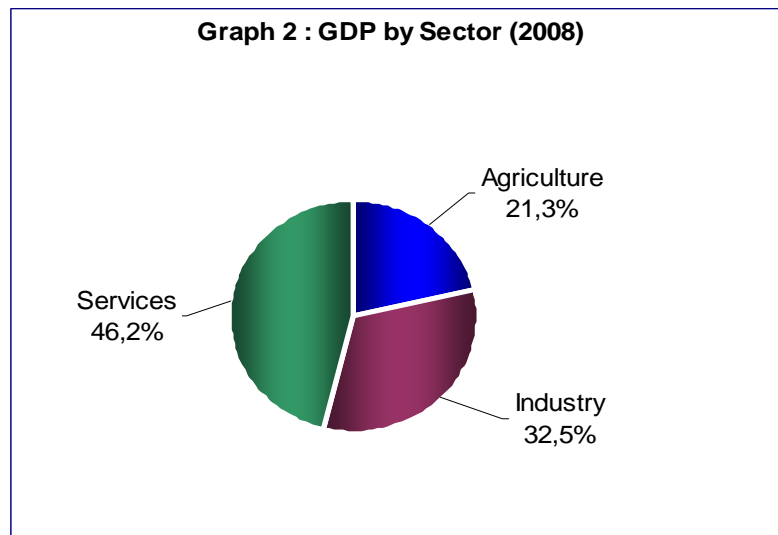
staple products and increase the salaries of government employees by 15%. Though the political landscape comprises over 150 legal political parties, only five (5) are represented in the National



Assembly. The last Presidential election was held in 2004 and the incumbent President has been in office since 1982. The last legislative elections were held in July 2007. The balance of power has not basically shifted; the ruling party holds over 80% of the seats in Parliament. The main political developments are: (i) pursuit of the decentralization process through the enactment of the law on the orientation of decentralization and the holding of partial municipal elections in 2008; (ii) the April 2008 revision of the Constitutional Law ending the limit on Presidential terms¹; (iv) the 14 August 2008 implementation of the decision on the handover of the Bakassi Peninsula by Nigeria; and (v) the appointment of a new Prime Minister since 30 June 2009.

2.1.2. Economic Situation

2.1.2.1. Growth and Engines of Growth: Over the past five years, growth has been strongly influenced by the activities of the oil and agricultural sectors (wood, banana, cocoa, coffee, cotton and rubber), whose revenue represents 50% and 25% of exports, respectively. On the demand side, consumption accounts for almost 80% of GDP and investment 17%. On the supply side, the primary sector, whose value-added is rising, employs 60% of the work force and contributes 21% to GDP.



The growth of this sector is, however, handicapped by the poor quality and inadequacy of rural infrastructure, constraints related to the financing of production and the remoteness of the production areas in relation to the consumption centres. In the secondary sector, whose value added represents almost 33% of GDP, activity remains marked by a downward trend due to the drying up of some oil wells, the weak competitiveness of agro-industries and the saturation of electric power supply capacity. *The increase in the value added of this sector presupposes considerably strengthening basic infrastructure and significantly improving the business environment.* The tertiary sector, which represents 46% of GDP, continues to grow at an average rate of 6% because of the increase in mobile telephony and the transport sub-sector.

2.1.2.2. Macro-economic Management: Since 2003, Cameroon has a Poverty Reduction Strategy (PRS), the implementation of which has been backed by the International Community. The results obtained with regard to improving the quality of the macro-economic framework enabled Cameroon to reach the HIPCI decision and completion points² in 2006 and 2006, respectively, increase the level of public investments and implement structural reforms, especially in the public utilities sector. However, average GDP growth in real terms has been less than 3.5% over the past five years, compared to an initial estimate of over 5%. This trend was

¹ The revision of the Constitution authorizes the President, in power since 1982 and whose term ends in 2011, to stand again until 2018.

² Reaching of the completion point was postponed on several occasions due to delays in implementing reforms.

not sufficient to encourage any reduction in poverty in a manner that would achieve the objectives set for 2015 and increase per capita gross national income (in 2007: US\$ 1050 dollars for Cameroon compared to US\$ 6670 for Gabon) with a view to making Cameroon a middle-income country. The inflation rate has been fairly well controlled and below the CEMAC standard, even though peaks were observed in 2008 (5.2%), brought about by the tax exemption of staple products in the wake of the social disturbances in February 2008. Consolidation of public finance reforms has been pursued but has not led to any significant improvement in the recovery of non-oil revenue (oil accounts for almost 33% of revenue). The trade balance, which has been positive since the devaluation, represents a deficit in 2009 estimated by the IMF at almost 5% of GDP. Reserves should fall from 6.2 months of imports in 2008, to 4.9 months in 2009. The monetary situation has been marked by the strengthening of the net external position, a fall in net claims on central government as well as a net increase in credit to the economy and in money supply.

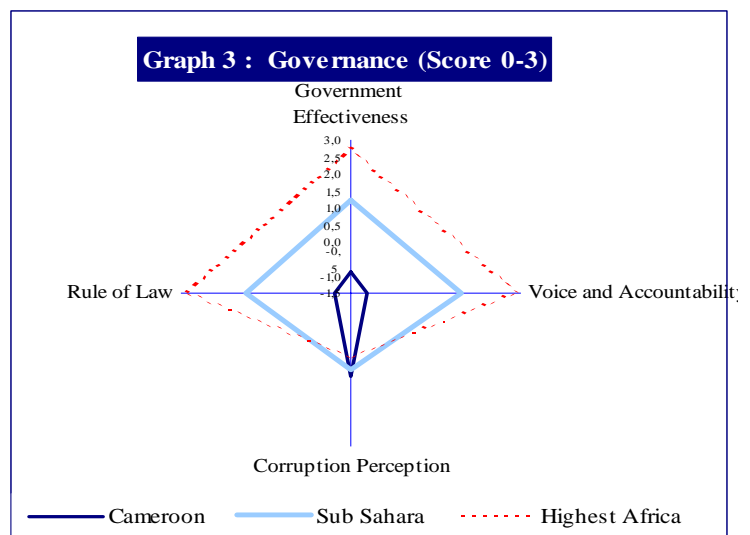
2.1.2.3. The effects of the international financial crisis on Cameroon are clearly perceptible, but may be contained for 2009: the average prices of export products (wood, aluminium, cotton, raw rubber and oil) should fall in 2009 by 34% compared to an exceptional increase of 30% in 2008. According to IMF estimates, the budget and current account deficits in 2009 should be about 1.8% and 5.2% of GDP, respectively. To bridge the deficit, the Government has preferred to use external financing through the IMF's Exogenous Shocks Facility (ESF). This Facility enables Cameroon to benefit from resources amounting to SDR 92.85 million. With the increase in the price of a barrel of crude oil, the international context is gradually becoming favourable again and the country does not need additional budget support in 2009. If the crisis persists, Cameroon may probably only require budget support in 2010 or 2011.

2.1.2.4. Most of the Government's agenda has been implemented in keeping with the sequences of the PRSP; which has allowed the country to conclude the six IMF PRGF reviews (July 2005-June 2008) and to benefit from the contribution of the other development partners in implementing its poverty reduction strategy. From the standpoint of structural reforms, privatizations have been carried out in the electricity sector, the tea sub-sector, the Douala container terminal, the railway and, more recently, the water sector. In contrast, the process has not been completed for the landline public telephone operator CAMTEL. The winding up of CAMAIR (the national airline) has not yet led to the definition of a clear policy in that area. The banks comply with the prudential rules of the BEAC with the exception of one. The rate of penetration of banking services is low. While the banks have excess liquidity, they rely mainly on short-term deposits.

2.1.3. Governance

The Government has embarked upon major reforms to improve governance, even though serious obstacles remain³ in terms of strengthening transparency, fighting corruption and improving the business environment and accountability. Regarding transparency and accountability, the Bank's support has fostered some progress in respect of budget execution and control, administrative and judicial reform and the fight against corruption. The law on the new financial regime adopted on 26 December 2007 will make credit managers more accountable and shorten the public expenditure execution periods. The Government, with the support of the development partners, is currently implementing a public finance modernization plan. This plan was prepared on the basis of diagnostic reviews carried out by the Public Administration and within the framework of the PEFA (Public Expenditure and Financial Accountability) approved in 2008. The Bank's support has also helped to build institutional capacity, especially in the area of OHADA law and accounting, IT training, strategic planning and project monitoring and evaluation. The other major factors which have contributed to strengthening transparency include: (i) the publication of oil data under the EITI Initiative for the 2001-2005 period; (ii) the production of the budget review laws following the establishment of the Audit Bench in 2005; (iii) the ongoing revision of the Public Procurement Code to ensure compliance with standards; (iv) control of money laundering through the National Financial Investigation Agency; and (v) the reorganization of the judicial system and strengthening of jurisdictions.

2.1.3.1. However, action to streamline the expenditure circuits and disseminate MTEFs is ongoing but has not yet been completed. *The shortcomings related to the public expenditure management system largely explain the country's weak absorptive capacity and impede the implementation of externally-financed public investments.* The fight against the persistently high⁴ corruption is continuing through 'Operation Sparrowhawk' on which basis legal proceedings can be brought against senior government officials. The National Anti-Corruption (CONAC) Commission, the responsibilities of which were redefined in March 2006, is required to play a greater role in combating the scourge. Finally, in terms of participation, Cameroon has several laws governing freedom of expression and association as well as the right to strike. The annual PRSP monitoring reports have been prepared using a participatory approach. However, the capacity of civil society actors, the private sector and MPs should be built up to foster initiative-taking and greater participation.

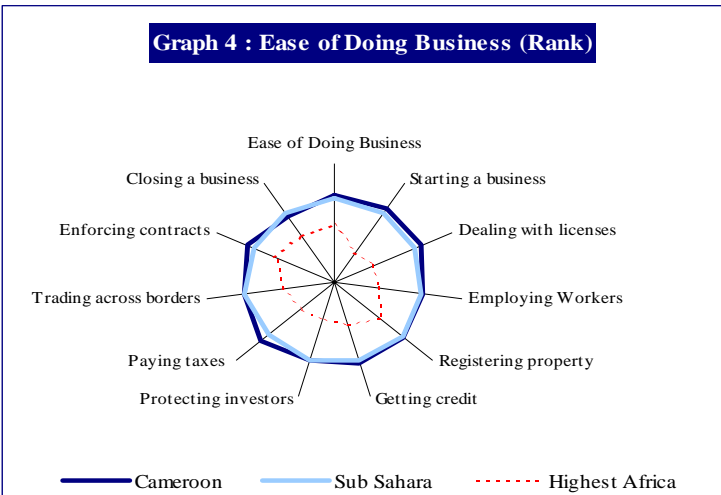


³ Cameroon is ranked 141st out of 180 countries by Transparency International

⁴ According to Transparency International, almost 79% of Cameroonians say they have paid bribes to obtain a public service.

2.1.4. Business Climate and Competitiveness

2.1.4.1. Even though the Government has made major strides in the areas of trade



facilitation by creating the single window, transparency in the mining sector and the functioning of the judicial system, the business climate remains unfavourable to economic activity. The 2009 Doing Business⁵ report ranks Cameroon 164th out of 181 economies assessed in the report regarding ease of doing business, and 32nd out of the 46 countries in Sub-Saharan Africa. Cameroon's most satisfactory performance concerns the "closing a business" indicator where it is ranked 95th. Of the 16 OHADA

member countries, Cameroon is ranked 7th in terms of ease of doing business.

2.1.4.2. **With regard to competitiveness, Cameroon faces high cost of factors of production,** due in particular to energy supply that falls short of meeting domestic demand, poor densification of the road network and inefficient port services. However, the country's ranking is relatively satisfactory with regard to the stability of the macro-economic framework (based on an analysis of the pillars of the Global Competitiveness Index which ranks 131 countries). It is worth recalling that this index provides a complete overview of all the critical factors in promoting productivity and competitiveness (refer to annex). Infrastructure (123rd ranking) and the complexity of the financial markets (125th ranking) are areas where the country's performance is weakest. The low competitiveness of factors is also explained by the complexity of the business climate (112th ranking), market efficiency (110th ranking) and training (113rd ranking). The Global competitiveness index ranks Cameroon 116th. *A review of these indicators confirms the need to improve the private sector environment.*

2.1.5. Regional Integration and Trade

2.1.5.1. Due to its geographic position, Cameroon is a transit zone, which gives it a comparative advantage in the sub-region. It shares borders with six countries⁶ and plays a significant role in the management and conservation of the forest ecosystems of Central Africa. *Cameroon is the country with the most commercial exchanges with the other CEMAC countries,* even though its main commercial partner in the continent remains Nigeria. Its population represents almost 50% that of CEMAC, which is 36 million, and 20% that of ECCAS (ECCAS' population exceeds 100 million). It accounts for almost 40% of the GDP of CEMAC, whose member countries have a common trade policy through a Common External Tariff (CET). Over the past five years,

⁵ In six areas, Cameroon is ranked in the lowest quartile: cross border trade (137), registering property (138), dealing with licenses (154), starting a business (171), paying taxes (171) and enforcing contracts (172).

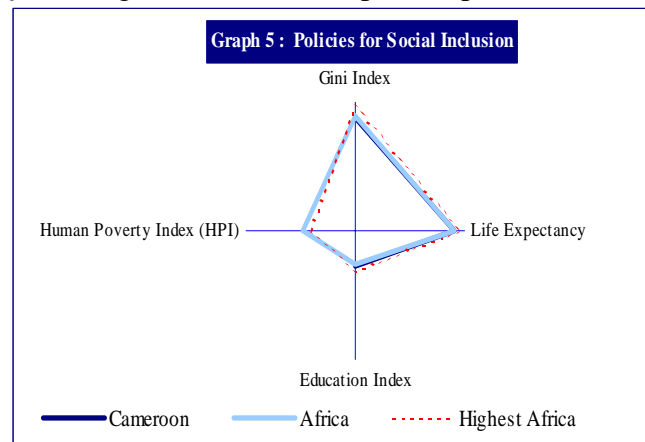
⁶ Nigeria to the North-west, Chad to the North, the Central African Republic to the East, Congo, Equatorial Guinea and Gabon to the South

Cameroon has met all but one of the CEMAC convergence criteria⁷ (the inflation criterion). However, there is not yet full freedom of movement of persons within CEMAC, insofar as two countries (Gabon and Equatorial Guinea) continue to require entry visas for nationals of the other member countries. The member countries have harmonized their business law legislation under the Treaty of the Organization for the Harmonization of Business Law in Africa (OHADA)⁸ and adopted a Regional Investment Charter in 1999, even though each country continues to have its own Investment Code. Cameroon has been a member of the WTO since 1995, uses the Organization's rules and applies its evaluation system. The region's financial system remains little developed and comprises two stock exchanges in Libreville in Gabon and Douala in Cameroon. The Economic Partnership Agreement with the European Union has been signed and the Government wishes to take advantage of the AGOA.

2.1.6. Social Context

2.1.6.1. Poverty, Social Inclusion and Equity: having reached the completion point in 2006,

Cameroon has made efforts regarding access to basic social services. However, these efforts have not been sufficient and the country's HDI ranking is 150th out of the 179 countries listed in 2008. The country's human poverty index (31.5% in 2008) is above the African average (38.7% in 2008). Cameroon has 18.4 physicians per 100,000 inhabitants compared to an average of 39.6 physicians per 100,000 for Africa. With regard to **HIV/AIDS** control, it should be pointed out that the prevalence rate is steadily rising. The percentage of people living with this pandemic is 5.1% in Cameroon, compared to an average of 4.5% for all the countries of the continent. Cameroon has established an HIV/AIDS control system and programmes for medical and psycho-social care have been developed, providing patients with access to drugs at reduced prices.



Source: AfDB Statistics Department using WB Data

2.1.6.2. **Gender Equality:** In 2006, the Gender Specific Human Development Index was higher than that of the continent⁹ (0.502 compared to 0.482). Almost 51% of the population is female. In 2009, women only represented 6.6% of members of decision-making bodies (10% in Government, 13.8% in Parliament, 8% of mayors and 4.4% in State-owned companies). The burden of domestic chores is an obstacle to their participation in other activities and, more than men, they are victims of violence. Over 52% of women declared that they had been subjected to sexual violence from the age of 15. They represent fewer than 4% of landowners. The girl/boy

⁷ The convergence criteria are: (i) a non-negative basic fiscal balance in relation to GDP; (ii) an annual inflation rate of no more than 3%; (iii) a public debt (external and domestic) rate of no more than 70% of GDP; and (iv) the non-accumulation by central government of external or domestic payment arrears on recurrent management.

⁸ OHADA groups together the fourteen countries of the area, plus Guinea, DRC and Comoros. The OHADA Treaty permits the promotion of trade, improvement of free competition conditions, facilitation of communication of modern management methods, legal security for businesses and investors, and contributes to the creation of confidence which is a pre-requisite for business development.

⁹ This index was designed by Sen and Anand (1995) to correct the HDI by taking gender inequalities into account.

primary school ratio rose slightly from 85% in 2000 to 86% in 2008. Cameroon has ratified the international agreements regarding gender equality. However, the improvement of gender indicators must be consolidated.

2.1.6.3. Status of MDGs: Of the 8 millennium development goal indicators, only 3 can be attained by 2015 if reforms are pursued (refer to Annex), among which: (i) ensuring universal primary education; (ii) increasing the proportion of the population with access to drinking water; and (iii) promoting gender equality and women's empowerment. The other MDG objectives will not be achieved. The incidence of monetary poverty hovered around 39.9% in 2008, virtually the same as the 40.2% level in 2001; thus the PRSP objective of reaching 37.1% by 2007 was not achieved. Income disparities have increased and poverty affects women more (52% of the total poor and 58% of the poor in the informal sector).

2.1.7. Environment and Climate Change

Cameroon has extremely diverse ecosystems. The country is a signatory to several international environmental conventions, including the Convention on Biological Diversity, the United Nations Convention on Desertification Control in Countries Seriously Affected by Drought and/or Desertification (1997), the Stockholm Convention on Persistent Organic Pollutants and the United Nations Framework Convention on Climate Change (in 2004). Cameroon has been subjected to considerable pressure regarding its biodiversity and biological resources: 27.5% of forests are degraded; the deforestation rate of 0.9% per year is the highest in Africa; and the arable land area per inhabitant is continually decreasing. Cameroon has just adopted a National Desertification Control Plan underscoring the vulnerability of the coastal and semi-arid areas (Sahelian) concerning climate change. The Government also has an Integrated Water Resource Management Plan. Under GESP, the government intends to implement a number of actions aimed at managing and regenerating state-owned forests in order to enhance forest and wildlife resources, protect soil fertility, conserve water resources, protect grazing land, safeguard biodiversity, etc. In addition to all this, the countries of the Congo Basin have decided to pool their resources in order to coordinate their climate policy.

2.2. Strategic Options

2.2.1. Country Strategic Framework

2.2.1.1 By drawing lessons from the implementation of its first poverty reduction strategy, the Government has, for the first time, embarked upon the formulation of a long-term development Vision for Cameroon. The Vision, which projects an image of the country up to 2035, aspires to make Cameroon *a democratic emerging country united in its diversity*. Specifically, the Vision constitutes a reference framework for: (i) reducing poverty to a socially acceptable level; (ii) reaching middle-income country status; (iii) becoming a newly industrialized country; (iv) consolidating the democratic process and strengthening national unity.

Table 1	
VISION 2035: GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES	
<i>GENERAL OBJECTIVES</i>	<i>SPECIFIC OBJECTIVES</i>
1. Reduce poverty to a socially acceptable level	<ul style="list-style-type: none"> - Make the population an effective factor of development - Intensify investment in infrastructure and productive sectors - Narrow the gaps by improving the redistribution systems - Improve supply and guarantee access by the majority to quality healthcare services - Improve social protection and security - Improve the supply, quality and adequacy of training - Promote the creation of decent jobs
2. Become a middle-income country	<ul style="list-style-type: none"> - Increase the productivity of the economy - Intensify silviculture, agro-pastoral activities, fish farming, mining activities, etc. - Preserve macro-economic stability - Promote the transformation and professionalization of services - Promote, disseminate and enhance research findings
3. Become a newly industrialized country	<ul style="list-style-type: none"> - Intensify investments in infrastructure and the productive sectors - Develop a sound, competitive and diversified manufacturing sector - Collect savings, finance growth and development - Change the structure of external trade and expand the markets - Integrate into the international financial sphere and improve banking intermediation
4. Enhance national unity and consolidate democracy by promoting the ideals of peace, freedom, justice, social progress and national solidarity	<ul style="list-style-type: none"> - Strengthen national unity and consolidate the State as guarantor of the public interest - Promote the rule of law and the credibility of the judicial system - Ensure greater participation of the population and consolidate social liberties - Strengthen the security of persons and property - Strengthen decentralization and local development.

Source: Vision Draft

2.2.1.2 *These specific objectives have guided the orientations of the Growth and Employment Strategy Paper¹⁰ (GESP) for the 2010-2020 period, which will cover the first ten years of the long-term Vision.* The main issue concerning the implementation of GESP will involve focusing on growth acceleration, the creation of formal jobs and poverty reduction. Therefore, it is planned to: (i) increase growth to an annual average of 5.5% over the 2010-2020 period; (ii) reduce under-employment from 75.8% to below 50% in 2020 with the creation of tens of thousands of formal jobs every year over the next ten years; and (iii) reduce the monetary poverty rate from 39.9% in 2007 to 28.7% in 2020. To achieve these objectives, the Government intends to implement in a coherent and integrated manner: (i) a growth strategy; (ii) an employment strategy; and (iii) a strategy to improve governance and central government's strategic management. The growth strategy accords high priority to the following thrusts: (i) infrastructure development; (ii) modernization of the production apparatus; (iii) promotion of human development; (iv) financing of the economy; and (v) development and diversification of commercial exchanges. GESP takes into account the National Policy Declaration on Employment prepared in April 2007 and contains a strategy for governance and central government strategic management.

¹⁰ GESP has been validated by all the stakeholders –including the TFPs - and was scheduled for adoption in August 2009.

2.3 Challenges and Constraints

2.3.1.1 *The major challenge for Cameroon is to achieve strong and sustainable economic growth, the fruits of which will be equitably distributed among its population.* To that end, the country will have to diversify its exports largely comprising oil and remove a number of constraints, the most serious of which concern the inadequacy of basic infrastructure, governance and weak capacity, as well as an unfriendly private sector environment. The persistence of these constraints has been confirmed by studies carried out by the Bank over the 2005-2009 CSP implementation period, but also by the results of the opinion poll conducted during the preparation of this CSP.

2.3.1.2 *The structure of production in Cameroon confirms that the country has high growth potential in the agricultural, forestry and mining sectors, the tapping of which has been impeded by lack of basic infrastructure.* Therefore, the increase in and processing of production in these sectors continue to pose major challenges to Cameroon and is a pre-requisite for the diversification of its oil-dominated exports. However, the balanced exploitation of this huge agricultural and forestry potential is very limited because of the inadequate production support, the remoteness of the production basins from the consumption areas, the inadequacy of the distribution networks for agricultural produce and a dissuasive land tenure system. Also in the mining sector, *the inadequacy of basic infrastructure* such as roads, ports, railways, electricity distribution and communication networks, constitutes an impediment to production growth and processing. During the consultations organized for the CSP preparation, the stakeholders identified the lack of reliable infrastructure (roads and energy) as the principal constraints on the business climate. Despite its hydropower potential and status as an oil producing country, energy supply in Cameroon is far below demand. Several enterprises established in Cameroon are unable to increase production due to inadequate power supply. Finally, the cost of access to telecommunications is very high compared to the average for the continent; the country has also not yet fully implemented its policy to liberalize the telecommunications sector. Removing all these constraints will enable Cameroon to take full advantage of its position as a trade crossroads.

2.3.1.3 A recent study¹¹ (ADF/BD/IF/2009/58) conducted by the Bank confirms that *the main obstacle to implementing the public investment programme is due less to lack of public resources than to weak public expenditure capacity.* Various obstacles, in particular institutional (governance shortcomings), are responsible for the particularly weak public expenditure effectiveness. The resources mobilized by the central government provide public service delivery which falls far short of what might be achieved. This situation, which is not new, partly explains Cameroon's lag in terms of community infrastructure, education, health care, etc. The analysis has shown that significant funds available from donors were not mobilized primarily because of difficulties related to absorptive capacity. Due to lack of capacity, development strategies are not always clearly identified and expressed, especially in the sector documents. Consequently, the overall MTEF and the sector MTEFs are experiencing difficulties in including the strategies in a multi-year budget framework. Owing to the lack of consistency between the PRSP and the MTEF, the annual budget suffers from lack of clarity, exhaustiveness and realism. Therefore, the

¹¹ Expanded Fiscal Space for Growth and Poverty Reduction, February 2009 (ADF/BD/IF/2009/58)

Government has sought support from several partners to implement two major projects (concerning the public finance modernization plan and improvement of the Public Procurement Code).

2.3.1.4 *The business environment reforms carried out should be strengthened to attract FDI, given Cameroon's potential.* In addition to the weakness of basic infrastructure mentioned above, the Government must continue to ease the constraints that prevent the institutional framework for promoting private investment and exports from running smoothly. The decrees establishing this framework already exist, but the structures targeted by them are not operational. Furthermore, efforts to remove the persisting administrative barriers to private investment must be pursued. The analysis carried out in Section 2.1.4 on the business climate confirms that Cameroon is in the lowest quartile for all aspects related to administrative procedures such as starting a business, paying taxes, enforcing contracts, etc. The lowering of these administrative barriers requires regular dialogue among employers' associations, the trade unions and government, but also the existence of capacity to design and implement a private sector development strategy and action plan. With Bank support, progress has been made in establishing the institutional framework to fight corruption and strengthen the justice sector. However, in addition to actions carried out under the 'Sparrowhawk' operation to control the misappropriation of public funds, efforts must be pursued to implement mechanisms that will discourage corruption, in particular on occasions when private sector users or actors solicit service from the public administration.

2.3.1.5 *Lastly, registering property and obtaining a construction permit are areas in which the private sector has experienced tremendous difficulties* (of the 169 countries surveyed in the Doing Business report, Cameroon is ranked 154th in these areas). As confirmed in the Bank's study (being finalized) on 'the Diagnosis and Modernization of the Land Survey Register in Cameroon', this situation stems largely from the absence in Cameroon of a single reference regarding landmarks on which the land titles are based. The fact of belonging to several geodesic systems has sometimes led to the duplication of titles for the same plot of land. The absence of a reliable landmark identification system has generated many divergences, ranging from the positioning of a simple monument to the demarcation of national borders. Furthermore, the inadequacy of the regulatory framework, in particular for **land tenure rights** constitutes a serious obstacle for the development of the private sector and the living environment.

2.3.1.6 *As confirmed by a review of the trends of the Country Policy and Institutional Assessment (CPIA) below, fiscal policy, the business regulatory framework and property rights are areas where the country has not satisfactorily performed.* These weaknesses were reflected in the country allocation trend which fell from UA 99.3 million in 2005 to UA 60.6 million in 2007. Between 2008 and 2009, the allocation of ADF 11 resources rose from UA 126.85 to 130.7 million, thereby reflecting the progress made in public debt management.

Table 2
CPIA Ratings 2005-2007

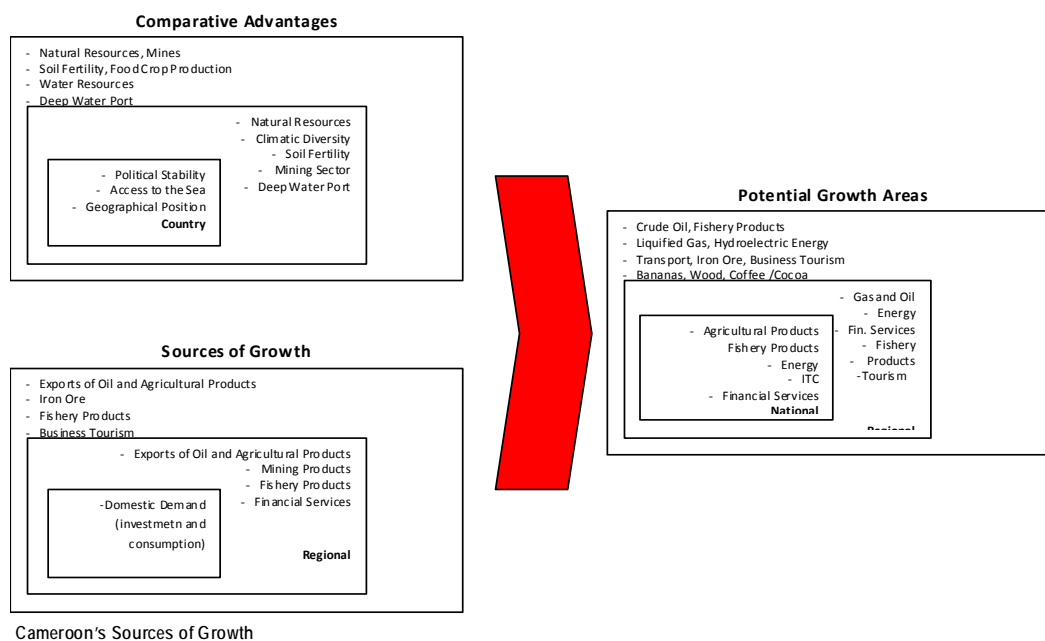
Year	A. Economic Management			B. Structural Policies			C. Policies for Social Inclusion/Equity					D. Public Sector Management and Institutions				
	1 Macro Economic Management	2 Fiscal Policy	3 Debt Policy	4 Regional Integration and Trade	5 Financial Sector	6 Business Regulatory Environment	7 Gender Equality	8 Equity of Public Resource Use	9 Building Human Resources	10 Social Protection and Labor	11 Environmental Policy & Regulations	12 Property Rights & Rule Based Governance	13 Quality of Budgetary & Financial Management	14 Efficiency of Revenue Mobilization	15 Quality of Public Administration	16 Transparency, Accountability & Corruption in Pub. Sector
2007	4.5	4.0	3.0	4.5	3.5	3.0	4.0	3.5	3.5	3.5	3.0	3.0	4.0	4.0	3.5	3.5
2006	4.0	3.5	2.5	4.0	3.0	3.0	4.0	3.5	3.5	3.5	3.0	2.5	3.5	3.5	3.0	3.0
2005	4.0	3.5	3.0	4.0	3.5	3.0	4.0	3.5	3.5	3.5	4.0	3.0	3.0	3.5	3.0	3.0

Source: AfDB Statistics Department using data from the WEF, 2008

Source: AfDB Statistics Department using data from the OECD Databases, 2008

2.3.2 Strengths and Opportunities

2.3.2.1. Called 'Africa in Miniature', Cameroon is a country with vast potential and in which almost 90% of the African ecosystems are represented. *The Country is rich in natural, agricultural (cocoa, coffee, banana, tobacco and cotton), forestry (22 million hectares of forests with over 70 species of wood), water and mining resources. These assets could be developed at the sub-regional level.*



2.3.2.2 *The country's first opportunity lies in its geographic position, which makes it a transit area and gives it comparative advantage in the sub-region. It shares borders with six countries and its geographic position makes it of key importance to the two neighbouring landlocked countries of Chad and the CAR. Apart from Equatorial Guinea, Cameroon has a positive trade balance with the other CEMAC countries. This opportunity relating to its geographic position could make Cameroon a crossroads for trade in Central Africa, based on an efficient integrated transport system criss-crossing the national territory and resolutely opened to its neighbours. To achieve this, the ongoing road transport corridor and electric power interconnection projects*

will strengthen the driving role played by Cameroon within CEMAC, constituting comparative advantages for the country. In addition to CEMAC and ECCAS, Cameroon could develop trade with Nigeria following the settlement of the border dispute over the Bakassi Peninsula (Cameroon has a border of over 1000 km with Nigeria and trade flows between the two countries are rising sharply especially in respect of food crops).

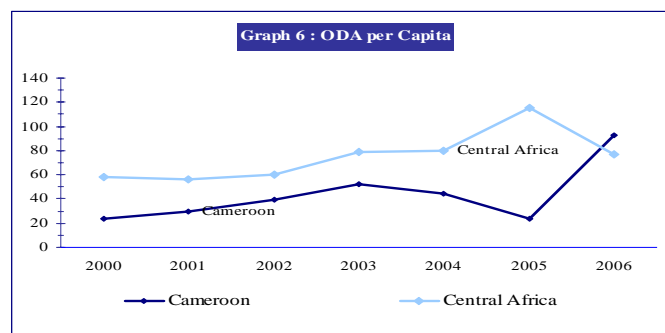
2.3.2.3 *In the energy sector, Cameroon has very high potential, both for hydroelectric power (second in Africa after the Democratic Republic of Congo) and gas with respectively 20 GW economically exploitable, less than 5% of which is developed, and estimated proven gas reserves of 110 billion m³ not yet exploited. The country also has renewable energies with significant forest cover to the south of Adamaoua which gives it vast dendro-energy potential, the first energy resource of households, in particular in rural areas. The exploitable wood waste potential is estimated at 1 million m³ per year. Average solarization (or insolation) varies between 6 kWh/d/m² in the northern part which receives regular sunshine, to 4 kWh/d/m² for the more humid southern part, i.e. sufficient solar potential to develop energy uses. Oil resources, production of which is declining, account for almost one third of government revenue. The country also has a largely unexploited mining sector (iron, rutile, bauxite, zinc oxide gold and diamonds). Cameroon may become a tourist destination in view of its cultural heritage and the diversity of its landscape, if efforts are made to position it on the main sending markets.*

2.3.2.4 The rural sector in Cameroon has significant potential including: (i) great climatic diversity; (ii) natural soil fertility; (iii) existence of considerable agricultural land, forests and water resources; (iv) a natural framework conducive to the diversity of agricultural and livestock practices; (v) a young, dynamic population; and (vi) outlets for production in the towns and neighbouring countries. *It has not been possible to take full advantage of all these opportunities because of the inadequate road and air networks which still do not link up the production and consumption areas, as well as insufficient high quality energy supply for industrial processing purposes. In short, the high growth potential sector in which investment must be increased is undoubtedly basic infrastructure.*

2.4 Recent Developments in Aid Coordination and Harmonization and the Positioning of the Bank:

2.4.1 Progress in Aid Coordination:

With the exception of 2006, when the country reached the completion point, the level of Official Development Assistance (ODA) per inhabitant in Cameroon has been significantly lower than for the other countries of the Continent. Cameroon is a signatory to the 2005 Paris Declaration on Aid Effectiveness. The traditional method of



Source: ADB Statistics Department Using OECD Data.

assistance coordination is through the organization of consultative groups. At the national level, the Directorate-General for Cooperation and Integration at the Ministry in charge of Planning, monitors cooperation with the donors. This structure lacks human and material resources to

fulfill its mission. A multi-donor PRSP Monitoring Committee¹² (MDC) was set up in June 2001. The MDC is a platform for dialogue, exchanging ideas, coordinating activities and adopting common stances on all of Cameroon's key development issues. In addition, since spring 2005, the MDC has resolutely embarked upon the process of alignment and harmonization promoted by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). To support this structure, active technical sub-committees have been established, dedicated to monitoring the PRSP, the use of HIPC resources and the alignment and harmonization agenda. *The Bank has played the lead role on the Public Finance Sector Committee since September 2008.* A matrix is presented in annex which summarizes the concentration of partners by sector. Since the last PRGF review for the 2005-2008 period, the country does not have any programme with the IMF apart from the Exogenous Shocks Facility mentioned in Section 2.1.2.3. The Government is envisaging finalizing with the IMF exchanges on the outlines of a new programme which could focus on public finance management, the role of the financial sector, trade liberalization, infrastructure financing and the business environment.

2.4.2 Positioning of the Bank Group

The Bank's active portfolio in Cameroon comprises 12 public sector projects, 3 private sector projects and 3 multinational projects for a total amount of net commitments of around UA 463 million. The sector breakdown of operations confirms the dominance of the transport sector (29%), followed by public utilities (26%), agriculture (18%), the social sector (14%) and multi-sector (13%). At end August 2009, the disbursement rate for the ongoing

Performance Indicators	Internal Comparison		World Bank 2009
	2006	2009	
Number of Ongoing Projects	16	12	18
Overall Assessment of Projects (scale 0-3)	1.83	2.05	
Gross Disbursement Rate (%)	38.8	37.9	33
Proportion of Projects at Risk (%)	62.5	38.48	22
Commitments at Risk	64	35	73
Average Age of Active Portfolio (years)	5.4	3.86	2.9
Number of Projects at Risk	10	5	1
Number of Problem Projects	4	0	3
CPPR	yes	yes	
Supervision Average	1.5	1.69	na
Average Project Size (million UA)	13	19	21

portfolio was 37.9%, compared to almost 12% in May 2008. It should be noted that the portfolio no longer has any problem projects (PP) - with the exception of the Cameroon Shipyard and Industrial Engineering Project (CNIC) which is an enclave project. There are 5 Projects at Risk (PAR), i.e. 35% of commitments, compared to ten (10) in 2006, i.e. 64% of the

portfolio. Portfolio effectiveness is diminished in particular by: (i) delays related to effectiveness and the fulfillment of conditions precedent to first disbursement; (ii) the irregular payment of counterpart funds; (iii) inefficient PIUs; and (iv) long procurement delays. Due to bad management, the Bank suspended disbursements for the CNIC project and conducted a financial investigation mission. This mission recommended the conduct of an external audit of the project accounts. The last portfolio review (ADF/BD/WP/2009/122), the lessons from which are presented in annex, and the last Evaluation of Bank Group Assistance to Cameroon (ADF/BD/WP/2009/127) specify that, prior to approval of any project by the Boards, the Bank and the Authorities should ensure that: (i) implementation and procurement plans have been prepared; (ii) the counterpart funds have been budgeted; (iii) the personnel of the future project are

¹² Germany, the African Development Bank, the World Bank, Canada, Spain, the United States, France, IMF, Great Britain, Japan, the Netherlands, UNDP, European Union.

identified; (iv) environment-related aspects have been taken into account; and (v) the country has adequate implementation and monitoring capacity.

2.4.3 Lessons Drawn from the Previous CSP:

2.4.3.1 Lessons drawn from the completion report on the 2005-2009 CSP and the IPRSP were the subject of discussions with the Authorities during the CSP preparation mission. It will be recalled that the 2005-2009 CSP comprised two pillars, namely: (i) *the promotion of good governance to ensure transparent management of public resources; and (ii) the improvement of infrastructure in order to reduce poverty*. For the Bank, the first lesson concerns the need for future strategies to take into account an improvement in the business environment, to build capacity especially in public expenditure management and to fight corruption which remains a major problem. For Pillar 2 relating to *infrastructure*, the results are mixed owing to the low disbursement rates of the projects financed on external resources. *The secondary and rural roads complementing the principal highways to open up the regions for the population and facilitate the marketing of their produce have not been taken into account in the second pillar concerning infrastructure*. The inadequacy of energy supply, recognized as a constraint on the growth of production and rural electrification, was not taken into account in terms of operations during implementation of the 2005-2009 CSP. The Bank will pursue studies to improve the selectivity of the sectors of intervention.

2.4.3.2. For the Government, the principal lesson concerns the need for an exhaustive programme based on strong, sustainable and *inclusive* growth. It has recognized the need to give greater consideration to sector strategies, the private sector, implementation of a capacity building programme in respect of public expenditure and a public-private partnership to increase energy supply.

III. BANK GROUP STRATEGY FOR CAMEROON

3.1. Rationale for the Bank Group's Intervention and Strategic Approach

3.1.1. The Bank Group's last strategy for Cameroon aimed to: (i) promote good governance to ensure transparent management of public resources; and (ii) contribute to improving infrastructure as a means of reducing poverty. Its implementation helped Cameroon to reach the completion point in 2006, and contributed to the pursuit of public expenditure reforms, strengthening of the rule of law and structural reforms. During the period covered by the previous strategy, the Bank's intervention also laid the foundation for conditions for improving access to drinking water and sanitation as well as densification of the road network to consolidate Cameroon's position as a crossroads for trade in the sub-region. The lessons drawn from implementation of the Bank's strategy show the relevance of previous strategic options and recognize the need to consolidate the results achieved, by building capacity and strengthening Cameroon's driving role in the integration process in Central Africa. These lessons stem from an assessment of the continuing constraints on the Cameroonian economy (refer to Section 2.2.2) and are focused mainly on the inadequacy of basic infrastructure and weak governance, especially in terms of the capacity to absorb resources, manage the urban planning and development process and create an enabling private sector environment. The persistence of these

constraints is also corroborated by the economic and sector work carried out by the Bank throughout the implementation of the 2005-2009 CSP¹³.

3.1.2. The strategic approach that the Bank intends to implement over the next five years aims to take advantage of Cameroon's strengths and opportunities by continuing to remove the above constraints. This approach will focus on the following two major areas: firstly, building central government's strategic capacity in order to strengthen its role as a provider of public services; improving of the business climate; and secondly, taking advantage of Cameroon's strategic position in the integration process in Central Africa by supporting the densification of infrastructure, in particular roads and communications and the interconnection of electric power grids. Thus, the two pillars underpinning this strategic approach are:

- (i) **The strengthening of governance with a view to improving central government's strategic management; and**
- (ii) **Infrastructure development.**

3.1.3 The pillars thus defined are in keeping with the thrusts of the country's Growth and Employment Strategy (GESP), in particular those which contribute to heightening the impact in terms of a sustainable increase in production and strengthening of poverty reduction-related activities. Furthermore, the reform operations and actions planned under the Bank's strategy will foster *inclusive growth* to diversify the country's economy and will, therefore, have a job creation impact which is one of GESP's key objectives. These areas also tally with the weaknesses identified under the CPIA, especially those relating to the management of public expenditure and studies conducted by the Bank in Cameroon.

3.2. Strategic Objectives

3.2.1. **Pillar 1: STRENGTHENING OF GOVERNANCE WITH A VIEW TO BUILDING CENTRAL GOVERNMENT'S STRATEGIC MANAGEMENT AND CAPACITY:** The overall objective of this pillar is to build the capacity of central government in its role as facilitator and regulator of economic and social activity to ensure: (i) efficient and transparent public finance management; (ii) improvement of the business climate; and (iii) modernization of the land survey register. The envisaged Bank support under this pillar will consolidate the outcomes of the National Governance Programme (PNG)¹⁴. This pillar is in keeping with the main thrust of GESP on Governance.

¹³ This concerns studies on Budget Policy for Growth and Poverty Reduction and the Diagnosis and Modernization of the Land Survey Register.

¹⁴ Implementation of this programme received steady Bank support.

3.2.2. **Pillar 2: INFRASTRUCTURE DEVELOPMENT:** The Bank's intervention will help to strengthen basic infrastructure which is necessary for private sector development and improvement of the living environment. The Bank will consolidate the results achieved concerning: (i) the construction of roads to densify the internal network and link Cameroon to the other countries of the sub-region to strengthen regional integration; (ii) the opening up of the agricultural regions to facilitate the population's access to markets and basic social services; (iii) improved access to electricity in urban and rural areas; and (iv) support to the Government's drinking water supply and sanitation policy. This pillar is aligned on the thrusts of GESP concerning growth and employment promotion.

Bank's Indicative Programme for the 2010-2014 Period (in UA million)- Country Operations			
	Estimated Approval	Indicative Amount	Region Covered
PILLAR I : GOVERNANCE AND STRATEGIC MANAGEMENT			
Land Survey Register Modernization Project	2S – 2010	7.0	Yaoundé/ Douala
Programme to Support the Strengthening of Competitiveness and Strategic Management Capacity Building	1S – 2013	35	National
PILLAR II: INFRASTRUCTURE			
Lom-Pangar Hydro-Power Development Project	2S – 2012	60.0	National
Road Programme (Improvement of the Kumba-Bachuo Akagbe and -Tibanti-Ngaoundéré Road)	2S – 2011	70.0	National
Rural and Community Infrastructure Improvement Programme.	1S – 2012	50.0	National
Yaoundé Sanitation Programme 2	2S – 2011	30.0	Yaoundé
Rural DWSS Programme (RWSSI)	1S – 2014	30.0	Rural Areas
Project for the Rehabilitation and Strengthening of Electricity Infrastructure and Rural Electrification	2S – 2010	26.5	Rural Areas

3.2.3. This programme was the subject of exchanges with the development partners, in particular the World Bank. The areas for joint intervention and the operations which will be the subject of cofinancing have been identified (refer to Section 3.3.7 on resources). In a concern for selectivity and complementarity, the Bank's operation takes into account the areas of concentration of the other development partners operating in the other sectors.

3.2.4. **Multinational Operations:** The Bank will support the implementation of the above-mentioned multi-national operations which will benefit Cameroon. These have been broken down on the basis of the pillars of the Regional Integration Assistance Strategy Paper (RIASP), which will be submitted for approval by the Boards. It should be noted that these pillars comply with the principles of complementarity and subsidiarity compared to those of the CSP.

Project Name	Estimated Year of Approval	Indicative Amount Million UA/1	Beneficiary Region and/or Countries
PILLAR I : REGIONAL INFRASTRUCTURE DEVELOPMENT			
1. Ketta-Djoum Multinational Road Project – Phase II	2012	80	Congo, Cameroon
2. Transport Facilitation Programme II CEMAC	2011	80	CEMAC
3. Kribi-Bata Road Project	2012	150	Cameroon-REG
4. Support to the Implementation of the Regional Water Policy	2013	5	ECCAS member countries
5. Central African Backbone Project Phase 1	2011	30	Cameroon CAR, Chad
PILLAR 2: BUILDING REGIONAL INSTITUTIONAL AND HUMAN CAPACITY			
6. Support to Integration Strategy and Payment Systems	2012	15	ECCAS/CEMAC
7. CEMAC Zone Higher Education Support Project	2011	15	CEMAC
8. Agricultural Research Development System	2011	10	Member Countries ECCAS
9. Regional Food Security Support Programme ECCAS	2012	7.5	ECCAS Member countries
/1 These amounts exclude possible co-financing by other donors.			

3.3. Deliverables and Targets

The Table below illustrates the country's challenges and constraints, GESP thrusts, the pillars and deliverables of the CSP as well as the types of operations planned over the 2010-2014 period. More details are provided in annex.

Challenges and Constraints	Vision 2035 : Cameroon, an emerging, democratic country unified in its democracy		2010-2014 CSP	Strategic Approach – Take Advantage of Cameroon's Strategic Position – Strengthen Central Government's Strategic Management	
	Government Strategies		PILLARS	CSP Deliverables	Type of Operation
1. Diversification of production and vulnerability of the economy to external shocks 2. Inadequacy of basic infrastructure, especially in transport, energy access to water and sanitation and telecommunications 3. Persistence of administrative barriers to private investment 4. High level of factor costs 5. Weaknesses in governance especially concerning accountability 6. Still poor access to basic social services and environmental protection 7. Weak public expenditure execution capacity 8. Poor urban planning and development policy.	GOVERNANCE AND CENTRAL GOVERNMENT STRATEGIC MANAGEMENT – Governance and rule of law – Central government strategic management	STRENGTHENING OF GOVERNANCE WITH A VIEW TO IMPROVING CENTRAL GOVERNMENT'S STRATEGIC MANAGEMENT	INFRASTRUCTURE DEVELOPMENT	Deliverable 1: Public financial management and revenue mobilization system improved Deliverable 2 : Private sector environment improved Deliverable 3: Facilitate access to land ownership	Strategic Management Capacity Building Programme. Programme to Support Competitiveness and Improve the Business Environment, Project to Modernize Cadastral and Public Land Management
	GROWTH STRATEGY – Infrastructure development – Modernization of the production apparatus – Human development – Regional integration – Financing of the economy			Deliverable 4 : Density the internal road network and pursue consolidation of the road links between Cameroon and the other countries of the sub-region Deliverable 5 : Improve regional connectivity and access to electricity in urban and rural areas Deliverable 6: improve community infrastructure through better supply of water and sanitation	Road Infrastructure Programme Project to Improve Rural Infrastructure for Agricultural Marketing Programmes for the rehabilitation and extension of electricity infrastructure and connectivity Sanitation and drinking water access programme
	EMPLOYMENT STRATEGY – Increase supply of decent jobs – Match with employment demand – Enhance efficacy of employment market				

3.3.1. Deliverable 1: Improvement of the Public Finance Management System and the Revenue Mobilization System: through this deliverable, the Bank's support will contribute to increasing the share of non-fiscal revenue, improving the capacity to absorb resources and fostering greater transparency in public resource management. With regard to revenue, the Bank's intervention will help to put in place the necessary tools to ensure better revenue recovery and broadening of the tax base. Furthermore, the Bank's intervention will engender an improvement in public expenditure effectiveness through a results-based approach. In particular, it will contribute to improving the tools for mapping the macro-economic and macro-financial framework and public expenditure management, the use of MTEFs to schedule public expenditure, and implementation of more transparent and efficient procurement rules of procedure and practices, tightening of public expenditure control and intensification of the fight against corruption. The Bank will pursue its support to the Government to build the capacity of the Commission Responsible for the Extractive Industries Transparency Initiative.

3.3.2. Deliverable 2: Improvement of the Private Sector Environment: With regard to improving the business climate, the Bank will seek to strengthen the public-private partnership to enhance the quality of public investment and implement a programme aimed at lowering the administrative barriers to private investment. The Bank will intervene in this sector in close collaboration with the Cameroon Business Forum (CBF) which is a public-private sector dialogue platform in Cameroon, the main objective of which is to improve the business climate. The CBF is backed by the IFC (International Finance Corporation) of the World Bank Group in accordance with the Memorandum of Understanding signed with the Cameroonian government and the employers' associations. The Bank will thus participate in putting in place technical assistance with the IFC to support the Government, with a view to: (i) simplifying the procedures for starting businesses and operationalizing the single window; (ii) reducing the tax payment procedures; (iii) facilitating settlement of commercial disputes; (iv) harmonizing the national documents required for import/export formalities; and (v) operationalizing structures such as those responsible for promoting investment, tourism and standardization. As a complement to access to property, which is Deliverable 3 of this strategy described below, the Bank will support the facilitation of procedures to obtain construction permits in Yaoundé and Douala.

3.3.3. Deliverable 3: Facilitate Access to Land Ownership: this outcome gives credibility to land titles and will make it possible to enhance the business environment as well as the population's living environment. The Bank's support will help to improve access to property, safeguard land tenure rights, increase revenue from state-owned lands as well as other land and cadastral revenue. Specifically, this support will make it possible to: (i) establish an African Geodesic Reference Frame anchored to AFREF; (ii) draft a large-scale map for the different regions; (iii) establish digital cadastral plans for Douala and Yaoundé; (iv) constitute the data base by compiling the land survey register in these two cities; and (v) build capacity, especially those of the cadastral and land affairs services. The establishment of these tools will constitute a prerequisite for the preparation of *a Regional Development Plan, which Cameroon does not yet have*.

3.3.4. Deliverable 4: Densify the road network and pursue the consolidation of road links between Cameroon and other countries of the sub-region: programmes to promote regional integration and open up areas with high agricultural potential will be prioritized in order to facilitate and increase trade. Through this deliverable, the Bank will support the Government's policy aimed at 'making Cameroon a crossroads for trade in the Central African sub-region',

through an ‘integrated, efficient transport network crisscrossing the entire national territory and resolutely opened to the neighbouring countries’. The programmes to open up the agricultural production areas will be accompanied by the creation of marketing infrastructure to ensure the security of production, preservation of the environment and access of rural producers to markets. These programmes will comprise capacity building components for rural sector operators.

3.3.5. Deliverable 5: Improve regional connectivity and access to electricity in urban and rural areas: the Bank will support Cameroon to develop a solid regional and continental backbone with a view to improving regional connectivity. This support will be reflected in the establishment of high speed telecommunications networks using fiber optic cables and will help Cameroon and the other CEMAC countries to connect to the high speed global network at least cost. This support will allow an increase in tax revenue on ITC-related services. *The Bank’s intervention in the energy sector will foster an increase in energy supply in both the sub-region and nationally*, and an improvement in the rural and urban electricity access rates. The Bank’s support will make it possible to strengthen electricity generation, supply and distribution system, through the construction and rehabilitation of generating facilities. The Bank will support the interconnection of power grids on the one hand between Cameroon, Gabon and Equatorial Guinea and on the other between Cameroon and Chad.

3.3.6. Deliverable 6: Improve Community Infrastructure by Enhancing Drinking Water Supply and Sanitation: the Bank’s strategy will consist in pursuing its support to rural and semi-urban areas. It will prioritize rural drinking water supply and rehabilitation as well as network extension and social connections in semi-urban communities. The Bank will also support community sanitation likely to benefit a higher proportion of the population. Finally, the Bank intends to support the Government in mobilizing supplementary resources in the form of cofinancing or parallel financing. Specifically, the Bank’s support will make it possible to improve access to drinking water for almost 2 million more people, increase access to sanitation services for about 1 million additional people and reduce water-borne diseases and malaria.

3.3.7. Resource-Related Issues: this CSP will cover three ADF cycles, namely the final year of ADF 11, ADF 12 and the first year of ADF 13. The balance on the ADF allocation which will be committed in 2010 is UA 33.7 million out of a total of UA 130.7 million. Over the 2005-2009 implementation period, the country also benefited from resources from allocations for regional operations to the tune of UA 88 million. The other operations will be financed during the ADF 12 and 13 cycles. Additional resources will also be mobilized to implement this strategy. The operations planned under the pillar on governance will be implemented in synergy with the World Bank. *Through bilateral resources*¹⁵ and in close collaboration with the ACBF, the Bank could also support an improvement in the procurement system, building the capacity of the Commission responsible for the Extractive Industry’s Transparency Initiative and institutional capacity building in respect of development management. Regarding the pillar concerning the strengthening of infrastructure, the Bank’s financing will complement that of the World Bank in the water and sanitation sectors as well as in respect of electric power grid interconnections, rural infrastructure and food security programmes. The Central African Backbone Project will also be cofinanced with the World Bank.

¹⁵ Such as the Bank-managed bilateral and Trust Funds, the African Water Facility (AWF), the Congo Basin Forest Fund, the NEPAD Project Preparation Facility, etc.

3.3.8. ***Non-Lending Activities:*** The Bank will pursue dialogue with the Authorities to take into consideration the recommendations stemming from the studies already conducted in 2009 in public expenditure management and modernization of the land survey register. During the 2020-2014 CSP, the Bank will initiate new ESW particularly in public expenditure programming, the business climate and the interconnection of electricity grids between countries of the region.

3.3.9. ***Potential Private Sector Activities:*** The Bank's operations prioritize infrastructure. There are several ideas for projects and/or feasibility studies in the following areas: mining, power plant construction, the deep water port, the rehabilitation of factories, agro-industrial processing, etc. The Bank is also planning to finance an operation to facilitate sub-regional trade.

Box: Consultations on the Bank Group's Strategy

From 11 to 27 May 2009, the Bank and World Bank held a series of consultations as part of the preparation of the 2010-2014 CSP. These consultations were interspersed with meetings with the representatives of the Public Administration, the private sector, Parliament and civil society. Over 250 people participated in these consultations. One of the highlights of these consultations was the workshop on 18 May 2009, grouping together the ADB, World Bank and the Government of Cameroon, in order to exchange ideas on the areas of concentration of our future intervention areas in Cameroon. This workshop was chaired by H.E The Minister of Economy, Planning and Regional Development who was surrounded by the members of Government and senior officials of the public administration. This meeting provided an opportunity to validate the Pillars of the 2010-2014 CSP and those of the World Bank's Strategy (2010-2013) focused on: the promotion of governance and macro-economic management, competitiveness, infrastructure and human development. The Bank and World Bank also met with the TFPs in the context of the Multi-Donor Committee. Following all these meetings, the two Banks and the Government held a press briefing to report on the outcome of their deliberations.

The outcome of these consultations was subsequently confirmed at the validation workshop on the full-fledged version of the 2010-2014 CSP held on 29 September 2009 in Yaoundé. Chaired by the Minister Delegate in the Office of the Minister of the Economy, Planning and Regional Development of Cameroon, this workshop was also attended by representatives of the Public Administration, the private sector, Parliament and Civil Society. Several Ministers honoured the validation workshop opening ceremony with their presence including the Minister of Employment and Vocational Training, the Minister for Energy and Water, the Minister of Public Works, the Minister of Posts and Telecommunications the Secretaries-General of the Ministries responsible for the Economy, Public Health, Agriculture and SMEs. The participants in this workshop confirmed the relevance of the pillars of concentration of the Bank's strategy. The comments and suggestions for improvement formulated by the participants have been taken into account in this version of the CSP.

3.4. The Bank's Monitoring and Evaluation Strategy

3.4.1. In close cooperation with the Government and the other stakeholders, monitoring the implementation of the Bank's strategy will be carried out through the results-based framework in annex to this CSP. With the increased capacity of the Regional Office, implementation of the Bank's strategy will be monitored more closely. It will be carried out regularly through the partnership frameworks existing between the Government and the TFPs, during the IMF missions, the quarterly reviews and supervision missions and mid-term reviews of operations. It will be recalled that the Bank's participation in the MDC sector and thematic groups will also allow regular monitoring of GESP implementation among partners. A full mid-term review will be carried out in 2012. This CSP mid-term review will assess the results achieved under the implementation of the Bank's Strategy over the 2010-2014 period and draw lessons for its continuation until 2014.

3.4.2. Monitoring will also be facilitated, thanks to the existence of an institutional framework for implementing the Government's Growth and Employment Strategy. This institutional framework provides for a participatory approach in which the State and its sub-divisions will act as principal project owner. This implementation will concern all the stakeholders in GESP implementation. It should be mentioned that the Bank will also support the Government in implementing and monitoring GESP.

3.5. Country Dialogue Issues

3.5.1. When the previous strategy was implemented, the dialogue between the Bank and the Government concerned *budget discipline and management, transparency, accountability and corruption in the public sector and portfolio management and monitoring*. While these dialogue areas are still relevant, the business climate and crosscutting issues (gender, environment, etc.) should be added.

3.5.2. *Fiscal Discipline and Budget Management*: the Government has made great strides in public finance reforms. Over this CSP period, dialogue should be initiated on finalization and implementation of the public finance modernization plan, the generalization of the MTEFs and the EITI Initiative. The Bank will continue to express its concern regarding the low implementation level of externally-financed public expenditure. The dialogue will also concern the privatization policy in order to avoid the accumulation of central government subsidies. Overall, dialogue on fiscal discipline and budget management will encourage compliance by the Government with the pre-requisites to benefit from budget support by the 2010-2014 CSP period. With regard to *transparency, accountability and corruption in the public sector*, the Bank will strengthen dialogue to improve the Public Procurement Code, fight corruption more effectively and ensure a more regular functioning of the Audit Bench and the Parliamentary Finance Commission.

3.5.3. *Portfolio Management and Monitoring*: Portfolio dialogue has considerably improved since the Field Office opened. As a result, the portfolio no longer contains problem projects and the disbursement rate has significantly increased (Section 2.4.2 on Positioning of the Bank). The Bank is pursuing dialogue through quarterly supervision and portfolio review missions. In the MDC, the TFPs have adopted the matrix format to monitor the implementation of the recommendations of the Bank's portfolio review, with a view to enriching joint reflection on improving the absorptive capacity. *The dialogue will also concern cross-cutting issues such as gender, environmental protection, capacity building, etc.* These issues will also be considered during the implementation of the planned infrastructure projects (refer to annex).

3.6. Potential Risks and Mitigative Measures

3.6.1. **On the political front**, the security situation on the Bakassi Peninsula could deteriorate. This risk is being mitigated with the development of strong neighbourly ties with Nigeria, but also by the implementation of a specific programme to strengthen infrastructure in the Peninsula. Cameroon is considered as a politically stable country. Consequently, the interplay of alliances as well as the maturity of the political class will ensure the smooth conduct of the Presidential elections scheduled for 2011.

3.6.2. **Risks related to Exogenous Shocks:** This risk became apparent in 2009 in the wake of the financial crisis and is related to fluctuations in commodity prices which could affect the country's economic prospects. To mitigate this risk in the short term, the Government has preferred to seek IMF assistance. Should the financial crisis persist, this risk could remain and lead to more significant deepening of the budget deficit, which could be financed by BEAC reserves, statutory advances or external financing.

3.6.3. **Public-Enterprise Management-related Risks:** The *risk* involves the financial fragility and lack of competitiveness of the telecommunications company (CAMTEL), which has not yet been privatized. Though not subsidized directly, the company does not systematically pay VAT. This risk will be mitigated through the ongoing Government reform programme.

3.6.4. **Risks Related to Weak Capacity:** the pace of implementing the reforms depends on the quality of the capacity and impacts the quality of growth. The external aid flows barely represent 3% of GDP per year and these resources are being disbursed very slowly, whereas the country urgently requires infrastructure which could be externally financed. Weak capacity is one of the main reasons for the slow implementation of reforms but also of the low effectiveness of public expenditure. It is worth noting that the Government is finalizing a new public procurement code which meets international standards. Implementation of the recommendations of the Bank's study and the plan to modernize finances would make it possible to mitigate the risk related to weak capacity.

IV. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The Bank's strategy for the 2010-2014 period will contribute to the creation of the necessary conditions to take greater advantage of Cameroon's strengths and opportunities through the removal of the constraints relating, in particular, to weak governance and inadequate infrastructure. Through the pillar relating to governance, the overall objective is to build central government's capacity as a facilitator and regulator of social and economic activity to ensure: (i) transparent and efficient public finance management; (ii) an improved business climate; and (iii) modernization of the land survey register. With regard to infrastructure development, the Bank's intervention will take advantage of Cameroon's strategic position in the integration process in Central Africa. The Bank will thus consolidate the results achieved concerning: (i) the construction of roads to densify the internal network and link Cameroon to the other countries of the sub-region to strengthen regional integration; (ii) the opening up of the agricultural regions to facilitate the population's access to markets and basic social services; and (iii) improved access to electricity in urban and rural areas. The Bank will also increase its support to the Government's drinking water supply and sanitation policy.

4.2 Recommendations

The Boards of Directors are invited to approve the strategy proposed in this Country Strategy Paper for Cameroon for the 2010-2014 period.

Annex 1: OUTCOME FRAMEWORK MATRIX

Country's Development Goals (GESP)	Problems impeding the achievement of the country's development goals (= sector problems)	FINAL OUTCOMES (expected at the end of the CSP period in 2014)	FINAL OUTPUTS (expected at the end of the CSP period in 2014)	MID-TERM OUTCOMES (expected at CSP mid-term by 2012)	MID-TERM OUTPUTS (expected at CSP mid-term by 2012)	ADB interventions to be implemented during the CSP period (new and ongoing interventions)
PILLAR I - STRENGTHENING OF GOVERNANCE AND CENTRAL GOVERNMENT STRATEGIC MANAGEMENT						
Multi sector						
<p>The government's strategy is focused on four (4) main thrusts :</p> <ol style="list-style-type: none"> strengthening of the rule of law and security of persons and property; improvement of the business climate; intensification of the fight against corruption and misappropriation of funds; Improved information and citizen's control in the management of public affairs. 	<p>Low public investment project implementation rate.</p> <p>Inadequate recovery of non-tax revenue</p> <p>Administrative barriers to public investment Time taken to start a business too long Large number of procedures and time involved in paying taxes; Time taken to settle commercial disputes Number of documents required for maritime trade and costs Time taken to obtain a construction permit Time taken to transfer property Information on financial risks</p> <p>Weak legal security of land ownership.</p>	<p>Main Outcome : Improve public finance management system and revenue mobilization system:</p> <p>The public expenditure execution rate has increased and the investment rate is almost 20%</p> <p>Percentage of budget execution in the priority sectors has increased</p> <p>Increased share of non-tax revenue</p> <p>Main Outcome : Improve the private sector environment :</p> <p>Organization of technical assistance to enhance performance : Time taken to start a business falls from 37 to 10 days 50% i.e. 41 to 24 payments and 1400 to 800 hours per year Reduce time taken from 800 to 350 days From 9 documents on average to 5 and the costs by 30% From 426 days to 90 days From 93 to 45 days</p> <p>Main Outcome : Facilitate access to ownership:</p> <p>Establishment of a Geodesic Reference Frame anchored to AFREF: Preparation of a large scale map for the 10 provincial capitals Preparation of cadastral plans (Douala and Yaoundé) Building up of cadastral and land affair capacity;</p>	<p>Establishment of an integrated public finance management and information system able to improve the public resource absorptive capacity;</p> <p>The recovery system is exhaustive</p> <p>Business climate is improved and foreign direct investment (FDI) increased</p> <p>Reduction in the fraudulent or erroneous establishment of two land titles for the same plot of land and land titles will be more credible and potential investors re-assured</p>	<p>All the Ministries have a MTEF</p> <p>The budget is designed on the basis of a results-based approach</p> <p>The macro-economic and macro-finance tools are exhaustive</p> <p>The Procurement Code is approved and implemented</p> <p>Time taken to start a business does not exceed 25 days and Cameroon 's position is improved through the WEF</p> <p>The geodesic framework is being harmonized to ensure a single network for issuing land titles. The number of land titles issued has increased</p>	<p>The methodology for preparing MTEF is approved and applied in the five priority sectors (Education, Health, Transport, Water and Sanitation and Tourism)</p> <p>The public expenditure chain is improved</p>	<p>- 2012 Strategic Management Capacity Building :UA 5 million</p> <p>- 2013 Competitiveness Support Programme: UA 30 million (balance of payments or budget support if prerequisites are met)</p> <p>- 2010 Land survey register Modernization Project : UA 7 million</p>
PILLAR II – INFRASTRUCTURE DEVELOPMENT						
TRANSPORT SECTOR						
<p>1. Facilitate access to basic social services and links between the production areas and marketing centres</p>	<p>1. Inadequate spatial structuring implying difficult access between production and consumption areas</p>	<p>Main Outcome: <i>Densify the internal road network and pursue consolidation of road links between Cameroon and the other countries of the sub-region:</i></p>	<p>1. Asphalted road sections: 250 km between Garoua Boulai and N'Gaoundéré ; 250 km between Ayos and Bognis ; 130 km between</p>	<p>1. (a) A permanent link between Douala and Ndjamena and between Douala and</p>	<p>1. (a) Asphalted sections: 250 km between Garoua Boulai and Ngaoundere ; 250 km between Ayos and</p>	<p>• Programme of facilitation on the CEMAC corridors (Douala-Bangui and Douala-Ndjamena)</p>

Country's Development Goals (GESp)	Problems impeding the achievement of the country's development goals (= sector problems)	FINAL OUTCOMES (expected at the end of the CSP period in 2014)	FINAL OUTPUTS (expected at the end of the CSP period in 2014)	MID-TERM OUTCOMES (expected at CSP mid-term by 2012)	MID-TERM OUTPUTS (expected at CSP mid-term by 2012)	ADB interventions to be implemented during the CSP period (new and ongoing interventions)
2. Make Cameroon a crossroads for trade in the Central African sub-region due to an integrated efficient transport network criss-crossing the entire national territory and resolutely opened to the neighbouring countries	2. Poor condition of road network. 3. Non-existence or poor condition of land routes between the countries of the subregion and obstacles to circulation of traffic on the Inter-State corridors 4. Saturation of Douala Port in terms of traffic and capacity	1. The asphalted road network increases from 5000 km to almost 6000 km and at least three large bridges are built and Yaoundé is linked to the capitals of neighbouring countries by asphalted land routes 2. 40% of the priority road network is in good conditions. 3. Port-to-border transit time, transport time on road corridors and transport costs reduced 3. A deep water port constructed at Kribi	Bamenda and Ekok ; 150 km between Kumba and Bachuo Akagbe ; 185 km between Sangmélima and Mintomn ; (b) 100 km upgraded to modern earth or asphalted road on the Batchenga-Ntui-Yoko-Ngaoundere highway ; (c) Bridges built over the Logone between Chad and Cameroon and Nigeria 2. Part of the asphalted road network restored to good condition in particular : (a) 265 km of secured road between Douala and Yaoundé ; (b) 357 km de roads rehabilitated and maintained between Ngaoundere and Figuil ; (c) 63 km of roads maintained between Bamenda and Mamfe ; (d) 15 km of district roads paved in Meiganga and 5 km in Garoua Boulai (e) 450 km of improved tracks in the South-west Provinces and 'Adamaoua ; and (f) Structures rebuilt (2 lanes) between Ngaoundere and Garoua 3. Port clearance time reduced by 20% - Rehabilitation of 1000 km of agricultural feeder roads, construction of 50 storage warehouses and 20 rural markets	Bangui; (b) at least 50km of roads improved and paved on the Bamenda-Ekok highway. 2. DDs and BDs available for Bachenga-Tibati-Ngaoundere et Kumba-Mamfé roads 3. (i) the SYDONIA customs systems are upgraded and interconnected; (ii) the manual processing of customs operations discontinued; (iii) the percentage of TIC revenue paid increases from 50% to 100% in 2011 (iv) the percentage of TCI revenue actually paid to FODEC rises from 0% to 25% 4. Financing for the construction of Kribi port is mobilized The marketing of agricultural produce in the areas concerned increases by 5%	Bognis ; 50 km between Bamenda and Ekok ; (b) Bridges built over the Logone between Chad and Cameroon; (c) 265 km of secured roads between Douala and Yaoundé ; (d) 357 km of roads rehabilitated or maintained between Ngaoundere and Figuil ; (e) 15 km of district roads paved in Meiganga and 5 km in Garoua Boulai (e) 150 km of tracks rehabilitated in Adamaoua province ; (f) Highway structures rebuilt (2 lanes) between Ngaoundere and Garoua 2. DDs and BDs for Bachenga-Tibati-Ngaoundere and Kumba-Mamfe roads available 3. Port clearance time reduced by 20%. 4. Financing for the construction of Kribi port mobilized Rehabilitation of 300km of tracks, construction of 20 warehouses and 10 rural markets	• Programme of transport facilitation on the Bamenda-Mamfe-Ekok-Enugu corridors • Programme of transport facilitation on the Brazzaville-Yaoundé corridor • Kumba-Mamfe and Bachenga-Ntui-Yoko-Tibati-Ngaoundere Road Improvement Project to improve agricultural marketing infrastructure
• ENERGY SECTOR						
1. Reduce the country's energy deficit 2. Achieve countrywide coverage by electricity by 2020.	Inadequate access to electricity services in particular in rural areas. High cost of electric power interconnection between the southern and northern parts of the country.	<u>Main Outcome: Improve access to electricity in urban and rural areas and regional connectivity</u> Rehabilitation and strengthening of electric power generating, transmission and distribution facilities Increase in hydroelectric power generation	• Construction of 3 hydroelectric dams nationality and in the context to subregional integration • Expansion of HV, MV and LV electric power grids • Installation of over	• Electrification of over 300 additional villages. • Improved access to electricity for around 290000 households in the project areas.	• Construction of power plants and micro-hydropower • Rehabilitation and strengthening of production units • Rehabilitation and	• Project for the rehabilitation and strengthening of electrical infrastructure and rural electrification • Multinational: DD and ESIA studies on the Cameroon-Chad electric

Country's Development Goals (GESP)	Problems impeding the achievement of the country's development goals (= sector problems)	FINAL OUTCOMES (expected at the end of the CSP period in 2014)	FINAL OUTPUTS (expected at the end of the CSP period in 2014)	MID-TERM OUTCOMES (expected at CSP mid-term by 2012)	MID-TERM OUTPUTS (expected at CSP mid-term by 2012)	ADB interventions to be implemented during the CSP period (new and ongoing interventions)
<p>3. Achieve electric energy access rates of 16% in 2007 to 48% in 2020</p> <p>4. Foster subregional integration of electric energy generation and transmission.</p> <p>5. Improve connectivity</p>	<p>High cost of connection to the national electricity grid.</p> <p>Uncontrolled urban development: uncontrolled electric power connections, underpayments and fraud.</p> <p>Electricity is the first source of energy of the industrial sector; the economy is highly sensitive to outages.</p> <p>Access to ITC services is expensive</p>	<p>and supply</p> <p>Reduction of technical losses by</p> <p>Reduction of non-technical losses by</p> <p>Completion of interconnections of electric power grids with neighbouring countries.</p> <p>Improve quality and reduce costs on ITC services</p>	<p>350,000 triphasal and 50,000 monophasal connections.</p> <ul style="list-style-type: none"> Development and expansion of rural electrification projects; Development and accessibility to other forms of energy <p>Fiber optic is installed in a solid ITC platform for telecommunications and regional information systems.</p>	<ul style="list-style-type: none"> Conduct of electrification studies Reduction of technical losses Building technical and human capacity of the electricity sector institutions 	<p>expansion of HV/MV/BV networks</p> <ul style="list-style-type: none"> Implementation of connections and installation of public lighting units, Procurement of operating, upkeep and maintenance equipment. <p>Conduct of studies on electric power grid transmission line and interconnection projects.</p>	<p>power grid interconnection and transmission line and the Cameroon-Chad electric power grid interconnection and transmission line.</p> <ul style="list-style-type: none"> Hydroelectric power development of Lom-Pangar and the energy transmission line. Multinational (Cameroon-Gabon-Equatorial Guinea): Development Project <p>CAB project</p>
Water and Sanitation sector						
<p>Improve the population's health status by reducing the rate of incidence of water-borne diseases.</p> <p>Reduce the infant mortality rate from 87 per thousands to 58% in 2015 then to no more than 50% in 2020.</p> <p>Raise the rate of access to drinking from 43% at present to 75% by 2015, and to 100 % by 2020.</p>	<p>Inadequate access to drinking water in particular in semi-urban and rural areas.</p> <p>High incidence of water-borne diseases and high infant mortality rate owing in particular to a lack of drinking water and weaknesses in the solid waste and waste water evacuation systems.</p>	<p><u>Main Outcome: Improve community infrastructure through improved drinking water supply and sanitation</u></p> <p>-Improve access to drinking water to almost 2 million additional people</p> <p>-Increase access to sanitation services for about 1 million additional people in the area of envisaged projects.</p> <p>- Contribution to a reduction in water-borne diseases (diarrhea, verminosis) of and malaria) by 10%</p>	<ul style="list-style-type: none"> Establishment of waterpoints and mini water supply projects in rural areas Rehabilitation of running water supply systems in semi-urban areas of 16 towns Construction of 8 km of stormwater drainage channels in Yaoundé development of living spaces around the channel development of controlled tips in 19 urban communities 	<ul style="list-style-type: none"> Improved access to drinking water for about 1 million people 'sanitation for about 500 000 additional people in the 19 urban communities and in Yaoundé Reduction in the incidence of water-borne diseases 	<ul style="list-style-type: none"> Establishment of 300 waterpoints and mini-water supply systems. Rehabilitation of running water supply systems in 10 secondary towns. construction of 10 controlled garbage tips in 10 secondary towns construction of managed complexes in 10 public places 	<p>1) Yaoundé sanitation project, Phase I (ongoing)</p> <p>-2) DWSS project for 16 semi-urban centres (in start-up phase)</p> <p>3) RWSS Programme</p> <p>4) RWSS Programme</p> <p>5) PADY2</p>

Annex2 : Main Characteristics of the Portfolio's Ongoing Projects										
Sectors		Operations	Sources	Net Commitment (MUA)	Sector in %	Amount disbursed	Disbursement Rate (%)	Age (yr)	Extension of Period	Risk
Multisector	1	PARG-AR	ADF Loan	25.00		12.418	49.67	0.8	0	NO PP/PPP
	2	PARG-Institutional Support	ADF Loan	4.00		0.93	23.27	0.8	0	NO PP/PPP
	3	PAPNG	ADF Grant	3.18		2.750	86.48	6.58	2	PPP
	Multi-sector Sub-total				32.18	13%	16.098	50.02	2.72	
Agriculture	4	Rumpi	ADF Loan	15.00		4.121	27.47	4.25	0	PPP
	5	Rumpi	ADF Grant	1.50		0.561	37.43	5.38	0	
	6	Grassfield	ADF Loan	15.00		5.588	37.25	4.25	0	PPP
	7	PARFAR	ADF Loan	14.00		11.146	79.61	6.08	2	NO PP/PPP
	Agriculture Sub-Total				45.5	18%	21.416	47.07	4.99	
Social	8	PARETFOP	ADF Loan	14.00		1.90	13.63	3.95	0	PPP
		PARETFOP	ADF Grant	1		0.77	77.17	5.14		
	9	PDSS	ADF Loan	8.05		5.459	67.82	7.69	4	PPP
	10	PASR	ADF Loan	10.23		1.043	10.2	3.25	0	NO PP/PPP
	11	PASR	ADF Grant	1.90		1.247	65.64	4.62	0	NO PP/PPP
	Social Sub-Total				35,18	14%	10.42	29.62	4.93	
Transport	12	Numba – Bachuo-Akagbe Road	ADF Loan	44.70		12.096	27.06	1.13	0	NO PP/PPP
	13	CNIC	Prêt BAD	30.31		12.6	41.67	4.08	0	PP
	Transport Sub-Total				75,01	29%	24.696	32.92	2.6	
Public Utilities	14	PADY	ADF Grant	25.60		8.255	32.25	2.75	0	NO PP/PPP
	15	DWSS	ADF Loan	40				0	0	NO PP/PPP
	Public Utilities Sub-Total				65,6	26%	8.255 (without DWSS)	32.25 (without DWSS)	2.75	
Multinationals ¹⁶	16	Douala-Ndj Corridor	ADF Loan	48						
	17	Bame-Enugu Corridor	ADF Loan	90						
	18	Lake Chad Basin	ADF Grant	7						
Multinational Sub-Total				145						
TOTAL				253.47	100%	72.173	37.9 [without DWSS]	3.8		

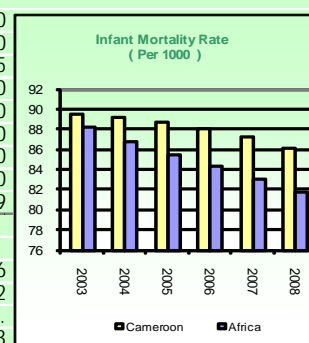
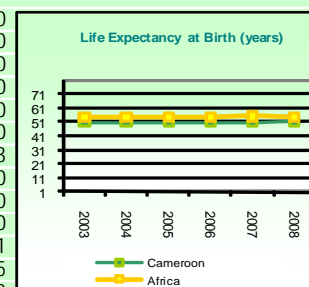
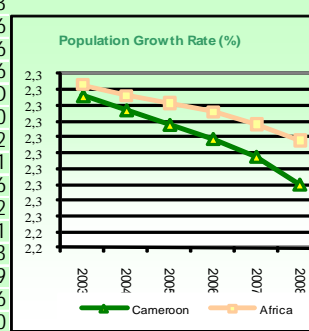
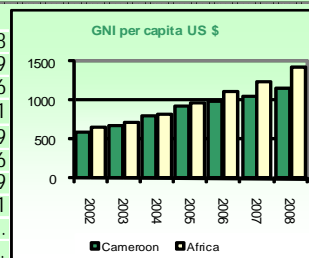
¹⁶ To these amounts should be added UA 39.51 million representing the countries participating in the Multinational Project to link Cameroon and Congo-Brazzaville.

Annex 3

Cameroon

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Cameroon	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		476	30 323	80 976	54 658
Total Population (millions)	2008	19,1	986	5 523	1 229
Urban Population (% of Total)	2008	57,0	39,1	44,2	74,6
Population Density (per Km ²)	2008	39,8	32,6	66,6	23,1
GNI per Capita (US \$)	2008	1 150	1 428	2 405	38 579
Labor Force Participation - Total (%)	2008	37,7	42,3	45,6	54,6
Labor Force Participation - Female (%)	2008	41,4	41,1	39,7	44,9
Gender -Related Development Index Value	2005	0,524	0,482	0,694	0,911
Human Develop. Index (Rank among 174 countries)	2007	153	n.a.	n.a.	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2001	40,2	34,3	25,0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2008	2,3	2,3	1,4	0,3
Population Growth Rate - Urban (%)	2008	3,7	3,3	2,5	0,6
Population < 15 years (%)	2008	41,1	56,0	40,0	16,6
Population >= 65 years (%)	2008	3,6	4,5	3,3	15,6
Dependency Ratio (%)	2008	79,7	78,0	52,8	49,0
Sex Ratio (per 100 female)	2008	99,9	100,7	96,7	106,0
Female Population 15-49 years (% of total population)	2008	24,0	48,5	53,3	47,2
Life Expectancy at Birth - Total (years)	2008	51,1	54,5	65,7	77,1
Life Expectancy at Birth - Female (years)	2008	51,6	55,5	67,6	80,6
Crude Birth Rate (per 1,000)	2008	36,9	35,8	22,2	11,2
Crude Death Rate (per 1,000)	2008	14,2	12,4	8,1	10,1
Infant Mortality Rate (per 1,000)	2008	86,2	83,9	51,4	6,3
Child Mortality Rate (per 1,000)	2008	142,6	134,5	77,4	7,9
Total Fertility Rate (per woman)	2008	4,6	4,6	2,7	1,6
Maternal Mortality Rate (per 100,000)	2004	669,0	683,0	450,0	9,0
Women Using Contraception (%)	2004	26,1	29,7	61,0	75,0
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2005	18,4	39,6	78,0	287,0
Nurses (per 100,000 people)*	2005	43,9	120,4	98,0	782,0
Births attended by Trained Health Personnel (%)	2006	63,0	51,2	59,0	99,0
Access to Safe Water (% of Population)	2006	70,0	68,0	62,0	100,0
Access to Health Services (% of Population)	2005	...	61,7	80,0	100,0
Access to Sanitation (% of Population)	2006	51,0	37,6	53,0	100,0
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2005	5,4	4,5	1,3	0,3
Incidence of Tuberculosis (per 100,000)	2005	5,4	315,8	275,0	19,0
Child Immunization Against Tuberculosis (%)	2007	81,0	83,0	89,0	99,0
Child Immunization Against Measles (%)	2007	74,0	83,1	81,0	93,0
Underweight Children (% of children under 5 years)	2004	18,0	25,2	27,0	0,1
Daily Calorie Supply per Capita	2004	2 212	2 436	2 675	3 285
Public Expenditure on Health (as % of GDP)	2005	1,5	2,4	1,8	6,3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2007	109,6	99,6	106,0	101,0
Primary School - Female	2007	101,3	92,1	103,0	101,0
Secondary School - Total	2007	25,2	43,5	60,0	101,5
Secondary School - Female	2007	22,2	40,8	58,0	101,0
Primary School Female Teaching Staff (% of Total)	2007	42,5	47,5	51,0	82,0
Adult Illiteracy Rate - Total (%)	2001	32,1	38,0	21,0	1,0
Adult Illiteracy Rate - Male (%)	2001	23,0	29,0	15,0	1,0
Adult Illiteracy Rate - Female (%)	2001	40,2	47,0	27,0	1,0
Percentage of GDP Spent on Education	2007	3,9	4,5	3,9	5,9
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2007	12,6	6,0	9,9	11,6
Annual Rate of Deforestation (%)	2005	...	0,7	0,4	-0,2
Annual Rate of Reforestation (%)	2005	...	10,9	...	...
Per Capita CO2 Emissions (metric tons)	2007	0,4	1,0	1,9	12,3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators;

last update :

octobre 2009

UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

ANNEX 4 : MILLENNIUM DEVELOPMENT GOALS					Likelihood of Achieving MDGs by 2015
	1990	1995	2000	2007	
GOAL 1 : Eradicate Extreme Poverty and Hunger					Will not be achieved
Employment-to-Population Ratio, 15+, Total (%)	..	59	60	59	
Employment-to-Population Ratio, 15-24 Years, Total (%)	..	38	38	35	
Growth Rate of GDP per Person Employed (% annual growth)	..	1	1	2	
Proportion of Children Underweight (% of children under 5)	..	..	17.8	..
Prevalence of Malnutrition (% of Population)	..	..	..	23
GOAL 2 : Achieve Universal Primary Education					May be achieved
Percentage of Pupils who Reach Last Grade of Primary, Total (% of Cohort)	..	..	78	59
Primary Completion Rate, Total (% of Age Bracket)	54	..	50	55	
GOAL 3 : Promote Gender Equality and Empower Women					May be achieved
Proportion of Seats Held by Women in National Parliament (%)	14	..	6	14	
Gross Enrolment Ratio of Girls to Boys in Tertiary Education	..	..	..	79
Gross Enrolment Ratio of Girls to Boys in Primary Education	86	90	85	86	
Gross Enrolment Ratio of Girls to Boys in Secondary Education	..	..	83	79
GOAL 4: Reduce Child Mortality					Will not be achieved
Proportion of Infants Vaccinated Against Measles (% of infants aged 12-23 months)	56	46	49	74	
Child Mortality Rate (per 1,000 births)	85	89	88	87	
Children under 5 Mortality Rate (per 1000)	139	151	151	148	
GOAL 5 : Improve Maternal Health					Will not be achieved
Fertility Rate 15-19 years (births per 1,000 women aged 15-19 years)	..	..	139	118
Births Attended by Skilled Health Personnel (% of total)	..	..	60	63
Contraceptive Prevalence (% of women aged 15-49)	..	..	26	29
Maternal Mortality Rate (derived from model, for 100,000 live births)	..	..	..	1000
Pregnant Women Receiving Ante-Natal Care (%)	..	..	75	82
Unmet Need for Contraception (% of married women aged 15-49)	..	..	20	..
GOAL 6 : Combat HIV/AIDS, Malaria and Other Diseases					Will not be achieved
Proportion of Children under 5 with Fever being Treated with Anti-Malarial Drugs (%)	..	..	66	58
Condom Use, Women 15-24 years old (% of 15-24 year old women)	..	..	9	..
Condom Use, Men, 15-24 years old (% of 15-24 year old women)	..	..	27	..
Tuberculosis Incidence Rate (per 100000 inhabitants)	81	116	168	192	
HIV Prevalence Rate, Women 15 to 24 Years Old (%)	..	..	..	4.3
HIV Prevalence Rate, Men 15 to 24 Years (%)	..	..	..	1
HIV Prevalence Rate, Total (% of population aged 15-49)	0.8	4.7	6.2	5.1	
Tuberculosis Detection Rate under DOTS (%)	..	..	33	91
GOAL 7 : Ensure Environmental Sustainability/ Access to Drinking Water					May be achieved
CO2 Emissions (en kg per 1\$ of GDP in PPP)	0.1	0.2	0.1	0.1	
CO2 Emissions (Metric Tonne Per Inhabitant)	0.1	0.3	0.2	0.2	
Proportion of Land Area Covered by Forest (%)	53	50	48	46	
Proportion of Population using Improved Sanitation Facilities (% of total)	39	43	47	51	
Proportion of Population using Clean Water Source (% of Total)	49	56	63	70	
National Terrestrial Area Protected (%)	..	..	..	8.6
GOAL 8 : Develop A Global Partnership for Development					Will not be achieved
Official Development Assistance (ODA) per inhabitant (in current US\$)	36	31	24	104	
Debt Service (PPG and IMF, % of exports, excluding migrant remittances)	13	17	12	1	
Internet Users (per 100 inhabitants)	0	..	0.3	2	
Mobile Cellular Telephone Subscriptions (per 100 inhabitants)	0	0	1	24	
Telephone Lines (per 100 inhabitants)	0	0	1	1	
Others					Will not be achieved
Total Fertility Rate (per woman)	5.9	5.3	5	4.3	
GNI per capita, Atlas Method (current US\$)	910	710	620	1050	
GNI, Atlas Method (current US\$) (billions)	11.1	10	9.8	19.5	
Gross Capital Formation (% of GDP)	17.8	13.3	16.7	17.3	
Life Expectancy at Birth, total (years)	55	53	51	50	
Population, total (millions)	12.2	14.1	15.9	18.5	
Trade (% du PIB)	37.5	41.4	42.9	43.3	
Source: World Development Indicators Database, Data supplemented by the Bank					
The data in italics refer to a period other than that specified.					

Annex 5: Progress in Implementation of Paris Declaration

OWNERSHIP		TARGETS FOR 2010
1	Cameroon has its PRSP which was prepared in 2003 with the participation of all the stakeholders (public administration, private sector, local communities, civil society associations (NGOs, women's associations, youth associations, religious communities, public and private press, etc.).	A new generation PRSP called the Growth and Employment Strategy Paper was finalized in August 2009.
ALIGNMENT		TARGETS FOR 2010
2	Public procurement procedures and organs were put in place in 2006	A new public procurement code complying with international standards is being finalized
3	The PRS is focused on 7 thrusts. The different partners' strategies are aligned on these thrusts.	The PRS was the reference framework for the 2005-2009 CSP
4	Donors align their country strategies and interventions on PRSP priorities	Yes
5	Cameroon has its own procurement system which complies with good international practices in the area.	Ongoing. The Public Procurement Code is being finalized
6	The country's managerial capacity are also being built up through project and programme implementation units which are accommodated in the oversight ministries in order to sustain the achievements.	Ongoing
7	Donor support is predictable for its contributes to the implementation of the annual PRSP sequences.	Ongoing. Progress has been made. Aid is increasingly predictable, but the country is not yet eligible for budget support.
8	Aid is not tied. Bilateral loans and grants comply with a logic based on institutional and procedural-type conditions precedent.	Effective regarding the amount of aid recorded.
HARMONIZATION		TARGETS FOR 2010
9	The donors use procedures that meet international standards.	Effective
10	The Bretton Woods Institutions carry out joint missions and share the results with the other donors.	Effective The Bank has been associated with the Annual Programme review since September 2007
RESULTS MANAGEMENT		TARGETS FOR 2010
11	In most cases, the development partners' country strategies are results-based. The assessment of performances in this area is carried out through project and programme monitoring. A joint strategy is envisaged.	Yes. Partnership Frameworks between the Government and TFPs are being prepared
JOINT RESPONSIBILITY		TARGETS FOR 2010
12	In the post-evaluations carried out by the donors, the country is closely involved through the control carried out on projects and programmes supporting the PRSP pillars. The progress made in implementation is achieved through the operationalization of the PRS.	Yes

Annex 6 : Cameroon: Data on Economic and Financial Situation, 2005–2010

					Est.	Proj.
National Accounts and Prices	2005	2006	2007	2008	2009	2010
Nominal GDP (in billion CFAF)	8749.6	9387.5	9 882	10 376	10 272	10 796
Private Consumption	6298.1	6715.1	7046.3	7333.7	7315.8	7763.3
Public Consumption	872.1	901.3	993.5	1082.1	1090.5	1199.4
Private Investment	1330.9	1341.7	1435.4	1509.2	1511.8	1633.8
Public Investment	337.4	236.8	222.3	249.2	244.2	258.1
Exports	1789.7	2159.5	2393.3	2740.0	2057.8	2072.6
Imports	1878.6	1967.0	2208.8	2538.1	1947.8	2131.0
Real GDP Growth (%)	2.3	3.2	3.4	3.3	2.4	2.7
Consumer Price Index (average) (%)	2.0	4.9	1.5	5.2	2.6	2.1
Exchange Rate (CFA to US\$)	527.8	522.6	479.2	452.8	500.7	502.3
Government Finance						
In billion CFAF						
Total Revenue and Grants	1 594.3	4 472.8	1 969.5	2 194.9	1 842.5	1 906.5
Direct Taxes	913.1	991.6	1 068.3	1 133.3	1 059.1	1 128.3
Oil Revenue	439.0	643.0	631.3	796.0	510.9	511.6
Grants	47.0	2 664.1	102.1	89.6	98.4	83.7
Other Revenue	195.2	174.1	167.8	176.0	174.1	182.9
Total Expenditure	1 278.0	1 367.3	1 536.8	1 685.1	1 694.1	1 844.5
Current Expenditure	1 055.0	1 095.9	1 147.4	1 248.7	1 266.5	1 392.5
<i>Excluding Interest</i>	926.0	1 009.0	1 100.5	1 203.0	1 220.9	1 345.6
Wages and Salaries	414.0	418.0	435.0	474.5	476.8	515.5
Goods and Services	337.0	380.0	435.8	474.0	479.0	535.7
Interest	129.0	86.9	46.9	45.7	45.6	46.9
Capital Expenditure	206.0	271.4	389.4	436.4	427.6	452.0
Primary Balance	445.3	3 192.4	479.6	555.5	194.0	108.8
Overall Balance	316.3	3 105.5	432.7	509.8	148.4	61.9
External Trade						
In billion CFAF						
Trade Balance	22.8	284.0	157.0	182.3	129.0	-18.5
Exports of Goods (f.o.b.)	1547.0	1932.0	1941.0	2284.1	1642.0	1651.3
Imports of Goods (f.o.b.)	1524.2	1648.0	1784.0	2101.8	1513.0	1669.8
Services	-188.0	-222.0	-265.0	-267.2	-310.8	-184.0
Factor Income	-243.0	-131.0	-38.0	-143.8	-148.6	-126.0
Current Transfers	114.0	132.0	187.0	177.8	160.4	161.9
Current Account Balance	-294.2	63.0	41.0	-50.8	-170.0	-166.7

Source: Cameroonian Authorities and ADB Statistics Department

Annex 7 : 2007-2008 Global Competitiveness Index (Rank out of 131)

Analysis of (12) pillars	Cameroon		Africa
	Rank out of (131)	Score (1-7)	Score (1-7)
2007-2008 Global Competitiveness Index (Rank out of 131)	116.0	3.91	3.52
2007-2008 Global Competitiveness Index (Rank out of 128)	111	3.98	3.44
Basic Requirements	...	3.51	3.70
1st pillar: Institutions	118	3.10	3.71
2nd pillar : Infrastructure	123	2.06	2.74
3rd: Macro-economic Stability	54	5.03	4.30
4th pillar: Health and Primary Education	118	3.85	4.07
Effectiveness Factors	...	3.18	3.32
5th Pillar: Higher Education and Training	113	2.84	2.98
6th Pillar: Attractiveness of Goods Market	110	3.63	3.77
7th Pillar: Attractiveness of Labour Market	108	3.87	3.91
8th Market: Complexity of Financial Markets	125	3.16	3.68
9 the Pillar: Level of Technology	101	2.56	2.63
10th Pillar: Market Size	87	3.00	2.87
Innovation Factors	...	3.14	3.17
11th: Complexity of Business Environment	112	2.99	3.47
12th Pillar: Innovation	105	3.29	2.87

Source: ADB Statistics Department using WEF data

Annex 8 : Negotiations for Economic Partnership Agreements (EPA)

The first phase of the negotiations continued throughout 2005. During these negotiations the following themes were identified and discussed: (i) Sanitary and Phytosanitary Technical Standards (SPS); (ii) customs issues trade facilitation and border protection measures; (iii) commerce and competition-related issues (iv) issues related to trade in services and the investment framework; and (v) productive capacity building.

The second phase of the negotiations took place in 2006 and was devoted to the structure of the agreement and development and production capacity building issues in Central Africa. A draft EPA Agreement is under discussion. Fundamental differences persist regarding in particular the concepts of capacity building and upgrading; for the European Union, capacity building is limited to supports to market access and trade assistance actions ; for the CEMAC countries, there would be no EPA without capacity building and upgrading of the region's economies.

The third phase of the negotiations led to the signing in 2009 of the agreements on market access, the tariff dismantling schedule and the sectors to be liberalized.

Annex 9

Cameroon - Development Indicators

Social Indicators	Cameroon		Africa	Developing countries
	1990	2008 *		
Area ('000 Km²)	476		30 323	80 976
Total Population (millions)	12,2	19,1	985,7	5 523,4
Population growth (annual %)	3,0	2,3	2,3	1,4
Life expectancy at birth, total (years)	55,1	51,1	54,5	65,7
Mortality rate, infant (per 1,000 live births)	84,1	86,2	83,9	53,1
Physicians per 100,000 People	7,7	18,4	39,6	78,0
Births attended by skilled health staff (% of total)	58,0	63,0	55,0	39,0
Immunization, measles (% of children ages 12-23 months)	36,0	74,0	83,0	76,0
School enrollment, primary (% gross)	101,1	109,6	75,9	106,0
Ratio of girls to boys in primary education (%)	79,9	85,9	68,0	100,0
Illiteracy rate, adult total (% of people ages 15 and above)	...	...	38,0	26,6
Access to Safe Water (% of Population)	49,0	70,0	68,0	62,0
Access to Sanitation (% of Population)	39,0	51,0	38,0	33,0
Human Develop. (HDI) Rank (Over 179 Countries)	...	...	...	...
Human Poverty Index (% of Population)	...	31,5	3,3	...
	Cameroon			
Economy	2000	2007	2008	2009**
GNI per capita, Atlas method (current US\$)	620	1 050	1 150	...
GDP (current Million US\$)	9 290	20 623	24 839	24 378
GDP growth (annual %)	-3,9	3,4	3,3	2,4
Per capita GDP growth (annual %)	-6,2	1,1	1,0	0,2
Gross Domestic Investment (% of GDP)	16,7	16,8	15,7	16,1
Inflation (annual %)	0,9	1,5	5,2	2,6
Budget surplus/deficit (% of GDP)	4,4	4,4	6,1	3,0
Trade, External Debt & Financial Flows	2000	2007	2008	2009**
Export Growth, volume (%)	-0,7	2,3	0,7	-6,1
Import Growth, volume (%)	14,9	23,1	8,7	-8,1
Terms of Trade (% change from previous year)	53,8	12,9	24,5	-9,0
Trade Balance (mn US\$)	647	369	1 245	688
Trade balance (% of GDP)	7,0	1,8	5,0	2,8
Current Account (mn US\$)	286	136	695	539
Current Account (% of GDP)	3,1	0,7	2,8	2,2
Debt Service (% of Exports)	38,2	7,3	6,8	10,2
External Debt (% of GDP)	80,4	5,5	5,7	7,1
Net Total Inflows (mn US\$)	220,6	630,9	...	...
Net Total Official Development Assistance (mn US\$)	379,3	1 904,6	...	...
Foreign Direct Investment Inflows (mn US\$)	158,8	284,3	...	...
External reserves (in month of imports)	1,1	5,2	4,7	5,9
Private Sector Development & Infrastructure	2000	2006	2007	2008
Time required to start a business (days)	...	44	37	37
Investor Protection Index (0-10)	...	4,3	4,3	4,3
Main Telephone Lines (per 1000 people)	6,0	7,2	10,1	10,4
Mobile Cellular Subscribers (per 1000 people)	6,5	171,9	243,1	322,8
Internet users (000)	2,5	20,3	29,3	38,0
Roads, paved (% of total roads)	8,1	...	...	...
Railways, goods transported (million ton-km)	1 048	1 076	...	...

Source: ADB Statistics Department, based on various national and international sources

* Most recent year

Last Update: October 2009

** Forecast

Annex 10: Consideration of Crosscutting Issues

The operations planned under the pillar concerning infrastructure comprise components on the construction of infrastructure and equipment intended to reduce the burden on the most disadvantaged groups (women and children). The operations concerning access to drinking water and sanitation provide for the full involvement of women in building the structures, not forgetting the expected effect of easier access to water which is still drudgery for over 70% of women in Cameroon. Finally, in the energy sector, the negative impact mitigation measures of these operations are an integral part of the cost of the operations.

Environmental Protection: The environmental and social management plans prepared during the study phase and implemented during the works phase, will make it possible to provide appropriate solutions to possible environmental problems that could be created by these programmes. The measures retained by the Bank as part of the environmental and social management of its projects in Cameroon have aroused great enthusiasm among the population to the extent that certain TFPs have not hesitated to follow it in this direction.¹⁷ Environmentally-friendly technical specification will be integrated in the works bidding documents, in particular, the restoration and reforestation of the construction material borrow areas. Appropriate cropping practices to ensure compliance with standards for the use of agricultural inputs will be promoted. Operations concerning access to drinking water and sanitation will include resource monitoring actions in the water catchment areas. The storm water drainage of the city of Yaoundé by the construction of the channel and landscaping work along the Mfoundi are mainly in answer to environmental concerns.

Capacity Building: Concerning the pillar on governance, the envisaged support will contribute to building capacity in the areas of public finance management, fiscal transparency and the combat against corruption. Special emphasis will also be placed on building the capacity of the private sector actors. With regard to infrastructure, the operations envisaged also provide for functional literacy, post-literacy, technical training and farm management training programmes. Finally, health education related to social infrastructure management will be an important component of the operations.

¹⁷ (Cf. workshop organized by the EU in April 2008 to define the actions and measures to be retained in favour of women under the project for the facilitation of transport on the Douala-Bangui and Douala-Ndjamena CEMAC corridors)

ANNEX 11: OVERALL MATRIX OF INTERVENTIONS BY TFP AND BY SECTOR

Sectors of Intervention (Codes DAC - OCDE)		Germany	ADB	WB	Canada	DCE	United States	FMI	France	JICA	UNDP	TFP (10)
110. Education												
	112 - BASIC EDUCATION		xxx	xxx			x		xxxx	xxx		5
	11420/11330 - HIGHER EDUC. AND VOC TRAINING				xx				xx	x		3
120. Health												
	121 - HEALTH	xxx	xxx	x		xx	xx		xxxx			6
150. Government and Civil Society												
	150 - GOOD GOVERNANCE	xx	xxx	x	xx	xxx	x		xxx		x	8
	15120 - PUBLIC FINANCE		xxx	xxx	xx	xxx		xxx	xx			6
	15130 - JUSTICE					xxx	x					2
	15140 - SUPPORT TO DECENTRALIZATION	xxx		xxx		xxx			xx			4
140. Water and Sanitation												
	140 - Water and Sanitation		xxx	xxxx			x			xxx		4
230. Energy Generation and Distribution												
	230 - Energy and Mining			xxxx								1
210. Transport and Warehousing												
	210 - TRANSPORT			xxxx								1
	21020 - ROAD TRANSPORT	xxx	xxxx	xxxx		xxxx			xxxx	xxx		6
311. Agriculture												
	311/520 - AGRI AND FOOD SECURITY		xxxx	xxx		xxx	x		xxxx		xx	6
	312/410 - FORESTS AND THE ENVIRONMENT	xxx	xxx	xxx	xxx	xxx	x		xxx		xxx	8
321. Manufacturing Industries												
	32130 - MICROENTERPRISE-CREDIT					xx				x		2
331. Trade Policy and Regulations												
	331 - TRADE ASSISTANCE					xxx	xx			x		3

MDC Sub-Groups	Proposed Lead	Existing Initiative
Education	France	Education Sector Strategy
Health	Germany	Health SWAp
GAC	UNDP	PDFP
CSFP	ADB	
CCPD	Germany	
Water and Energy	WB	
Infrastructures	DCE	
Rural & Agri	France	PSFE
CCPM	WB	
GEC	DCE	

Legend	
x	< 1M '€
xx	1 - 5 M '€
xxx	5-50 M €
xxxx	> 50 M €
○	Unconfirmed data
■	Lead Donor

Other Existing Sector and Thematic Groups :

Gender	Canada
Civ.Soc..	Canada
Culture	France

Annex 12: Main Lessons Learnt from the Portfolio Review

The 2005-2009 CSP required greater selectivity of the sectors of intervention and monitoring of its implementation. With regard to future CSPs, the Bank should:

1. Continuer to strengthen selectivity of sectors of intervention by deepening the analysis of the economic and sector context and increasing coordination with the other donors to increase the impact of development assistance;
2. Work with the other partners towards the gradual adoption of programme approaches in respect of the implementation of their future operations and the harmonization of their respective procedures;
3. Limit the number of projects to be implemented and scale them up to reduce transactions costs, improve quality and the number of supervision missions by reducing the project/expert ratio;
4. Pursue good governance capacity building support; and
5. Increase the number of sector studies to improve project quality at entry.

For the next portfolio review, the Bank should:

6. Rigorously pursue the conduct of audits within the allotted time frame and ensure their quality;
7. Build the capacity of the Regional Integration Directorate which monitors the Bank's operations;
8. Maintain the quality and frequency of supervision missions and strengthen the CMFO office under the decentralization;
9. Attach more importance to the impact of operations on the population; and
10. In the context of the dialogue, ensure the strengthening of the monitoring of the Bank's portfolio.

Annex 13: List of Documents Consulted for the Preparation of the 2010-2014 CSP

1. Completion Report of the 2005-2009 CSP for Cameroon
2. Vision 2035, Ministry of the Economy, Planning and Regional Development of the Republic of Cameroon, March 2009
3. Growth and Employment Strategy Paper (GESP), July 2009
4. Medium-Term Expenditure Framework for 2009-2013, 47p. Ministry of Basic Education, 2008
5. IMF Staff Reports on the different reviews of the Three-Year Arrangement under the Poverty Reduction and Growth Facility (2005-2008).
6. Land Policies for Growth and Poverty Reduction, World Bank Policy Research Report, Oxford University press, 2003
7. Cities in Transition, World Bank 2009
8. Diagnosis and Modernization of the Cadastral Survey and Public Lands, August 2009, African Development Bank
9. An Enhanced Fiscal Space for Growth and Poverty Reduction, African Development Bank, February 2009
10. 2007-2009 MTEF, 47p. Ministry of Basic Education, 2006.
11. Draft Education Sector Strategy Paper, 204p, Technical Commission for the Preparation of the Education Sector Strategy.
12. ECAM 3, Trends, Profile and Determinants of Poverty in Cameroon between 2001-2007, 51p, INS, 2008.
13. Health Sector Strategy, 157p, Ministry of Public Health, 2008.
14. Social Transfers in Kind and in Capital Allocated by the Public Administrations to Households between 2001 and 2007, Interim Report, 19p, Ministry of Public Health, 2008.
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Annex 14: Administrative Map of Cameroon

