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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

3/16/65

CAPITAL ASSISTANCE PAPER

Proposal and Recommendations
For the Review of the
Development Loan Committee

CONNECTION - Mile 47 - Kandu Road

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

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AID-DLC/P-305
May 6, 1965
Revised

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: Cameroon - Mile 47 - Mamfe Road

The attached pages to be inserted in the subject loan paper have been revised in accordance with the discussion at the meeting of the Development Loan Staff Committee on March 26, 1965.

The telephone poll on the recommendations for authorization of a loan in an amount not to exceed $3,200,000 to the Government of the Federal Republic of Cameroon to assist in financing the foreign exchange and local costs of goods and services required for the reconstruction of 66 miles of road between a point designated as Mile 47 and the town of Mamfe on the Kumba-Mamfe Road was concluded on April 23, 1965.

Helen E. Nelson
Secretary
Development Loan Committee

Attachments: (Revised)
Project Analysis, pp. 1, 2, 3, 4, 4A, 5, 6, 7, 9, 12, 13 and 16

Distributed March 19, 1965:
Summary and Recommendations
Project Analysis
Annexes I-V

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AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

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AID-DLC/P-305
March 19, 1965

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: Cameroon - Mile 47 - Mamfe Road

Attached for your review are the recommendations for authorization of a loan in an amount not to exceed $3,200,000 to the Government of the Federal Republic of Cameroon to assist in financing the foreign exchange and local costs of goods and services required for the reconstruction of 66 miles of road between a point designated as Mile 47 and the town of Mamfe on the Kumba-Mamfe Road.

This loan proposal is scheduled for consideration by the Development Loan Staff Committee at its meeting on March 24, 1965.

Helen E. Nels
Secretary
Development Loan Committee

Attachments:
Summary and Recommendations
Project Analysis
Annexes I-V

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March 19, 1965

CAMEROON

Mile 47 - Mamfe Road

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March 19, 1965

SUMMARY AND RECOMMENDATIONS

CAMEROON

MILE 47 - KUMBA ROAD

1. APPLICANT: The Government of the Federal Republic of the Cameroon.

2. AMOUNT OF LOAN: $3.2 million

3. TOTAL COST OF ACTIVITY: (in Millions of Dollars)

A.I.D. Loan	3.2
GFRC Contribution	.8
Total Cost	4.0

4. DESCRIPTION OF ACTIVITY: The project consists of the reconstruction of 66 miles of road between a point designed as Mile 47 and the town of Mamfe on the Kumba-Mamfe Road.

5. PURPOSE OF LOAN: To finance all the foreign exchange costs in the United States and part of the local costs in Cameroon for the project.

6. BACKGROUND OF ACTIVITY: The existing road is a narrow, winding dirt road, (the northern 9 miles are paved) which is subject to one-way traffic restrictions on alternate days. The lack of an adequate road has restricted development in the project area. Reconstruction of the existing road is expected to give great impetus to the area's development.

7. EX-IM BANK CLEARANCE: Obtained August 28, 1964.

8. MISSION VIEWS: The Country Team strongly endorses the project.

9. STATUTORY CRITERIA: Have been met (See Annex I).

10. ISSUES: None.

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11. **RECOMMENDATIONS:** Authorization of a loan to the Government of the Federal Republic of Camercon on the following terms:

A. Principal and Interest - to be repaid in U.S. dollars.

B. Maturity - 40 years including a ten-year grace period.

C. Interest - 1% per annum for the first ten years; 2½% per annum thereafter.

1. [illegible]

2. [illegible]

3. [illegible]

4. [illegible]

5. **CAPITAL ASSISTANCE COMMITTEE MEMBERS:**

Chairman: A. M. Schwarzwalder
Counsel: J. Sowalsky
Engineer: L. Whearty
Desk Officer: G. Hoffman

6. [illegible]

7. [illegible]

8. MISSION VIEWS: [illegible]

9. **AFR/CDF:AMSchwarzwalder:lmg** 3/18/65

10. ISSUES: None.

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MILE 47 - MAMFE ROAD

SECTION I - Background

A. Historical Development of Project

In 1958, the Trust Territory of Southern Cameroons, administered as part of Nigeria, requested a DLF loan to finance a survey of the Mile 47-Mamfe Road. However, in 1959, consideration of the loan was suspended because of the uncertain political situation in the territory. In 1960, Nigeria requested engineering assistance from ICA for the design of the road. In February 1961, following the visit of a representative of the U.S. Bureau of Public Roads, it was recommended that a comprehensive report be made as a basis for supporting a loan application for external financing by DLF or other sources.

After the Southern Cameroun became federated with Cameroon on October 1, 1961, the USAID signed a contract with American Engineering Consultants (AEC) for an initial $25,000 survey which later proved inadequate to meet A.I.D. criteria. The study was little more than a reconnaissance study and required more extensive work. Therefore, AEC was again employed to undertake a full feasibility study in the spring of 1963 at a cost of $245,000. The study, which was completed in June 1964, contained projections which were over stated and did not appear to be justifiable on economic grounds. Therefore, a subsequent report on traffic was completed by the Stanford Research Institute (SRI) while additional engineering work to reflect reduced road standards was completed by AEC. These two reports form the basis for the proposed loan.

B. The Borrower

The borrower will be the Government of the Federal Republic of Cameroon. The GFRC agency responsible for the implementation of the project will be the Ministry of Public Works of West Cameroon.

A.I.D. is providing assistance to the Ministry in maintenance and administration through a contract with Daniel, Mann, Johnson and Mendenhall (DMJM). At the present time, eight DMJM technicians are working with the Ministry. Ultimately, 13 technicians will be assigned to train Ministry personnel in all aspects of maintenance and administration

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(all together 16 technicians will be provided to the GFRC). It is now planned that the contract continue through FY 68 at a total cost of $1.7 million. In addition, six Cameroonians are now in the United States on long-term study grants related to highway development and a seventh has completed a year of advanced study sponsored by the International Road Federation.

With this help, the Ministry should be able to effectively maintain and operate the West Cameroon road system by the time construction of the Mile 47-Mamfe road is completed.

C. Place of Project in A.I.D. Strategy

The present moderate orientation of Cameroon's leadership and its continued good relations with France indicate the possibility of gradual, reasonably stable development. While Cameroon is clearly not a country where A.I.D. should make a major development effort, its political situation and economic prospects are such that a vigorous and substantial assistance program should be continued. U.S. aid attempts to be responsive to Cameroon's political problems vis-a-vis Communists and seeks to provide alternatives to closer involvement with the Bloc. We do not, however, attempt to use our assistance to either affect short-run political policies and attitudes of the Cameroon Government or displace other western donors.

In accordance with this strategy A.I.D. has concentrated much of its efforts to date in the field of transportation, thereby meeting specific needs for a sector to which European donors are heavily committed. The A.I.D. program has assisted in the development of transportation with a mix of technical, financial and material assistance. Through a commodity import program for the purchase of vital road construction equipment, machinery, trucks and tractors, approximately $2.2 million in SA funds were committed in FY 1961. This material not only replaced worn out and dead-lined GFRC highway equipment but revitalized the inventories of the major private road construction firms of Cameroon.

As a compenion feature in the highway training contract mentioned in part B above, U.S. assistance has augmented the road maintenance and construction capabilities of both the East and West Cameroon Public Works directorates through grants of approximately $1.5 million for specialized pieces of heavy equipment and spare parts.

An auxiliary project, Farm-to-market Roads, initiated in FY 1962 has provided assistance to West Cameroon authorities responsible for interior village feeder road construction and maintenance. Material in the form of culvert rings, bridging I beams, and a limited amount of heavy equipment as well as the services of two highway engineers has been provided.

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In East Cameroon, a U.S. heavy equipment specialist has been assigned to the recently established Public Works Department Highway Training Center. The center will emphasize short term intensive instruction in the operation and maintenance of highway equipment.

A.I.D. is also participating in the major transportation project of the country, the Transcameroon Railway, along with the EEC, France and the GFRC. The construction contract was awarded in the fall of 1964.

The Mile 47-Mamfe road project is considered to be appropriate for financing under the present A.I.D. strategy for the Cameroon.

D. Exim Bank Clearance

On August 28, 1964, the Export-Import Bank stated that the proposed project would be more appropriate for A.I.D. financing.

SECTION II - Justification of the Project

A Engineering Analysis

1. Description of Present Road

The road proposed for improvement is part of a 113 mile road located in the central portion of West Cameroon which connects the towns of Kumba and Mamfe. The road, especially the section being proposed for loan financing, is a narrow winding road with steep grades, poor drainage and several one way sections. A large portion of the road is unsurfaced. The 11 miles next to Mamfe and the first 47 miles out of Kumba were paved several years ago with asphalt without proper grade improvements being made. The surface is only 12 feet wide most of the way and is in poor condition. Because of the restricted width at several locations on this road, only one way traffic is possible with the traffic direction reversed on alternate days. The steep grades restrict truck loadings and increase hauling costs. The road is barely passable during the rainy season.

2. Description of Project

Improvements presently planned for this road will begin near the village of Kokobuma approximately 47 miles north of Kumba and generally follow the present road 66 miles to Mamfe. The first 9 miles of this road and the last 11 miles will be brought to design grade, staightened, properly drained and surfaced with asphalt. The central 46 miles will follow the present alignment and grade but will be widened to permit two lane traffic except where existing narrow bridges are to be utilized. A 3 inch laterite surface will be provided on this central section.

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The design standard adopted for the two end sections calls for a 6 meter (20 foot) asphalt pavement with $1\frac{1}{2}$ meter (5 foot) shoulders. Side slopes will be 1:1 and backslopes in cuts $\frac{1}{4}$:1. The 15 CM (6 inch) compacted base under the pavement will be of crushed rock or laterite. The design will be adequate for an 18,000 pound axle load, which will be required to accommodate the increased produce and timber traffic.

3. Technical Studies

An economic and technical feasibility study was prepared by American Engineering Consultants of Washington, D.C. in April 1964. It assumed bringing the entire 66 miles to a standard grade and surfacing with asphalt. The estimated construction cost per mile was $143,000.

A.I.D. considered the margin of benefits over costs would not justify this construction and asked the consultants to investigate salvaging and widening the central 46 miles of the existing road with only the two end sections brought to standard grade and alignment. These two new sections of road would be given an asphalt surface. The center section containing several 12% grades, sharp turns and many timber culverts would be widened for 2 lane traffic but the improvements would be considered of an interim nature and the road would be surfaced only with laterite. The consultants completed this study February 18, 1965. Under this plan, which has been accepted as feasible by A.I.D., the average construction cost per mile would be reduced to $60,000.

4. Technical Evaluation

The proposed plan for improving the road makes use of the better central portion of the existing road and upgrades it by widening and surfacing it with laterite. The two end sections cannot be handled in the same manner as some relocations are necessary for grade reduction and alignment. They are therefore, to be brought to acceptable standards and surfaced with asphalt to insure minimum maintenance costs.

The USAID Engineer in Cameroon was asked to make a detailed on-site review of the road and submit his proposals on what would be required to develop the road to appropriate standards. He completed a mile-by-mile review with three representatives of DMJM and recommended the standards which are herein proposed. They represent a substantial reduction from those recommended by AEC. Following his recommendation, the USAID Engineer came to Washington to discuss his proposal. During his visit, detailed costs estimates were prepared based on the USAID Engineer's knowledge of local cost conditions. The estimates were verified by the USAID Engineer by reviewing the cross sections and profiles of the road prepared by AEC.

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The AID/W project engineer, having participated in all discussions with the USAID/Cameroon engineer, has examined and reviewed the preliminary plans, design standards and detailed estimate of cost included in a supplement to the original AEC report. The costs are similar to those prepared by the USAID Engineer with the exception that the final estimates recommends that five one way sections be removed at an additional cost of $160,000. This recommendation has been accepted.

The final estimate is shown in detail in Annex II. Of the total amount of $3,961,000 it allows$3,525,000 for contract construction, $18,000 for right of way, $418,000 for final engineering and construction supervision and $420,000 for contingencies. The estimate is a unit costed-work quantity type and assumes U.S. or Cameroonian source for all services and material.

Although proposed design standards for Section 2 of the project, i.e., Mile 56 to Mile 102.6 are below those standards required by AASHO for "Geometric Design Standards for Highways other than free ways" the proposed standards are considered adequate and reasonable for the projected traffic and loading requirements of the project.

The quantities estimated were reviewed and checked against proposed profile and typical cross sections. Units prices at first appear high when compared with other similar projects in West Africa such as the recently authorized Port Harcourt-Umuezeala road in Nigeria. However, the remoteness of location and other problems adding to the costs as outlined in the consultant's report were considered. With these added factors of cost included, the estimate is considered an adequate, reasonable cost for the project.

[illegible]

[illegible] Cameroon [illegible] to make a detailed on-site review of the road and submit his proposals on what would be required to [illegible] standards. He completed a joint field review with three representatives of LNJM and recommended the standards which are [illegible] proposed. This represents a substantial reduction from those recommended by AEC. Following his recommendation, the USAID Engineer came to Washington to discuss his proposal. During the visit, detailed costs estimates were prepared based on the USAID Engineer's [illegible] of local cost conditions. The estimates were verified by the USAID [illegible] by reviewing the cross sections and profiles of the road prepared by AEC.

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5. Provisions for Engineering, Procurement and Construction

The final plans, specifications and contract documents are to be prepared by a U.S. engineering firm selected by and under contract to the Government of West Cameroon. The engineering firm will also perform general supervision and resident inspection of construction for the project, including analysis of tenders and recommendations for contract awards.

All equipment and materials will be procured by the construction contractor. All non-local materials will be procured from the U.S.

6. Management and Maintenance

The road will be maintained by the Ministry of Public Works of West Cameroon. Maintenance costs have been estimated at $100,000 per year. This assumes that the asphalt sections will be maintained by a regular asphalt crew working not only on this road but on the present asphalt section between Kumba and Mile 47. Usual equipment such as a trailer mounted asphalt kettle, crushed rock sperader, roller trucks and front-end loader will be required. The asphalt section will need to be resurfaced every six years.

The laterite section of the road will require continuing annual maintenance and the replacement of laterite every 2 years. A motor patrol should be assigned to the 46 mile section to keep the surface smooth and the slopes and ditches shaped up and clean. The timber culverts will also require maintenance and replacement about every 5 years. As mentioned earlier the West Cameroon Ministry of Public Works is considered competent to handle all maintenance required.

7. Technical Soundness

While the middle section of the road is not being brought up to the standards of the two end sections, thereby requiring more extensive maintenance, it is still a sound way to approach the road improvement problem. The benefits to be derived by the using public from an all-weather surface and from two way traffic will always exceed annual costs.

The AID/W Project Engineer has reviewed the preliminary plans, and design standards and considers them adequate to define the scope and magnitude of the project. A.I.D. considers that the degree of engineering planning and cost required by Section 611 of the Foreign Assistance Act of 1961 has been met. (See Section II, A. 4.)

B. Economic Aspects

1. Area to be Served. Presently there is one major road, of which the proposed project is an integral part, which connects the six West Cameroon Divisions. It begins at the coastal town of Victoria, continues north through Kumba to Mamfe and then goes westward to the Nigeria border, thereby forming the backbone of the entire highway system of West Cameroon. The proposed project would involve the reconstruction of the existing road from Mile 47 to Mamfe, a distance of 66.3 miles.

Almost all of the area from Mile 47 to Mamfe is presently served by an inadequate dirt road which is now subject to one-way traffic restrictions on alternate days. The sole exception to this is the northern 11 miles of the road which has been asphalted and is now deteriorating. The main road going south from Mile 47 through Kumba to Victoria is the best maintained road in West Cameroon at the present time. However, additional improvements will be required so that all sections of the road could adequately service the traffic expected to be generated by the greatly improved access of the area from Mile 47 to Mamfe. The Kumba-Mile 47 road is adequate as far as width, grade, and alignment are concerned to handle the additional traffic generated in the Mile 47-Mamfe area. In fact, most of the road has been built to standards similar to those proposed for the Mile 47-Mamfe road.

Presently the EEC has under consideration an application for financial assistance in the construction of the road from Bolifamba (about 15 miles north of Victoria) to Kumba. We were recently informed that it is actively considering the stretch from Bolifamba to Banga (which is about halfway to Kumba) and is suspending consideration of the other half pending completion of a railroad spur from Mbanga to a point south of Kumba. The Banga-Kumba stretch would then be considered in light of the competition from the railroad. The EEC has stated, however, that it is likely that it would finance the Banga-Kumba stretch in spite of the railroad. The EEC's activity will not have a negative effect on the traffic projections of the Mile 47-Mamfe Road as the work will all be to the south of Kumba. If anything, it will result in greater traffic by providing an improved north-south route. (See map, Annex IV, Exhibit A.)

Two roads lead from Mamfe, one to the west which goes to Ikom in Nigeria; the other to Bamenda in the east. Both roads are subject to one-way restrictions. As financing for the reconstruction of either road is not probable in the foreseeable future, the possibility of additional traffic generated by these roads has not been considered in the traffic projections. However, the GFRC now plans to build a road by force account from Mamfe to Tinta, almost directly north. This road would provide an outlet in the near future for maize, yams and citrus fruits which would then be shipped either south on the Mile 47-Mamfe road or on the east-west roads discussed above.

not same project

Once the government succeeds in gaining full confidence of the foreign investors, the modern agricultural sector may continue to grow satisfactorily. However, the rate of growth is likely to be less rapid than it was before independence, because the most obvious investment opportunities have been developed. In particular, while it is increasingly difficult for private entrepreneurs to put more land under irrigation without government assistance, there is scope for increasing production from the present estates. Forestry production is expected to increase as a result of recent new plantings, and there is considerable scope for expansion of the forested area. With financial help from Britain, the feasibility of growing tea for the South African market is being studied.

B. The Traditional Subsector

Farm production and earnings have suffered set-backs in the last two years for a number of unrelated reasons. Drought conditions sharply reduced the 1968 and 1969 rain-fed crops. The greatest impact was in traditional Swazi farming where rain-fed cotton is a major cash crop and maize is the main staple. Livestock sales and income dropped with poor grazing conditions, accentuated by foot and mouth outbreaks in 1968 and 1969 which curtailed meat and live cattle exports. Again Swazi farmers were affected because livestock sales account for an average of almost 80 percent of all cash income for rural families. No accurate comparable estimates of rural family income are available for Swaziland, but IBRD comparisons between assessments made for National Accounts purposes in recent years indicate that real family income may have declined by as much as a fifth from 1966/67 to 1967/68. Annual incomes of rural households have averaged about R200 for a six person family over the last few years.

The communally-owned Swazi farming sector has failed to show any perceptible improvement in productivity and incomes over the last five years, judging from the limited statistical information available. Yields are not only still low in absolute terms, e.g. maize; 400 lb/acre, but are low in comparison to yields obtainable on neighboring expatriate farms, which are as high as 2000 lb/acre. Extension efforts have had little impact, probably because the more responsive part of the work force has taken up employment in the modern sector of the economy. On a national level, the effect of the forces described above, has been a major cause of the lack of growth of the national economy the last two years.

Since the government wishes to preserve the tribal traditions and institutions, no rapid development of small-scale Swazi agriculture can be expected. However, there are two possibilities which seem to hold promise: first, the development of unused, foreign-owned land that the U.K. has agreed to repurchase for the Swazi Nation; and second, the development of sparsely populated areas of Swazi Nation land in the

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Usutu (including Nyetane) River basin, which according to a Chinese study have good potential for irrigated agriculture. We will return to an evaluation of these priority development areas after reviewing both the method and results of the GOS sector planning process.

C. The Sector Development Plan

Responsibility for planning is divided between the Planning Department of Prime Minister's office and the Planning and Development Section now being formed in the Ministry of Agriculture.

The Planning Department is responsible for formulation of broad policy at the national level, for annual development plans, for on-going evaluation of programs and general coordination of programs and projects of various ministries. Broad details of the role of the Planning Department are now being developed with particular regard to departmental responsibilities vis-a-vis other ministries, chain of communication with the latter and with a proposed Agricultural Development Board, and a possible role in educational planning for the combined University.1/ At the same time, theDepartment is beginning to help identify and formulate national development priorities and policies. Restaffing has been taking place and a chief of Planning has been secunded by the U.N. to supplement the Permanent Secretary.

Within the Ministry of Agriculture, a Planning and Development Section has principally been preparing detailed development plans for new areas to become available under the Land Purchase and Development (LPD) Program. This Section will have continued responsibility for planning for and implementation of this 3-5 year program and will be reinforced by specialists provided by the U.K. Overseas Development Ministry (ODM). The Section will comprise soil surveyors, cartographers and irrigation officers under the control of a Land Planning Officer. The GOS requires but to date has not found the services of full-time conservation engineers for planning and/or field operation and a workshop manager to institute a maintenance program.

Planning in general has been hampered by a critical shortage of technical and economic data in Swazi area on land use, production costs, potential yields and farm income. The position will be improved when the results of a number of in-depth farm management studies of various areas carried out over the last two years by the Ministry of Agriculture become available. At the same time, the Department of Statistics, attached to the Prime Minister's office, has assumed responsibility for collection and publication of agricultural statistics which will now be integrated and comparable with published national statistics. A major survey of Swaziland agriculture will be carried out in 1969 directed by

1/ University of Botswana, Lesotho and Swaziland.

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c. Analyze possible changes in the handling of import cargo. The conclusion was that between 1964 and 1970 there would be a shift of exports and imports from Tiko and Bota to Douala, which is a larger port. However, it is estimated that shortly after 1970, Douala's capacity of 1.7 million tons will be reached and that there will be a gradual shift to Victoria. This assumption is based on the fact that there are fundemental weaknesses in the port at Douala, most notably situation. Thus, by 1975, Victoria should be handling large portions of the tonnage now handled at Douala. This would have the effect of increasing traffic on the north-south route of which Mile 47-Mamfe is a part.

d. Consider the rate of urbanization. This was done on a town by town basis. The Kumba area is the most rapidly growing region in West Cameroon with Mamfe running behind the country wide average population growth of 2½%.

e. Subdivide the West Cameroon road system into segments. Thus, the likely tonnage and passenger traffic passing over each section can be predicted. Tonnages were converted to vehicles per day for the produce carrying vehicles by assuming six tons per load and 300 days per year. For timber traffic an average load of 12 tons per day was assumed. Based on our understanding of operating experience in West Africa, average load figures are quite high and if anything result in a reduction in the truck volume.

SRI traffic projections for the Mile 47-Mamfe section, which are the basis for the rest of this analysis are contained in Annex III, Exhibits B1 and B2. Initially, each of the three southern segments (1, 2, and 3) are assumed to have the same volume of traffic as the other two while the volume is expected to be somewhat greater on the northern-most segment (4). However, following the start-up of timber operations, traffic on the southern sections increases at a more rapid pace. This is because the greatest agricultural potential is in the northern segment. These projections are considered reasonable.

3. Direct Benefits. In order to evaluate the potential economic soundness of the road itself, the costs of constructing and maintaining the proposed road over a 20 year period were compared to the benefits, in terms of operator savings, which would accrue to the users of the road over the same period

The costs were assumed to be the initial capital expenditure ($3,960,000), the annual maintenance costs and the amount required to surface the middle 46 mile section when traffic merits it.

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Salvage values of 50% of the initial capital expenditure and 65% of the improvement expenditures were assigned to the road at year 20. The user costs per passenger car traveling on the present dirt road were assumed to be 15.7 cents per mile as opposed to 12.34 cents per mile for an improved laterite road and 11.14 cents per mile for a road having a laterite base with an asphalt seal coat. As this computation pertained only to passenger cars, factors to convert the different categories of truck and bus traffic to passenger car equivalents were selected. The factors used are discussed in Annex III, Exhibit A.

In order to obtain the average annual benefits attributable to the road for each five year period, the incremental user savings per passenger car for the specific type of road was multiplied by the projected passenger car equivalents for each section, average for five year periods and then multiplied by the length of the section. (See Annex III, Exhibits B and D for supporting documentation.) No user savings could be attributed on the basis of distance savings as the proposed road will follow the path of the existing road.

The average annual benefits were then compared to the costs (See Annex III, Exhibit E). This resulted in a cost/benefit ratio of 1:1.02 at a present worth factor of 6%.

4. Indirect Benefits. An analysis of the benefits which will accrue to the national economy by virtue of increased agricultural production and the beginning of a new lumbering industry in the area was also made. The present and projected activity in these sectors is as follows:

a. Lumbering. In West Cameroon almost 2,300 square miles or approximately 14% of the total land area of West Cameroon, has been set aside as forest preserves. There are five preserves with a total area of 1,020 square miles in the Mamfe Division which have not been exploited at all. The timber companies now operating in West Cameroon report that there are adequate reserves south of Mile 47 to make moving northward in the immediate future unjustifyable. However, all indications are that by the early 1970's the firms will be forced to move northward. Although the reserves are extensive, estimates in this analysis are limited to a total of 94,000 tons per year due to reforestation requirements.

b. Palm Products. The Mamfe Division is the natural habitat of the oil palm. However, palm products have not been produced for export because of the transportation difficulties. The GFRC Agricultural Department made available 5,000 seedlings during the last year to the Mamfe Division which have been purchased by private individuals which would mature in

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1968. Based on this and the large concentrations of palm already in the areas, SRI has estimated productionoof 589 tons of palm oil and 2,982 tons of kernels in 1970. The comparable figure for 1975 are 4,326 and 5,057 tons respectively. In 1964, 1,841 tons of kernels passed over the road while no oil was shipped.

c. Cocoa. Cocoa is already produced in the area with a total of 1,652 tons being shipped over the road in 1964. It has been estimated that production could be increased to 2,457 tons in 1970 and 3,870 tons in 1975.

d. Others. Coffee, citrus fruits and rubber all are crops which could be usefully cultivated in the area once the road is constructed. However, because of the long lead times associated with going into production in each case and the fact that little has been done in the area with any of these crops, production has been assumed to be zero in 1968. Production levels for the three crops by 1975 have been estimated at 297, 900, and 495 tons per year respectively.

In order to estimate the potential indirect benefits from the road, the estimated average production of all products over five periods was then multiplied by present world prices per ton to obtain a total value of the agricultural and timber production which would be taken out of the area. The present worth of the future revenues when compared to the present value of the cost, resulted in a cost/benefit ratio of 1:6.04 at 6%. These computations are contained in Annex III, Exhibit F.

There are other indirect benefits which have not been measured. The most important are the increased revenues which the GFRC will realize from import duties on gasoline, tires, etc. and export taxes on the increased production induced by the new road. While these are of great importance to the GFRC, no attempt has been made to quantify them as adequate data on Cameroon tax rates is not readily available.

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C. Financial Aspects

1. Financial Plan. Total financing requirements for the project are as follows:

	U.S.	Local	Total
Materials	$ 356,000	$ 5,700	$ 361,700
Labor	200,000	440,000	640,000
Equipment	740,000	347,300	1,087,300
P.O.L.	-	300,000	300,000
Mobilization	100,000	334,000	434,000
Summary	1,396,000	1,427,000	2,823,000
Contingency (15%)	280,600	139,400	420,000
Profit (10%)	282,000	-	282,000
Est. Construction Cost	1,818,400	1,566,400	3,525,000
Damage to Crops	-	18,000	18,000
Final Engineering	418,000	-	418,000
Totals	$2,376,600 (60%)	$1,584,400 (40%)	$3,961,000

Of the total project costs, 60%, or $2,376,600 would be U.S. costs and the remainder, $1,584,400, would be local costs. The proposed A.I.D. loan would cover all U.S. costs and 50% of the local costs ($792,000) for a total of $3,168,000. The GFRC contribution would cover 50% of the local costs ($792,000) or 20% of the project costs, whichever is higher. The A.I.D. loan has been rounded up to $3.2 million.

A 40 year loan with a 10-year grace period is recommended. Interest of 1% would be charged during the grace period with interest of 2½% being charged during the 30 year amortization period. After the loan is fully disbursed, annual interest charged during the grace period would be $3,200. On the basis of an equal level repayment schedule combined annual interest and principal payments during the amortization period would be $75,288.

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2. Borrower's Financial Status

a. Government Finances. The Federal Republic of Cameroon is composed of a Federal Government and two federated states, East and West Cameroon. The budgets of the three units are established separately with the two state budgets subject to Federal Government approval. The first federal budget was drawn up in 1962/63 when the former British-held Cameroons joined the Federal Republic. Budget experience since then was as follows:

Federal Government and Federated State Budgets
($US 000)

	1962/63	1963/64	1964/65(est.)
Receipts			
Federal	$ 62.6	$ 66.1	$ 75.1
East	24.5	27.1	29.1
West	6.9	8.0	8.9
Total, Receipts	$ 94.0	$101.2	$113.1
Expenditures			
Federal	67.7	70.4	80.8
Ordinary	(62.6)	(66.1)	(75.1)
Equipment	(5.1)	(4.3)	(5.7)
East	26.3	28.7	30.2
Ordinary	(24.5)	(27.1)	(29.1)
Equipment	(1.8)	(1.6)	(1.1)
West	8.1	9.6	9.7
Ordinary	(6.9)	(8.0)	(8.9)
Equipment	(1.2)	(1.6)	(.8)
Total, Expenditures	$102.1	$108.7	$120.7
+ or	$ -8.1	$ -7.5	$ -7.6

Prior to 1962/63, France was willing to cover deficits in both the ordinary and equipment budgets. However, beginning with 1962/63 she announced her intention to reduce direct subsidies to the operating budget. As can be seen above, the deficits since then have been in the equipment rather than the ordinary budgets. Thus, the GFRC has been able to balance its operating budgets with limited French assistance and provide subventions to the two states for operating expenses while relying almost entirely on external aid to finance its equipment budget. French support to the operating budgets continues in the form of funds to cover mainly military expenditures. This is expected to continue to be reduced. The bulk of external aid for the equipment budget comes from France with the EEC also providing substantial funds.

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b. External Debt. Available information on this subject is not complete. However, a recent IBRD study estimated the principal outstanding as of June 30, 1963 to be $45.0 million. The debt servicing requirement for FY 63/64 was estimated at $1.9 million which is about 1.5% of both the export earnings and the budget figures. Virtually all of the debt is owed to the former French FIDES, the Caisse Centrale and French commercial banks. There have been three government loans, however, one by France in 1956 ($5.1 million), one by the UK in the 1961 ($980,000) and the U.S. loan to the Transcameroon Railway authorized in June 1962 ($9.2 million). While the country's external debt position presently appears to be quite sound, it cannot be assumed that this will continue to be the case. Given the country's ambitious development plans (see Section II. C.2.d.) and the fact that the GFRC has not been able to meet the costs of its equipment budget from revenues, it is clear that there will be an increasing reliance upon external loans thereby weakening the country's external position. On this basis the terms of the loan are considered reasonable.

c. Trade and Balance of Payments. Cameroon has shown a positive trade balance for every year since 1958. It recorded its largest trade surplus in 1960, registered declined surpluses in 1961 and 1962 and improved its balance in 1963. The country's trade pattern for the period 1956-1963 is as follows:

Cameroon External Trade
($000)

	Imports	Exports	Balance
1956	$ 72,216	$ 62,016	-$ 10,200
1958	98,736	115,872	+ 17,136
1960	93,024	121,992	+ 28,968
1961	112,200	123,624	+ 11,424
1962	115,464	121,992	+ 6,528
1963	$ 109,444	$123,420	+$ 13,976

Imports of finished goods accounted for about 50% of total imports in 1962, food products alone accounted for 30%, while capital goods accounted for the remainder. Raw materials and intermediate goods, accounted for 20% of the 1962 total. Interestingly enough, there has been a decrease in the proportion of finished goods, and an increase in the share of raw materials imported into the country over the last several years.

As a result of its association with France, Cameroon has enjoyed privileges in the French market in the form of guarantied prices, preferential duties, import quotas and even direct subsidies. The purely financial gain represented by the differentials between French market prices and world market prices is estimated at some $8.1 million for 1961 or 7% of

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total exports in that year, the latest year for which full details are available, This excludes the benefit accruing to the Cameroon from the existence of an assured source of financial assistance to local stabilization funds and of an assured or protected market for some crops of limited marketability, notably bananas.

The main characteristic of the Cameroon economy is its dependence upon the export of primary products. Cocoa, coffee, bananas, timber, cotton and rubber constitute 60% or more of the total exports. In addition, there have been growing exports of tea, palm products, groundnuts and cocoa butter. However, aluminum exports now account for about 20% of the total. The Cameroon's exports are considered quite diverse when compared with those of other African nations.

Cameroon itself does not have a central bank. However, it does belong to the Central Bank of Equatorial Africa which is part of the franc zone. As a member of the franc zone, Cameroon has no gold or foreign exchange holdings, and does not have a separate balance of payment. France assures the convertibility of the CFA franc and manages Cameroon's external accounts through the franc zone exchange pool. Cameroon's non-franc foreign exchange earnings are credited to its drawing rights account and its foreign exchange expenditures are debited to that account. While most current and capital account expenditures are available for Cameroon's balance of payments with the non-franc areas, this represents such a small portion of the country's over-all position that meaningful conclusion could not be drawn.

d. Future Prospects. Despite the relative range and diversity of its agriculture export products they are still few in number. Many of them (bananas, cotton, palm oil and groundnuts) have profited from preferential agreements with France whereby France purchases the crops at substantial premiums above world market prices. The benefits from this arrangement were estimated by the IBRD to be about $8 million in 1961. However, under the terms of the new convention between EEC and the associated countries, Cameroon must expect to lose the benefits resulting from the system of quantitative restrictions and support prices.

Thus, the continued development of the Cameroon depends in great measure upon the ability of the country to increase productivity and cash returns from the crops mentioned above along with rubber and cocoa. In the long run, however, the country will have to seek actively to diversify its production. The best prospects for this are in the fields of large scale ranching and lumbering. The scope for increased manufacturers is essentially limited to the production of selected import substitutes and the carrying of agricultural proc[illegible]nced steps. While the

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industrial sector of the economy has continued to expand (there are now 750 enterprises capitalized at $100 million) it will be many years before industry will play a substantial role in the economy. In the immediate future the industry with the best potential is the aluminum industry which has developed rapidly over the last several years.

The Cameroon is now in its first Five Year Development Plan (1961-65) which provides for a total expenditure of $216.6 million over the five year period. The objectives of the Plan are to provide the basis for and form part of a general program of development aimed at doubling the national income in the period 1960-80. This target requires an average annual increase of 4½% in GNP. The Plan allocates 47% of total expenditures to infrastructure, 20% to agriculture, 11% to other production, 17% to social investment and 5% to preliminary and feasibility studies. It is too early to make a proper assessment of the plan. However, as can be seen in the discussion of the GFRC's budget the amounts earmarked for the equipment (development) budget have been quite small in relation to the goals of the plan and it is unlikely that the goals will be met.

In order to meet the goals of the Plan and thus sustain a reasonable rate of development, the country must rely upon continued foreign assistance. We assume that a significant amount of French and EEC aid will continue to be forthcoming. Thus, although Cameroon's immediate opportunities for economic development are somewhat limited, given the relatively modest increment in debt servicing required by the proposed loan and the country's good external debt position (See Section II, C. 2).b), prospects for repayment of the loan are considered reasonable.

3. Other Sources of Financing. Foreign assistance by other donors has continued to play a major role in the development of Cameroon. While it is difficult to determine the exact amount of French assistance it is estimated that all types of direct and indirect assistance i.e., financial, economic, technical, commodity and military, totaled between $40 and $50 million in 1963. The EEC contributed about $5 million in 1963 with continued assistance being assured by the recent signature of the Treaty of Association between 18 African countries and the EEC. United Nations assistance during 1963 totaled about $1.5 million. In 1962, West Germany authorized a credit of $10 million of which $2.5 million was committed in 1963. In addition, the West Germans provided about $2.5 million worth of technical assistance in 1961 and 62.

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The complementary nature of the U.S. program has necessitated close coordination with both major aid donors, i.e., the French and the EEC. During consultations with both it has been our understanding that either organization could conceivably take over the specific projects proposed. However, this would be accomplished only by sacrificing other infrastructure projects which, as shown above, already compose a large proportion of their respective aid programs.

Thus, all reasonable sources of financing have been taken into consideration and, given the present strategy for Cameroon, A.I.D. feels that financing of the project is appropriate.

4. Effect Upon the U.S. Economy

The proposed loan will have a positive effect upon the U.S. economy. Of the total project costs, $2,733,000 is being loaned to the GFRC to procure the services of a private U.S. construction firm. An additional $418,000 is being loaned to the GFRC to procure the services of a private U.S. architect/engineering firm. Of the amount loaned for construction services, $1,818,400 will be used for direct procurement in the U.S.

SECTION III - Implementation Plan

The borrower will be required to make arrangements satisfactory to A.I.D. for the preparation of final plans and specifications and supervision of construction of the project. The cost estimate includes funds for completion of detailed designs, working drawings and specifications, and supervision of construction, both to be done by a U.S. engineering firm.

During the construction of the project the borrower will be required to satisfy A.I.D. that the training program for the Ministry's maintenance organization is adequate to assure proper maintenance of project when completed, and that it is the intention of the Ministry to annually budget sufficient funds for this purpose.

It is estimated that the construction period for the project will be one and a half years following the signing of the construction contract. The proposed terminal date for requests for disbursements would be two and a half years and the final disbursement three years after the signing of the Loan Agreement. The heaviest drawdowns on the loan should be in the first year as the bulk of the equipment is ordered and delivered.

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	1965
Sign Loan Agreement	July
Fulfillment of Conditions Precedent to Initial Financing	October
	1966
Final Plans and Specifications Completed	April
A.I.D. Approval	May
Call for Bids	June
Submission of Recommended Award for A.I.D. Approval	September
Award of Contract	October
	1968
Complete Construction	April
Final Disbursement	July

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STATUTORY CHECKLIST
(Development Loan Fund)

1. FA Sec. 102. Precautions that have been or are being taken to assure loan proceeds are not diverted to short-term emergency purposes (such as budgetary, balance of payments, or military purposes) or any other purpose not essential to the country's long-range economic development. To be covered in Loan Agreement by limiting use of loan funds for this Project.

2. FA Sec. 201(b). Manner in which loan will promote country's economic development, emphasizing help for long-range plans and programs designed to develop economic resources and increase productive capacities. Satisfied Section II.B.

3. FA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within the United States. Satisfied. Section II.C.3.

4. FA Sec. 201(b)(2). Information and conclusion on activity's economic and technical soundness, including the capacity of the recipient country to repay the loan at a reasonable rate of interest. Satisfied. Section II.A., B and C.2.b. and d.

5. FA Sec. 201(b)(3). Information and conclusion on existence of reasonable promise activity will contribute to development of economic resources or increase of productive capacities. Satisfied. Section II.B.

6. FA Sec. 201(b)(4). Information and conclusion on activity's relationship to other development activities, and its contribution to realizable long-range objectives. Satisfied. Section II.B.

7. FA Sec. 201(b)(5). Country's self help measures, including institution of Foreign Assistance Act investment guaranty program. Satisfied Section II.C. 1 and II.C.2.d. An investment guaranty program is presently under negotiation.

8. FA Sec. 201(b)(6). Information and conclusion on possible effects on U.S. economy, with special reference to areas of substantial labor surplus. Satisfied. Section II.C.4.

The following abbreviations are used:

FA Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1964.

App. Foreign Assistance and Related Agencies Appropriation Act, 1965.

9. FA Sec. 201(b). Information and conclusion on reasonable prospects of repayment. Satisfied. Section II.C.2.d.

10. FA Sec. 201(d). Information and conclusion on legality (under laws of the country and the U.S.) and reasonableness of lending and relending terms. Satisfied. Section II.C. Question of legality will be covered by Condition precedent in Loan Agreement.

11. FA Sec. 201(e). Information and conclusion on availability of an application together with sufficient information and assurances to indicate reasonably that funds will be used in an economically and technically sound manner. Satisfied. Section I.A. and B.

12. FA Sec. 201(f). If a project, information and conclusion whether it will promote the economic development of the requesting country, taking into account the country's human and material resource requirements and the relationship between the ultimate objectives of the project and the country's over-all economic development. Satisfied. Section II.B.

13. FA Sec. 201(f). If a project, information and conclusion whether it specifically provides for appropriate participation by private enterprise. Satisfied. Section II.C.4.

14. FA Sec. 202(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources. Satisfied. Section II.C.4.

15. FA Sec. 601. Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; (f) strengthen free labor unions. (a),(b),(c) and (e) satisfied. Section II.B; (d) and (f) not applicable

16. FA Sec. 601(d). Conclusion and supporting information on compliance with the Congressional policy that engineering and professional services of U.S. firms and their affiliates are to be used in connection with capital projects to the maximum extent consistent with the national interest. Satisfied. Section II.A.

17. FA Sec. 601, 602. Information and conclusions whether loan will (a) encourage U.S. private trade and investment abroad, (b) encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise), and (c) permit American small business to participate equitably in the furnishing of goods and services financed by it. (a) and (b) satisfied. Section II.C.4.; (c) to be covered in Loan Agreement.

18. FA Sec. 604(a). Compliance with restriction of commodity procurement to U.S. except as otherwise determined by the President and subject to statutory reporting requirements. Satisfied. Section II.A.5 and Memorandum from President to Secretary of State dated October 18, 1961.

19. FA Sec. 604(b). Compliance with bulk commodity procurement restriction to prices no higher than the market price prevailing in the U.S. at time of purchase. to be covered in Loan Agreement

20. FA Sec. 604(d). Compliance with requirement that marine insurance be purchased on commodities if the participating country discriminates, and that such insurance be placed in the U.S. To be covered in Loan Agreement.

21. FA Sec. 611(a)(1). Information and conclusion on availability of engineering, financial, and other plans necessary to carry out the assistance and of a reasonably firm estimate of the cost of the assistance to the United States. Satisfied. Section II.A.3, 4 and 7.

22. FA Sec. 611(a)(2). Necessary legislative action required within recipient country and basis for reasonable anticipation such action will be completed in time to permit orderly accomplishment of purposes of loan. To be covered in Loan Agreement.

23. FA Sec. 611(b); App. Sec. 101. If water or water related land resource construction project or program, information and conclusion on benefit-cost computation. Not applicable.

24. FA Sec. 611(c). Compliance with requirement that contracts for construction be made on competitive basis to maximum extent practicable. To be covered in Loan Agreement.

25. FA Sec. 619. Compliance with requirement that assistance to newly independent countries be furnished through multilateral organizations or plans to maximum extent appropriate. For consideration of this point, see Section II.C.3.

26. FA Sec. 620(a); App. Sec. 107. Compliance with prohibitions against assistance to Cuba and any country (a) which furnishes assistance to Cuba or fails to take appropriate steps by February 14, 1964 to prevent ships or aircraft under its registry from carrying equipment, materials, or supplies from or to Cuba, or (b) which sells, furnishes or permits any ships under its registry from carrying items of primary strategic significance, or items of economic assistance. To be covered in Loan Agreement. Cameroon is not regarded as a country engaging in the prohibited activities.

27. FA Sec. 620(b). If assistance to the government of a country, existence of determination it is not controlled by the International Communist movement. Such a determination was made by the Secretary of State on October 11, 1961.

28. FA Sec. 620(c). If assistance to the government of a country, existence of indebtedness to a U.S. citizen for goods or services furnished or ordered where such citizen has exhausted available legal remedies or where the debt is not denied or contested by such government or the indebtedness arises under an unconditional guaranty of payment given by such government. No such indebtedness known to exist.

29. FA Sec. 620(d). If assistance for any productive enterprise which will compete with U.S. enterprise, existence of agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan. Not applicable since assistance is not for a productive enterprise.

30. FA Sec. 620(e). If assistance to the government of a country, extent to which it (including government agencies or subdivisions) has, after January 1, 1962, taken steps to repudiate or nullify contracts or taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking appropriate steps to discharge its obligations. Satisfied. No such actions are known to have been taken by the GFRC.

31. FA Sec. 620(f); App. Sec. 109. Compliance with prohibitions against assistance to any Communist country. Satisfied. The Federal Republic of Cameroon is not considered a communist country.

32. FA Sec. 620(g). Compliance with prohibition against use of assistance to compensate owners for expropriated or nationalized property. To be covered in Loan Agreement.

33. FA Sec. 620(h). Compliance with regulations and procedures adopted to insure against use of assistance in a manner which, contrary to the best interests of the U.S., promotes or assists the foreign aid projects or activities of the Communist-bloc countries. To be covered in Loan Agreement.

34. FA Sec. 620(i). Existence of determination that the country is engaging in or preparing for aggressive military efforts. No such determination has been made for the Federal Republic of Cameroon.

35. FA Sec. 620(k). If construction of productive enterprise where aggregate value of assistance to be furnished by U.S. will exceed $100 million, identification of statutory authority. Not applicable.

36. FA Sec. 620(l). Compliance with prohibition against assistance after December 31, 1965 for the government of a country which fails to institute investment guaranty program. An investment guaranty program is presently under negotiation with GFRC. It is anticipated that the Loan Agreement will be signed prior to December 31, 1965. In the event the guaranty program is not instituted and the Loan Agreement not signed prior to that date, steps will be taken to comply with the statute.

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37. FA Sec. 636(h); 612(c). Appropriate steps that have been taken to assure that, to maximum extent possible, country is contributing local currencies to meet the cost of contractual and other services and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services. Satisfied. Section II.C.1.

38. App. (Sec. Unnumbered). Use of funds to carry out FA Sec. 205, which pertains to IDA. No funds will be made available to IDA under this loan.

39. App. Sec. 102. Compliance with requirement that payments in excess of $25,000 for architectural and engineering services on any one project be reported to Congress. Such reports will be made.

40. App. Sec. 104. Compliance with bar against funds to pay pensions, etc., for military personnel. To be covered in Loan Agreement.

41. App. Sec. 111. Compliance with requirement for security clearance of personnel under contracts for services. To be covered in Loan Agreement and in contracts which will be subject to A.I.D. approval.

42. App. Sec. 112. Compliance with requirement for approval of contractors and contract terms for capital projects. To be covered in Loan Agreement.

43. App. Sec. 114. Compliance with bar against use of funds to pay assessments, etc., of U.N. member. To be covered in Loan Agreement.

44. App. Sec. 117. Compliance with regulations on employment of U.S. and local personnel for funds obligated after April 30, 1964. To be covered in Loan Agreement and in contracts which will be subject to A.I.D. approval.

45. App. Sec. 401. Compliance with bar against use of funds for publicity or propaganda purposes within U.S. not heretofore authorized by Congress. To be covered in Loan Agreement.

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CONSTRUCTION CONTRACT COST ESTIMATE

Item	Unit	Quantity	Unit Cost Dollars	Total Cost Dollars
Clearing and Grubbing	Hectare	135	$ 990.00	$ 133,650
	Acre	334	400.00	
Unclassified Excavation	Cubic Meter	833,346	1.55	1,291,686
	Cubic Yard	1,076,405	1.20	
Cr. Rock Base Crs., Comp.	Cubit Meter	18,010	7.85	141,379
	Cubic Yard	23,560	6.00	
Laterite Base Crs., Comp.	Cubic Meter	60,800	2.90	176,320
	Cubic Yard	79,530	2.20	
Subgrade Compaction	Kilometer	74	270.00	19,980
	Mile	46	430.00	
Asphaltic Seal Coat	Kiloliter	853	159.00	135,627
	U.S. Gallon	226,000	0.60	
Crushed Rock Surfacing	Cubic Meter	3,420	9.80	33,516
	Cubic Yard	4,500	7.50	
Structural Concrete	Cubic Meter	1,040	110.00	114,400
	Cubic Yard	1,360	85.00	
Bar Steel Reinforcement	Kilogram	67,300	0.30	20,190
	Pound	148,000	0.135	
Timber Railing	Linear Meter	3,650	5.00	18,250
	Feet	12,000	1.50	
Warning Signs	Each	1,650	5.00	8,250
Culvert Pipe - 18"	Linear Meter	633	14.50	9,179
	Feet	2,075	4.45	
Culvert Pipe - 24"	Linear Meter	835	21.00	17,535
	Feet	2,740	6.40	
Culvert Pipe - 30"	Linear Meter	145	28.00	4,060
	Feet	475	8.50	
Culvert Pipe - 36"	Linear Meter	275	40.00	11,000
	Feet	900	12.20	

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Item	Unit	Quantity	Unit Cost Dollars	Total Cost Dollars
Culvert Pipe 42"	Linear Meter	150	$ 50.00	$ 7,500
Culvert Pipe - 48"	Feet	490	15.25	
	Linear Meter	137	65.00	8,905
Culvert Pipe - 60"	Feet	450	20.00	
	Linear Meter	70	100.00	7,000
Culvert Pipe - 72"	Feet	230	30.50	
	Linear Meter	30	120.00	3,600
Structural Plate Arch Culverts	Feet	100	37.00	
	Kilogram	59,400	0.65	38,610
Rubble Masonry for Culverts	Pound	131,000	0.30	
	Cubic Meter	1,910	20.00	38,200
Freight for Equipment	Cubic Yard	2,500	15.00	
	Lump Sum			297,000
Mobilization	Lump Sum			434,000
Maintenance of Traffic	Lump Sum			135,000
TOTAL BID ITEMS				3,104,837

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ASSUMPTIONS USED

I. Operator Savings

Using figures derived from the American Association of State Highway Official's (AASHO) handbook on road user benefit analysis and work donw by Louis Berger for the Port Harcourt-Umuezeal Road the following per mile operating costs for a passenger car were assumed:

(US ¢)

15.70	Dirt road
12.34	Improved laterite road
11.14	Laterite base with asphalt seal coat

Thus, operator savings of 3.36¢ per mile have been assumed for a car traveling on an improved laterite rather than dirt road and operating savings of 4.56¢ per mile assumed for a car traveling on a road with a laterite base and seal coat as opposed to an improved laterite road.

II. Maintenance Costs

The revised AEC report estimated total maintenance costs (including an amount for replacement of laterite every two years and resurfacing of the asphalt in the sixth year) at $127,000. However, this assumed that all machinery would be assigned only to the Mile 47-Ntafe road and all overhead would be charged only against this road. This is not the case, as the machinery will most likely be used to maintain adjacent stretches of road. Thus, the annual estimate has been reduced to $100,000 which is considered to be a sound average for the 5 years until the entire road is surfaced.

Maintenance costs have been assumed to be constant once the road is fully paved.

III. Road Improvements

It has been assumed that once traffic exceeds 200 passenger car equivalents per day, it is more economical to pave the road with an asphalt seal coat. This is somewhat arbitrary as there is no firmly established standard on this question. In discussing this with AASHO, BPR and

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A.I.D. engineers, we have received estimates varying from 100-300 passenger car equivalents. The figure 200 is considered justified because of the fairly large percentage of trucks in the traffic projections.

The cost of paving once traffic exceeds the 200 car limitation has been assumed to be $35,000 per mile. While this may appear high, it must be remembered that per mile costs would be higher to complete a section than they would be if the entire road were done at one time.

The following designation have been used:

Segment 1	Southern 9 miles
Segments 2 and 3	Middle 46 miles
Segment 4	Northern 11 miles

IV. Conversion to Passenger Car Equivalents

Figures selected for conversion were taken from the AASHO handbood and are as follows:

1.	lumber trucks	4.5:1
2.	other produce and passenger carrying buses and trucks	1.8:1
3.	miscellaneous	1.25:1

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TRAFFIC PROJECTIONS
(Segments 1,2, and 3)

		Trucks		Passenger Vehicles		Daily Vehicle Equivalents					
Year	Lumber	Produce	Misc.	Buses & Trucks	Cars	Lumber	Produce	Misc.	Buses & Trucks	Cars	Total
Actuals		10	10	25	24						
1	-	10	10	27	25	-	18	13	49	25	105
2	-	10	10	30	28	-	18	13	54	30	113
3	-	11	11	36	30	-	20	14	65	36	129
4	-	11	11	41	36	-	20	14	74	41	144
5	-	12	12	48	43	-	22	15	86	48	166
6	-	12	12	54	53	-	22	15	97	54	186
7	-	13	13	63	63	-	23	16	113	63	215
8	-	13	13	71	74	-	23	16	128	71	241
9	13	15	15	78	83	59	27	19	141	78	329
10	26	16	16	85	93	118	29	20	153	85	405
11	52	17	17	94	104	236	31	31	170	104	572
12	52	17	17	101	116	236	38	38	182	116	610
13	52	28	28	109	126	236	50	50	196	126	658
14	52	36	36	117	136	236	65	65	211	136	713
15	52	46	46	124	146	236	83	83	223	146	771
16	52	62	62	132	156	236	111	111	238	156	852
17	52	77	77	140	164	236	139	139	252	164	930
18	52	92	92	148	178	236	166	166	266	178	1012
19	52	108	108	156	190	236	194	194	281	190	1095
20	52	124	124	163	200	236	223	223	293	200	1175

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TRAFFIC PROJECTIONS (Segment 4)

Year	Trucks			Passenger Vehicles/Daily Vehicle Equiv.							Total
	Lumber	Other Prod.	Misc.	Buses & Trucks	Cars	Lumber	Other Prod.	Misc.	Buses & Trucks	Cars	
Actuals	-	12	3	26	24						
1	-	13	3	28	26	-	23	4	50	26	103
2	-	15	3	33	31	-	27	4	59	31	121
3	-	18	3	40	37	-	32	4	72	37	145
4	-	22	4	46	43	-	40	5	83	43	171
5	-	26	6	53	56	-	47	8	95	56	206
6	-	31	8	61	61	-	56	10	110	61	237
7	-	36	11	69	72	-	65	14	124	72	275
8	-	40	13	77	80	-	72	16	139	80	307
9	6	44	15	83	88	27	79	19	149	88	362
10	12	47	16	90	98	54	85	20	162	98	419
11	23	50	18	97	108	104	90	23	175	108	500
12	23	57	20	106	116	104	103	25	191	116	539
13	23	60	22	113	126	104	108	28	203	126	569
14	23	64	24	120	136	104	115	30	216	136	601
15	23	67	26	126	145	104	121	33	227	145	630
16	23	72	28	134	154	104	130	35	241	154	664
17	23	76	30	142	162	104	137	38	256	162	697
18	23	80	32	149	172	104	144	40	268	172	728
19	23	83	34		184	104	149	43	281	184	761
20	23	86	36		194	104	155	45	293	193	790

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Total Costs
($US 000)

Year	Capital Cost	Maintenance	Improvements	Total
0	3,960.0	-	-	3,960.0
1	-	100.0	-	100.0
2	-	100.0	-	100.0
3	-	100.0	-	100.0
4	-	100.0	-	100.0
5	-	100.0	-	100.0
6	-	21.2	1,380.0	1,401.2
7	-	70.0	-	70.0
8	-	"	-	70.0
9	-	"	-	70.0
10	-	"	-	70.0
11	-	"	-	70.0
12	-	"	-	70.0
13	-	"	-	70.0
14	-	"	-	70.0
15	-	"	-	70.0
16	-	"	-	70.0
17	-	"	-	70.0
18	-	"	-	70.0
19	-	"	-	70.0
20	-	"	-	70.0

BENEFITS

Year	Daily Pass. Car Equiv. Ave. for Seg. 1&4	Daily Pass. Car Equiv. Seg. 2&3	Net Oper. Sav./Mile Seg. 1&4	Net Oper. Sav./Mile Seg.2&3	Ann. Oper. Sav./Mile Seg. 1&4	Ann. Oper. Sav./Mile Seg. 2&3	Distance of Sec. 20 miles	Distance of Sec. 46 miles	Total Ann. Oper. Sav.
1	104	105	.0456	.0336	1,731	1,287	34,620	54,602	89,222
2	117	113	"	"	1,947	1,385	38,940	63,710	102,650
3	138	129	"	"	2,296	1,581	45,920	72,726	118,646
4	159	144	"	"	2,646	1,765	52,920	81,190	134,110
5	188	166	"	"	3,128	2,035	62,560	93,610	156,170
6	214	186	"	.0456	3,561	3,095	71,220	142,370	213,590
7	248	215	"	"	4,126	3,577	82,520	164,542	247,062
8	277	241	"	"	4,609	4,010	92,180	184,460	276,640
9	337	329	"	"	5,607	5,474	112,140	251,804	363,944
10	413	405	"	"	6,872	6,739	137,440	309,994	447,434
11	539	572	"	"	8,968	9,518	179,360	437,828	617,188
12	577	610	"	"	9,601	10,000	192,020	460,000	652,020
13	617	658	"	"	10,266	10,949	205,320	503,654	708,974
14	662	713	"	"	11,015	11,864	220,300	545,744	766,044
15	706	771	"	"	11,747	12,829	234,940	590,134	825,074
16	765	852	"	"	12,729	14,177	254,580	652,142	906,722
17	823	930	"	"	13,694	15,475	273,880	711,850	985,730
18	882	1012	"	"	14,676	16,839	293,520	774,594	1,068,144
19	941	1095	"	"	15,658	18,220	313,160	838,120	1,151,280
20	1000	1175	"	"	16,640	19,552	332,800	899,392	1,232,192

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AMTRAK PROJECT 1 D 2
ATD/DLC/P-305

BENEFITS
($ 00)

Year	Daily Pass. Car Equiv. Ave. for Seg. 184	Daily Pass. Car Equiv. Seg. 283	Net Oper. Sav./Mile Seg. 184	Net Oper. Sav./Mile Seg. 283	Ann. Oper. Sav./Mile Seg. 184	Ann. Oper. Sav./Mile Seg. 283
1	104	105	.0656	.0[illegible]	1.731	[illegible]
2	117	113	"	"	1.941	[illegible]
3	138	132	"	"	[illegible]	[illegible]
4	152	144	"	"	[illegible]	[illegible]
5	[illegible]	166	"	"	[illegible]	[illegible]
6	214	195	"	.0656	[illegible]	[illegible]
7	248	215	"	"	[illegible]	[illegible]
8	277	241	"	"	[illegible]	[illegible]
9	337	322	"	"	[illegible]	[illegible]
10	413	465	"	"	[illegible]	[illegible]
11	532	572	"	"	[illegible]	[illegible]
12	577	610	"	"	[illegible]	[illegible]
13	617	678	"	"	[illegible]	[illegible]
14	[illegible]	713	"	"	[illegible]	[illegible]
15	[illegible]	771	"	"	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	"	"	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	"	"	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	"	"	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	"	"	[illegible]	[illegible]

Average Benefits Per Five Year Period (Rounded to nearest 000)

Year	
1 - 5	$120,000
6 - 10	$310,000
11 - 15	$714,000
16 - 20	$1,069,000

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Cost/Benefit Analysis

Year	Costs	PV @ 6%	Year	Benefits	PV @ 6%
0	3,960.0	3,960.0	0		
1	100.0	94.4	1	120.0	113.1
2	"	89.0	2	"	106.8
3	"	83.9	3	"	100.8
4	"	79.2	4	"	92.8
5	"	74.7	5	"	90.0
6	1,401.2	987.8	6	310.0	218.2
7	70.0	46.5	7	"	206.2
8	"	43.8	8	"	194.4
9	"	41.0	9	"	183.5
10	"	39.0	10	"	173.0
11	"	36.8	11	714.0	376.3
12	"	34.7	12	"	354.9
13	"	32.8	13	"	334.9
14	"	30.9	14	"	315.6
15	"	29.0	15	"	297.0
16	"	27.5	16	1,069.0	421.0
17	"	25.9	17	"	396.5
18	"	24.5	18	"	374.0
19	"	23.0	19	"	353.7
20	(2,820.8) 1/	(877.3)	20	"	111.5
	3,500.4	4,927.1		11,065.0	5,035.4

1/ Salvage value = 50% of $3,960.0 or $1,980.0
+ 65% of $1,401.2 910.8
-$2,890.8 + 70.0 maintenance = -$2,820.8

Cost/Benefit = 1.0: 1.02

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Estimated Production of Area to be Served
Selected Years
(Thousands of US Tons)

Year	Timber	Cocoa	Rubber	Palm Oil	Palm Kernel	Coffee	Citrus
1	-	1.65	-		1.80	.03	-
5	-	2.50	-	.60	3.00	.27	.48
10	94.0	3.90	.50	4.30	5.10	.30	.90
15	94.0	6.00	.80	6.90	8.60	.50	1.80
20	94.0	9.20	1.30	11.10	14.50	.80	3.40

Revenue Derived Selected Years
($US 000)

Year	Timber	Cocoa	Rubber	Palm Oil	Palm Kernel	Coffee	Citrus
1	-	452.1	-	-	172.8	18.0	-
5	-	685.1	-	87.0	288.0	92.0	144.4
10	165.4	1,068.6	137.0	623.5	489.6	102.6	270.0
15	165.4	1,644.4	219.2	1,000.5	825.6	171.0	540.0
20	165.4	2,520.8	356.2	1,609.5	1,392.0	273.6	1,020.0

Average Revenue
($US 000)

Year	Timber	Cocoa	Rubber	Palm Oil	Palm Kernel	Coffee	Citrus	Total
1-5	-	568.6	-	43.5	230.4	51.0	72.2	965.7
6-10	80.2	876.8	68.5	355.3	388.8	97.3	207.2	2,074.1
11-15	165.4	1,356.5	178.1	812.0	657.6	136.8	405.0	3,711.5
16-20	165.4	2,082.6	287.7	1,305.0	1,108.8	222.3	780.0	5,951.8

Cost/Benefit = [illegible]

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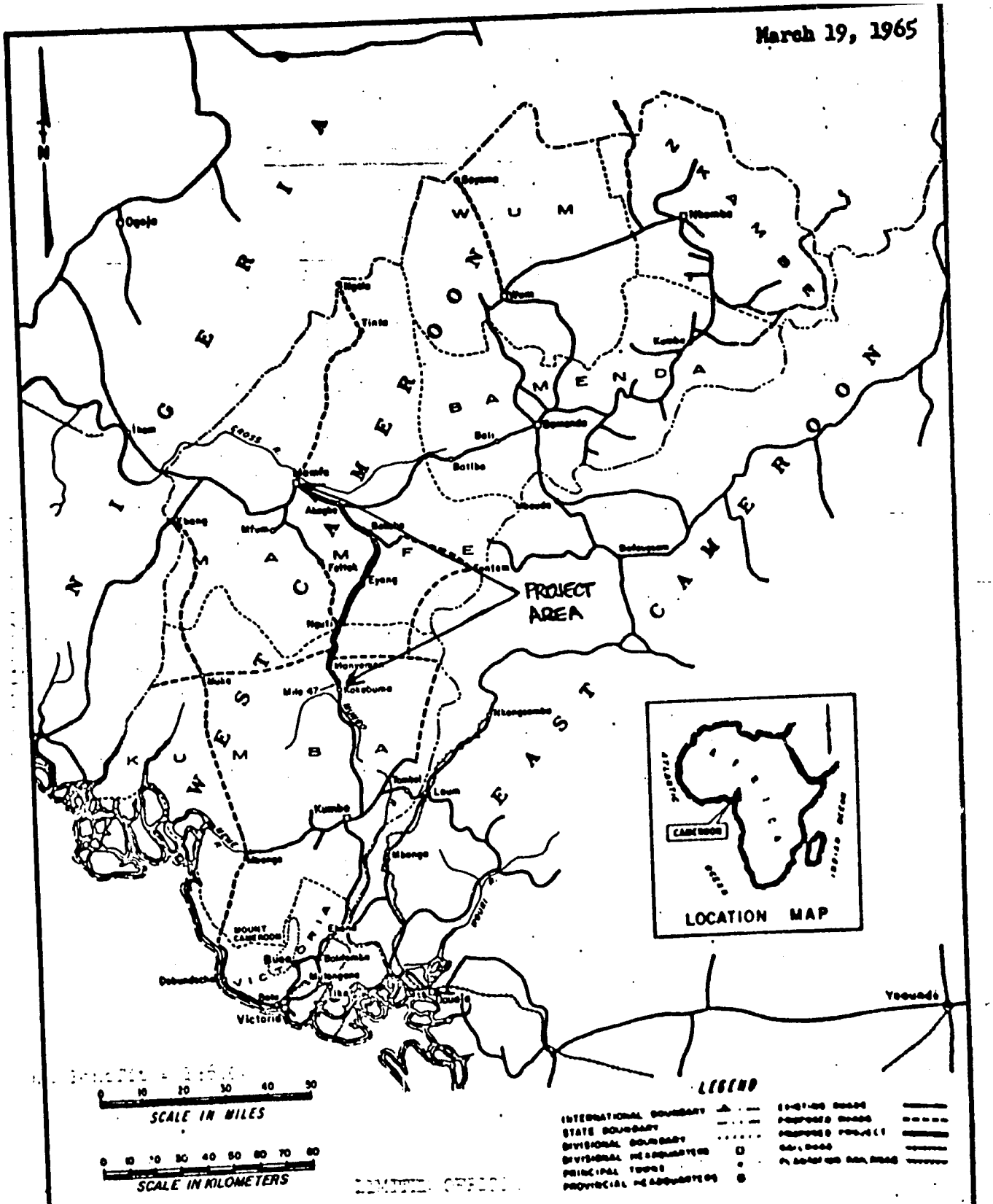
Cost/Benefit Analysis - Estimated Production
($US 000)

	Costs	PV @ 6%	Benefits	PV @ 6%
0	3,960.0	3,960.0	-	-
1	100.0	94.4	965.7	911.6
2	*	89.0	*	859.5
3	*	83.9	*	811.2
4	*	79.2	*	762.9
5	*	74.7	*	724.3
6	1,401.2	987.8	2,074.1	1,460.2
7	70.0	46.5	*	1,389.6
8	*	43.8	*	1,306.7
9	*	41.0	*	1,223.7
10	*	39.0	*	1,157.3
11	*	36.8	3,711.5	1,952.2
12	*	34.7	*	1,844.6
13	*	32.8	*	1,740.7
14	*	30.9	*	1,633.0
15	*	29.0	*	1,558.9
16	*	27.5	5,951.8	2,345.0
17	*	25.9	*	2,214.0
18	*	24.5	*	2,083.0
19	*	23.0	*	1,964.1
20	(2,820.8)	(877.3)	*	1,851.0
	3,500.4	4,927.1	63,515.5	29,793.5

Cost/Benefit = 1:6.04

March 19, 1965



PROJECT LOCATION
WEST CAMEROON

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FIGURE 1

PART I

INTRODUCTION

The Federal Republic of Cameroon is made up of two states:

West Cameroon -- the former Territory of the Southern Cameroons, a United Nations trusteeship administered by the United Kingdom as a part of the Eastern Provinces of Nigeria;

East Cameroon -- the former French administered trusteeship of Cameroun. which gained independence on January 1, 1960.*

Both West and East Cameroon were united as a German colony from 1884 until after World War I; then they were partitioned and administered by the British and French as mandates of the League of Nations. They became U.N. trusteeships after World War II. The Federation was the result of a plebiscite in which Southern Cameroon joined the Republic of Cameroon on October 1, 1961, instead of becoming a part of Nigeria. There are major differences between the two states, but these are slowly being eliminated as West Cameroon is becoming more integrated with East Cameroon. A change from Nigerian pounds to African Financial Community (CFA) francs has been accomplished, as has a changeover from driving on the left side of the road to driving on the right. A shift from the English system of measurements to the metric system took place in January, 1964. Both French and English are official languages, but English predominates in the West and French in the East.

Geography

The Federal Republic of the Cameroons lies at the corner of the Gulf of Guinea, where the southern shore of West Africa intersects the west coast of southern Africa, as shown on Figure 1. The Federal Republic has an area of 474,954 square kilometers (183,380 square miles).

*English usage prior to independence designated this area as "The Cameroons." French spelling was and is "Cameroun." Currently, the official spelling in the United States is "Cameroon," with the "the" and the plural "s" omitted. This is the spelling used throughout the remainder of this report.

ESTIMATE OF TONNAGES TRANSPORTED ON MILE 47 - MAMFE ROAD, 1964, 1970, and 1975

Road Segment Number	Year	Timber	Cocoa	Rubber	Palm Oil	Palm Kernel	Coffee	Imports Thru Douala	Pit Sawing	Oranges	Imports Thru Tiko	Imports Thru Bota	Cattle in Trucks	Sugar	Corn	a/ Imports From Nigeria	Soy Bean Cake	Milled Rice	Can. Meat	Can. Veg.	Totals
1 Mile 47 to Mbeka	1964		1,652			1,841	25	349	1,500		915	2,600									8,882
	1970		2,457		589	2,982	265	3,560	1,980	475	360	1,170									13,653
	1975	54,000	3,870	495	4,326	5,057	297		2,460	900		5,630									116,735
2 Mbeka to Bakebe	1964		1,652			1,841	25	349	1,500		915	2,600									8,882
	1970		2,457			2,848	265	3,560	1,980	475	360	1,170									12,940
	1975	54,000	3,870	495		4,060	297		2,460	900		5,630									111,412
3 Bakebe to Akagbe (Eadchuc-Akagbe)	1964		1,652			1,841	25	349	1,500		915	2,600									8,882
	1970		2,457			2,848	265	3,560	1,980	475	360	1,170									12,940
	1975	53,000	3,870	495		4,060	297		2,460	900		5,630									70,412
4 Akagbe to Mamfe	1964		1,652			1,841	25	349			915	2,600				2,988					10,370
	1970		2,457			2,848	265	3,560		475	360	1,170	1,024	60	24,039	251	876	67	38	84	37,574
	1975	41,500	3,870	495		4,060	297			900		5,630	1,920	100	48,079	502	1,759	134	38	178	109,512

a/ Estimates for Bamenda, Ako, Wumbe

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C.

CAPITAL ASSISTANCE LOAN AUTHORIZATION
Provided from: Development Loan Funds

Cameroon - Mile 47 - Mamfe Road

Pursuant to the authority vested in the Administrator of the Agency for International Development (hereinafter called the "A.I.D.") by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title I, the Development Loan Fund, to the Government of the Federal Republic of Cameroon of not to exceed three million two hundred thousand dollars ($3,200,000) to assist in financing the foreign exchange and local costs of goods and services required for the reconstruction of 66 miles of road between a point designated as Mile 47 and the town of Mamfe on the Kumba-Mamfe Road. The loan is subject to the following terms and conditions:

1. Interest Rate and Terms of Repayment. The interest rate on this loan shall be one percent (1%) per annum on the disbursed balance of the loan for the first ten years of the loan and thereafter two and one-half percent(2½%) per annum on the disbursed balance of the loan. The loan shall be repaid within forty (40) years from the date of the first disbursement under the loan, including a grace period of not to exceed (10) years.

2. Currency of Repayment. Provision shall be made for repayment of the loan and payment of interest in United States Dollars.

3. Other Terms and Conditions:

   (a) Materials, goods and services financed under the loan shall be of United States or Cameroonian source and origin.

   (b) All dollars used to finance local costs shall be subject to a Special Letter of Credit to limit their use to U.S. procurement.

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(c) The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.

Concurrences:

Miles G. Wedeman, AFR/CDF _____ Date _____
Charles Flinner, A/CONT _____ Date _____

Assistant Administrator for Africa

Date

2. Currency of Payment. [illegible]

3. Other Terms and Conditions:

(a) Materials, goods and [illegible] shall be of United [illegible]

(b) All [illegible] used to [illegible] to a [illegible] U.S. pro[illegible]

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