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**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



CAMEROON

**COUNTRY DEVELOPMENT
STRATEGY STATEMENT**

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FOR CAMEROON**

December 27, 1979

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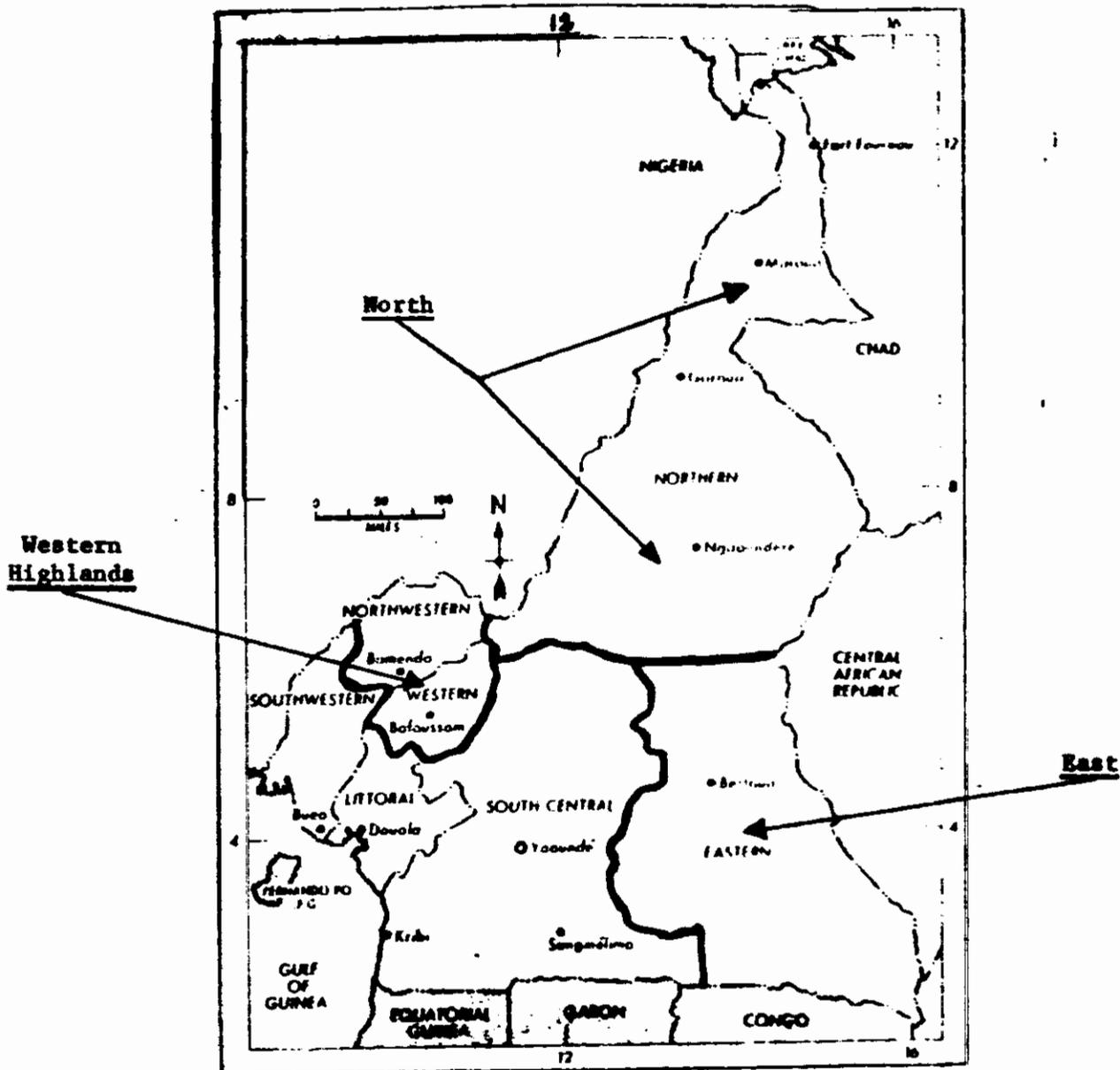


Figure 1. The United Republic of Cameroon

PART I - ANALYSIS

A. ANALYTICAL DESCRIPTION OF THE POOR

1. Introduction

The Government of the United Republic of Cameroon is a deliberate and prudent organization which very much believes in decisions by consensus. It has gone to great lengths to involve its citizens in the developmental process and to make development more relevant to the large mass of the population. The result of these efforts has been the Fourth Development Plan which addresses Cameroon's developmental constraints, needs, priorities and objectives. The USAID/Yaounde program philosophy is to seek, within the Government's planned programs, established objectives and priorities, those programs, objectives, and priorities which are in accordance with the Congressional Mandate. Our highest priority is agriculture and rural development with emphasis on increasing the efficiency of food crop production, increasing income and extending basic services and facilities to rural populations.

2. Demographic

Out of a population estimated to be over 8.1 million (7.7 million, 1976 National Census) about 75 percent are living in the rural area. While twenty-nine percent of Cameroon's population lives in the North (a land area a third of Cameroon's total size), the forest zone provinces which account for one-half of the land area supports 37 percent of the population. The highland zone provinces have 12 percent of the land area and support one third of the population. The highest densities per square kilometer are in the West and Northwest, and the lowest population density is in the East.

Four of the six rural departments in the West province constitute the most densely populated areas with densities of over 100 people per square kilometer. The Margui-Wandala departments in the North has 70 people per square kilometer. These figures compare with a national average of 17.0 people per square kilometer. Average family size for Cameroon is 7.7 persons ranging from 5.6 persons in the Littoral province to 9.5 persons in the North West province. The average number of births per women is now 5.7. The dependency ratio of persons aged 15-64 to persons under 15 years old in Cameroon;s rural areas is 1:2 ranging from 1:1.8 in the North and East to 1:2.4 in the West and Southwest.

TABLE I

	North	East	Center South	Littoral	West	North West	South West	Total
Population - %	29	5	20	12	14	13	8	101
Land Area - %	35	23	25	4	3	4	5	99
Density per Km ²	14	3	13	46	74	57	25	16.5

Source: Census 1976 - Centre Geographique National

3. Income

The only stratified national income study^{1/} available to the Mission indicates that 10 percent of the population receive 60 percent of the income. The remaining 90 percent of Cameroon's population receive 40 percent of the income. The implication of this is that 90 percent of Cameroon's population has a per capita income of less than one-half of the average national per capita income. There are, of course, income differences both within the rural and the poorer majority of the population. An examination of these diversities leads to the identification of geographical areas that are characterized by limited access to ideas, markets, and services.

^{1/} David Kom, Le Cameroun-essai d'analyse economique et politique, Paris, 1971

A regional per capita income ^{1/} study was accomplished a decade ago ^{2/}. The lowest per capita incomes were in the North (\$17) and the East (\$45), whereas the highest per capita incomes were in the more urbanized provinces of Littoral (\$141) and Center-South (\$112). Other studies have been made during the past five years of the producers of export cash crops. Per capita incomes of families raising cotton in the North were \$21; tobacco-raising families in the East had per capita incomes of \$65; cocoa-producing families received per capita incomes of \$44 and \$70 in the East and Center-South provinces respectively; and families raising coffee earned per capita incomes ranging from \$34 in the North West to \$120 in the West. In each province more than one-half of the families raise cash crops with the exception of the North ^{3/}.

A further review of per capita income figures for Cameroon has identified a number of income studies that have been completed during the past decade of individual villages. These studies confirm that the lowest per capita incomes are found in the North, East, and North West. The highest per capita incomes are found in the more urbanized provinces of Littoral and Center-South.

4. Education

School enrollment rate for children between the ages of 6-14 averages 88 percent in urban areas and 46 percent in rural areas. Though relatively high for Africa, Cameroon's national enrollment statistics mask

^{1/} All per capita incomes are cash incomes and do not include a value for subsistence food production.

^{2/} C. Burghard and J.H. Manfred, La situation socio-economique du Cameroun a la veille du IVe plan, Berlin, 1975

^{3/} In the North, 39 percent of the families raise cotton; in the East 54 percent raise cocoa and 42 percent raise tobacco, in the Center South 86 percent raise cocoa; in the North West 79 percent raise coffee; and in the West 92 percent raise coffee.

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considerable regional differences in access to primary education. School attendance rates are one-third the national average in the North where only 22 percent of the children attend school. Attendance rates in the North West province schools are also below the national average. In contrast, enrollment levels in the Littoral and Center-South provinces are over 90 percent.

The lowest literacy rate of persons 10 years of age and older is 11 percent in the North. The highest rates of literacy are again in the Littoral (69 percent) and Center-South (67 percent). Males have higher school attendance and literacy rates than females. The national enrollment rate for girls in the primary age group is 45 percent.

TABLE II

	North	East	Central South	Littoral	West	North West	South West	National Average
Total Population								
School Attendance-%	22	67	92	90	87	59	76	65
Literacy Rate - %	11	49	57	67	48	43	56	44

Source: Census 1976

5. Health

There are approximately 9,200 health workers ^{1/} in Cameroon, and the highest proportion of population per health worker is in the North and North West. The North also has the lowest proportion of health facilities (16 percent) as compared to its share of the population (29 percent).

Life expectancy in Cameroon is about 44 years. The national infant mortality rate is 165 per 1,000 live births, and in the North the infant mortality rate is estimated to be 190 per 1,000 live births. The National Nutrition Survey ^{2/} shows that 21 percent of the children under 5 years of age suffer from chronic undernutrition. The highest proportions of chroni-

^{1/} Health workers include doctors, nurses, mid-wives, and health technicians.

^{2/} University of California at Los Angeles, National Nutrition Survey, Oct. 78.

cally undernourished children are found in the West (31 percent) and East (27 percent) provinces. Acute moderate to mild malnutrition is suffered by 4.8 percent of the children under 5 years of age. The highest proportion of children with acute to mild malnutrition is in the North (7.5 percent).^{1/}

TABLE III

	North	East	Center South	Littoral	West	North West	South West	National Average
Population per Health Worker	2,234	490	564	373	726	1,460	789	783
Health Facilities - %	16	12	31	14	11	9	8	-
Population - %	29	5	20	12	14	13	8	-

Source: Ministry of Health, Rapport Statistique d'Activite des Services de Sante Publique, 1975

6. Shelter and Services

The great majority of rural families (90 percent) have their own homes, either as single-family dwellings or extended-family compounds. Unbaked adobe-type bricks or mud are used to construct the wall of 80 percent of the rural houses. Thatching is used to roof one-half of the houses in rural areas, and thatch is used almost exclusively in the North. Corrugated metal roofs are used on 40 percent of the houses, and they are particularly prevalent in high rainfall areas. More than half of the rural families obtain water from springs and streams. In the arid North, families are more dependent upon wells. The more urbanized provinces of Littoral and South West have greater access to water pumps. The 1976 Census indicates that 70 percent of Cameroon's population have pit latrines, although the incidence of fecal-borne disease would indicate that the latrines are

^{1/} It is hypothesized that the North does not have the highest proportion of chronically undernourished children because of high infant mortality rates; that is, the severely undernourished children often do not survive long enough to be classed as chronically undernourished.

underused. In the North, about one-half of the families have no toilet facilities - the highest proportion in the country.

TABLE IV
Water Sources - Percentages

	Center					North West	South West	National Average
	North	East	South	Littoral	West			
Pipe Water	2	1	6	7	4	15	7	5
Communal Pumps	5	4	17	44	12	13	41	17
Wells	42	17	19	12	3	3	4	21
Spring	9	67	50	25	45	42	34	32
Stream	38	10	7	12	35	25	9	23
Other	4	-	-	1	-	3	4	2

Source: Census, 1976

7. Energy

Hydroelectric power stations are the main source of energy in Cameroon. Thermal power is expensive because diesel and coal are imported. The Energie Electrique du Cameroon (ENTELCAM) operates the hydroelectric facilities at Edea whose capacity is 316 megawatts. This facility is insufficient to meet the needs of the rural areas and small towns. Presently under construction are two dams and related facilities at Song-Loulou across the Sanaga river and at Lagdo across the Benoue River. These hydroelectric plants are expected to double the amount of available electrical power.

Kerosene, firewood and the sun are the primary sources of energy for three quarters of the rural population as only one half of one percent of the families in the rural sector have electricity. The growing demand for firewood especially in the North has contributed to erosion and deforestation.

8. Farmer Occupations

There are approximately one million farm-families in Cameroon who

cultivate 1.5 million hectares of land ^{1/}. The mean farm size is 1.6 hectares, and the median farm is 1.2 hectares. The mean farm size of the lower 50 percent of all farms is .6 hectares, whereas the mean farm size for the upper 50 percent is 2.6 hectares. The greatest number of large farms - more than 10 hectares each - is in the South West, which reflects the long tradition of plantation agriculture in that province. Similarly, the greatest number of small farms - less than .25 hectare each - is also in the South West. This is indicative of the availability of agricultural labor on the plantations so that a family requires only a small plot for basic food production.

TABLE V
Cultivated Land Distribution

	<u>Farm Families %</u>		<u>Cultivated Hectares %</u>
--	------------------------	--	------------------------------

Lower	10	Control	1.4
	25		5.4
	50		19.5
	75		43.7
	90		68.0
	100		100.0

Source: UNDP/FAO, Agricultural Census, 1977

The great majority (79 percent) of this farm land is controlled by the farmer under customary tenure rights. In addition, 12 percent of the land is farmed by squatters, five percent of the land is rented, and four percent of the land is held through registered land titles. The largest proportion of squatters (20 percent) is found in the North. Almost one-third of the farmland in the South West is controlled by farmers with land titles.

^{1/} UNDP/FAO, Agricultural Census, 1977. The census definition of cultivated land is land which has been cultivated a year before the census or during the year of the census. The census states that only 9,200 hectares of land were in fallow and are not included in the census as cultivated land.

Root crops and tubers are the major staple of the people of the forest zone. Although these foods are low in protein content, they are complemented by the consumption of maize and peanuts. Maize is the major staple of the Western Highlands, and the diet is varied by the consumption of root crops and peanuts. The people of the North are dependent upon sorghum and millet and, to a lesser extent, peanuts. Yield data vary greatly among regions and between years, but they suggest that higher root-crop yields are found in the forest zone, and higher maize yields are found in the Western Highlands. Poultry and livestock are raised by farmers throughout Cameroon. In addition, cattle are important in the North and are raised by one-third of the families. Cattle production is also significant in some areas of the Western Highlands.

Sorghum and millet production is dependent upon the rainfall in the arid North. Late rains in 1976 (June instead of April) resulted in low production and higher prices in early 1977. Normal rainfall in 1978 has yielded a bumper crop, relatively speaking, for 1979. Basic food crop prices have risen fairly rapidly during the past two years in the Western Highlands because of higher prices being paid for staples in Gabon and Nigeria and an increasing demand for foodstuffs in Cameroon's urban markets.

The major cash crops are cotton in the North, tobacco in the East, cocoa in the forest zone, and coffee in the Western Highlands. The participation rate in the growing of cash crops is very high by the rural population. Cameroon farmers are part of the cash economy, and their production accounts for 93 percent of the value of primary agricultural export products. Small farms produce all of the cotton and cocoa exports and 90 percent of the coffee exports. Farmer earnings varies by crops and geo-

graphical areas. Cash crops are an important part of the economy, but export crops are cultivated on less than one-third of the cultivated lands. The major activity of farmers is food crop production, and two-thirds of all farm acreage is devoted to it.

Crops are cultivated with basic agricultural hand tools such as the hoe and machete by virtually all farm families. (In the North, the sickle is used far more extensively than the machete.) Approximately 10 percent of the families use an animal-drawn plough in the North.

In general, men tend to take responsibility for the growing of cash crops, whereas women are responsible for basic food crop cultivation. In the farm areas surrounding the urban centers, basic food crops are becoming important cash crops, and men and women are involved in the commercialization of the food crops. During the short growing season in the North, men and women participate in food crop production.

9. Target Populations

The poorest areas of Cameroon, in terms of incomes and quality-of-life indicators, are the North province, the Western Highlands, and the East province. These regions are at the greatest distance from the major Douala-Yaounde urban axis where services and the economy are strongest.

The North province, particularly the far northern arid zone, is the most isolated of these regions. The tsetse fly-infested savannas separate it from the southern forest zone. A rail and road trunk line provided the first all-weather transportation link between this populous region and the main urban centers of the South in 1974. Its severe climate, poor resource base, and past isolation, however, are reflected in its high mortality figures, low literacy and school attendance rates, low number of health workers, and poor nutrition levels of children. One of Cameroon's

most densely populated departments, Margui Wandala, is in the North, and its 500,000 residents have one of the lowest per capita incomes in the nation. The major cash crop of the North is cotton, and it provides one of the lowest incomes to producers of any of the major cash crops. The collection of water and firewood is a major occupation of the women of the region.

The Western Highlands, though closer to the commercial center of Douala, are isolated by a combination of mountains and rainfall. Unpaved roads, poor drainage, and rain inhibit the flow of goods and services into this area. The levels of income, school attendance rates, health services, and nutrition status are below national averages. The region has one of the densest populations in the country, and average farm sizes are the smallest. It is the area of highest out-migration.

The East province is bypassed in many development efforts because of its very low population densities so that development costs are relatively expensive per person served. Incomes are low, and there are special nutrition problems such as a high incidence of goiter. The low population density means that it is likely that there are many isolated groups living deep in the rain forest that are not receiving basic governmental services.

B. IDENTIFICATION OF CAUSES OF POVERTY

1. Macro-Economic Description

After a period of slow economic growth during the Third Plan, Cameroon registered a real growth rate average of 5.4 percent per year in FY-1977 and FY-1978, exceeding the average annual growth rate of 3.5 percent of the previous plan. The current growth rate demonstrates the structural shift of investment towards directly productive economic acti-

vities accomodated by an upsurge in export prices for cocoa and coffee; by substantial increases in official external borrowing; and by increases in producer prices and other incentives for farmers.

Despite adverse terms of trade partly precipitated by rising import prices and a slight decline in the prices of export commodities, the real growth rate during 1978 is estimated to be between 5-6 percent, reflecting the Government's pursuit of an active development policy.

Cameroon's GDP, which rose from CFAP 653.0 billion at the end of the Third Plan period (1975), to CFAP 940 billion in 1977, is derived primarily from the rural economy, manufacturing and commerce, construction and public works. Notwithstanding the dynamism of agriculture, the sharpest growth during the current plan has been in the service sectors. In 1977 about one third of the GDP was derived from the rural economy, of which agriculture is the major component. Broadly defined, the rural economy provides livelihood for more than 80 percent of the population and accounts for three-fourths of total export earnings. Agricultural commodities are the basic inputs of the country's processing and manufacturing industries.

From 1974 to 1977, real growth rate in large has averaged 4.7 percent per year. Such a significant growth rate has been achieved through accelerated development of the agricultural sector. Favorable prices and demand both in urban areas and neighboring Nigeria provide incentives for increased food production. However, this sector is constrained by bottlenecks in transport, marketing, distribution and storage.

2. Resources

Cameroon is characterized by ethnic, geographic, climatic, soils

and agricultural as well as mineral resource diversities. In addition to the traditional food, cash-crops, livestock and lumber, the country possesses significant deposits of bauxite and iron ore which are prohibitive to exploit at the moment. Aluminum production, currently 50,000 tons, is being expanded for an estimated output of 80,000 tons. A new paper and pulp plant under construction will have a capacity of 122,000 tons upon completion in the 1980's. Off-shore oil drilling, which started production in 1977 has been increasing at a significant pace, with output estimated at 625,000 tons in 1978 and 1.4 million tons in 1979. A refinery being built near the port of Victoria, will have an initial capacity of 1,500,000 tons. Although the government officially predicts only that domestic petroleum will make Cameroon self-sufficient over the next five years, it appears that Cameroon will eventually become a small exporter. The timber resources of the southern forest zone are exploited and exported.

3. Major Exports/Imports

International trade is a key sector of the economy impacting on income growth, savings and employment. The importance of this sector to the economy can be observed from the fact that during the five years preceding 1978, external trade constituted an average of over 40 percent of the nominal GDP.

Cameroon's exports are mostly agricultural. Cocoa, coffee, logs, cotton and bananas generated about 79 percent of total export earnings in FY-1978^{1/}. Aluminum products contributed 4 percent of total earnings while other manufactured and primary exports totaled 17 percent. While the volume of exports has declined in the past few years, the growth of export receipts increased from 5 percent in 1976 to 18 percent in 1978.

^{1/} Cocoa 37 percent, coffee 28 percent, logs 9 percent, bananas 3 percent, and cotton 2 percent.

With accelerated economic growth in 1977 and 1978 the value of imports grew by over 37 percent and 24 percent respectively. In FY-1978 import volume increased by 20 percent.

The direction of trade has not changed substantially in the past five years, with European Community absorbing almost 78 percent of Cameroon's exports and supplying 67 percent of its imports in FY-1978. During the same fiscal year France's share of Cameroon exports and imports was almost 31 percent and 43 percent respectively. While that of the Netherlands receives some 27 percent of Cameroon's exports; much of that trade is probably destined for other European countries such as Germany.

Cameroon's trade balance registered small deficits averaging CFAF 3 billion per year during FY-1975 - FY-1977, for FY-1978 a surplus of CFAF 27.8 billion was realized. In FY-1979 a deficit of CFAF 12.7 billion is forecasted.

4. Finance and Credit

Over 50 percent of all revenues for the FY-1978 budget came from customs receipts. Such receipts rose in FY-1978 by 44 percent reflecting the favorable performance of exports and imports. During the period from FY-1975 to FY-1978 budgetary revenue rose at an average annual rate of 25 percent; while budgetary expenditure (excluding debt amortization) increased by 23 percent per year. For 1979 budgetary revenue is estimated to have risen by 11 percent and expenditure by about 18 percent. The overall treasury deficit is, however, estimated to be 0.3 percent of GDP, indicating a favorable budgetary out-turn.

Cameroon shares a common Central Bank with Gabon, Chad, Congo and the Central African Republic. The operations of this bank are also governed by agreement with France, so that Cameroon's scope for manipulating money and credit measures as economic policy tools is limited. Cameroon's general monetary policy has been to encourage economic expansion

by keeping interest rates low. Since the demand for loans at the commercial bank rates far exceeds the amounts available, credit is largely allocated by administrative means and tends to flow to the most risk-free borrowers, i.e., larger, and often foreign, enterprises. To offset this tendency, banking laws require that 20 percent of commercial bank loans be allocated to small and medium-size enterprises (SMEs). It appears that it is also that larger and most risk-free of these enterprises that benefit from this requirement. As a result of increases in deposits with commercial banks, including sizable public sector deposits, banks expanded their loan operations in 1977. This led to a 33 percent increase in total domestic credit. This figure increased further to 37 percent for 1978. The bulk of private credit in 1977 and 1978 was short term. In 1978, commerce and manufacturing received over 60 percent of total short term credit. During the same period, medium and long term credit accounted for about 23 percent of all private credit, with manufacturing and individual borrowers absorbing more than 50 percent, services 11 percent, commerce 10 percent, agriculture 8 percent, and mining and construction 3 percent. The banking system does not have the extensive branch network and orientation necessary for stimulating the development of the national economy in general and the rural sector in particular.

Cameroon's agricultural credit agency is the National Fund for Rural Development (FONADER). Since its inception, FONADER has generally placed rural institutions, such as cooperatives and development associations, between itself and the ultimate beneficiaries.

5. Parastatal Organizations

The Government has promoted the creation of Development Authorities as a means of directly reaching small farmers. These parastatal

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organizations, under the nominal control of the Ministry of Agriculture of the Ministry of Economic Affairs and Planning, are structured around specific crops, such as coffee or cotton, or in specific geographic areas. Increasing emphasis has been given to food crop production within the Development Authorities. The Development Authorities do not follow a "standard model", and each one has variations that reflect various needs and biases. The impact of these parastatal organizations upon farmer's agricultural production techniques and yields and, in turn, their impact upon levels of living is being studied.

All coffee, cocoa, and bananas exported by Cameroon are sold through the appropriate Stabilization Fund (Caisse de Stabilization). The Funds establish producer prices which have been 50 to 60 percent of world prices. The difference collected by the Funds is a source of government revenue. General marketing rules stipulate the profit margins of both the exporters and their agents. The agents are gradually being replaced by cooperative societies which are being formed by producers. The exporters will be absorbed within a national marketing structure.

6. Transportation

The Transcameroon Railroad is the backbone of Cameroon's transportation system. Its main line (908 km) runs from the port of Douala through Yaounde to Ngaoundere. The Western line (171 km) runs northeast from Douala to Nkongsamba. A short spur (30 km) runs from Mbanga to Kumba. Industrial products are carried from Douala into Cameroon, and agricultural products and timber are transported to the port. The rail line between Douala and Yaounde was built half a century ago and is in the process of being realigned. The Yaounde-to-Ngaoundere portion of the railroad was completed in 1974.

Cameroon has 28,000 km of roads, of which only 2,000 km are paved. One major paved road starts at the Ngaoundere railhead and continues north almost to Ndjamena. Another major paved road does from Douala northeast to the West province. There is a partially paved road running from West to East in central Cameroon which is part of the Transafrican network of highways. Secondary unpaved roads lead into the paved road network and the rail line. Many of these roads are not passable during the rainy season, and they require a great deal of maintenance during the dry season to repair the damage caused by the rains and heavy trucks. Maintenance during the dry season is not always undertaken. In general, the need to rehabilitate and maintain existing secondary roads takes priority over the construction of new roads.

7. Government Policy

"The social and economic development of the country as a whole depends on the achievement made in the agricultural sector, which constitutes the core of economic activity."^{1/} The Government desires that increases in rural production be obtained through the policy themes of self-help (auto-centre) and self-sustained (auto-entretenu) improvement of rural levels of living.

The Government wants to accelerate product diversification, export expansion, and food self-sufficiency. Within the framework of the Fourth Plan, greater emphasis has been placed on attaining rapid advances in production of food and export crops so as to strengthen the economy's base, to redress imbalances in income distribution and head off potential acceleration of the urbanization and unemployment rates.^{2/} Favorable

1/ Cameroon Agricultural and Forestry Policy, December 1974.

2/ Rural development activities proposed by the Plan include the expansion and creation of Development Authorities and the construction of agricultural processing plants.

market forces during the past several years have fueled an expansion of food production ranging from four to seven percent annually during recent years. This was partially a result of less concentration on export crops. Cameroon has attempted to reestablish a balance by strengthening price incentives for export crops. Within the last two years, producer prices have increased by 73 percent for cocoa, 28 percent for Robusta coffee, 53 percent for Arabia coffee, 18 percent for cotton, and 22 percent for peanuts. Coffee and cocoa production is expected to increase. Thus, the small-holders who grow the vast bulk of both food and export crops will be encouraged to allocate more resources to the latter.

Cameroon's budget policy is characterized by fiscal prudence and conservatism. The National Budget for 1978/79, composed of a recurrent budget (69 percent) and an investment budget (31 percent), is balanced at CFAF 165,245 million. While this 21 percent increase over the 77/78 budget of CFAF 137,000 million is large in money terms, when discounted for inflation it approximately corresponds in real terms to economic growth of the country and thus represents no significant increase of Government's share of GDP. Cameroon has traditionally kept quite strict control over recurrent expenses and has often ended the fiscal year with a slight budget surplus which it then channels into special investment projects. Unlike many former French colonies, Cameroon does not receive budget support subsidies from France.

The Cameroon poor are not as productive as they could be, not because of basic Government policy or lack of purpose, but because of the economy's inability to provide all Cameroonians with the benefits of a modern economy, as well as the Government's inability to provide the major portion of its citizens' access to improved agricultural production techniques and profitable markets.

8. Political, Administrative, and Institutional Structure

Although Government administration is highly centralized, it has shown signs of trying to incorporate a broader-based approach to decision-making. Government policies and decision-making are, however, conditioned by aspects of traditional social organization which affect participation in varying ways throughout the country. For example, the intricate politico-religious hierarchy of the Fulani dominates much of the North and encourages an authoritarian style of program implementation. In the Highlands, the influence of traditional men's and women's societies have contributed substantially towards the success of Government efforts to develop cooperatives. Rather than aim at dramatic changes of these structures or the norms they imply, the Government has most often implemented its programs affecting the rural poor in ways that are consistent with them.

Perhaps the most important organization in terms of the entire population--and illustrative of the relationship between Government and rural poor--is the Cameroon National Union (C.N.U.), currently Cameroon's sole political party. It reaches all levels of Cameroonian society. The C.N.U. is a pyramid structure based on the cell at the village/urban neighborhood level. Although the role of the cell is primarily political education, the sentiments of its members are taken into account in party decision-making and policy formation. The women's organization of the C.N.U. is large and active in the South and has a high degree of grass-roots participation.

Traditional forms of leadership are still important political and administrative forces in parts of Cameroon. In the North, the lamidous still exercise control, and in the Western Highlands, the fon retains

political power. The Government implements some of its rural development policies through the traditional leaders who are in close contact with the rural population.

Non-government organizations, particularly churches, also play an important role in mobilizing the rural population for development. Both FEDEC (Federation of Evangelical Churches and Missions in Cameroon) and the Catholic Church channel assistance to small producers with limited access to training and new techniques. They are a variety of approaches, including rural development projects, farm schools, rural training centers as well as cooperatives.

Finally, several projects, particularly in health and community development, have incorporated village-level planning and decision-making through village committees and district councils.

9. Constraints on Development

The majority of the rural poor live in the North and the Western Highlands. These areas are in different ecological zones and, because of the limitations in the transportation network, both regions are isolated from marketing centers. During the rainy season, unpaved roads become quagmires, and vehicles that do pass through the areas leave deep ruts. Erratic road maintenance during the dry season results in interrupted flows of market produce and agricultural inputs as well as other government services.

The fragile ecology of the far North is subject to further degradation by people searching for firewood and livestock searching for grasses and water. High population densities in the Western Highlands are resulting in smaller farm sizes and some outward migration by the young. Major diseases such as schistosomiasis, onchocerciasis, and malaria debilitate the population and require that water-related development projects be

carefully monitored. The prevalence of the tsetse fly in the southern portion of the North causes vast tracts of land to remain unused.

The educational system has been skewed in favor of the humanities and the law. As a result, the upper and middle-level manpower needed to staff Government services in agriculture, health, and education is inadequate. The Government would like to replace expatriate personnel staffing Cameroonian public institutions. As much as 30-40 percent of managerial posts in many parastatals are held by expatriates. Expatriates hold an higher percentage of management jobs in the more important private firms. In the Ministry of Agriculture, it is estimated that a minimum of 750 new high and mid-level Cameroonian managers will be needed in the next five years.

A lack of sufficient fiscal resources tends to foster Government spending in potentially risk-free projects with good economic rate of return at the cost of some investment in projects in resource-poor isolated areas.

The heterogeneous nature of Cameroonian society and its multiplicity of languages creates special problems for planners, technicians, and the rural population. One day of field work may require three or four languages, none of them the country's official languages. Cameroon's ecological diversity results in different food and cash crops in each region and requires specialized planning for each area. This diversity also works in Cameroon's favor as it reduces its dependency upon any one crop.

Cost-efficient systems for the delivery of appropriate agricultural technology have not been developed. This is also the case for such services as basic health care and the technical and managerial supports needed to

improve the quality of life in rural areas.

C. PROGRESS AND COMMITMENT TO GROWTH WITH EQUITY

1. Development Performance

The government's commitment to development has led to a respectable level of economic performance with above-normal achievement in growth in GDP, agricultural productivity, school enrollment, labor force participation, income distribution and broad-based improvement in living conditions.

Per capita incomes are higher in the urban centers and in the rural areas around the major towns compared to the more isolated regions of the North, the Western Highlands, and the East. The majority of the farmers do raise cash-crops, and producer prices for these crops have risen between 28 and 47 percent in the past year. The per capita incomes in the more isolated areas are lower.

Cameroon's agricultural credit institution, FONADER, has an innovative approach at reaching its mandated audience. For example, a registered land title is not required for collateral. Loans can be made to a group of farmers who can share the costs and benefits of a loan, and a special fund is available for loans to young couples wishing to establish a farm. The organization is still small and does not have an effective system for delivering rural credit to small-farmers, but it has begun.

Infant and maternal mortality rates are high, and life expectancy rates are low. Cameroon conducted its first national census in 1976 so that national population statistics are available for the first time. However, this makes the evaluation of past trends difficult since previous statistics were based on a population that was underestimated by 10 percent. Cameroon has established a medical school to train various levels of medical personnel. Medical students first do research and then as newly graduated

doctors they provide medical services in the rural areas. The Government is ready to embark on a rural health program which aims at making basic health services available to its entire population by the year 2000.

Basic food crop production has been increasing at a rate (four to seven percent annually) faster than the population growth rate. Much of this increase is traceable to the demand from neighboring Gabon and Nigeria and from urban areas of Cameroon. For the first time, the Government has established research priorities for basic food crops, and most new rural development projects make provision for increasing food crop production. Much of the growth in the production of food crops has been at the expense of export crops. Government-set export crop producer prices have tended until recently not to rise as fast as the prices for food crops. Recent Government actions to increase export crop prices may cause a shift from high annual food crop production increases to higher export crop production increases.

An Interministerial Nutrition Committee was set up by the Ministry of Planning and Economic Affairs during the planning phase of the National Nutrition Survey. The Committee was created to ensure widespread Government support of the National Nutrition Survey, to raise nutrition consciousness, and to develop a coordinated national nutrition strategy. The first follow-up activity to the National Nutrition Survey was an in-country workshop in April, 1979. Seven nutrition policy areas have been chosen by the Interministerial Committee based on the survey results. Seven working groups were appointed to make their presentations at the April workshop. The workshop identified the need for a nutrition coordinating unit in the Ministry of Economic Affairs and Planning and defined priorities for nutrition programming and research.

Public expenditure for education has been consistently high. The FY-1980 education budget was 16 percent of the total operational and investment budget. This relatively, large commitment to education reflects the government's belief that education is the cornerstone of its national development.

Education indicators such as rates of literacy and school attendance show dramatic changes since Cameroon's independence in 1960. The population that is over 34 years of age, that is, those persons who were already adults at independence, have very low (less than 5 percent) rates of literacy and school attendance. There are steady and marked increases in these rates for younger persons. School attendance rates have virtually been reversed, to over 90 percent, in the Littoral and Center-South. They are still low in the North and Western Highlands, but the attendance rates are increasing annually.

2. Role of Women

In the modern sector women are represented, although not proportionately, in the upper levels of administration and in the professions. In the traditional sector they are responsible for the cultivation of most food crops and for some food marketing. The major exception is in the North where men and women share in food crop cultivation. In the Western Highlands and the southern forest zone, women produce most of the food crops and men most of the cash crops. Women usually have effective control over the proceeds from disposition of food crop production in excess of family needs. The women play important roles in marketing, including wholesale trade. In the North, Fulani women can inherit land outright according to Islamic law. In urban areas, they engage actively in trade and sometimes possess a fair amount of economic independence. Nevertheless, the restraints on women's activities outside the family circle are much more severe than in the South.

To date, Government programs have largely avoided the sensitive question of women's participation in economic development in the North. However, the national female labor force participation rate is almost 42 percent.

Cameroon's heterogenous population and ecological diversity required sensitivity on the part of the Government in the establishment of national priorities. Government's sincerity in fostering growth with equity is demonstrated by its efforts: (1) to increase agricultural productivity directly benefiting the majority of the rural population; (2) to reduce infant mortality; (3) to reduce regional income disparity; and (4) to increase literacy rates.

3. Human Rights

Cameroon is a single-party State with a civilian government operating under a Constitution adopted in 1972. Its unique history as the only African country to have fused former French and British territories into a single political entity as well as its wide variety of ethnic groups has led Cameroon to make national unity a principal objective. All political activities take place under the umbrella of the Cameroon National Union. At the local level it is possible for a citizen to participate in the party politics which involve competition among factions representing various political points of view. The voting process involves no element of real choice. Nevertheless, the Government values citizen involvement and urges all voters to go to the polls.

In the development of the current national Five-Year Plan (1976-81), an effort was made to bring local-level leaders into the planning process. Agricultural agents collected data on local conditions throughout the country and organized meetings to tap village concerns regarding problems and solutions, goals and constraints. A written report was then sent to various government agencies concerned with development

sectors. The results of this exercise were fed into provisional sectoral plans.

A broad spectrum of the Cameroonian population participates in agricultural production. An estimated 79 percent of the population has control over approximately three-quarters of the land under cultivation by customary or traditional tenure. Customary tenure is fully recognized by the Government as long as the people on the land continue to use it.

In sum, the Government's record on political and economic rights is relatively good.

D. HOST COUNTRY DEVELOPMENT PLAN AND BUDGET

The basic development theme of the Fourth Five-Year Development Plan (1976-1981) is improvement of the level of living conditions of the people within the framework of planned liberalism. Planned liberalism is a mixture of State and private enterprise within priorities established by the Government. The Fourth Development Plan has proposed an investment of 3.1 billion dollars (1974/75 prices). The plan is more an aggregate of projects and objectives than a blue print for development. However, the Plan's objectives are compatible with the basic human needs thrust of our assistance and reflect a concern for self-sustained growth with equity.

The Plan gives emphasis to agricultural development (17 percent of total investment), power (11 percent, mainly the Song-Loulou hydroelectric dam), and manufacturing and mining (22 percent, with a substantial part for oil exploitation, refining, and storage). Transport infrastructure is allocated 25 percent, urban development seven percent, and social infrastructure seven percent. These figures do not fully reflect the division of public investment between rural and other development priorities. Because of the extent to which investment in transport, power and social sectors benefit rural areas, they receive much more than the 17 percent

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allocated to agricultural development. By the same token, the cities receive much more than the seven percent nominally attributed to urban development.

Cameroon's policy is to develop and diversify its agriculturally based economy in order to better serve the basic needs of its population. In the FY-1979 national budget, over 25 percent of Cameroon's operational expenditures were for the Ministries of Agriculture, Livestock, Health, Social Affairs, and Education. The proportion remains approximately the same for the FY-1980 budget. In 1972, 21 percent of the national budget was devoted to these Ministries.

The agriculture and livestock sectors are to receive 15 percent of the total planned investment envisioned in the Plan. The Plan emphasizes assistance with import-substitution crops and local food crops. Approximately 30-40 percent of the expenditures in the Plan in agriculture and livestock production are expected to be a direct benefit to the small farmer.

In order to provide employment in rural areas and to provide additional markets for agricultural production, a number of agricultural processing plants are being established. These will include palm oil extraction, sugar refining, flour mills (wheat and cassava) and fruit canneries. Slaughterhouses for processing beef and pork will be established and a tannery has recently been opened in the North. Additional small workshops for the building of agricultural tools will be established. Saw mills will be built as well as a paper processing plant. These new agriculture processing plants are expected to create over 18,000 new jobs, generally in rural areas. There were 64,000 persons looking for employment in the rural areas at the time of the 1976 Census.

The education sector has received approximately 13 to 16 percent of the Government's annual operating budget over the last three years. Of the CFAF 33 billion planned investment in the education sector approximately one-half of these funds will be spent for technical and vocational education, one-fourth will be for general education projects at the primary and secondary level and the remaining quarter will be for higher education.

In addition to six percent of the national budget, the health services sector will receive 1.6 percent of the planned investment. About two-thirds of the planned investment will be for curative medicine projects which include the establishment and development of provincial hospitals. Fifteen percent of the planned investment will be for preventive medicine projects which will include rural health centers and mother and child welfare centers. The balance of the planned investment will be for the control of communicable diseases and for public health demonstration zone.

Many of the Plan's targets are obtainable; however, the Government's ability to meet all its intermediate objectives is dependent on a substantial level of external assistance as the Plan investment program is about 80 percent higher in real terms than the estimated level achieved during the previous Development Plan period.

E. ABSORPTIVE CAPACITY

The Government's policy of increasing agricultural rural development programs requires decentralization of Government activities, and therefore, more managers and technicians. Cameroon development-related institutions suffer from a severe shortage of trained middle and low-level personnel required to deliver basic agriculture, health, education and

community services to the rural population. A World Bank study estimates that the Government's agricultural sector alone will require over 900 new university graduates and higher technicians trained in agricultural specialties before 1990. Cameroon is far short of the 1,500 scientists and engineers which the UN recommends for a developing country the size of Cameroon. The Fourth Five-Year Plan reports that its survey of 290 business enterprises reveals that 1,410 higher-level positions were held by expatriates while only 484 were held by Cameroonians.

Both historical data and trends in fiscal and treasury policies indicate that the Cameroonian Government has the capacity and the potential to absorb recurrent costs arising from bilateral and multilateral development assistance. With modest revenue earnings from the export of crude petroleum, budgetary resources are estimated to be adequate to meet expenditure demands during the next few years. An analysis of Cameroon's financial absorptive capacity is appended to this CDSS. At the moment Cameroon has a relatively low-debt service ratio. The disbursed debt at the end of 1978 was about \$864 million with payments of about \$87 million or just above 7 percent of exports of goods and services. In view of Cameroon's reputation for sound financial management and in view of the onset of modest oil production, the government's ability to mobilize foreign capital to finance development and to service debts remains bright.

F. CAMEROON'S ROLE IN THE DEVELOPMENT OF THE REGION

Cameroon borders five countries grouped as Central Africa, and shares a common 1,500-mile border with Nigeria, potentially the largest market in the continent. Occupying a strategic position as a regional trade center, Cameroon is a member of a number of African regional development institutions with potential for trade, for research in agriculture and for collaboration in the transport sector. Cameroon's most important regional

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trade and development link is with the Central African Customs and Economic Union (UDEAC), of which the Central African Republic, Congo, and Gabon are the other members. The scheme, whose major aim has been to establish a common market with a focus on industrial production, is one of the important regional institutions in Africa. As a member of the French franc zone, Cameroon shares a common currency, the CFA franc, issued by a common central bank, the Banque des Etats de l'Afrique Centrale (BEAC), of which the Central African Republic, Chad, Gabon and Congo are the other members. Monetary and credit policy within the BEAC countries as a whole is determined by the Board of Directors of the bank, assisted at the national level by a monetary committee in each country. Further, Cameroon is a member of the Lake Chad Basin Commission (LCBC) which has the potential for increased cooperation in agriculture.

As a result of its diversified economy and its association with UDEAC and BEAC, Cameroon's formal intra-African trade is growing at a slow but steady pace. In 1975/76 intra-African trade absorbed 14 percent of Cameroon's exports and accounted for 8 percent of its imports. The respective shares for the period 1978/79 are estimated at almost 16 percent and 15 percent respectively. However, formal intra-African trade figures mask the substantial border trade with countries such as Nigeria, Chad, Central African Republic, Congo, Equatorial Guinea, and Gabon. Although the data is not available, informal border trade is said to be active and growing, implying greater economic interaction with Cameroon's neighbors. This is particularly true in the border areas with Nigeria where food crops and livestock from Cameroon are exchanged for manufactured goods from Nigeria. Because of improved road transport in Northern Cameroon, this regional trade is expected to increase further and become more and more formalized.

The regional monetary and trade associations have proved beneficial particularly to the land-locked and poor countries, the Central African Republic (CAR) and Chad. Both of these countries depend on Cameroon's railroad and port system for their exports and imports. In the case of Chad -- which imports cement, beverages and manufactured goods from Cameroon -- half of its exports are transported via Cameroon. The CAR and Chad are currently negotiating with external donors like the World Bank to improve road transport links with Cameroon. Cameroon's current policy of promoting processed and manufactured agro-based products will be facilitated by regional trade. The gloomy food prospects in sub-Saharan Africa, and particularly in Nigeria, indicate that agricultural production in Cameroon would have ready future markets. The majority of Cameroon's neighbors, including Nigeria, Chad, Gabon and Congo are net importers of food. The deficit for Nigeria is estimated to grow to 16 million tons by 1980. Endowed with diverse arable soil and climate, Cameroon is presently exporting -- both formally and informally -- a variety of traditional food crops to neighboring countries. We believe that these exports can be expanded and markets opened for processed foods, such as sugar, during the 1980's. Increased productivity in livestock would enable Cameroon to also expand exports of beef and dairy products to countries such as Nigeria, Gabon, and Congo. Accelerated Cameroonian production of food can play a critical role in feeding the region as well as in generating foreign exchange for Cameroon.

The importance of increased regional trade and development for Cameroon and its neighbors can be appreciated in view of economies of scale requiring a larger market. Agro-industrial production and processing would necessitate ready domestic and external markets. Because of stiff international competition, and because of the limited domestic market, Cameroon's

medium-and long-term prospects lie in access to the region.

G. FUTURE ROLE OF U.S. PRIVATE INVESTMENT

An assessment of Cameroon's direction of trade shows the predominance of France in particular and the European Economic Community in general for both exports and imports. The relative share of U.S. - Cameroon trade for the period 1973-78 averaged four percent of exports and almost seven percent of imports. Cameroonian authorities show strong interest in programs and facilities that can further their efforts to diversify trade and sources of private investment. They often say that they wish to reduce their dependence on their traditional partners--the French. The sincerity of these sentiments has been demonstrated in the past year by the visit to the U.S. of a Cameroonian trade mission led by the Minister of Economic Affairs and Planning and by the enthusiastic reception accorded a U.S. trade mission to Cameroon led by Ambassador Andrew Young. Although U.S. private investment has been relatively small in the past, there are potential areas of investment highly encouraged by the GURC. These areas are petroleum exploration and mining; agro-industrial investment, including forestry; livestock and dairy production; commercial fisheries and manufacturing. Studies preliminary to preparation of the Fifth Plan show that production capacity in agriculture, forestry, mining and manufacturing can be expanded through private investment. U.S. companies could have a competitive advantage in energy, dairy and livestock production, agricultural processing and manufacturing as well as highway equipment and construction. A.I.D.'s role will be to assist the GURC through such government-to-government programs as the Reimbursable Development Program or the facilities of the Private Investment Corporation to stimulate participation by U.S. private enterprise in the development of the Cameroonian economy.

H. OPTIMUM GROWTH PATH

Cameroon's medium-and long term development potential lies primarily in increasing the dynamism and diversity of the agriculture sector which produces food crops, on one hand, and, on the other, traditional export crops -- such as cocoa, coffee, cotton and peanuts. Presently the bulk of Cameroon's domestic food and traditional export crop production comes from small-holders. The emphasis on small-holder production will continue to be a basic thrust of GURC policy well beyond the next plan period because small-holders have proven that they are responsive to appropriate incentives and their farms provide employment for millions of workers for whom alternative jobs can be made available only gradually. Nevertheless, in order to realize possibilities for the introduction of some crop -- such as sugar cane, wheat, citrus fruit and, perhaps, rice, investment in large scale plantation-type production will continue to be required because of the production methods required, quality control considerations and the lack of either previous experience with the required cultivation methods or a pre-existing local population.

An important factor in the dynamism of the food sector is the strong demand for Cameroonian-produced food in neighboring countries. This market for Cameroonian food and livestock is large and growing rapidly. To exploit it, it will probably be necessary for Cameroon to make selective infrastructure investments, especially in roads, so as to facilitate and formalize this trade.

Another growing trend during the 1990's will be increasing complementarity between agriculture and related sectors. More agricultural production should support Cameroonian processing and manufacturing industries. There should also be an expansion of the small-scale agro-industrial sector pro-

viding implements, other production inputs, marketing and processing services, transport and some consumer goods for smallholder agriculture. Finally, there are indications that Cameroonian authorities will increasingly seek to link agro-industrial schemes to small-holder production so that the former provide technology and inputs while absorbing small-holder production through integrated marketing arrangements.

The GURC is convinced that capital accumulation for industrialization as well as physical and social infrastructure will continue to depend mainly on the performance of the rural economy. Recent discussions with Government planners indicate that the GURC's primary goals include accelerated production of food crops both for domestic consumption and, increasingly for export to neighboring countries. Optimum growth in the medium- and long-term will be mainly oriented toward increasing the productivity of the agriculture sector. The GURC's price, marketing, financial and monetary policies as well as other supportive mechanisms are being geared towards this approach. Producer prices have been increased for cocoa, coffee and cotton. Specialized institutions such as Office National de Commercialisation des Produits de Base (ONCPB) have been set up to facilitate marketing. Institutions such as Fonds National de Developpement Rural (FONADER) provide credit for the rural economy. Improved infrastructure development in transport and communications is expected to reinforce Cameroon's role as a regional trade center and facilitate domestic production, distribution and exchange of goods and services.

I. OTHER DONOR ASSISTANCE

a. Trends

There are approximately 30 donor agencies in Cameroon. The Government's apparent policy re donor coordination is mainly one of working with donors on an individual basis. For major cases requiring formal donor coop-

cooperation, the GURC takes the coordinating role. Nonetheless, contact between donors is sufficiently frequent to avoid duplication of effort and to provide exchanges of information and to develop opportunities for complementary programs. It is our policy to seek such opportunities.

In FY-1979 donor commitment for ongoing projects totalled about \$265 million, of which approximately \$60 million was for technical assistance and the balance \$205 million was for loans. Based on projects now under discussion, total concessional assistance could rise to some \$300 million in FY-1980 and probably would stabilize at that level. Approximately 35 percent of FY-1979 other donor assistance was for agriculture, rural development, health and education. The health sector received the smallest percentage of assistance, some three percent. The transportation sector, to which A.I.D. made no contribution in FY-1979 received about \$80 million.

The World Bank is the single most important source of official financing to Cameroon after France, it provided between 20-30 percent of the official assistance to Cameroon in FY-1979. This share is likely to continue. In FY-1979 the World Bank had committed \$95 million in assistance. Most of this was for building transport infrastructure. The commitment for FY-1980 is estimated at \$73 million primarily for agro-industries, road building and water supply construction. German aid commitments were at about \$60 million for FY-1979. German sectoral emphasis in order of highest disbursement of funds has been infrastructure, agriculture and water supply. The European Development Fund (FED) also committed about \$45 million for FY-1979. This order of magnitude is not expected to change significantly in the medium-term. Most FED projects will continue to be in the productive sector. Most French assistance is in the form of long-term loans at only slightly concessional interest rates. Most

of these loans are made for projects which have a high degree of profitability or relate to heavy infrastructure. For the latter, the French sometimes mix grant and loan financing in order to achieve softer terms.

Of the major donors, the World Bank, Germany and the European Development Fund (FED) are most involved in developmental activities in the North, North West and West Provinces which are areas of special emphasis to A.I.D.

b. North Province

In the North the other donors are currently financing two large agricultural production projects. The first, the World Bank and FED assisted Semry II Project would eventually lead to the production of rice and other crops on 15,000 ha. This project is expected to raise the income of participating farmers and reduce rice imports. A follow-on Semry III project is under design. It will expand production of rice by some additional 6,000 ha in the Logone-Chari rivers area.

The second large agricultural production effort currently underway is the Livestock II project co-financed by World Bank and Germany. This project finances herder credit, technical and financial support to SODEPA (a livestock production parastatal agency), and tsetse fly eradication.

In the appraisal stage is the World Bank's Central North Integrated Rural Development Project estimated at \$53 million. The geographic focus of the project is the Center North areas of the North Province, which is adjacent to the Mandara Mountains. The project's major emphasis is to increase corn, peanuts, sorghum and cotton production. This project has been developed in close coordination with A.I.D. so that it complements our ongoing and proposed program for Northern Cameroon. Its predecessor -

the Special Rural Development Fund (SRDF) project is financing construction of ten dams in advance of the A.I.D. Mandara Water Resources Project which will construct 35. In addition the SRDF project is expected to improve 300 hectares of bottom-land plains (Vaerens) near Moulvouday for rice cultivation and develop 250 hectares for onion and vegetable production near Maroua. The Bank's contribution to this project is estimated at \$7.0 million.

Further south, in the Upper Benoue Valley, FED is currently implementing a \$5 million resettlement project with mixed results. France and Germany are also interested in the development of the Upper Benoue region and are studying various integrated agricultural and resettlement projects for this relatively sparsely populated region.

c. Western Highlands

In the densely populated Western Highlands area donor assistance has emphasized intensive land use for food and cash crop production, reduction of post-harvest losses, feeder road construction and strengthening of cooperative institutions. The IFAD, FED and Germany are planning extensive assistance through the Northwestern Integrated Rural Development Project expected to cost \$50 million. In addition to providing technical assistance for increased coffee and food production, the project will finance the construction of a major road through Arabica coffee production areas to link up with the 500 kilometers of feeder road system to be constructed by the World Bank. The water supply component of the project will finance construction of 220 water points for safer and more convenient water for 18,000 rural families.

The major World Bank activity in the West province is a \$25 million Rural Development Project. This project is primarily aimed at

strengthening and equipping a newly created Directorate of Production Services within the Cooperative Union of Arabica Growers thereby improving coffee production and increasing the income of over 600,000 small coffee producers.

d. Implications for the Future

Other donor assistance to the agricultural sector is, in the main, concentrated on tree and fiber crop production in order to generate more rural income. Since most cash crop cultivation is done by small-holders, FED and World Bank efforts are beneficial to a large portion of the rural population. In our view small-farmer income would be enhanced by further diversification between and in cash and food crops. Therefore, additional donor agricultural projects in the North and in the Western Highlands should complement FED and World Bank assistance by concentrating on food production as well as special educational and health needs which must be addressed in order to realize the long-term productive capacity of these rural populations.

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Most of the data for Part I.A. have come from the first national population census and the first agricultural census. The information was generally available at the provincial level, enabling us to identify the poorer areas of Cameroon.

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PART II - STRATEGY

A. A.I.D. OBJECTIVES IN CAMEROON

1. To diversify and strengthen the agriculture sector of the economy so that small-farmer income is enhanced through self-sustained real growth in per cultivator agricultural production, especially in the area of food-crops which have potential export as well as domestic markets.

2. To strengthen the Government's ability to increase the access of the rural population, particularly women and children, to health (including child-spacing and sub-fertility treatment) and education services which are (a) relevant to the rural poor's basic needs and (b) within the capacity of the Cameroonian economy to sustain on a cost-effective basis.

3. To train Cameroonian personnel essential to the sustained growth of the rural economy as well as to the Government's ability to plan and implement development programs for the poor.

4. To develop the Government's awareness of the need and its capacity to insure that the development process proceeds with minimum negative impact on Cameroon's resource base and environment -- especially in the North where the ecology is fragile and in the West where the population pressure on the land is high.

A.I.D.'s assistance objectives are consistent with the expressed policy objectives of the Government. In the view of the Government and the World Bank, Cameroon's long-term comparative advantage lies in the development -- either through agro-industrial plantations or small-holder schemes, depending on the crop and region -- of a diversified agricultural sector comprising export-crops as well as food-crops to feed the growing urban population and to replace imports. While we recognize the merit of this mixed approach,

our assistance is focused on the needs of the small-holders. In addition to increasing incomes, it is intended to improve the nutritional status of the rural population.

The following are long-range targets which A.I.D. assistance is intended to help the Government achieve and by which progress toward objectives can be evaluated: (a) doubling of small-farmer real income in the Sahelian North and Western Highlands by the year 2000; (b) full primary, health care coverage for the entire population circa 1990 to reduce infant and child mortality as well as maternal deaths per 1,000 live births; (c) increase of primary school enrollment of children ages 6-14 to 70 percent in the North and North-West provinces by the year 2000; (d) a national functional literacy rate of 50 percent by the year 2000; (e) at least two thousand middle- and high-level technicians trained in agriculture-related specialties by 1990; and (f) child-spacing and sub-fertility services fully integrated with the GURC's health services by 1990.

B. A.I.D. ASSISTANCE STRATEGY

1. Key Problems

Our assistance proposes to concentrate on the following key problem areas or sub-sectors which must be addressed to achieve A.I.D. social and economic objectives in Cameroon:

- a. Low efficiency of small-producers of food-crops in the Sahelian North and Western Highlands;
- b. Poor access of food-producers in the North, North-West, West and East provinces to domestic and foreign markets;
- c. Insufficient primary health care system on a nationwide basis.

particularly in the North, North-West, and East provinces;

d. Limited basic and basic life skills learning in the North and North-West provinces;

e. Deterioration of natural resource base, especially in the Sahelian North and in the departments of high population densities such as Lekié, Mifi, Menoua, Bamboutos, and Upper Nkam;

f. Severe shortage of well-trained Cameroonian agricultural technicians and administrators in the governmental, parastatal, and private agricultural organizations; and

g. Lack of family planning services.

2. Projected Achievements

a. Agriculture and Rural Development

A.I.D. assistance is meant to help increase small-producers' productivity, primarily in the North and Western Highlands, thereby creating for them opportunities for additional income. The additional purchasing power gained will, above all, provide the means for small-producers increasingly to satisfy their needs for such items as superior foods (e.g. metal roofing and cement).

To improve small-farmer income through increased productivity and increased processing of agricultural commodities, several changes in the agriculture sector are required. Agricultural education and adaptive research organizations must be strengthened or established and made capable of contributing to the development of low-cost or cost-reducing technological packages for increasing food-crop production in ways that are ecologically sound. These institutions, in turn, must be able to extend, inter alia, appropriate cultivation practices, improved varieties of seed

and pest control techniques to small-producers. The kind of extension activities best suited to Cameroon's needs are those which are low-cost per farmer, participatory (involving two-way communication), and effective in reaching the producers (usually women).

No fully appropriate extension system has yet emerged for food-crop production in Cameroon. Presently the extension function is fragmented among myriad development societies and authorities. The problem is at least twofold: (1) how to insure universal availability of broad-spectrum extension services - either by plugging the gaps that presently exist, by broadening the purviews of the parallel systems now in place, or by creation of a unified, multi-functional system; and (2) how to strengthen the linkages between the extension service(s) and research. In the North, the Government has transferred all agricultural extension functions to SODECOTON for the Central North. SODECOTON has been successful in extending agricultural information and is capable of increasing peanut production. However, its methods are not participatory. We will encourage the Government to investigate alternative extension models and support its efforts to solve the problems caused by the existing fragmentation. In the meantime, we will insure that our functional projects (such as, National Cereals Research and Extension) and area-focused integrated development programs will include extension aspects.

Small-farmers need improved access to better technology, credit, inputs, and produce markets. All-weather rural roads and an efficient North-South railroad link are also needed to connect producers and markets. They provide access to new production technologies and reduce the cost of

marketing production, thereby increasing the profitability of those technologies. In addition, they facilitate provision of health and education services as well as the flow of ideas and information.

Over 80 percent of all small-holders in the Western Highlands already have a commercial orientation because of their involvement in coffee production. What we would hope to see developed by them are efficient marketing systems, capable of dealing with food-crop storage and handling, market information flows, and credit requirements.

In addition to focusing on production and marketing techniques for food-crops, our assistance should seek areas in which to introduce low-cost technologies, which allow on-farm or village-level intermediate processing of primary agricultural commodities. Improved techniques for drying food grains, cocoa, and coffee by the growers would add to the value of their commodities and increase rural employment as well as income.

The North is the poorest region of the country and has great need of improved low-cost food production technology. The rainfall pattern is that of heavy rains during a relatively brief period, severely limiting dry-farm production. Episodically insufficient rainfall creates food-deficit areas in the North. The basic Northern rainfall pattern, of approximately four months of intense rain followed by eight months of no rain, makes the full utilization of available water and the development of potential water sources a key long-term problem. The North's Sahelian ecology is much more finely balanced with a narrower tolerance for environmental stress than other regions. Potable water is scarce during the latter part of the dry season, and firewood is always scarce. Over-grazing by cattle in the North is causing deterioration of the region's ecology. The region has the lowest per capita incomes in the country (a scant 17 dollars a year) and the highest proportion of

children under five who are seriously malnourished. In light of its poor resources, the North is a priority target area for our assistance programming.

The Western Highlands have also been targeted as a focus of our efforts to help the Government improve its agricultural production efficiency because of their (1) high population densities, (2) small average farm size and hence need for higher per-hectare yields, (3) high-level of chronic under-nutrition and (4) strong productive potential coupled with proximity to Nigerian markets.

b. Health and Family Planning

1. Preventive and Basic Health

While increased purchasing power can be used for such basic essentials as simple drugs, school fees, shelter improvement, and better, more varied foods, the absolute amount by which small-producer income may be expected to increase is limited. Therefore, the Government is required to make primary health care services accessible to the rural population on terms affordable to the rural population and to the Cameroonian economy. Our assistance is aimed at helping the Government establish the delivery of low-cost primary health services to the rural population. Beginning in the North, where Government health services are weakest, we plan to assist the Government in instituting basic, integrated health and nutrition services, particularly at the village-level. While the proposed health system will deliver both basic curative and preventive services, relative emphasis will be on preventive health services, of which health education will be the most important component. The rural population's attitudes and folkways related to such basic daily habits as personal hygiene, use of pit

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latrines, and indiscriminate use of water sources will have to be changed so that the incidence of fecal and water-borne disease and parasitic infection will be reduced.

The provision of preventive and curative health services will address a basic human need - improved health - and represents an investment in the productive capacity of the rural population.

2. Family Planning

With a rate of growth estimated at 2.3% per year, Cameroon's population is expected to double before the year 2,010. The current rate of population growth will require larger amounts of investment each year simply to maintain the per capita GNP already attained. As in other developing countries, high population growth in the face of limited resources would have serious economic, health and other social ramifications. The problem is further aggravated by high densities in some parts of the country and by accelerated migration to the cities. The rapidly increasing rate of population growth will adversely effect future Cameroon development because the high-level of investment required for public services reduces the amount of funds available for investment in the industrial and infrastructure sectors. Larger amounts of investment will be required each year simply to maintain the GNP per capita already attained.

The effects of unregulated fertility on health (usually related to "too many children too fast") are well known. The government concedes the importance of parents' determining the size and spacing of their families. Limited government family planning services are now offered at the University Center for Health Sciences (CUSS) hospital in Yaounde. The Ministries of Health and Social Affairs have proposed expansion of these services. While

Contraceptive is currently available to the upper- and middle-classes; the poorer elements of the population effectively have no access to contraceptives which are expensive and sold only by urban pharmacies in limited quantities.

Although a formal consensus towards family planning has not evolved in Cameroon, a growing number of GURC officials and planners are beginning to appreciate the link between population and economic development. Government sponsored news media freely discuss the advantages of family planning. A strategy of multi-faceted approaches using governmental and private institutions such as MOH, MOSA, MINEP, international and local PVO's, as well as private hospitals and clinics will enable a more broadly-based introduction of family planning services. The overall objective of such program is to help the GURC to offer contraceptive services to the population.

In support of the Cameroonian establishment of broadly-based family planning services, we plan to offer support for the following:

- 1) Seminars for policy and economic planners and policy makers.
- 2) Attendance at international population and family health seminars and workshops for selected high and middle-level government personnel.
- 3) Importation and distribution of contraceptives by AID and/or FPIA, IPPF and Pathfinder.
- 4) Development of private local or international voluntary organization family planning activities.
- 5) Establishment of family planning services at 36 PMI centers in Cameroon.

- 6) Development of Ministry of Social Affairs' ability to integrate family planning services into its women oriented development activities.
- 7) Collaboration with CUSS and MOH to organize family planning training programs for health personnel.

c. Human Resources and Education

The reasons for the low enrollment levels in primary schools in the North and North-West are attributed to their remoteness from the main centers of Cameroon and to the strength of their cultural traditions which resisted missionary influence and educational efforts. The Government projects an increase in enrollment in these two provinces at an average annual rate of 7 percent. For other provinces, the rate is projected at 3-5 percent. For the North, the average annual increase will need to reach 12 percent in the 1980s if the goal of 70 percent is to be attained.

A.I.D. assistance will support the Government's objective of greater school enrollment in the North and North-West through several inter-related activities which are mutually supporting. This multi-faceted approach to increasing enrollment includes: (1) increasing classroom availability and reducing class size; (2) increasing the supply of trained teachers and experimenting with the use of community education aides; (3) making primary school curricula and materials more effective in teaching reading and numbers skills as well as basic life skills; (4) encouraging community participation in school programming and construction; and (5) improving the efficiency and management of the school system in ways that will make it cost-effective and affordable relative to the community's and Government's ability to pay. Special attention will be given to

increasing the access of girls to primary education. At present, girls make up 25 percent of the primary school enrollment in the North and 40 percent of the enrollment in the North-West. The target will be to raise these percentages to the average-level in Cameroon, which presently is 45 percent.

A.I.D.'s strategy will be to help provide the number of classrooms needed to accommodate an accelerated enrollment rate in the North and North-West by supporting community self-help school construction projects. A.I.D. assistance will also be provided to support pre-service and in-service teacher-training programs in order to help assure an adequate supply of teachers to staff the new classrooms. Teacher requirements will be calculated on the basis of a pupil-teacher ratio of 50 to 1, which is a slight reduction in the present average ratio in Cameroon of 52 to 1. Teacher-training curricula will have to be modified to include more preparation for teaching practical rural life skills. Secondary level teacher-training schools will be provincially based with training primarily given to men and women from the surrounding area who are more likely to stay in the region and whose general attitudes, manner, and language are familiar or more in keeping with those of the parents of children who will attend the village schools.

The Government has expressed its encouragement for the extension of parent-teacher associations to rural communities. We plan to support this initiative by assisting the Government to developing active and direct village participation through contributions of labor toward the construction and maintenance of rural primary schools. Ideally, the community also would

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be involved in the identification and implementation of basic life skills learning so that its relevancy is assured. Experimentation in the use of community education aides will be initiated through the parent-teacher associations.

While community participation would reduce cash outlays for construction and maintenance, cost-effective delivery of basic education will also require more efficient administration, management, and support for rural school systems. A.I.D. assistance will be provided to help achieve these objectives.

Finally, cost-effective delivery of basic education and basic life skills may also be supported by the use of mass media. For the North and North-West provinces where illiteracy rates are high, radio is the logical medium. Radio could be effectively used as a classroom aid for primary teachers as well as a basic tool for providing basic life skills to young people and adults.

d. Reaching Women

The foundation of our strategy for reaching women is a study that we contracted for on the role of women in Cameroonian development.* This study is based on an indepth review of the existing scientific literature of that subject. The result is a resource document which serves as a departure point for programmers and project designers in developing projects that directly address women's needs or that accurately take account of women's roles so as to include them as beneficiaries in pursuing broader objectives.

* Women in Economic Development in Cameroon by Judy C. Bryson.

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The primary need of rural and urban women in Cameroon is greater access to income generating economic activities. Rural women who are major producers of food-crops view food production as an integral part of their child nurturing role; but they are affected by the problems of low productivity due, inter alia, to inadequate inputs and lack of appropriate technology. Our basic approach is to increase the productivity of the small-rural farmers, most of whom are women, through integrated rural development programs which provide improved seeds, farming systems, and extension services and better access to markets. Since women normally may keep the proceeds earned from marketing their produce, increased productivity may create for them opportunities for additional income which will in turn improve their well-being.

Our approach in health is to help the GURC establish the delivery of low-cost primary health services to the rural population especially at the village-level, through preventive health services and health education. These efforts will concentrate on women and children, who will benefit from the reduction of infant mortality, from the improvement of prenatal and post-natal care, and from the reduction of morbidity risks caused by complications of pregnancy and childbirth. Moreover, with rural women prominent in water gathering, they will be the principal beneficiaries of AID/GURC efforts to provide readily available water. The provision of water at more convenient locations will mean time and energy savings freeing rural women for more productive activities.

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A.I.D. efforts will continue to encourage a greater school enrollment of rural girls especially in the North and North-West, and improve functional literacy as well as basic life skills. At present girls make up 30 percent of enrollment in the North and 40 percent in the North-West. The objective is to raise these levels to the national level of 45 percent.

Increasing income for urban women requires a different approach than for rural women. The basic problem of urban women is the very low-rate of participation in formal and informal economic activities. Therefore, the thrust of our efforts is to increase the urban women's income by providing assistance to the GURC in training women in appropriate, economically viable skills.

Our strategy is built upon an in-depth review and analysis of a large body of published scientific literature bearing on the role of women in Cameroonian societies. It recognizes the importance of women in Cameroon as food-producers, and thus, we shall continue to encourage improved agricultural productivity of women while addressing the special needs of women in education and health.

e. Rural/Urban Linkages in Development

The objective of our rural development strategy is to develop a mutually supportive network of production, distribution, exchange, and services in a well-defined spatial system that will ensure growth with equity and restrain migration to the primary cities of Douala and Yaounde.

Our basic assumption is that rural development will flourish when there are strong linkages - both physical and socio-economic - between rural production, village and secondary city market centers and that urban migration in Cameroon can be deflected to nearby secondary cities rather than

the principal cities of Yaounde and Douala.

The interdependence of urban centers, including small marketing towns and their hinterlands, grows with development. In this process, there is a tendency for the urban functions to become increasingly important and for population to shift from rural to urban centers. In Cameroon we are carrying out an urban functions study that we hope will show us how we and the GURC can intervene to strengthen the capability of urban centers in northern Cameroon to serve the development of the surrounding region. If successful, this will mean that regional development will be strengthened in that required urban functions are located near rather than far way. Our present and concretely programmed activities in Northern Cameroon focus mainly on agriculture development requirements. Our urban functions study and subsequent interventions will redress the balance.

f. P.L. 480 Title II

Our limited P.L. 480 Title II program, which is administered by Catholic Relief Services, (CRS), is directed to maternal and child health (MCH) activities. While Cameroon is not a food-deficit country, food shortages do occur. They are, however, localized and often the result of distribution problems. Furthermore, substantial efforts are being made by the Government to increase agriculture production. Given that food imports are potentially counter-productive to increasing domestic food production. We propose to support the on-going CRS MCH pre-school feeding program but not start new food import activities while keeping to a level of approximately 28,000 to 35,000 children, the CRS program will shift its focus from the Northwest province to areas of the East province and perhaps beginning in FY-1984 into the North province.

3. Assistance Approaches

The Government's capacity to reach its rural population varies with the particular need addressed. Therefore, our assistance will follow three basic courses of action depending on the problems that are to be faced.

They are:

- a. To support Government efforts which address the basic human needs of the rural poor through area-focused, integrated development programs.
- b. To assist in developing systems which link the poor to the markets, technology, and resources to which they require access.
- c. To strengthen national institutions which produce technology or resources required to solve the problems of the rural poor.

We plan that our future program development will be chiefly centered on area-focused, integrated development - either through multi-sector A.I.D. projects or through functionally oriented projects undertaken in a multi-sector context in coordination with other donors. The only exceptions will arise in cases where it is clearly necessary to address high-priority needs of national institutions or linkage systems in order to strengthen the Government's capacity to meet the needs of the rural poor.

In some sub-sectors, infrastructure or institutional development is critical. In other areas, better linkages between institutions and the poor have special priority. The structure of the existing health services delivery system is relatively sophisticated from the level of the Ministry of Public Health to the intermediate-level medical facilities. The principal constraint to the further extension of the Cameroon health system to the village-level is the lack of sufficient intermediate-level and village-level health workers as well as the lack of the supervision and support systems needed to maintain them. At present Cameroon has numerous training

programs for intermediate-level health workers which are distributed throughout the country but which lack standardization and coordination. Thus, our strategy is to establish an integrated low-cost comprehensive health services delivery system to reach the entire population, with all the aspects of such a system, i.e., preventive and curative services, community organization, health education, and incorporation of traditional medicine addressed through a single focal point: health manpower training. The emphasis of this training will be on intermediate-level practitioners who will train and supervise village-level health workers. These two levels of health workers will establish the linkages by which the Cameroon health services system will make contact with the intended beneficiaries, the rural poor.

To help small-food-producers increase their production efficiency, our assistance will be designed to develop selected governmental or quasi-governmental institutions which serve as linkages between the small-producer and improved food production technology. The sought production technology improvements include: the development and provision of higher-yielding varieties of food-grains, as well as the development of improved technology adapted to the capabilities of the small-farmers and the development of the means to protect crops against insect and bird damage. In addition to improving the access of the small-producer to appropriate agricultural technology, we are proposing to support development and expansion of cooperatives' ability to service the credit, the input distribution, and the produce marketing needs of small-farmers.

Part of the constraint on increased food production and marketing by small-farmers is the lack of roads which give their production access to the

major transport axes which connect to the domestic markets as well as those in neighboring countries and overseas. As part of our strategy to stimulate and assist the small-producer to obtain an equitable share of the increasing market for food products, we will recommend improvement of rural transport systems where consistent with area development priorities and of significant benefit to the rural poor.

In addition to support of development institutions and linkages to the rural population, our assistance will have geographic foci in the North, the Western Highlands, and the East. We propose to address the problems of these areas through large and comprehensive integrated development projects which are a combination of agricultural production, income-generating, educational and health activities, as well as such physical infrastructure as roads, health posts, and classrooms.

Cameroon's ecology is varied and includes four major climatic zones: the semi-arid North, the Central savanna, the Western grasslands, and the Southern rain forest, each with its own particular environmental problems. The Sahelian North and Western Highlands, however, are under severe land-use pressures: the former because of its inherent fragility, and the latter because of very high population densities. Therefore, in preparing our assistance to the North and Western Highlands, environmental issues will be carefully considered. These issues usually will be addressed in the context of our integrated development programs.

The following intermediate targets are the results we expect the Government to achieve over the five-year planning period of the CDSS with U.S. economic assistance:

- (1) Twenty percent increase in small-farmer real income by 1988 in the Sahelian North and Western Highlands;
- (2) Nine hundred technicians trained in agriculture-related specialties by 1989;
- (3), Forty percent primary health care coverage of entire population of North and North-West and East provinces by 1985;
- (4) Primary school enrollment of children ages 6 to 14 increased by 35 to 40 percent in North and North-West provinces by 1987;
- (5) The national functional literacy rate at 30 percent by 1987; and
- (6) Access of approximately fifty percent of Cameroonian women of reproductive age to child-spacing principles by 1987.

In order to maximize utilization of limited A.I.D. personnel, our program planning will emphasize larger project units. However, there are several potential projects of a smaller-scale which are well suited to the amelioration of the basic living conditions of the rural and urban poor. Often these smaller-scale activities require relatively low-level technicians and are personnel-intensive. To take advantage of small-scale but effective activities such as provision of year-round sanitary wells, small-pond fish production, and selected reforestation, it will probably prove useful to increase our collaboration with Peace Corps and PVOs. A.I.D. participation in these personnel-intensive projects will be limited to oversight.

Our direct-hire, full-time A.I.D. U.S. personnel requirements will level off at approximately 31. This assumes that most field implementation will be carried out by contractual technicians. We estimate that a staff of 31 U.S. A.I.D. direct-hire employees is required for effective management of the

implementation and design of proposed or active projects in Cameroon, Central African Republic and Equatorial Guinea.

Our U.S. contractor personnel requirement may peak at approximately 80. Most contractors will be working in small groups at widely separated locations and, therefore, will present a low profile.

PART III - PROPOSED ASSISTANCE PLANNING LEVELS (PAFL) (in \$ millions)

	FY-1982		FY-1983		FY-1984		FY-1985		FY-1986		TOTAL	
	G.	L.	G.	L.	G.	L.	G.	L.	G.	L.	G.	L.
<u>I. Addressing Basic Human Needs Through Area Focused Programs</u>												
(a) Agriculture	3.8	-	11.1	-	7.0	-	5.0	-	6.0	-	32.9	-
(b) Health and Population	-	-	1.0	-	1.0	-	1.0	-	2.0	-	5.0	-
(c) Human Resources	1.0	-	1.4	-	2.0	-	2.0	10.0	2.0	-	8.4	10.0
<u>II. Developing Systems Which Link Poor To Markets, Technology And Resources</u>												
(a) Agriculture	1.5	-	2.5	5.0	3.0	20.0	2.0	15.0	3.0	20.0	12.0	40.0
(b) Health and Population	5.0	-	4.5	-	4.0	-	8.0	-	5.0	13.0	26.5	33.0
(c) Human Resources	-	-	.5	-	1.0	-	1.0	-	2.0	-	4.5	-
<u>III. Strengthening National Institutions Required To Solve Problems Of The Rural Poor</u>												
(a) Agriculture	2.7	5.0	5.6	-	6.0	-	-	-	1.0	-	15.3	5.0
(b) Health and Population	-	-	-	-	-	-	-	-	-	-	-	-
(c) Human Resources	1.0	-	.9	2.5	1.0	-	1.0	-	1.0	-	4.9	2.5
SUB-TOTALS	15.0	5.0	27.5	7.5	25.0	20.0	20.0	25.0	22.0	33.0	109.5	90.5
TOTALS	20.0		35.0		45.0		45.0		55.0		200.0	
IV. P.L. 480 Title II		.8	.8	.8	.8	.8	.8	.8	.8	.8	4.0	

Grants = G
Loans = L

PAPL

We are proposing a total assistance level of \$200 million, of which approximately 25 percent (\$51 million) is to finance our on-going portfolio of activities. About 52 percent (\$105 million) is for the agriculture and rural development sector, with the health/population sector receiving 33 percent (\$65 million) and the human resources sector receiving 15 percent (\$30 million). About 57 percent of our assistance is for grants (\$109 million) primarily for area-focussed integrated development and farmer income promoting programs. Less than half of our proposed assistance level (\$90 million) is earmarked for loans. Approximately \$60 million of these loans are to help the Government develop linkages between the rural poor and the resources, facilities, and markets to which they need access. Some \$13 million is earmarked for the expansion of the Cameroon primary health delivery system. Beginning FY-1984 we see a greater ability on the part of the Cameroon government to absorb increased lending. Therefore, at that point in our planning we have begun to change the proposed assistance mix by increasing planned loan assistance while decreasing grant levels.

We believe the PAPL of \$200 million is most appropriate for Cameroon in that Cameroon needs more technical and financial assistance in agriculture, health, and manpower development sectors, and most other donors tend to associate themselves more with the transportation, communications and other large infrastructure capital sectors. The level of our assistance is within the absorptive capacity of the Government and the management capacity of the Mission at currently planned manpower levels. Our loan program will both provide and attract resources to our assistance objectives.

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By providing such loans in a multilateral context, we will attract other donor as well as Government resources to the rural poor.

Agriculture, Rural Development and Nutrition

Forty percent (\$80 million) of the PAPL is for activities which directly or indirectly will help to increase by 20 percent small-farmer real income in the Sahelian North and Western Highlands by 1988. In addition to an estimated \$12 million funding that portion of our presently approved portfolio supporting increased farmer income, the \$80 million includes financing of two area-focused projects, one in the North and the other in the Western Highlands totalling \$26 million as well as \$33 million for income promoting programs such as assistance to the GURC in developing marketing and storage systems, market roads, and food-crop extension services. To help the Cameroonian education system produce 900 needed technicians trained in agriculture-related specialties by 1989, we have earmarked \$13 million of the total PAPL.

Health and Population Planning

To assist the government to provide 40 percent primary health care coverage for the North, North-West and East provinces by 1985, we estimate approximately eight to ten million dollars will be required. Approximately \$7.5 million will be needed to provide access to child-spacing principles by 1987 for approximately 50 percent of Cameroonian women of reproductive age.

Human Resources

Approximately \$24 million or 12 percent of the PAPL will be for activities which will help the government provide the means for increasing by 35 to 40 percent primary school enrollment of children ages 6 to 14 in

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the North and Northwest provinces by 1987 as well as raising the national functional literacy rate to approximately 30 percent in 1987.

PD & S

We estimate that our assistance strategy will require approximately \$2 million in program design and support funds over a five-year period beginning in FY-1981. These funds will be needed to finance sub-sector studies and project design assistance for the Mission.

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APPENDIX

Analysis of Cameroon's
Financial Absorptive
Capacity*

* Based on research and analysis by Dr. Aklog Birara, Economic Advisor to USAID/Cameroon under short-term contract from May to December 1979.

INTRODUCTION

During the Country Development Strategy Statement (CDSS) Review for Cameroon, USAID/Yaounde was asked to assess the extent to which Cameroon would have the financial capacity to cover the operating budget increases that would be generated by a possible increase in the level of U.S. assistance during 1981-85. This period was that covered by the CDSS and, coincidentally, it will be the Cameroonian Fifth Plan period as well.

Responding to AID/W's request required us to investigate Cameroonian current and development budgetary trends and the plans of other donors because both will have greater impact on the Cameroonian budget prospects than the U.S. assistance program. We were hampered in this by the fact that the Cameroonian Government is just beginning the process of preparing the Fifth Five Year Plan. Concerned officials are presently conducting an assessment of implementation of the present Fourth Plan and, with the help of UNDP-financed experts, they are beginning to prepare analyses that will lead to the preparation of a twenty-year perspective plan in about a year's time. Thus, the Government is presently analyzing the constraints and broad options that must be addressed before the content of the Fifth Plan can be decided even preliminarily. In these circumstances, the best course was to engage in a parallel activity - aided somewhat by informal discussions at the staff level - to discern what shape the Government budget and the Fifth plan were likely to take given emerging trends in Government

development policy plus, more basically, apparent revenue, administrative and donor assistance prospects as well as constraints.

In approaching our task, we gave first priority to preparing historical data series on all the most important factors entering into the analysis. The next problem was to decide on bases for projecting these same variables into the Fifth Plan period. Obviously, there were many choices to be made in the face of a great deal of uncertainty. In order to compensate for our obvious desire that the study produce favorable findings, we consistently have projected on the basis of conservative assumptions, i.e., which are somewhat unfavorable to the desired result, when there has been no other clear basis for projecting. This has particularly been the case concerning the petroleum sector.

A key element of this study has been our effort to estimate the additional operating budget costs generated by all public development expenditures of whatever source. Throughout we use the term recurrent expenditures or costs to identify current or operating budget requirements that are generated by the operation of new facilities and programs created by development expenditures.

A. Analysis

1. Government Finances

Government finances can be divided into those that are budgetary and those that are extra-budgetary. The formal budget comprises

and other statutorily fixed revenue, on one hand, and, on the other, these current and capital expenditures that can be covered by budget-revenues. However, the Government has access also to revenues from stabilization funds (for retention of commodity marketing board surpluses), from parastatal enterprises, from national development banks, from donor assistance which are used to finance extra-budgetary projects. Extra-budgetary expenditures virtually all fall into the investment category, and it is the relevant development plan rather than the annual budget which serves as the policy document.

The budget has been managed very conservatively in that expenditures are always covered by revenues. Also, there is evidence that Government authorities have followed a policy of strictly limiting the growth of current expenditures so as to provide more adequately for the capital budget. It is also clear that, as in so many other developing countries, most Cameroonian Government services lack operating funds.

This study has not addressed the reasons for this phenomenon as it exists here. It is too well known to be simply the result of errors or weaknesses in the budgeting process. There is some tendency to place higher priority on operating expenditures - such as those related to important employment projects or to maintenance - in the capital budget. We plan to explore this area in depth when our Program Economist arrives.

a. Budgetary Revenue

Analysis of budgetary revenue (tax and non-tax receipts) is being undertaken exclusive of the probable impact of receipts from the

petroleum sector. A very conservative projection of petroleum earnings is provided separately in Table I (B) as discussed in section C below.

As shown in Table I (A), the evolution of budgetary revenue was reviewed for the period 1962/63 to 1978/79. For the ten-year period 1963/64 to 1972/73, the annual growth of budgetary revenue was almost 14%. On the other hand, the annual growth rate for the period 1973/74 to 1977/78 was over 23%. For the 17-year period up to 1979/80, the annual growth rate has been over 15%. The projections for 1981-1985 are based on the historical annual average growth rate of 15%, which, given the recent trends, is probably conservative.

b. Budgetary Expenditure

For the ten-year period 1966/67 to 1975/76, budgetary expenditure (capital and current consolidated) rose at an annual rate of 14%. During the four years of the current plan, 1976/77 to 1979/80, the estimated annual growth rate is 18%. The rise in government expenditure in the second half of the 1970s appears to represent a trend caused by a number of factors. Inflation has been an obvious and important factor. The capital budget has grown more rapidly than the current budget. In 1975-1979 it accounted for 18.5 percent of the budget compared to just over 10 percent during 1965-69. The rise in outlays for transport, education, and economic services probably indicates that the absorption of recurrent costs has been a significant factor.

Government expenditures are assumed to grow at 18 percent annually during the next plan period. We assumed that current and capital

expenditures would increase at the same rate and that the proportion of capital to current expenditures would remain the same as that set for the current 1979/80 budget year.

c. Petroleum Revenue

Cameroonian legislation provides that 40 percent of all oil production is owned by the Government. From the proceeds of its share, the Government is required to pay a proportional share of the exploration and development costs of the concessionaire, but how much is paid in cash as opposed to on credit terms is subject to negotiation between the two parties. In addition, the legislation provides for payment of a 14 percent royalty on the company's share of production and the payment of over 55 percent in taxes on net company income. These terms must be negotiated into agreements between each production company and the Government by the end of 1979.

The potential and even the present contribution of petroleum revenue to Cameroonian development is difficult to assess. The reason is that the Government does not publicize developments in the petroleum sector. Also it seems that it is still working out the formulae and mechanisms for managing its interests in the petroleum sector and for determining the uses that will be made of the petroleum revenues. Unfortunately, we have no choice but to project production and revenue on the basis of very short past experience.

Petroleum production started in 1978 with an output of some 625,000 tons. Omitting royalties and company income taxes, the revenues accruing to the Government as a result of its 40 percent share in the proceeds of production would be CFAF 8 billion.* Only half of this

amount - some CFAF 4 billion - entered the 1978/79 budget. One estimate of this year's petroleum output is 1.4 million tons - an increase of some 800,000 tons. We already have evidence to suggest that this estimate is conservative, but we will use it in the absence of confirmation of a higher figure. For projection purposes we decided to assume an annual growth of production of some 14 percent per year. This implies, for example, that production increases register only 200,000-300,000 tons per year for the next several years compared to the increase of 800,000 tons figure for 1979 compared to 1980. This assumption would imply that Cameroonian oil production reaches some 2.7 million tons by 1984 which is around 25 percent of Gabon's current output and just less than twice the current level of Cameroonian production. Cameroon's share of total revenue earned on production will probably remain at least 40 percent and, therefore, reach CFAF 34.6 billion by 1984/85. For calculations purposes, we assume, however, that the percent of these revenues allocated to the budget increases from the present 50 to 100 percent as less and less of Cameroon's share has to be allocated to paying back its share of exploration and development costs in each producing concession. Since these calculations take no account of either the 14 percent royalty Cameroon earns on the companies share of revenue or the company income tax receipts the petroleum sector will generate, this is a conservative approach to estimating the petroleum revenues that Cameroon can mobilize for budget purposes as the Government deems necessary. Note that no provision is made for the inevitable oil producer price increases.

*Throughout this section the value of Cameroonian oil is calculated at \$20.00 per barrel, or \$148.83 per ton, and converted to CFAF at 215 CFAF/ U.S. Dollar.

The results that emerge from these very conservative projects are as follows:

	<u>79/80</u>	<u>80/81</u>	<u>81/82</u>	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>
Production (millions of tons)	1.4	1.6	1.8	2.1	2.4	2.7
GURC 40% share of revenues (CPAF billions)	18.0	20.5	23.4	26.7	30.4	34.6
Revenues to budget (CPAF billions)	9.0	11.7	15.4	20.2	26.4	34.6

2. Perspectives on the Fifth Plan

a. Sectoral/Sub-Sectoral Priorities

The current Fourth Five-Year Plan emphasizes directly productive investment. Out of total planned investment of CPAF 931 billion, some 53 percent goes to directly productive activities compared to 22 percent for infrastructure and 17 percent for social services. CPAF 668 billion is targeted for public investment. Almost half-- CPAF 318 billion -- will be financed by the Government, while the balance will be provided by external sources.

A review of the execution of the plan in 1976/78 shows that in the productive sectors of the economy (including commerce and tourism) investment amounted to CPAF 163 billion, indicating a rate of plan fulfillment of 17% a year. Investment in infrastructure was CPAF 53 billion, with annual execution rate of 16%, while investment in the social sector was the lowest with CPAF 46 billion (a rate of execution of about 10% per year). During the two years under review, total investment amounted to about CPAF 263 billion, or 28% of the total investment estimates.

ernal donors contributed about CFAF 107 billion, or 40% of the disbursements.

On the basis of plan execution during 1976 to 1978, estimates of financial and physical (expressed in percentages) progress were made concerning the probable outcome of the Fourth Plan by Sectors as shown in Tables VI (A), (B), and (C). In the productive sectors and economic infrastructure, disbursements are estimated to be about CFAF 542 billion (41%), with higher rates in industry, mines, and infrastructure and lower rates for the rural economy. The lowest execution rate is projected to be in the social sector, with investments of about CFAF 1,000 billion, or 49%. Within the social sector, execution rates are estimated to be highest in housing and territorial administration and lowest in education, training, and health.

These projections indicate that a minimum of 30% and a maximum of 51% of investment allocations will be carried over the Fifth Plan. In the social sector, the carryover might be as high as 51% of the allocations.

Assessments of previous plans and of progress thus far under the current plan, discussions with bilateral/multilateral sources, and general technical views expressed by officials in the Ministry of Economic Affairs and Planning during a series of meetings provide the basis for the following projections concerning the structure of investment in the next five-year plan.

As shown in Table VI (B), the Fifth Plan (1981-1985) is likely to focus most heavily on productive investment, particularly the rural

onomy (general agriculture, livestock, fisheries, and forestry resources). A second priority will probably be infrastructure projects needed for integrated development and to rectify existing bottlenecks in rail and road transport. In addition to smaller road maintenance, secondary roads and feeder roads projects, such major infrastructure works as the Yaounde-Douala, Yaounde-Bafoussam, Kribi-Douala roads as well as the Edea-Maloume section of Transcameroon Railway are likely to rank high among Government priorities. Technical and higher education primary and informal education, extension services, and improvements in development administration and preventive health will be stressed in the social sector. Low-cost housing, the development of the informal sector, sewage and water facilities, road rehabilitation and maintenance are expected to be among priority areas in the urban sector.

Despite the high carryover from the Fourth Plan (Tables VI (A) and (C)), there may not be a major shift towards social programs during the next plan. In order to maintain the current real growth rate of 5-6 percent per year or, perhaps, to improve on it, the Fifth Plan will have to devote substantial resources to improving smallholder export and food crop production, complemented by large-scale agro-industrial projects where necessary. It will probably also devote substantial resources to realizing agricultural processing potentials.

b. Public Investment Resource Estimates

The percentage distributions by sectors and sub-sectors of the investment estimates under the Fifth Plan and percentage distributions under the Third and Fourth Plans are given in Table VI(B). Discussions

with a selected number of major bilateral/multilateral aid groups in Cameroon indicate that the level of external financing for public sector investment during the Fifth Plan will increase by around 20 percent. Preliminary aggregates of official development assistance are projected to be about CFAF 430 billion during the Plan period.

Based on the Government capital expenditure projections in Table I (C), plus the potential availabilities of external financing, realized public sector investment during the Fifth Plan could be as high as CFAF 759 billion. This is more than 70 percent above likely realized public investment during the current plan. An analogous figure for total Fifth Plan investment would be CFAF 1,071 billion. As shown in Table III and discussed in the next section, this figure was adjusted downward somewhat for the purposes of calculating "recurrent" costs.

c. Recurrent Expenditure Analysis

In order to estimate the amount of recurrent costs potentially generated by Fifth Plan investment, it was necessary to arrive at projected sector and subsector allocations. This was done based on donor plan and year-cut development planning necessities as represented by projects to which the Government is committed. It was possible based on this approach to allocate CFAF 664 billion according to sectors. We used this amount as our low estimate of realized public investment under the Fifth Plan. However, in order to arrive at an estimate of incremental Fifth Plan public investment, we subtracted from this figure a low estimate of realized Fourth Plan public investment (CFAF 401 billion or 60 percent of the planned amount). Thus we were working with an incremental figure CFAF 263 billion that implies an assumption that realized Fifth

Plan public investment will exceed the Fourth Plan level by 66 percent. We know that this nominal increment, if it were achieved, would largely represent inflation of the cost of investment and only in part increased performance. Nevertheless, we assume that all of this nominal increment generates "recurrent" costs that must be added to the 18 percent increase in Government expenditures already projected on the basis of past experience. We assume that the 18 percent projected growth includes the "recurrent" costs generated by the historical rate or non-incremental amount of public investment.

Our incremental investment figure was broken down into sectoral components according to the same proportions estimated for total realized public investment. Each sectoral increment was multiplied by a coefficient developed by the IMF for estimating the annual "recurrent" costs generated per unit invested in completed investment projects in that sector.

As shown in Table IV, we calculated this amount of "recurrent" costs each year's incremental investment expenditure would potentially generate. Assuming that at least a year will be required before investment outlays can result in completed projects, new "recurrent" expenditures generated each year first enter the next year's budget. Table IV indicates that "recurrent" costs generated by incremental Fifth Plan investment could add a total of some CFAF 17.2 billion to operating budget requirements during the period. The cumulative annual total of "recurrent" costs leaving impact on each year's budget are added to the current and capital budget projections on Table II (D) to produce a projected adjusted total Government budgetary expenditure projection for the 1980-85 plan period.

B. Findings and Conclusions

As explained in detail in preceding sections, we have prepared projections of Government budgetary expenditures and adjusted them to take account of "recurrent" costs generated by the completion of public sector investment projects. We have also developed projections of Government budgetary revenues and adjusted them to take account of assumed developments in the infant Cameroonian petroleum sector. At every turn, we have chosen assumptions that are either patently moderate or unfavorable to our obvious bias toward finding that Cameroon will have the financial capacity to absorb an expansion of external development assistance from the U.S. as well as from other donors. The results are shown below:

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>Fifth Plan Period</u>
Adjusted Budgetary Revenue	241.5	279.6	324.4	376.2	436.8	1658.5
Adjusted Budgetary Expenditures	220.1	263.5	314.0	373.6	443.8	1815.0
Budgetary Surplus (+) of Deficit (-)	21.4	16.1	10.4	2.6	- 7.0	43.5

They indicate that Cameroon will be capable of generating sizable budgetary surpluses during the Fifth Plan Period. The annualized figures suggest that the budgetary position of the Government will lose strength toward the end of the period, but it should be remembered that our analysis is more valid for the whole period than any part of it. Thus the important

thing is that the above figures show financial capacity which exceeds the needs we have calculated for the period as a whole by a total of CFAF 43.5 billion or some \$202.3 million. This result is particularly interesting given the conservatism - particularly in the petroleum sector - of the assumptions we made.

The above figures should not be interpreted to mean that the Cameroonian authorities will use the capacity these figures suggest to generate budget surpluses; they will not. Rather these figures suggest that the Government will have significant budgetary options either to apply more resources to the capital or to the current budget. Thus, the authorities will be free to budget somewhat more liberally to cover the operating expenses of the variety of technical services such as agricultural extension, primary health care, and other staffs, whose programs will increasingly develop form and content as a result of technical assistance programs of A.I.D. and other donors. There is a certain amount of evidence that what appears to be a starving of the operating budget may simply be the central fiscal authorities' response to perceived lack of administrative capacity and solid program content in various sectors. One of the most important benefits of technical assistance of the kind favored by A.I.D. and employed occasionally by some other donors is that it creates in key government services the technical and administrative capacity to achieve important development goals through day-to-day operations. Our analysis suggests that an average of some \$40 million per year is

potentially available for the Government to allocate to the operating costs of realizing the benefits of such technical assistance.

TABLE 1 (A)

EVOLUTION OF BUDGETARY REVENUE

(CPAF Billions, in Current Prices)

	<u>1962/63</u>	<u>1963/64</u>	<u>1964/65</u>	<u>1965/66</u>	<u>1966/67</u>	<u>1967/68</u>	<u>1968/69</u>	<u>1969/70</u>	<u>1970/71</u>	<u>1971/72</u>	<u>1972/73</u>	<u>1973/74</u>
A) <u>Tax Revenue</u>	19.0	23.3	25.0	27.4	29.3	31.6	34.4	42.3	44.7	50.1	53.2	62.1
(Net Income & Profits)	(4.8)	(5.7)	(5.7)	(6.3)	(7.3)	(7.6)	(8.6)	(10.3)	(7.2)	(8.5)	(11.3)	(11.2)
(International Trade)	(12.3)	(14.0)	(15.2)	(17.2)	(20.5)	(22.5)	(24.3)	(30.0)	(32.8)	(35.8)	(36.0)	(42.1)
(Goods and Service)	(1.0)	(2.7)	(3.0)	(2.7)	(.2)	-	-	(1.3)	(8.9)	(14.7)	(15.2)	(18.2)
(Registration, Stamps, Others)	(.9)	(.9)	(1.1)	(1.2)	(1.4)	(1.5)	(1.5)	-	(1.8)	(2.0)	(1.1)	(1.6)
(Property)	-	-	-	-	-	-	-	(.7)	(.5)	(.6)	(1.2)	(1.8)
B) <u>Non-Tax Revenue</u>	2.1	2.2	2.3	4.4	5.0	6.0	6.3	5.3	7.4	6.4	6.1	5.8
(P & T)	(.7)	(.9)	(.9)	(1.0)	(.9)	(1.1)	(1.8)	(1.9)	-	-	-	-
(Public Property)	(.1)	(.2)	(.2)	(.2)	(.4)	(.5)	(.4)	-	-	-	-	-
(Other Services)	(1.2)	(1.0)	(1.1)	(1.0)	(1.4)	(2.1)	(3.5)	-	-	-	-	-
(Miscellaneous)	(.2)	-	-	-	(.1)	(.3)	(.1)	(3.4)	-	-	-	-
(Stabilisation Fund Transfers)	-	-	-	-	-	-	-	-	(1.9)	-	-	(8.4)
<u>Total A & B</u>	21.1	25.5	27.3	31.8	34.3	37.6	40.7	47.6	52.1	56.5	59.3	67.9
<u>Percentage change</u>	-	20%	7%	17%	8%	10%	33%	17%	9.5%	9%	5%	15%
<u>Annual Averages:</u>	1963/64 - 1969/70 16% and 1970/71 - 1977/78 16%; 1977/78 - 1979/80 18%.											

TABLE 1 (A)

EVOLUTION OF BUDGETARY REVENUE

(CFAF Millions, In Current Prices)

	P R O J E C T I O N S										
	1974/75 ¹⁾	1975/76	1976/77	1977/78	1978/79*	1979/80*	1980/81 ²⁾	1981/82	1982/83	1983/84	1984/85
<u>Tax Revenue</u>	72.0	90.2	102.8	143.7	158.4	175.8	202.1	232.4	267.4	307.5	350
(Net Income & Profits)	(13.5)	(18.3)	(17.0)	(25.2)	(40.3)	(44.7)	-	-	-	-	-
(International Trade)	(48.4)	(60.1)	(69.2)	(93.9)	(97.2)	(113.6)	-	-	-	-	-
(Goods and Services)	(22.6)	(28.0)	(28.5)	(29.4)	-	-	-	-	-	-	-
(Registration, Stamps, Others)	(1.8)	(2.7)	(2.9)	(4.9)	-	-	-	-	-	-	-
(Property)	(2.0)	(2.4)	(2.7)	(3.2)	(3.2)	-	-	-	-	-	-
<u>Non-Tax Revenue</u>	7.8	9.2	6.9	10.8	21.6	24.0	27.7 ³⁾	31.8	36.8	42.3	48
(P & T)	-	-	(3.8)	(3.8)	(3.8)	(3.8)	-	-	-	-	-
(Public Property)	-	-	-	-	-	-	-	-	-	-	-
(Other Services)	-	-	-	-	-	-	-	-	-	-	-
(Miscellaneous)	-	(6.7)	(4.1)	(5.2)	-	-	-	-	-	-	-
(Stabilization Fund Transfers)	-	-	(7.0)	(2.6)	(4.0)	(6.5)	-	-	-	-	-
<u>Total A & B</u>	83.4	98.8	120.0	162.3	180.0	199.8	229.8	264.2	304.2	349.8	402
Percentage Change	23%	15%	22%	34%	11%	11%	15%	15%	15%	15%	15%
Annual Averages:	1963/64 - 1969/70 16% and 1970/71 - 1977/78 16%; 1977/78 - 1979/80 18%.										

* The IMF estimates that 1979/80 revenue will rise at about the same level as in 1978/79. Despite a more pessimistic GURC estimate, we used the IMF figure.

Notes on Table I (A)

- 1) 1974/75 - 1978/79 IMF revised treasury operations series.
- 2) 1980/81 - 1984/85 assumes budgetary revenue growth at 15% per year based on historical data and trends as shown. The growth rate in 1976-78 is not likely to be a norm. Average growth between 1963/64 - 1969/70 was 15% while the estimated growth rate between 1970/71 - 1977/78 is 19%.
- 3) 1980/81 - 1984/85 budgetary revenue refers only to the normal historical growth projections, excluding petroleum. No data is available on taxes or royalties for petroleum. However, revenue estimates based on available data and projections is given in Table I (B). In the past petroleum receipts have been deposited into a special account before a portion is allocated to the next year's budget.
- 4) In international trade (customs receipts), the average growth rate in 1978/79 and 1979/80 estimates are projected to be maintained in view of alternative exports such as sugar, aluminum from the expanded plant and imports of capital and intermediate goods; 10.5% growth in customs receipts is the least that can be expected.

Sources:

- 1962/63 - 1969/70 MINEP, GURC
- 1970/71 - 1974/75 IBRD Economic Memorandum, Vol. II, March 1978
- 1974/75 - 1978/79 as cited earlier.

TABLE I (B)

ADJUSTED BUDGETARY REVENUE PROJECTIONS
INCLUSIVE OF PROJECTED PETROLEUM EARNINGS
 (CFAF Billions in Current Prices)

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
1) Tax and Non-Tax Revenue	180.0	199.8	229.8	264.2	304.2	349.8	402.2
2) Petroleum	4.0	9.0	11.7	15.4	20.2	26.4	34.6
Adjusted Total	184.0	298.8	241.5	279.6	324.4	376.2	436.8

1) Budgetary revenue based on historical data from Table I (A).

2) See discussion in Section A.i.c.c. of the text for an explanation of how we projected petroleum revenue entering the budget.

3) Differs from data provided in Table I (A) due to inclusion of petroleum revenue.

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TABLE II (A)
FUNCTIONAL CLASSIFICATION OF BUDGETARY EXPENDITURE (CURRENT AND CAPITAL)
(CVAF Billions In Current Prices)

Classification	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73
General Services	8.1	9.2	9.9	11.1	12.7	11.4	12.6	11.7
Defence	3.8	4.4	4.7	5.0	5.4	5.6	5.9	6.2
Education	4.0	4.8	5.1	5.6	6.0	8.6	11.1	12.3
Health	2.2	2.8	3.7	4.2	4.5	3.1	3.4	3.6
Other Services ¹⁾	5.4	6.1	7.3	8.1	8.8	-	-	-
Social Affairs	NA	-	-	-	-	.2	.2	.2
Housing	-	-	-	-	-	1.7	2.1	2.4
Other Social Services	-	-	-	-	-	.9	.9	1.1
Economic Services	3.1	3.2	3.5	3.6	3.9	9.2	10.3	11.8
(General Adm.)	-	-	-	-	-	(.4)	(.4)	(.5)
(Rural Economy)	(1.2)	(1.3)	(1.5)	(1.5)	(1.7)	(2.4)	(2.6)	(3.1)
(Industry) ²⁾	(1.9)	(2.0)	(2.1)	(2.2)	(.9)	(1.1)	(1.1)	(1.6)
(Mining/Energy)	-	-	-	-	-	-	(.1)	(.1)
(Transport)	-	-	-	-	-	(2.9)	(3.3)	(3.8)
(Telecommunications)	-	-	-	-	-	(2.5)	(2.7)	(3.1)
Public Debt	-	-	-	-	-	(.7)	(1.3)	(1.8)
Other	3.0	4.9	2.9	0.4	6.5	7.8	8.6	9.0
Totals	29.6	35.4	37.1	38.0	47.8	49.2	56.5	60.2
Percentage Change ³⁾	-	19%	5%	3%	26%	3%	15%	6%

1) Other services include general administration, pension, state debt (local and external), etc. Due to federal budgetary system classification of expenditure lacks accuracy for the period.

2) Refers to Public Works budgetary outlays including industry, energy, transport, etc. No separate classification available.

3) Average Annual increase 1966/67 - 1969/70, 13%; appears to reflect structural growth principally caused by salary and wage increases, expansion of civil service employment, etc.

TABLE II (A)

FUNCTIONAL CLASSIFICATION OF BUDGETARY EXPENDITURE (Current and Capital)

(CEFAF Billions in Current Prices)

Classification	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80
General Services	12.9	18.5	21.3	27.0	26.7	29.8	34.6
Defense	7.1	9.1	11.0	11.2	14.6	14.2	15.7
Education	15.3	13.5	16.7	21.3	25.1	17.3	20.7
Health	3.9	3.1	5.1	6.4	8.0	6.7	9.4
Other Services 1)	-	-	-	-	-	-	-
Social Affairs	.3	1.8	-	.8	.9	.6	.6
Housing	3.0	3.4	5.0	2.7	3.3	5.9	6.7
Other Social Services	1.3	2.0	2.3	2.5	3.5	NA	NA
Economic Services	11.6	10.9	15.5	25.8	32.1	NA	NA
(General Admn.)	(.5)	(3.1)	(4.4)	(4.5)	(4.6)	NA	NA
(Rural Economy)	(3.9)	(4.1)	(4.6)	(5.6)	(6.8)	NA	NA
(Industry) 2)	(1.6)	(.4)	-	-	-	NA	NA
(Mining/Energy)	(.2)	-	(.4)	(.5)	(1.6)	NA	NA
(Transport)	(3.4)	(1.3)	(3.7)	(11.7)	(15.6)	NA	NA
(Telecommunications)	(1.8)	(2.0)	(2.4)	(3.5)	(3.5)	(3.5)	(3.9)
Public Debt	(2.3)	3.5	4.7	8.6	9.8	15.0	18.0
Other	11.5	15.5	15.1	16.4	29.8	NA	NA
Totals	69.4	81.5 ⁴⁾	96.7	121.5	153.7 ⁵⁾	165.0 ⁶⁾	186.6 ⁷⁾
Percentage Change 8)	15%	17%	19%	26%	26%	7%	13%

4) Budgetary consolidation and better classification took place after 1970/71. Based on IMF/IBRD data, interest on public debt and debt amortization consolidated. The sharpest price rises took place in 1973/74 and 1974/75 precipitating salary and wage increase and raising the costs of supplies/materials. Again the percentage changes are more or less caused by inherent budget forces. The average annual increase for 1970/71 - 1974/75 is slightly over 11% and does not seem to have provided for recurrent financing.

NOTES ON TABLE II (A) CONTINUED

- 5) Increases in budgetary allocations between 1975/76 and 1978/79 are attributed to the rise in the debt service, capital budget and wages and salaries. A significant rise in the current budget in 1977/78 reflects the incorporation of private schools into the public schools system. Note Table II (A) outlays for education in FY-1977/78. In FYS 1976/77 and 1977/78 the transport sub-sector current budget was raised by 200% and 33% respectively, indicating a rise in recurrent expenditure outlays. Material/supplies expenditure rose in 1976/77 and declined in 1977/78.
- 6) Breakdown by classification not available. GURC budgetary data provided in general terms and not exhaustive and all inclusive. For instance the allocation for education is likely to be higher than indicated for FY-1978/79.
- 7) Budgetary estimate by GURC.
- 8) The growth rate of budgetary expenditure between 1966/67 and 1974/75 was 12% while the average growth rate between 1975/76 and 1979/80 is estimated at 18% per year. Although the growth rate for 1978/79 is provisional and 1979/80 estimate, budgetary expenditure is projected to rise at an annual rate of 18% during the next plan period as shown in Table II (C).

TABLE II (B)

ECONOMIC CLASSIFICATION OF BUDGETARY EXPENDITURE AND PERCENTAGE DISTRIBUTIONS

(CFAP Billions In Current Prices)

Category	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79
A) Current	26.6	30.6	33.2	34.7	43.0	44.4	49.9	50.6	59.2	73.2	81.9	101.2	124.4	128.8 ¹
Wages/Salaries	NA	NA	NA	NA	NA	(23.1)	(25.5)	(28.2)	(33.6)	(36.8)	(45.3)	(50.7)	(72.0)	NA
Materials/Supplies	NA	-	-	-	-	(16.4)	(18.2)	(15.2)	(17.2)	(16.3)	(18.0)	(23.1)	(14.3)	NA
Debt Service	NA	(.4)	(1.5)	(.8)	(1.4)	(.7)	(1.8)	(1.7)	(3.5)	(2.0)	(4.7)	(8.6)	(9.8)	(15.0)
Subsidies/Transfers	-	-	-	-	-	(4.2)	(4.9)	(5.4)	(6.0)	(16.6)	(13.9)	(18.8)	(28.3)	NA
Percentage (A)	92	86	89	91	90	90	88	84	85	90	85	83	81	78
B) Capital	3.0	4.8	3.9	3.3	4.8	4.8	6.6	9.6	10.2	8.3	14.8	21.4	29.3	36.4
Percentage (B)	8	14	11	9	10	10	12	16	15	10	15	17	19	22
T o t a l	29.6	35.4	37.1	38.0	47.8	49.2	56.5	60.2	69.4	81.5	96.7	122.6 ^M	153.7	165.2

^M Adjustment, unclassified expenditure of 1.1 billion CFAP.

^{NA} NA (break down of classification not available).

(1 & 2) 1978/79 - 1979/80 Current expenditure estimates include debt service.

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TABLE II (C)

BUDGETARY EXPENDITURE PROJECTIONS(CFAP Billions in Current Prices;
Excludes Recurrent Estimates)

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
1) Current	174.1	205.4	242.5	286.1	337.6
2) Capital	46.0	54.3	63.9	75.4	89.0
Total	220.1	259.7	306.4	361.5	426.6
3) (Debt Service)	(26.4)	(35.6)	(41.7)	(50.1)	(67.0)

- 1) Projections based on 18% increases of the current budget comprising wages/salaries, materials/supplies, subsidies and transfers and public debt service. The historical changes are provided in Table II (A).
- 2) Eighteen percent annual growth in the capital budget is based on the overall budgetary expenditure growth rate. Public sector investment is higher than the capital budget because of extra-budgetary outlays resources such as come from time to time "caisses de stabilisation."
- 3) Because of the sudden rise in debt service, 83% in 1976/77, 14% in 1977/78, 53% in 1978/79, 70% in 1979/80, an average of 42% increase per year has taken place. Based on pessimistic assumption that the debt service burden will grow to 17% of non-petroleum export earnings by 1983/84 and then stabilize at that level. This implies, however, an annual growth rate of 26% which is less than the average rate of 42% for the period 1976/77 to 1979/80. It is assumed that debt service payments will be made from a special account.

TABLE II (D)
BUDGETARY EXPENDITURE PROJECTIONS ADJUSTED TO INCLUDE ESTIMATED "RECURRENT" COSTS

(CFAP Billions in Current Prices)

	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
<u>CATEGORY</u>					
1)					
Current	174.1	205.4	242.5	286.1	337.6
2)		3.8	7.6	12.1	17.2
Recurrent	-	54.3	63.9	75.4	89.0
Capital	46.0	263.5	314.0	373.6	443.8
Adjusted Total	220.1				

1) See Table II (C)

2) Based on recurrent cost estimates in general categories of anticipated public investment during the Fifth Plan. To understand how "recurrent" costs are calculated, see Section A.2.c. of the text and Table IV. New recurrent expenditure generated each year must be added to the lagged cumulative total from preceding years shown on Table IV to get figures shown in this table. Recurrent expenditures refers to that component of the current expenditure induced by completion of development projects.

TABLE III
BUDGETARY REVENUE AND BUDGETARY EXPENDITURE PROJECTIONS
 (A Balance Sheet in CFAF Billions)

<u>CATEGORY</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>	<u>Total</u>
1) Adjusted Budgetary Revenue	241.5	279.6	324.4	376.2	436.8	1658.5
2) Adjusted Budgetary Expenditure	220.1	263.5	314.0	373.6	443.8	1615.0
Projected Budgetary Surplus/Deficit	21.4	16.1	10.4	2.6	7.0	43.5

1) Adjusted budgetary revenues include assumed partial use of petroleum earnings per Table I (B) and Section A.1.c of the text.
 2) Budgetary expenditure includes wages/salaries, subsidies and transfers, capital expenditure and public debt service within historic 18 percent annual rate of increase plus "recurrent" expenditure calculated per Table IV.

TABLE IV
ESTIMATED GENERATION AND INCIDENCE OF "RECURRENT" EXPENDITURE DURING FIFTH PLAN
(CFAF Billions In Current Prices)

Sector/Sub-Sector	Incremental Public Investment 1)	Weighted Coefficient	RECURRENT EXPENDITURE (ESTIMATES)				
			1980/81	1981/82	1982/83	1983/84	1984/85
Agriculture	71.2	0.08	0.86	0.86	1.14	1.42	1.42
Infrastructure (Roads)	73.6	0.04	0.43	0.43	0.58	0.73	0.73
Industry/Construction	74.2	0.01	0.11	0.11	0.14	0.18	0.18
Water Resources/Supply, etc.	15.8	0.01	0.01	0.01	0.04	0.05	0.05
Education	13.4	0.10	0.08	0.08	0.26	0.33	0.33
Urban Programs	10.3	0.03	0.05	0.05	0.06	0.08	0.08
Health	3.2	0.20	0.09	0.09	0.12	0.15	0.15
Population	0.8	0.04	-	-	-	-	-
Existing Road, Rehabilitation and Maintenance 2)	-	-	2.16	2.16	2.16	2.16	2.34
Sub-Total Public Investment Generation of "recurrent" expenditures	263.0		3.79	3.79	4.50	5.10	5.28
Incidence 3)				3.79	7.58	12.08	17.18

1) See Section A.2.C for an explanation of how incremental Fifth Plan public investment was estimated and allocated by sections.

2) Based on information supplied by multilateral/bilateral sources. Assumes major rehabilitation and repair of existing roads will take place during Fifth Plan.

3) Recurrent expenditures generated in each year are assumed to first enter the next year's budget. Each year's new "recurrent" costs must be added to the cumulation total generated for the period.

TABLE V

PUBLIC EXTERNAL FINANCE BY SECTORS (DISBURSED)

(IN CFAF BILLIONS)

SECTORS	(A) GRANTS				(B) LOANS: GOVERNMENT, PUBLIC & SEMI-PUBLIC ENTERPRISES			
	1975/76	1976/77	1977/78	Total	1975/76	1976/77	1977/78	Total
Productive	1.01	1.17	0.47	2.65	14.08	21.83	47.67	83.58
Rural Sector	0.80	1.09	0.47	2.36	8.38	15.58	5.54	29.50
Agriculture	0.29	0.50	0.31	1.10	6.46	13.65	4.09	24.20
Integrated								
Rural Projects	0.36	0.27	0.16	0.79	0.72	0.78	0.30	1.80
Industry/Mines	0.20	0.02	-	0.22	3.21	1.07	30.80	35.08
Energy/Refining	-	-	-	-	0.09	1.06	3.95	5.10
Services	0.01	0.06	-	0.07	2.39	4.12	7.38	13.89
Infrastructure (Transport & Communication)	1.98	3.24	0.72	5.94	10.31	15.31	12.23	37.85
Roads and Bridges	1.64	0.91	0.10	2.65	4.73	3.90	2.35	10.98
Social Programs (Total)	1.78	0.22	0.23	2.23	1.53	11.97	1.71	5.21
Education & Training	(1.10)	(0.16)	(0.20)	(1.46)	(0.42)	(0.58)	(0.25)	(1.25)
Youth & Sports	(0.01)	-	-	(0.01)	-	-	-	-
Health	(0.08)	-	-	(0.08)	-	-	-	-
Urban Planning & Housing	(0.14)	(0.05)	(0.03)	(0.22)	(1.11)	(0.51)	(0.48)	(2.10)
Information & Culture	(0.45)	(0.01)	-	(0.46)	-	-	-	-
Admin. Equipment	-	-	-	-	-	0.88	0.98	1.86
Research & Studies	0.76	-	-	0.76	-	-	-	-
T O T A L	5.53	4.63	1.42	11.58	25.92	39.11	61.61	126.64
								138.22

Source: MINRP Rapport sur la Situation Economique et Sociale (1976/77 - 1977/78) Vol. II, page 44.

TABLE VI (A)

FOURTH PLAN TARGETS AND REALIZATIONS

(CEAF BILLIONS IN CURRENT PRICES AND PERCENTAGE DISTRIBUTIONS)

SECTORS/SUB-SECTORS	ALLOCATION ESTIMATES	% OF TOTAL	REALIZATIONS (1976/78)		INVESTMENT 5 YEARS (ESTIMATE)	PERCENTAGE 5 YEARS (ESTIMATE)	FIFTH PLAN CARRY OVER	
			INVESTMENT (2 YEARS)	%			FUND ESTIMATES	PERCENTAGE
Rural Economy	163.8	17.6	42.7	26.0	107.0	65	57.0	35
Industry/Mines/Energy	316.5	34.0	104.6	33.0	261.0	82	55.5	18
Commerce/Transport	46.0	5.0	14.4	31.0	36.0	78	10.0	22
Tourism	6.7	.7	2.4	36.0	6.0	89	.7	11
Infrastructure (Transport and Communication)	163.7	17.6	53.0	32.0	132.0	81	32.0	19
Productive/Econ. Sectors Sub-Totals	696.7	75	217.1	31.0	542.0	77.7	155.2	22.3
Training/Education	33.0	3.5	3.8	11.0	9.5	29	23.5	71
Youth	14.0	1.5	.5	3.5	1.2	8	12.7	92
Health	10.0	1.1	.6	6.0	1.4	15	8.5	85
Culture/Information	28.3	3.0	.5	1.7	1.3	5	27.0	95
Housing/Territorial	106.6	11.4	33.7	31.6	84.2	78	22.3	22
Administration	38.3	4.1	6.5	17.0	16.2	42	22.1	58
Equipment/Admn. Research	4.0	.4	.5	12.5	1.2	30	2.7	70
Social Sectors Sub-Total	234.2	25	46.1	20.0	115.1	49	119.1	51.2
General Total	931.0	100	263.2	28.0	657.0	70	274.0	30.2

1) Assumes a level of target implementation similar to 1976-78.

2) 1978/79 and beyond, the level of investment is estimated to be somewhat slower than the first two years; this is due to project preparation, management and domestic financial constraints. Thus, from 30 to 40% of investment is estimated to be carried over to the Fifth Plan.

Source: MINEP Rapport sur la Situation Economique et Sociale (1976/77 - 1977/78).

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TABLE VI (B)
PERCENT DISTRIBUTIONS BY SECTORS/SUB-SECTORS AND PLAN PERIOD

(ESTIMATES AND PROJECTIONS)

<u>Sectors/Sub-Sectors</u>	<u>III</u>	<u>IV</u>	<u>V</u>
Rural Economy 1) (Smallholder)	18.0	24.0	32.0
(Agro-Industry)	-	(11)	(15)
Energy 2)	6.0	15.0	17)
Industry/Services 3)	3.0	2.3	8.0
Transport/Communication	41.6	38.3	3.0
Sub-Total/Economic	68.6	79.6	35.8
Education, Health, Housing, Water Sewage 4)	19.6	15.3	78.8
Administrative Buildings and Urban Streets	11.8	5.1	15.3
Sub-Total/Social	31.4	20.4	5.9
General Total	100.0	100.0	21.2
			100.0

1) Between the Third and Fourth Plan Periods, the percentage share in the rural economy went up by over 33%. The same percentage growth rate is projected to be maintained in view of the productive potential of the rural economy, with slight increases in both smallholder and industrial agriculture.

2) The share of energy went up by almost 150% between the Third and Fourth Plans. In view of major hydroelectric and other energy schemes underway, the projected share is put at about the average of the two plan periods.

3) The share of the sub-sector is estimated to remain about the same.

4) As shown in Table VI (A) the execution of social projects under the current plan is low. Therefore the same share is estimated to be maintained under the Fifth Plan as the current, with slight increase (shift) in administrative buildings and urban streets.

TABLE VI (C)

(A) INVESTMENT BY PROJECTS (RURAL ECONOMY)

	Allocation Estimate	Realization (1976-79)	Percent (Two Years)	Percent (Five Years)	Fifth Plan Carry Over
1. Semry I, II, Sedeble, Camsuco, etc.	56.6	23.4	41	102	-0-
2. Cocoa, Coffee, Tea	16.8	4.1	24	60	40
3. Socapalm, Pamol, etc.	13.9	4.2	30	75	25
4. Manioc, Tomatoes	2.7	.1	4	10	90
5. Sodecoton, Hevecar, etc.	9.9	2.7	27	67	33
6. Integrated (26 projects, Cenadec, etc.)	25.0	4.1	16	40	60
7. Livestock (meat plan, etc.)	9.9	2.2	22	5	45
8. Fisheries	6.1	.8	13	32	68
9. Forestry	21.8	1.1	5	12	88
10. Other	1.1	-	-0-	-0-	100
TOTAL	163.8	42.7	26.0	65	35

(B) INVESTMENT (OTHER ECONOMIC PROJECTS)

1. Industry	101.1	46.8	46.2	-	-0-
2. Mines	.8	.2	25.0	-	37
3. Energy	213.2	57.3	27.0	-	32.5
4. Transport	40.8	13.9	34.0	-	15
5. Roads, Bridges, etc.	78.4	16.9	21.5	-	46
Total Sub-Sectors	434.3	135.1	31	-	22.5

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TABLE VII
DISBURSEMENTS OF PUBLIC EXTERNAL CAPITAL FINANCING

	(\$ MILLIONS)											Annual % Growth On Net Disburse- ments 1977-83		
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	
Grants	11.2	11.9	19.7	30.1	27.4	22.4	22.4	22.4	22.4	30.0	30.0	30.0	30.0	-
Loans	69.3	50.3	73.0	138.9	211.1	236.3	234.6	317.1	249.4	385.2	389.8	430.7	475.9	10.5
Total	80.5	64.2	92.7	169.0	238.5	258.7	257.0	339.5	271.8	415.2	419.8	460.7	505.9	

CPAP 44,578.1 million

Source: Through 1979 based on actual and provisional IBRD and IMF figures on disbursements. Beyond 1979 the loan disbursements are based on projections contained in the IBRD Fourth Railway Project Loan Paper, No. P.2508-CN, June 1979. Projections assume that capital grant financing will level off as Cameroon's economic position improves.

TABLE VIII

PUBLIC INVESTMENTS BY SOURCES

(CFAP Billions in Current Prices)

SOURCES:	A C T U A L		FOURTH PLAN		FIFTH PLAN		Estimated Incremental
	(1966-1971)		(1976-1981)		(1981-1985)		
	Second Plan (1966-1971)	Third Plan (1971-1976)	Planned (1976-1981)	Realized (1976-1981)	Projected Realized Low High	Projected Realized Low High	
Domestic Public	35.5	160.7	318.1		328.6		
External Public	46.8	118.1	350.1		430.0		
(Grants)	(20.2)	(31.8)	(22.4)		(22.4)		
Total Public 1)	82.3	278.8	668.2	401.0	664.0	758.6	263.9
Total investment	157.4	376.0	931.0	558.6	937.1	1071.0	378.5

1) Includes extra-budgetary account investments.

2) Assumes 60 percent and 70 percent realization rates for low and high estimates, respectively.

3) Low figure omits some CFAP 94 billion for which no sectoral allocations could be estimated based on currently available indications.

4) Represents difference between low estimates for realized Fourth and Fifth Plan public investment.

TABLE IX
PUBLIC DEBT (1979/80 BUDGETARY ALLOCATIONS)
(IN CTAF MILLIONS)

Source	Contract Value of Debt In Effect as of June 30, 1979			Amortiza- tion June 30, 1979	Scheduled Repayment From 1979/80 Budget			Outstanding June 30, 1979	
	Initial Amount		Total		Commission		Interest		Total
	Principal	Commission	Interest		Principal	Commission	Interest		Total
France	32,667	123	14,852	13,584	3,834	2	1,746	20,476	
IBRD	50,864	4,309	17,685	13,730	393	179	1,031	57,525	
Federal Germany	15,755	464	4,693	3,599	249	25	281	16,758	
Italy	7,281	-	3,060	3,958	648	-	267	5,468	
United Kingdom	4,746	223	1,859	2,372	553	21	237	3,645	
U.S.A.	2,456	12	890	1,414	183	1	40	1,720	
Eurodollar Market	7,502	33	1,928	4,665	1,617	-	389	2,792	
Canada	9,096	-	161	718	-	-	-	8,539	
OPEC	1,089	77	-	7	-	5	-	1,154	
Saudi Arabia	3,828	-	-	-	383	-	-	3,445	
USSR	509	-	80	497	43	-	4	45	
ADB	627	97	-	724	-	6	-	718	
China (Peoples')	16,800	-	-	-	-	-	-	16,800	
IMF (Oil Facility)	15,880	346	-	1,712	3,484	-	-	11,030	
Libya	440	-	119	-	55	-	19	485	
EC (Stabex)	1,130	-	-	130	-	-	-	1,000	
Internal Debt	17,731	-	986	4,667	2,140	-	146	11,764	
TOTAL	188,401	5,684	46,313	51,033	13,582	239	4,160	171,364	

Source: Technical Advisor, Ministry of Finance

Does not include new debt contracted during fiscal year 1979/80.

TABLE X (A)

BALANCE OF TRADE

(Billions CPAF In Current Prices)*

Category	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76
Export (X)	36.8	37.5	38.5	45.1	146.7	64.2	64.4	61.7	69.5	108.3	113.3	124.5
Import (I)	37.2	37.6	37.7	47.7	46.3	57.0	67.2	79.5	80.5	92.6	118.8	125.8
Surplus	.4	-.1	+.8	-2.6	+.4	+7.2	2.8	-17.8	-11.0	15.7	-5.1	-1.3
Deficit	-	-	-	-	-	-	-	-	-	-	-	-
% Changes (X)	-	2	3	17	4	37	.3	-4	13	56	5	9
% Changes (I)	-	3	.3	26	-3	23	18	18	1	15	28	6

Category	1976/77	1977/78	1978/79	1979/80 ²⁾	1980/81 ³⁾	1981/82	1982/83 ⁴⁾	1983/84	1984/85 ⁵⁾
Export (X)	167.9	237.2	239.8	289.0	325.0	325.0	377.0	415.0	457.0
Import (I)	170.5	214.4	252.5	285.0	322.0	354.0	389.0	438.8	497.8
Surplus	-2.6	+22.8	-12.7	+4.0	+3.0	-4.0	-12.0	-23.8	-40.8
Deficit	-	-	-	-	-	-	-	-	-
% Changes (X)	35	41	1.1	20.5	12.5	7.7	7.7	10.0	10.0
% Changes (I)	35	26	18	13	13.0	10.0	10.0	12.8	12.8

* Increased only on merchandise trade

Source: Compiled from GURC official sources.

NOTES ON TABLE X (A)

- 1) 1964/65 to 1976/77 actual trade data from GUNC sources reconciled with IMF/IBRD data. Average annual growth of exports for the period 14.8% and average growth for imports (same period) 14.2%.
- 2) 1977/78 Provisional data, 1978/79 estimates and 1979/80 projections from IMF report EBS/79/461, July 1979. Average Annual Growth of exports and imports for the period 1977/78 to 1979/80 is 21 and 19% respectively. For the whole period under review annual growth rates of exports and imports are 16 and 15% respectively.
- 3) Based on IBRD projection of growth rates for merchandise trade at 12.5% for exports and 13% for imports. See IBRD, Cameroon: Fourth Railway Project, 6/1979, page 27.
- 4) Based on IBRD project; same source as cited in Mo. 3, for 1981/82 and 1982/83.
- 5) For FYs-1983/84 to 1984/85 both export and import growth rates are based on the projected growth averages over the five year period, i.e. 1978/79 to 1982/83.

TABLE X (B)

EXPORT VOLUME (TONS) AND VALUE (CFAP 000's) 1975-76 - 1978/79

	1975/76		1976/77		1977/78		1978/79*	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cocoa and Derivatives	97,255	30,034	76,830	43,034	88,366	70,315	69,088	49,722
Hard Wood, Etc.	492,341	13,531	585,902	20,358	580,516	22,960	389,138	16,149
Aluminium	33,458	6,318	31,720	8,125	27,709	8,114	7,090	2,769
Cotton	14,245	4,310	15,632	7,389	13,415	5,713	10,695	4,344
Coffee	113,723	34,001	83,268	51,968	69,341	53,596	52,063	32,722
Tobacco	2,409	3,100	2,316	3,873	2,405	3,600	2,170	1,195
Tea	403	72	612	200	426	158	190	102
Groundnuts	9,314	555	533	249	3,156	470	3,411	488
Palm oil and Kernels	20,299	1,075	20,643	1,548	10,629	887	15,568	1,766
Bananas	81,738	4,890	82,406	5,200	76,843	5,150	62,557	1,098
Rubber	15,626	2,026	20,397	3,814	10,585	2,104	3,493	757
Manufactures/Industrial	183,852	26,125	170,885	36,841	166,423	43,403	23,924	4,934
Others	5,605	4,115	16,364	5,159	127,811	9,626	401,480	8,324
TOTAL	951,988	112,252	997,799	161,242	1,078,911	191,010	1,077,640	131,273

Source: MINEP, Rapport Sur La Situation Economique et Sociale 1977/78. Vol. II, pages 24-25.

* Estimates, 9 months data by MINEP, Direction de la Statistique, Memo.

TABLE X (C)

COMPOSITION OF IMPORTS, VOLUME (TONS), VALUE (CFAY 000's) 1975/76 - 1978/79

	1975/76		1976/77		1977/78		1978/79 ^a	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Food Drinks, Tobacco	98,488	9,054	118,283	11,315	139,599	13,906	148,698	12,671
Petroleum and Products	291,778	9,138	439,625	16,873	524,379	22,370	410,126	16,771
Fruits of Vegetable and Animal Origin	42,723	3,134	55,778	5,341	69,589	5,050	60,152	3,747
Plants of Mineral Origin	128,169	3,779	112,377	3,794	100,509	3,312	110,376	3,094
Sub-processed Goods	358,560	19,346	457,963	23,587	572,725	33,541	490,973	28,425
Agricultural Equipment	1,271	853	1,135	1,135	1,413	1,531	810	1,002
Industrial Equipment	31,477	20,877	37,221	32,160	47,980	36,856	47,068	38,091
Transport Equipment	18,859	14,322	21,355	20,748	40,796	29,611	14,746	15,614
Household Goods	18,704	14,606	22,316	18,438	24,233	29,919	18,317	18,665
Enterprise Goods	69,548	31,449	86,269	40,686	118,876	48,338	69,411	40,310
TOTAL	1,059,577	126,558	1,352,325	174,077	1,640,101	216,436	1,370,678	178,390

^a 9 Months estimate, MINER

Source: MINER

TABLE XI

INDEX OF CONSUMER PRICES IN YAOUNDE FOR MODERATE INCOME CAMEROONIAN FAMILIES 1970/71 - 1978/79 (1)

	1968 = 100									
WEIGHTS	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	
Foodstuffs	33.6	112.3	123.4	136.2	149.5	177.2	199.5	232.0	275.1	291.6
Beverages/Tobacco	10.3	108.4	114.4	118.4	123.2	136.9	142.4	147.5	157.7	164.1
Household Service	14.6	99.9	108.7	118.5	127.2	152.6	167.3	178.9	199.1	208.1
Clothing	16.3	104.9	107.6	121.8	134.8	148.5	163.4	197.3	215.6	257.1
Transportation	10.5	104.8	106.2	111.5	119.5	247.5	257.4	275.2	320.7	331.5
Health Services	5.0	100.9	107.3	113.7	123.6	148.0	163.2	160.5	166.8	175.1
Recreation	5.1	124.4	126.4	125.6	130.4	144.8	157.4	172.0	228.1	268.9
Other	4.6	124.8	124.3	127.7	134.8	164.5	194.0	211.6	235.5	235.3
General Index	100	108.8	116.3	124.8	143.3	163.5	185.0	206.8	237.3	255.2 (2)
Percentage Increase		8.8	6.9	7.3	14.9	17.6	9.8	11.8	14.7	11.6
Articles bought In stores	50.4	108.0	112.9	121.1	132.5	156.3	169.7	187.7	204.9	222.0
Articles bought In the market	30.4	108.0	120.0	133.9	147.0	168.7	192.7	225.8	274.6	295.5
Services	18.7	112.3	113.9	118.1	164.6	201.2	213.1	226.5	264.7	277.3

1) Yaounde represents a more realistic picture of price changes than other cities in Cameroon. It is the capital city with the largest number of government employees. Because of transport costs, prices of essential commodities are higher in Yaounde than in the other major city, Douala.

2) The 1978/79 price data is for the first six months only. The percentage increase during the period reflects changes relative to the corresponding six months during the previous fiscal year.

SOURCE: Compiled GURC official sources.

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