

Action Plan

FY 1990-1992

CAMEROON

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FY 1990 - FY 1992

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Table of Acronyms

AP	Action Plan
ABS	Annual Budget Submission
ALO	A.I.D. Liaison Officer
API	Assessment of Program Impact
CamCCUL	Cameroon Cooperative Credit Union League
CAPP	Cameroon Agriculture Policy and Planning
CCCE	Caisse Centrale pour le Cooperation Economic
CDC	Commonwealth Development Corporation (UK)
CDSS	Country Development Strategy Statement
CFAF	CFA Franc (Franc de la communauté financière africaine)
CIP	Commodity Import Program
CLUSA	Cooperative League of the USA
COIC	Cameroon Opportunities Industrialization Centres
CPR	Contraceptive Prevalence Rate
DSS	Development Strategy Statement
EAPRI	Economic Analysis and Policy Reform Implementation Office
EEC	European Economic Community
EPI	Expanded Program of Immunization
FAC	Cooperative Assistance Fund
FAO	Food and Agriculture Organization
FHI	Family Health Initiative
FONADER	National Rural Development Fund
FIAS	Foreign Investment Advisory Service (IMF)
FSN	Foreign Service National
FSSRP	Fertilizer Sub-Sector Reform Program
FTZ	Free Trade Zone
GDP	Gross Domestic Product
GRC	Government of the Republic of Cameroon
HBCU	Historically Black Colleges and Universities
HRDA	Human Resource Development Assistance
IBRD	International Bank for Reconstruction and Development (The World Bank)
IDI	International Development Intern
IFC	International Finance Corporation
IITA	International Institute of Tropical Agriculture
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IRA	Institute de Recherches Agronomiques (Agricultural Research Institute)
ISNAR	International Service for National Agriculture Research
LC	Local currency
MAPS	Manual for Action in the Private Sector
MCH/CS	Maternal and Child Health/Child Survival
MOH	Ministry of Health
MT	Metric tons
NAS	National Academy of Science
NCRE	National Cereals Research and Extension II
NGO	Non-governmental organization
NPA	Non Project assistance

ONCPB	Office National de Commercialisation des Produits de Base (National Produce Marketing Board)
OPIC	Overseas Private Investment Corporation
ORT	Oral Rehydration Therapy
OYB	Operational Yearly Budget
PACD	Project Assistance Completion Data
PAAD	Program Assistance Approval Document
PAIP	Program Assistance Initial Paper
PID	Project Identification Document
PIR	Project Implementation Report
PSC	Personal Services Contract (USAID)
PRAMS	Program of Reform in the Agricultural Marketing Sector
ProAg	Program Agreement (between USAID and host government)
PVO	Private Voluntary Organization
ROTREP	Tropical Root and Tuber Research
SAL	Structural Adjustment Loan
SAP	Structural Adjustment Program
SDA	Social Dimensions of Adjustment Program
SEMRV	Société d'Expansion et de Modernisation de la Riziculture à Yagoua (rice development scheme in Extreme North Province)
SODECOTON	Société de Développement du Coton (parastatal for marketing and exporting cotton)
TLU	Testing Liaison Unit
UCD	University Centre Dschang
UNDP	United Nations Development Programme
UNFPA	United Nations Family Planning Agency
USAID	United States Agency for International Development
USDH	US Direct Hire
WID	Women In Development

ACTION PLAN OVERVIEW

This Action Plan has been prepared while Cameroon is in the midst of an economic crisis which will not be quickly or easily resolved. Partly in response to that crisis USAID adopted a new strategy, described in the Cameroon FY90 - FY94 Country Development Strategy Statement (CDSS). This Action Plan will describe the programmatic choices we have made to implement the strategy, the progress we have made since the FY88 - FY90 Action Plan, establish the benchmarks we intend to achieve during the next two years, and outline intended management steps. Per A.I.D./W instructions the format for the Action Plan conforms to the guidance issued for Action Plans through FY89.

The current development climate in Cameroon is extremely difficult. The conditions that caused the crisis, i.e., a sharp decline in basic commodity prices, a bloated and inefficient public sector, and an inappropriate incentive system, continue. In some ways they have gotten worse. For instance, GDP continues to decline and liquidity, in a crisis stage in 1989, is further contracting.

The Government of Cameroon (GRC) has reacted positively to the crisis and is making many of the policy changes supported by the international donor community. For example: performance contracts have been issued for many para public enterprises; some public enterprises have been privatized; investment laws have been significantly liberalized; and the GRC budget has been reduced from 800 million FCFA to 600 million FCFA, although it is impossible to tell if the deficit has been reduced because no figures are available on arrears. Contrastingly, implementation of many policy changes has been slow, as demonstrated by the delay in releasing the second tranche of the SAL by the IBRD. Little appears to have been done in settling outstanding arrears. Complaints about rent seeking behavior at all levels of the GRC continue to grow.

On the political side, the Cameroonian people continue to demonstrate a willingness to endure the necessary sacrifices. Some signs of unrest are beginning to appear, mainly because of pressure for expanding opportunities for political expression. Still, civil unrest, compared with the rest of West Africa, has been very modest.

In the CDSS, several scenarios were postulated. The two that seemed most probable were: 1) slow recovery and 2) deepening crisis. Cameroon continues to be in the slow recovery phase.

In reviewing USAID/Cameroon's progress since the previous Action Plan, one should bear several things in mind. First, at time of the preparation of the FY88-FY90 Action Plan a less serious crisis was anticipated. Second, the major conclusion of the Program Week Review was that USAID/Cameroon should prepare a new CDSS. In spite of the developing crisis, the benchmarks established in the previous plan have largely been met, even though those benchmarks were more

relevant to the previous growth oriented period than to the current crisis. Although we believe achieving these benchmarks demonstrates effective project management, there is little cause for optimism regarding the current Cameroonian development environment. This environment is an extremely difficult one in which maintaining zero growth should be viewed as a very significant accomplishment.

The strategy outlined in the CDSS is reaffirmed. The overall goal of a return to sustainable economic growth is retained.* So are the strategic objectives: 1) develop a market oriented private sector; 2) reduce the role of the GRC in the private sector, with an emphasis on agriculture; and 3) increase the efficiency with which public services in agriculture, higher education and health are provided. To achieve these objectives we plan on continuing our two major program areas: 1) technological and institutional development through technical assistance projects and 2) macro economic policy changes through non project assistance. Thus, we anticipate continued involvement in agriculture research, the University Center at Dschang, Maternal Child Health, and rural credit. Support of the Agriculture Policy and Planning project beyond the current PACD will depend on continued GRC support and use of the project.

We have initiated steps to reduce the size of the core projects to make them sustainable by the GRC. We also plan on restructuring projects in the agriculture research and health areas.

The CDSS outlined a range of Non Project Assistance (NPA) options from which ultimate choices would be made. The choice has now been made: USAID/Cameroon will concentrate on the agriculture marketing sector. We will expand on our experience in fertilizer marketing by addressing similar issues in coffee and cocoa marketing. Further expansion into pesticides marketing will depend on resolution of technical and economic issues and seems likely to extend beyond the two years covered by the Action Plan.

Funding will be split approximately equally between project and non-project assistance. Approximately 10% of our OYB will go for regional and centrally funded activities of relevance to Cameroon and of special interest to Congress. We will resist pressure to expand this area beyond that amount due to the need to concentrate on major programs. The exact split among all three areas will depend upon funding availabilities and whether the Cameroonian crisis continues to develop.

* Given the extreme centralization and importance of GRC equity holdings in Cameroon, for the private sector to expand, the over-extension of the public sector has to be reduced both in terms of liberalizing policies, rules and regulations and transferring responsibilities to produce and to procure private goods and services to private economic operators.

Reflecting the uncertain economic environment, the climate for policy change is decidedly mixed. At one level, the GRC is highly receptive to reform because they see the need for change. At another level, the lack of cash in the economy (IBRD estimates liquidity in the rural sector has been reduced 40%) is depressing demand just at the point that we are encouraging the GRC to promote privatization. The fertilizer program has been adversely effected, and the Program to Reform the Agriculture Marketing Sector (PRAMS) will have to deal with the liquidity problem.

One area where this crisis may have a mainly positive effect is in family planning. GRC policy supports family planning, and the crisis encourages its practice, particularly in urban areas. Thus, when the GRC requested as part of the SDA program that USAID/Cameroon support a PVO project to reform health care delivery in Extreme North Province, we agreed to a one time reob action to fund the proposal. This activity will reinforce emphasis on cost recovery for health care while expanding the delivery of family planning services.

For at least a decade A.I.D. has continuously pushed to do more with less. This motto has long since passed the point of diminishing returns. Because of declining resources, USAID/Cameroon intends to do less with less but to improve the quality of those activities that we do attempt. Both projects and non projects will have fewer but more relevant targets. Increased donor coordination will also be emphasized. Some restructuring of functions within the Mission will also take place but for the most part that will await the completion of the personnel arrival/departure process.

I. A REVIEW OF PROGRESS IN ACHIEVING A.I.D.'S STRATEGIC OBJECTIVES IN CAMEROON

A. Program Impact Assessment

In response to seriously deteriorating economic conditions in Cameroon, USAID/Cameroon introduced a new Country Development Strategy during the period of the FY 88-90 Action Plan. The ensuing budgetary crisis resulted in underfunding and the accumulation of arrears on the part of the GRC and highlighted weaknesses in the systems of incentives within the GRC that discourage performance. This impeded the attainment of earlier Action Plan targets and necessitated the drafting of a new CDSS which has been in effect since April 1989. The current CDSS strategy supports the GRC Structural Adjustment Program (SAP), which is also being supported by the IMF and IBRD.

USAID/Cameroon's previous overall objective of increasing food production at a rate exceeding that of population growth appears to have been met, although USAID's role in that success was part of a larger process. Various statistical interpretations are possible, but we note that food is widely available, no significant shortages have occurred, and food prices have remained relatively stable. Per capita food production remains positive. Significantly, the GRC believes that food production and availability has limited civil unrest.

The primary role of agriculture in the economy continues. The economic crisis has made it difficult for IRA to sustain necessary levels of agricultural research. The crisis has also shown that development of agricultural production technologies is not a sufficient role for IRA. Responding to the need to broaden IRA's relevance to farmers and to increase its contribution to national development, USAID/Cameroon participated in the preparation of a National Agricultural Research Action Plan and Performance Contract. The plan, based on the restructuring and rehabilitation of IRA, proposes to ensure that future public investments will be utilized more efficiently.

Agricultural research is one of the most important elements of the GRC's efforts to ensure adequate levels of productivity growth. It is estimated that in areas where improved seeds are available, improved seed varieties, produced by NCRE researchers, are used on 50% of maize, 80% of rice and 30% sorghum.

Long- (PhD, Masters) and short-term training targets for the agricultural sector were met, both for the research institute (1 PhD, 5 Masters) and for the agricultural university. The Agricultural Policy and Planning Project was redesigned to make it more responsive to the need of policy reform. The new project is revising survey methodology, sample design and the basic questionnaire to reduce processing delays. An on-line database was established to meet the

needs of the Structural Adjustment Program. The 1988 and 1989 survey data were found only marginally reliable for policy analysis, so the benchmark of data availability by April of the following year has not been met, nor has that of disaggregating marketing activities by gender. Production data is disaggregated by gender, and this information will be entered into the on-line database for policy analysis.

Certain benchmark indicators in agriculture were not met. Because of budgetary restrictions, enrollment in the new curriculum at University Center of Dschang (UCD) did not reach 1200. The economic crisis limited expansion to 700. Under the current circumstances, however, the Mission views this as positive. Currently, 100 entering students (including 13 women, two short of the 15% benchmark) are studying under the new curriculum. In other benchmarks, a variety of corn that produces 8 MT per hectare was developed and is enjoying wide acceptance in areas where it is available. However, research has not yet developed an insect tolerant variety. Farm evaluation of yams and cocoyams has been delayed by 2 years because of the need to complete additional genetic work.

Action Plan targets for the agricultural services network were uniformly exceeded. First, continued growth in credit union savings was met at a nine percent annual nominal rate during the Action Plan period. Total loans increased at a five percent rate at a time when the banking system as a whole was retrenching. Lending was constrained since credit union deposits were frozen by the collapse of several commercial banks. The benchmark indicator of expansion from two to four provinces was met; that of membership expansion from 60,000 to 75,000 should be met during FY 1990. Membership reached 71,000 in June 1989 with a net annual growth of 5000 members. This has since stagnated due to worker layoffs in some parastatals under the Structural Adjustment Program.

Second, the target of private sector importation and distribution of fertilizer has been fully met, with the direct role of the GRC and the parastatal FONADER eliminated. The benchmark of increasing sales to 100,000 MT per year was not achieved. Illiquidity resulting from marketing board arrears to farmers and cooperatives limited the increase to 63,000 MT in 1988/89 and perhaps to a lower figure for this year. A more relevant benchmark of decreases in subsidies and marketing margins would have been met by this program. The fertilizer subsidy was reduced from 65 percent of retail price in 1987 to 22 percent in 1989. The Mission intends to build on this activity by expanding its scope to include coffee and cocoa marketing and perhaps other farm inputs as a means of increasing farmer choice and reducing marketing margins through competition.

Third, the target of a prototype system of seed multiplication (mainly corn and peanuts) was met, however, the benchmark indicator

(100% of annual seed requirements met by the network) was unrealistic and was not met. Privatization is a more relevant benchmark and will probably be met by the PACD of 12/91.

In education, the Mission can report satisfactory progress toward two of three strategic objectives. By the time of the termination of the support to the Primary Education Project, many of the targets and benchmarks associated with that project had been met. We also note that the GRC has continued many in-service teacher training seminars.

Most targets were met toward transforming the University Center at Dschang into a superior agricultural university. The administration and faculty were restructured along the lines of a land grant university, the long-term training of key administrators and faculty was completed, and the role and position of women was improved (at a share of enrollment of 9 percent, up from 6 percent in 1986-87, and at more than 50 percent of beneficiaries of outreach).

The maintenance benchmark has also been met. UCD's maintenance capability was enhanced through in-service training, definition of staff responsibilities and tasks, and the selection of a maintenance advisor. However, six planned buildings have just begun construction.

Another essential benchmark indicator of program impact has also been met. The new curriculum is being phased in and the faculty Masters/PhD training in the U.S. is being completed. An overall UCD Mission statement was completed although some individual departments have yet to finalize their statements. Further work on procedures is required. The Mission is concerned about sustainability, an area on which we are placing increasing emphasis. The final evaluation of Phase I and the PID for a follow-on project are being completed. In all, five of seven benchmark indicators were met.

Training targets in the private sector were generally exceeded, although participant training fell short. COIC is well established and producing graduates with marketable skills in certain trades; benchmarks were exceeded for building trades (127% of indicator level by Nov. 1989), furniture making (117%), auto mechanics (105%), and domestic and hotel services (145%). Only in business management (26%) are benchmarks unlikely to be met by FY 1990. This last result has led to changes in the business curriculum. COIC received a special citation in the President's national address in 1989, and was selected as an appropriate training vehicle under the World Bank SDA Program.

Although the new Participant Training Management System has been completed, the re-issue of the Training Directory and the follow-up study have not been completed. Negotiations to implement the new HRDA project are nearing completion. Training targets and benchmark indicators concerning 1) HBCUs (systematic review of every training grant for possible placement), 2) private sector (50% target, 3%

achievement), and 3) women (35% target for FY90, baseline 15% in FY87, 20% in FY88 and 26% in FY89) have not yet been met. We note that three of the five candidates sent for Masters degree training went to HBCUs. Finally, the private sector training needs analysis has not yet been carried out. The Mission has established a Private Sector Training Committee under HRDA with the goal of meeting qualitative as well as quantitative benchmarks. It has reached agreement in principle with Entrepreneurs International to establish familiarization, training and trade visits for Cameroonian entrepreneurs with U.S. firms.

The negative impact of the GRC austerity budget has been particularly felt in the health sector. The Ministry of Public Health has reoriented its management under the SAP. The new strategy calls for an integrated approach for service delivery. Another important objective of the reorientation is engaging consumers in co-financing health care schemes by participating in the management and promotion. Sixteen trainers have been trained to provide in-service training to rural health personnel (benchmarks: 35 supervisory personnel, 121 middle level personnel and 600 community health agents trained in health management).

The other targets (contraceptive prevalence rate increasing by 2 percent, and schistosomiasis control programs established and funded by MOH) have not been met. Of the eight benchmark indicators, the vaccination centers which are preconditions for performing the necessary activities have been reactivated and commodities (contraceptives, chloroquine) to attain benchmark indicators are in stock or on order. A.I.D. support in providing measles vaccine and transport enabled the GRC EPI teams to cover between 23 percent and 32 percent of the target of 85,000 children under age 5; and A.I.D.-provided tetanus toxoid protected 17,000 of a target 90,000 pregnant women (Table 1).

MOH has reoriented its management under the SAP, and USAID/Cameroon expects more rapid achievement of earlier benchmarks. For instance, private sector distribution and sale of condoms has been introduced through a USAID/Cameroon-supported social marketing program. USAID/Cameroon is initiating a new FVO program for community-based child survival activities in the Extreme North province, which will provide coverage of a third province while offering a complementary methodology to the government-run health care center system.

The GRC agreed to introduce family planning activities under the MCH/Child Survival Project and in its SDA project with the World Bank. The GRC approaches family planning by emphasizing "responsible parenting." Increased emphasis is being placed on contraception. Working with USAID/Cameroon and UNFPA, the GRC is developing a family planning policy that should lead, over the next five years, to a significantly expanded national family planning program.

B. Implications for Future Program Action

Since the beginning of the economic crisis in 1986, it has become increasingly clear that 1) GRC resource constraints are having serious adverse effects on the implementation and impact of A.I.D.'s ongoing projects, 2) the Cameroonian economy probably cannot return to a sustainable growth path without major structural reforms, and 3) existing distortions within the economy prevent A.I.D. programs from achieving their planned objectives. The USAID/Cameroon program is addressing those constraints. Listed below are the three strategic objectives of USAID/Cameroon and the activities through which these objectives are to be addressed. Many of the activities address more than one objective.

Strategic Objective One: Develop A Market-Oriented Private Sector

Activities:

Credit Union Development II
Fertilizer Sub-Sector Reform Program (FSSRP)
Program of Reform in the Agriculture Marketing Sector
(PRAMS I, PRAMS II)
Free Trade Zone (FTZ)
Reform of Health Care Delivery Systems (RHCDS)
Manual for Action in the Private Sector (MAPS)
Foreign Investment Advisory Service (FIAS)

Strategic Objective Two: Reduce the Role of the GRC in the Private Sector with an Emphasis on Agriculture

Activities:

Credit Union Development II
Fertilizer Sub-Sector Reform Program (FSSRP)
PRAMS I and PRAMS II
Agriculture Policy and Planning (CAPP)
Free Trade Zone (FTZ)
Foreign Investment Advisory Service (FIAS)

Strategic Objective Three: Increase the Efficiency with which Public Services in Agriculture, Higher Education and Health are Provided

Activities:

Research

National Cereals Research and Extension (NCRE)
Tropical Roots and Tubers Research (ROTREP)
Agricultural Policy and Planning (CAPP)

Education

Agriculture Education Project
Human Resources Development in Africa (HRDA)
Cameroon Opportunities Industrialization Centres International
(COICI)

Health

Maternal Child Health/Child Survival (MCH/CS)

Reform of Health Care Delivery Systems

HIV/AIDS

Family Health Initiatives Project (FHI)

Targets of Opportunity

Activities:

HIV/AIDS

Korup

Lake Nyos

CARE Agro-Forestry

COICI

USAID/Cameroon continues to concentrate on the rural sector. We are confident that the thrust of the program is correct and that this has been demonstrated by the successes obtained in numerous technical areas. The major challenge of the next two years is to maintain progress in the technical areas while reducing the cost of the activities to a level that is ultimately sustainable by the GRC. This is a process that will take longer than two years, but we are confident that substantial progress can be made. Initial concentration will be on developing with the GRC a much tighter priority list. Only those items that are truly essential can be retained. Once established, such a priority list will allow us to begin to reduce the size of the activities. Over the long run this will begin to make them more affordable. Secondly, we will be actively working with the GRC to improve management, especially in the financial area. Significantly tighter control of costs is imperative, as is reorienting activities toward the market with the ultimate objective of recovering much of the costs of the activities.

More generally, the Mission is concentrating on reducing government-caused price distortions affecting use of inputs and outputs in agriculture. This will be addressed by a series of NPA activities, beginning with the current FSSRP and continuing with PRAMS I, PRAMS II, and possibly other policy related activities. Our joint work with OPIC and the GRC in developing a Free Trade Zone regime will broaden our sectoral coverage of the agro-business and industrial sectors. The Mission's work in support of the Free Trade Zone regime is a precursor to further work regarding the removal of distortions affecting one's ability to do business in Cameroon.

The portfolio will continue to support attractive targets of opportunity. One of these is COIC, which has been incorporated into the SDA program and which reinforces certain aspects of the market orientation of our CDSS. We will support COIC at approximately current levels, with additional support coming from the World Bank and other donors under SDA.

Natural resources is also a target of opportunity for the Mission. We plan to continue our support to the Korup National Park, emphasizing efforts to minimize destruction of wildlife. Additionally, Natural resource concerns will be incorporated in policy dialogue, so that the market incentives built into the GRC Structural Adjustment Program encourage environmental protection and do not include those which encourage environmental degradation or excessive depletion of natural resources.

II. STRATEGIC OBJECTIVES, TARGETS AND BENCHMARK INDICATORS

A. Cameroon Strategic Objectives, Targets and Benchmark Indicators

The Mission's goal for the FY 1990-1994 period is to assist the GRC to achieve sustainable, broad-based economic growth. Sustainable growth requires that the private sector's role in the economy be expanded through policy reform, while that of the public sector contracts to affordable levels and becomes more efficient. As presented in our April 1989 CDSS, the key assumption is that the GRC will continue and expand the corrective actions begun in 1987, but that adjustments will be made slowly and unevenly. By 1993-94, assuming the validity of the "slow recovery" scenario, the majority of major economic indicators will be at similar levels to those during 1983-85.

In keeping with the goal of sustainable growth, goal impact indicators to be monitored will include the following ratios, all of which are expected to decline: GRC budget as a percentage of GDP; state-owned enterprise investments as a percentage of total enterprise investment; and public/parapublic employment as a percentage of the total modern sector employment.

Other goal impact or country trend indicators to be monitored will include: GDP, which should reach CFAF 3.9 trillion in 1985 equivalents by 1993-94; and the Balance of Payments, which should become positive in the same time period. In terms of social indicators, the Mission will monitor the Infant Mortality Rate (IMR), which should begin a downward trend back to 110 from its current estimated high of 115. Finally, the impact of liberalization and structural adjustment on the poor will be monitored under SDA, possibly using Cornell University. Preliminary data suggest that a useful proxy indicator might be percent of total expenditures spent on food, which in 1983-84 ranged from 28 per cent in Yaounde to 52 per cent in rural areas. All analyses will be gender-disaggregated. We are acutely aware that available data bases in Cameroon are limited and unreliable. USAID/Cameroon plans over the next 12 months to review data questions in an effort to increase the appropriateness of our monitoring and evaluation programs.

The program that is summarized in the following pages is carefully cast to respond to the assumed difficulties that will be encountered during the Structural Adjustment Program. The major difficulty we anticipate is a continuing liquidity crisis throughout the economy and a concurrent lack of budgetary resources by the GRC. A bureaucratic regime that discourages efficiency is also a major problem. While we have tried where possible to keep our Strategic Objectives and Targets within A.I.D.'s "manageable interest," there are other actors--Cameroonian and international--who will influence the direction the GRC will take. Achievement of Strategic Objectives is thus dependent on the assumed continued efforts of the GRC and other donors towards similar ends.

The Mission's Strategic Objectives for the FY 90-92 period are as follows:

1. Develop a market-oriented private sector;
2. Reduce the role of the GRC in the private sector with an emphasis on agriculture; and
3. Increase the efficiency with which public services in agriculture, higher education and health are provided.

Program Performance Indicators, Targets and Benchmark Indicators for each of these objectives are presented below. Targets of Opportunity follow. Appendix A lists sources of information to be used to measure each of the indicators as well as the USAID/Cameroon office responsible for such measurement.

Strategic Objective One

Develop a market-oriented private sector.

Program Performance Indicators

- Increased domestic and foreign investment in diversified export sector.
- Increased savings
- Increased formal private sector employment and income.
- Procurement contracts for imported fertilizer inputs are executed privately under competitive procedures throughout the reporting period.
- Sales contracts for exported products executed privately under competitive procedures for arabica coffee in 1992 and for robusta coffee/cocoa in 1993.
- A privately owned and operated Free Trade Zone established by 1992.

Key Mission efforts that will lead to the achievement of this Strategic Objective are the Fertilizer Sub-Sector Reform Program (FSSRP, 631-K-601/631-T-602), the Program of Reform in the Agricultural Marketing Sector (PRAMS, 631-0603), Credit Union

Development II (CamCCUL, 631-0057) and its planned follow-on, and on-going policy dialogue and selected technical assistance for creation of the Free Trade Zone. The Agriculture Policy and Planning Project (CAPP, 631-0059) will play an important role in provision of data and analyses to support Mission and GRC dialogue on inputs and marketing.

Target 1.1: Deepened savings and credit structure more responsive to individuals' and firms' needs.

Benchmark Indicators

- Liberalized cooperative and credit union legislation enacted by 1991.
- Payment of arrears results in recapitalization of coffee and cocoa cooperatives by 1992.
- Savings in CamCCUL and similar organizations is maintained at current levels in spite of banking crisis (i.e., does not drop below CFAF 10 billion).
- Number of women members of CamCCUL increases from estimated 20% in 1989 to documented 25% in 1991.

Target 1.2: Enactment of streamlined and transparent legal and regulatory system for domestic and foreign investors.

Benchmark Indicators

- Enactment of revised Investment Code and implementing regulation by 1992.
- Liberalization of legal/regulatory system based on analytic studies to be undertaken.
- Cameroon Free Trade Zone (FTZ) regime established and maintained throughout reporting period.
- Initial FTZ developer(s) and investors identified by 1991.

Strategic Objective Two

Reduce the role of the GRC in the private sector with an emphasis on agriculture.

Program Performance Indicators

- Percent of fertilizer imported by public sector remains at 0% throughout reporting period (excluding EEC CIP for SODECOTON and SEMRY).
- Public sector subsidy for imported fertilizer at zero by 1992 and maintained throughout reporting period, (down from 22% of total delivered cost in 1989). **
- Reduction in domestic distribution cost of fertilizer by 20% by 1993.
- Percent of world price received by coffee producers and marketing organizations increases, from approximately 50% in 1980-87 period to approximately 80% of the world price in 1995.

Key Mission efforts to achieve this Strategic Objective are the same as those for Objective One: FSSRP, PRAMS, CamCCul and the FTZ, supported by data and policy analyses from CAPP.

Note: The Benchmark Indicators that follow are considered qualitative and will be assessed in terms of the extent a liberalization mode is implemented. The term "liberalization mode" is defined as the removal of economic constraints and the freeing up of rules and regulations that impinge upon marketing activities.

** The current Grant Agreement, signed in 1987, calls for the complete elimination of the subsidy by the end of 1991. Given the seriousness of the current economic crisis and the lack of liquidity in the rural economy, participants of FSSRP requested that the GRC prolong the existence of the subsidy beyond 1991. The GRC agreed to keep the subsidy until 1993. The new indicative subsidy rates are 20% in 1990, 15% in 1991, 10% in 1992, and 0% in 1993.

Target 2.1: Liberalization of marketing of agricultural inputs.

Benchmark Indicators

- Liberalization mode for fertilizer import and distribution maintained throughout reporting period.

Target 2.2: Liberalization of internal and external marketing of export crops.

Benchmark Indicators

- Liberalization mode for arabica coffee purchase and export established by 1992 harvest and maintained throughout reporting period.
- Liberalization mode for robusta coffee and cocoa purchase and export established by 1994 harvest.

Strategic Objective Three

Increase the efficiency with which public services in agriculture, higher education and health are provided.

Program Performance Indicators

- By 1993, the operating budget for research is allocated in parity with the annual value of farm production by commodity program and region.
- 1995 UCD Student Profile, Graduate and Tracer Studies demonstrate greater level of public and private sector employer satisfaction with UCD graduates as measured against 1988/89 baseline, at no significant increase in cost.
- 30% of population of Adamaoua, South and Extreme North Provinces receiving full five services in primary health care from GRC centers on sustainable basis (as compared to less than 10% in 1989).

Mission efforts to achieve Strategic Objective Three are centered in our "core" program. The two agricultural research projects -- National Cereals Research & Extension II (NCRE, 631-0052) and Tropical Roots & Tubers Research (ROTREP, 631-0058) -- form the main vehicle for support of policy dialogue and action on agricultural research. The Agricultural Education Project (UCD, 631-0031) forms the basis for policy dialogue and action in higher education, with CAPP again providing data to support these efforts. The Maternal-Child Health/Child Survival (MCH/CS, 631-0056), active in Adamaoua and South Provinces, and a planned FY 90 start with the PVOs CARE International and Save the Children-U.S.A. in the Extreme North Province provides us the entre and leverage for improvements in primary health care. The Family Health Initiatives Project (FHI, 698-0462.31) provides for dialogue and supports the GRC in the development of an active family planning program.

Target 3.1: Increased adoption of agricultural research results by men and women food crop producers.

Benchmark Indicator

- Demonstrated retention rate of IRA's commodities (maize, cocoyam, cassava, cowpeas and rice) exceeds 60% of participants in on-farm and regional trials, and pre-demonstration activities by 1993.

Sub-Target 3.1.1: Increased relevance and efficiency of agricultural research and policy formulation to problems of men and women farmers.

Benchmark Indicators

- In Annual Work Plans, IRA commodity research programs identify sets of end users for all technologies under development and establish adoption targets for the end users.
- IRA research criteria are responsive to men and women farmers' needs, as represented in Testing and Liaison Unit (TLU) reports or other sources, and are included in 1992 IRA Annual Plans.
- IRA commodity research programs have incorporated natural resource management criteria (e.g. soil and water management, agroforestry) among factors for selection and testing of new varieties/cultural practices in 1991/92 Annual Plans.
- National Agricultural Survey sample frame revised and new data needs incorporated into a more efficient and relevant data set for economic and policy analysis, by 1991.

Target 3.2: Increased efficiency, relevance and sustainability of higher education in agriculture in meeting needs of agriculture and agro-industrial sectors.

Benchmark Indicators

- UCD faculty time allocation moves from primarily teaching in 1989 to approximately 25% research (including policy research), 25% outreach (including Professional Development Center outreach) and 50% teaching by 1993, as measured in full-time equivalents.
- 25% of research funding and 10% student fees are externally funded by non GRC or USAID/Cameroon sources 1993.
- GRC legislation permits at least 50% retention by UCD of fees, grants, awards and contracts by 1993.
- UCD students undertaking 50% more field and practical work under new curriculum in 1992/93 than in 1989.
- UCD research and outreach programs' client group continue to be at least 50% women throughout reporting period; 15% of incoming degree program students are women in 1993 as compared to 9% in 1989.
- Faculty research and analysis capability improved as demonstrated through an increase in demand for UCD consultants. Baseline is 1989.
- Foreign students admitted to UCD increase from 26% in 1989 to 40% in 1993.

Target 3.3: Increased efficiency and effectiveness of public health services, including child spacing, for mothers and children in South, Adamaoua and Extreme North Provinces.

Benchmark Indicators

- By 1992, 20% of GRC health centers in South and Adamaoua Provinces and 10% in Extreme North providing five essential services to at-risk populations: immunization against vaccine preventable disease, ORT, growth monitoring/nutrition counseling, malaria treatment, and child spacing (up from 0% in 1989).
- By 1992, coverage rates in South, Adamaoua and Extreme North Provinces of mothers and children for immunization against vaccine preventable disease increase as reflected in Table 1.

- By 1992, the following percentages of health centers will be providing basic pharmaceuticals on self-financing basis through community-operated pro pharmacies: 20% in Adamaoua and 10% each in South and Extreme North.

Sub-Target 3.3.1: Increased GRC policy and practical initiatives in population activities.

Benchmark Indicators

- Utilizing data from the Demographic Health Survey, by 1992, the GRC will issue a Population Policy Medium Term Action Plan. This plan will establish a nationwide target for Contraceptive Prevalence Rate.
- By 1993, a functioning central distribution system for contraceptives will have been developed.
- By 1993, culturally appropriate IEC materials will have been developed and will be under distribution by the MOH.
- By 1993, the contraceptive prevalence rate in the areas served by USAID/Cameroon assisted health care centers will have reached 10%.

Targets of Opportunity

These are activities which do not fit into our three objectives but which are of particular value to Cameroon and of special interest to Congress.

Target 4.1: Increase preventive education and protective behaviors for populations most at-risk to AIDS.

Benchmark Indicator

- Condom sales increase from 731,000 units in 1989 (initial 3 months of sales) to 8,772,000 units in 1992.

Target 4.2: Increased quantity and quality of non-agricultural skilled labor force on a sustainable basis through Cameroon Opportunities Industrial Centres (COIC).

Benchmark Indicator

- 25% of COIC annual operating expenses are non-A.I.D. and non-OICI by 1992, as compared to 5% in 1989, with approximately the same level of enrollment.

Target 4.3: Management plan for utilization and protection of unique biodiversity of Korup National Park developed and adopted by GRC.

Benchmark Indicator

- . Planned inventory of Korup forest resources 60% complete by 1992.

B. AFR Targets of Opportunity

USAID/Cameroon monitors the following Bureau-level Targets of Opportunity, which will continue through the AP period. Current funding modes for all of these activities are scheduled to terminate in FY 90/91, although it is likely that all will be extended in some form. Given the current fluid state of design of follow-ons, it has not been possible to establish reliable benchmark indicators beyond "design follow-on activity."

- Sub-Sahara Regional: Regional facility for mapping, monitoring, research and control of schistosomiasis throughout Sub-Saharan Africa established in Cameroon and alternate funding sources to ensure sustainable activities identified. (Health Constraints to Rural Production, formerly 698-0408.1, now 631-0067, implemented through Tulane University)

- Central African Republic: Increased efficiency of food marketing and distribution in selected rural areas. (Rural Enterprise Development, 676-0017, implemented by Africare)

- Central African Republic: Reduce childhood morbidity and mortality through control programs for diseases relevant to the expanded program for immunization (EPI), to malaria and to diarrheal diseases. (Combatting Childhood Communicable Diseases, 698-0421.76, implemented by U.S. Centers for Disease Control)

- Equatorial Guinea: Improve agricultural production and marketing through development of a structure for sustainable cooperative services. (Cooperative Development Phase II, 653-0003, implemented by CLUSA)

III. MISSION MANAGEMENT, MONITORING, AND COORDINATION ACTIVITIES

A. Resource Management: Plans and Issues

1. Program consolidation

USAID/Cameroon is adopting a "less but better" approach for this Action Plan. Cameroon has less resources available, USAID has fewer personnel. Therefore, we are proposing fewer targets but targets which we can meet and which we believe will make a difference.

A major effort is going to be made on program consolidation. First, two projects will be successfully completed. We anticipate that North Cameroon Seed Multiplication will be privatized and that the GRC will assume responsibility for the Health Constraints to Rural Production project by FY93. Second, we are actively reviewing our research activities, both in production agriculture and planning with a view to consolidating activities in both of those areas. We believe we can achieve some economies of scale that will reduce the overall cost of the programs. We also believe that consolidation will improve project impact. Third, a major effort is being made to restructure the following projects: Agricultural Education, National Cereals Research and Extension, Agriculture Policy and Planning and MCH/CS to reduce their cost to the GRC. The restructuring process has begun with a joint examination with the GRC of recurrent costs, and project targets. This examination will be followed by a review of overall financing. At that point we believe a methodology can be agreed upon that will reduce costs and ultimately be sustainable by the GRC. Fourth, we are examining methods by which we can more effectively utilize the analytical capacity that has been developed in our projects on issues facing the total program. For example, CAPP has assisted in the development of the fertilizer and agricultural marketing activities.

2. Procedural simplifications

Our program increasingly emphasizes policy dialogue at the macro, micro and technical levels. This type of work demands different skills than those normally required for technical assistance projects. At the same time the demand for project management skills has not diminished. As demands are increasing, staff levels are being reduced. Thus, a review of Mission organization and procedures is planned for early in FY91, after the major USDH rotations occurring in FY90 are completed.

3. Staff realignments and use of PSCs and FSNs

Some realignment of functions between offices is anticipated over the next 6 months to make better use of all available skills. To supplement USDHs, greater reliance upon PSCs and FSNs is planned. A factor limiting use of PSCs and FSNs is that much of our staff intensive work concerns policy reform. All of the initiatives

planned for the current Action Plan period involve policy reform, including agriculture marketing, restructuring of key technical assistance projects, implementation of a cost recovery program in the health area, and extension of family planning coverage. All of these are staff intensive, long duration exercises. Much of the work is unavoidably on a government to government basis that requires USDH involvement. Moreover we are implementing African Bureau targets of opportunity in the Central African Republic and Equatorial Guinea, which places a further demand on our time.

The CAR program is currently managed in USAID/Cameroon on a daily basis by an FSN. Policy guidance is provided by the Deputy Director. Within the CAR, there is an ALO stationed at the Embassy. Expansion of this approach to Equatorial Guinea is anticipated. Similarly, in-country targets of opportunity will be managed primarily by FSNs. In line with our more extensive use of FSNs, we have developed an internal IDI program. Senior FSNs also now manage projects in the areas of health and credit unions.

4. Collaboration with Peace Corps and PVOs

The Mission intends to continue our small projects assistance activity, under which we have achieved significant impact with a small investment in resources. Peace Corps Volunteers make important contributions to our credit union and COIC activities. USAID/Cameroon looks for fairly self-contained PVO activities that are not intensive users of Mission management time. The Korup National Park (World Conservation International) activity is an example of such a project. COICI has required more attention because of an unforeseen transitional phase which is leading to additional financing by other donors. Our new child survival initiative (CARE and Save the Children) will provide a complementary model to the government-service-delivery model while increasing our geographical coverage. The Peace Corps has been invited to participate in this project. Finally, two of Africa Bureau's targets of opportunity, in Central African Republic and Equatorial Guinea, are implemented exclusively by PVOs. The Peace Corps is also actively involved in these activities.

5. Pipeline/Mortgage issues

At the time the FY90-FY94 CDSS was drafted, it was anticipated that local currency generations from NPA activities could be used to finance technical assistance projects. However with the choice of coffee and cocoa marketing as the NPA intervention, it is clear that local cost (LC) generations will be largely retained within the activity itself. Therefore, depending on the results of the GRC restructuring exercise, some financing of recurring costs out of the OYB may be necessary. This puts our OYB under a certain amount of stress, but we are confident it is manageable.

We envisage approximately a 45:45:10 split between NPA, Project Assistance, and Buy Ins with the precise figure depending on specific activities, which will be subject to reallocation as we monitor and evaluate the performance of each component of the program in accomplishing its goal.

6. Summary of new initiatives during Action Plan period

. Policy dialogue

Virtually all of our activities have a significant policy dialogue content. The macro economic reform effort is lead by the Economic Analysis and Policy Reform Implementation (EAPRI) office and is familiar to most readers. The Program to Reform the Agriculture Marketing Sector (PRAMS) will extend the liberalization process begun in fertilizer to coffee/cocoa marketing. Support for the general liberalization of trade and investment policy is a second component of EAPRI work. The Mission Director spends perhaps 2/3 of his time in support of these activities. At the technical level, policy issues ranging from research priorities (NCRE) to natural resource management (KORUP) are addressed primarily by the two technical divisions (EHRD and ARD). A major effort will be made over the Action Plan period to increase information sharing between activities.

Policy dialogue has reached a particularly difficult point in Cameroon. The broad outline of reforms has been agreed to. Now the hard part begins -- doing the actual implementation and living with the consequences. We anticipate that the GRC will only be modestly successful in implementing reforms. The tasks are difficult and the costs high. We believe the most productive role USAID can play is offering public support, while applying pressure in private. Emphasis is placed on effectively implementing a limited number of key reforms.

. Non project assistance

The current Fertilizer Sector Reform Program provides the basis for an extension of reform and liberalization in our proposed Program of Reform in the Agricultural Marketing Sector (PRAMS). PRAMS I has as its goal the liberalization of internal and external marketing of arabica coffee with minimum social costs in support of the Structural Adjustment Program, as well as establishing the policy framework for further liberalization. The PAIP for PRAMS I was recently approved, with field authorization granted for the PAAD which will be prepared in May, 1990. It can disburse \$20-25 million in two to three tranches, beginning in mid-1990.

PRAMS II would progressively liberalize the marketing for robusta coffee and cocoa by restructuring the marketing and price stabilization schemes in the subsectors. FY 1991 start, in three

tranches, is proposed for approximately \$20 million. At its completion, the major export crops would be fully liberalized and privatized.

USAID/Cameroon has financed activities by the Foreign Investment Advisory Service of the International Financial Corporation (IFC), which has led to a revised, liberalized and transparent Investment Code for Cameroon as well as an overall diagnostic of problems facing private sector development. The MAPS Private Sector Survey results will give the Mission an important information base from which to draw conclusions regarding the barriers to investment and doing business in Cameroon. Separately, Mission assistance has financed the design of legislation creating a Free Trade Zone regime, and will continue with assistance to implement this legislation. These exercises, in conjunction with the Mission's experience to date will serve as the basis for the development of our private sector strategy by the end of FY90.

B. Tracking and Performance Evaluation

Given the cross-cutting nature of our Strategic Objectives and the multi-sectoral efforts necessary to achieve several of the Targets, the Mission will increase its efforts in monitoring during the coming AP period. The standard information system will consist of the following:

- Semi-Annual Project/NPA Implementation Reviews: The PIR process will be maintained and strengthened as an internal management tool. Selected activities that are non-projectized and currently "out of the loop", such as the Free Trade Zone and FIAS efforts, will be reported through Small Project Summaries (1 page) as will centrally-funded activities that are considered Targets of Opportunity (e.g. HIV-AIDS, Korup National Park). For all major projects/NPA, section E. of the current form, "Progress in Meeting End of Project Objectives", will be expanded to include a statement as to progress in meeting relevant Benchmark Indicators and/or Targets. Senior Mission staff will review the PIRs with relevant staff to offer management and programmatic advice and discuss corrective actions. Program elements which need further investigation will be identified through these reviews.
- Assessment of Program Impact: The new proposed API will be used to codify information on achievement of Benchmark Indicators into a program-level reporting format each October. It is estimated that information provided in the March and September PIR's, as expanded to include Benchmark Indicators, will provide the basis for approximately 80 percent of information required for the API report. The other 20 percent will be obtained through other donors, chiefly IBRD/IMF, and selected Special Studies. It is anticipated that data from the Agriculture

Policy and Planning project will be an important part of this effort. Until the API (or similar new program-level report) is instituted, the Mission will use its Program LogFrame as the basis for the PIR Overview Memo submitted to AFR/W.

- **Special Studies:** As stated above, the periodic PIR preparation and review process is intended to identify specific areas (sector/target specific and/or cross-cutting) that need further investigation. At this time, the Mission has identified one cross-cutting study, on the Legal and Regulatory Obstacles to and Requirements for Cost-Recovery by GRC Entities (i.e., UCD and Health Centers), which will be initiated in the coming months. Several sector-specific studies, i.e., farmer adoption rates and pesticide feasibility issues, will be developed within on-going project/NPA management modes.

The monitoring of critical assumptions, notably the GRC's adherence to the Structural Adjustment Program, will be undertaken by the EAPRI Division in conjunction with other divisions, and discussed in the annual API. The Project/NPA Evaluation Plan as presented in the FY-91 ABS remains valid and will be implemented. Future evaluation Scopes of Work will include emphasis on collecting data on achievement of Benchmark and Program Performance Indicators, and on assessing the contribution of the project to the overall Mission program.

As demonstrated by the several gender-disaggregated Benchmark Indicators in Section II, the Mission is committed to improving its reporting on participation by gender in the activities and benefits of its program. Project/NPA managers have been instructed to provide gender-disaggregated reporting through the enhanced PIR review process and in special studies commissioned within their sectors.

C. Coordination with Other Donors

Donor coordination is largely on an informal basis though the GRC is beginning to assume management and leadership in the context of the Structural Adjustment Program and the related Social Dimensions of Adjustment Program. Frequently, donors assume a leadership position in a specific field. Examples of this are WID (Canada), marketing (EEC and Germany), agriculture (USAID), and SAP/SDA (IBRD).

USAID/Cameroon research led to a strategic framework in agriculture that was incorporated into the World Bank's 1988 Sector Review; USAID/Cameroon work with ISNAR led to an Action Plan and Performance contract for IRA under the Structural Adjustment Program. USAID/Cameroon financed activities at UCD and in the agricultural research-extension area; both of these activities have benefitted from IBRD, Belgium and French support. We intend to work with the Japanese in family planning, where they are beginning a major

initiative. We have coordinated closely with the Foreign Investment Advisory Service of the IMF in providing technical assistance for the reform of the Cameroonian investment law, which in turn drew on work by UNDP. The USAID-supported COIC will receive additional resources to expand from the World Bank. The USAID Fertilizer Sector Reform project is closely coordinated with the EEC. The British CDC and the EED will participate in PRAMS I. A.I.D. is among several donors providing assistance for the protection of the environment, e.g. Korup National Park. USAID/Cameroon and IBRD have consulted closely to obtain better coordination of the SAP and SDA. Because of this, IBRD agreed to USAID/Cameroon's recommendation not to flood CamCCUL or OICI with money.

The Mission Action Plan for FY 1990-1992 includes continued close dialogue with the World Bank, the IMF (which assigned a Resident Representative in 1989), UNDP, FAO, EEC, CCCE, FAC and the bilateral donors regarding the subjects and policy framework related to the USAID/Cameroon Program. We will, furthermore, continue our present collaboration in fertilizer, agricultural university support, and agricultural research support.

D. Special Issues and Considerations

1. Natural Resources/Biological Diversity

Over the course of the Action Plan greater attention will be paid to natural resource/biological diversity management, perhaps by recruiting a Natural Resources Officer under the recently announced Bureau initiative. The preservation of genetic resources will continue to play a part in the Mission's program. USAID/Cameroon continues to support genetic resources cataloging in the Korup National Park. Our agricultural research under NCRE continues to identify and preserve varieties of muskwari sorghum which have the capability to produce grain on residual soil moisture as rivers recede following rainy seasons. NCRE also is investigating no-till and no-fertilizer grain varieties, alley cropping, and leguminous species in associated cropping patterns. Researchers under ROTREP continue to collect and catalog root and tuber crop varieties and construct and update their source nurseries for the purpose of providing genetic material for research. A summary environmental assessment will be completed by 9/90.

2. Title XII

The USAID program in Cameroon relies heavily on Title XII institutions in analysis and implementation of both policies and projects. Title XII institutions currently are involved in UCD, Agricultural Policy, and Roots and Tubers Research.

3. Gray Amendment

USAID/Cameroon has exceeded its Gray Amendment target over the past three years. Total contract value for Gray Amendment institutions are \$11.5 million. The University of Maryland Eastern Shore, Florida A&M, and Alabama A&M are contractors for ROTREP. Drew University is involved with MCH/CS, while Tuskegee Institute is a subcontractor for CAPP. An 8(A) firm, Development Assistance Corporation, is the contractor for the North Cameroon Seed project. We intend to maintain or improve that record in FY 1990-92 in follow-ons to these projects.

4. Research

Cameroon has been designated as a technology producing country by the Bureau. In spite of its current economic difficulties, Cameroon is attempting to maintain this status. Cameroon's research capacity is being increased by IITA's locating a regional substation in Cameroon. Equally important to agriculture, IRA and UCD are developing linkages that should prove useful in reinforcing research and outreach programs. Both the NCRE and Agricultural Education projects encourage this process.

5. Natural Disasters

The Mission is currently working with the GRC, A.I.D./W, NAS and other donors on a program to respond to gas build up in Lake Nyos and possible weakening of the natural dam controlling the Lake. USAID/Cameroon is also actively involved in locust control.

**Appendix A
Action Plan Reporting Sources**

<u>Result to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
Goal			
To assist the GRC to achieve sustainable, broad-based economic growth.			
<u>Goal Impact or Country Trend Indicators</u>			
• GDP at CFAF 3.9 trillion in 1985 equivalents	IMF/IBRD	API only	EAPRI
• Balance of Payments positive	IMF/IBRD	API only	EAPRI
• IMR 110	WHO	API only	EHRD
• Percent household expenditures on food does not exceed 55 %	Cornell	API only	PRM/ PDE
<u>Strategic Objective One</u>			
Develop a market-oriented private sector.			
<u>S.O. #1 Program Performance Indicators</u>			
• Increased domestic and foreign investment in diversified export sector.	API only	EAPRI	IMF/IBRD
• Increased savings	IMF/IBRD	API only	EAPRI
• Increased formal private sector employment and income.	IMF/IBRD & NPA monitoring	API only	EAPRI
• Procurement contracts for imported agriculture inputs are executed privately under competitive procedures: for fertilizer, throughout reporting period; for pesticides, beginning in 1993.	FSSRP & PRAMS reports	FSSRP & PRAMS PIR	EAPRI
• Sales contracts for exported products executed privately under competitive procedures for arabica coffee in 1992 and for robusta coffee/cocoa in 1993.	PRAMS reports	PRAMS PIR	EAPRI
• A privately owned and operated Free Trade Zone established by 1992.	FTZ annual reports	Small Proj. PIR	EAPRI

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
Target 1.1: Deepened savings and credit structure more responsive to individuals' and firms' needs.			
<u>Benchmark Indicators</u>			
• Liberalized cooperative and credit union legislation enacted by 1992.	GRC law	PRAMS PIR	EAPRI with ARD
• Payment of arrears in recapitalization of coffee and cocoa cooperatives by 1992.	Coop. records	PRAMS PIR	EAPRI
• Savings in CamCCUL and similar organizations is maintained at current levels in spite of banking crisis (i.e., does not drop below CFAF 10 billion).	CamCCUL records	CamCCUL PIR	ARD
• Number of women members of CamCCUL increases from estimated 20% in 1989 to documented 25% 1991.	CamCCUL records	CamCCUL PIR	ARD
Target 1.2: Enactment of streamlined and transparent legal and regulatory system for domestic and foreign investors.			
<u>Benchmark Indicators</u>			
• Enactment of revised Investment Code and implementing regulation by 1992.	GRC Law	API	EAPRI
• Liberalization of legal/regulatory system based on analytic studies to be undertaken.	GRC Law	API	EAPRI
• Cameroon Free Trade Zone (FTZ) regime established and maintained throughout reporting period.	GRC Law & EAPRI monitoring	Small Proj. PIR	EAPRI
• Initial FTZ developer(s) and investors identified by 1991.	FTZ Office records	Small Proj. PIR	EAPRI

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
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Strategic Objective Two:

Reduce the role of the GRC in the private sector with an emphasis on agriculture.

S.O. #2 Program Performance Indicators

<ul style="list-style-type: none"> Percent of fertilizer imported by public sector remains at 0% throughout reporting period (excl EEC CIP for SODECOTON and SEMRY). 	FSSRP reports	FSSRP PIR	EAPRI
<ul style="list-style-type: none"> Public sector subsidy for imported fertilizer at zero in 1992 and maintained throughout reporting period, (down from 22% of total delivered cost in 1989). 	FSSRP reports	FSSRP PIR	EAPRI
<ul style="list-style-type: none"> Reduction in domestic distribution cost of fertilizer by 20% by 1993. 	EAPRI analyses	API	EAPRI
<ul style="list-style-type: none"> Percent of world price received by coffee producers & marketing organizations increases, from approximately 50% in 1980-87 period to approximately 80% of the world price in 1995. 	PRAMS reports	API	EAPRI

Target 2.1: Liberalization of marketing of agricultural inputs.

Benchmark Indicators

<ul style="list-style-type: none"> Liberalization mode for fertilizer import and distribution maintained throughout reporting period. 	EAPRI analysis	API	EAPRI
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Results to MonitorSourceVenueAction

Target 2.2: Liberalization of internal and external marketing of export crops.

Benchmark Indicators

- Liberalization mode for arabica coffee purchase and export established by 1992 harvest and maintained throughout reporting period.
- Liberalization mode for robusta coffee and cocoa purchase and export established by 1994 harvest.

PRAMS
reports

PRAMS PIR

EAPRI

PRAMS
reports

PRAMS PIR

EAPRI

Strategic Objective Three:

Increase the efficiency with which public services in agriculture, higher education and health are provided.

S.O. #3 Program Performance Indicators:

- By 1993, the operating budget for research is allocated in parity with the annual value of farm production by commodity program and region.

MINAGRI,
statistics
IRA
records &
consultant
assistance

API

ARD

- 1995 UCD Student Profile, Graduate and Tracer Studies demonstrate greater level of public and private sector employer satisfaction with UCD graduates as measured against 1988/89 baseline, at no significant increase in cost.
- 30% of population of Adamaoua, South and Extreme North Provinces receiving full five services in primary health care from GRC centers on sustainable basis (as compared to less than 10% in 1989).

UCD
Faculty &
TA repeat
studies

UCD PIR

EHRD

MCH
Project
reports &
CARE/SAVE
reports

MCH PIR,
CARE/SAVE
Small
Proj. PIR

EHRD

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
Target 3.1: Increased adoption of agricultural research results by men and women food crop producers.			
<u>Benchmark Indicator</u>			
. Demonstrated retention rate of IRA's commodities (maize, cocoyam, cassava, cowpeas and rice) exceeds 60% of participants in on-farm and regional trials, and pre-demonstration activities by 1993.	IRA studies sponsored and/or undertaken by TLU or collaborators	NCRE, ROTREP, Cowpeas PIRs	ARD
<u>Sub-Target 3.1.1: Increased relevance and efficiency of agricultural research and policy formulation to problems of men and women farmers.</u>			
<u>Benchmark Indicators</u>			
. In Annual Work Plans, IRA commodity research programs identify sets of end users for all technologies under development and establish adoption targets for the end users.	IRA financial reports; NCRE/IITA quarterly reports	NCRE PIR, possible special reports	ARD
. IRA research criteria are responsive to men and women farmers' needs, as represented in TLU reports or other sources, and are included in 1992 IRA Annual Plans.	IRA Plans	NCRE PIR	ARD
. IRA commodity research programs have incorporated natural resource management criteria (e.g. soil and water management, agroforestry) among factors for selection and testing of new varieties/cultural practices in 1991/92 Annual Plans.	IRA Plans	NCRE PIR	ARD
. National Agricultural Survey sample frame revised and new data needs incorporated into a more efficient and relevant data set for economic and policy analysis, by 1991.	CAPP PIR	CAPP PIR	ARD

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
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Target 3.2: Increased efficiency, relevance and sustainability of higher education in agriculture in meeting needs of agriculture and agro-industrial sectors.

Benchmark Indicators

<ul style="list-style-type: none"> • UCD faculty time allocation moves from primarily teaching in 1989 to approximately 25% research (including policy research), 25% outreach (including Professional Development Center outreach) and 50% teaching by 1993, as measured in full-time equivalents. 	UCD Annual Report (& possible special study)	UCD PIR	EHRD
<ul style="list-style-type: none"> • 25% of research funding and 10% student fees are externally funded by non GRC and USAID/Cameroon sources by 1993. 	UCD Financial Reports	UCD PIR	EHRD
<ul style="list-style-type: none"> • GRC legislation permits at least 50% retention by UCD of fees, grants, awards and contracts by 1993. 	GRC Law	Consultant report; UCD PIR	EHRD
<ul style="list-style-type: none"> • UCD students undertaking 50% more field and practical work under new curriculum in 1992/93 than in 1989. 	UCD reports	UCD PIR	EHRD
<ul style="list-style-type: none"> • UCD research and outreach programs' client group should continue to be at least 50% women throughout reporting period; 15% of incoming degree program students are women in 1993 as compared to 9% in 1989. 	Specific program reporting at UCD	UCD PIR	EHRD
<ul style="list-style-type: none"> • Faculty research and analysis capability improved as demonstrated through increase in demand for UCD consultants. Baseline is 1989. 	UCD reports	UCD PIR	EHRD
<ul style="list-style-type: none"> • Foreign students admitted to UCD increase from 26% in 1989 to 40% in 1993. 	UCD reports	UCD PIR	EHRD

Target 3.3: Increased efficiency and effectiveness of public health services, including child spacing, for mothers and children in South, Adamaoua and Extreme North Provinces.

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
<u>Benchmark Indicators</u>			
<ul style="list-style-type: none"> By 1992, 20% of GRC health centers in South and Adamaoua Provinces and 10% in Extreme North providing five essential services to at-risk populations: immunization against vaccine preventable disease, ORT, growth monitoring/nutrition counseling, malaria treatment, and child spacing (up from 0% in 1989). 	Harvard/ Drew & CARE/SAVE reports	MCH/CS PIR & Extreme No. Small Proj. PIR	EHRD
<ul style="list-style-type: none"> By 1992, coverage rates in South, Adamaoua and Extreme North Provinces of mothers and children for immunization against vaccine preventable disease increase as reflected in Table 1 	Harvard/ Drew & MOH reports	MCH/CS PIR	EHRD
<ul style="list-style-type: none"> By 1992, the following percentages of health centers will be providing basic pharmaceuticals on self-financing basis through community-operated pro pharmacies: 20% in Adamaoua and 10% each in South and Extreme North. 	Harvard/ Drew & CARE/SAVE reports	MCH/CS PIR & Extr. North Small Proj. PIR	EHRD
<u>Sub-Target 3.3.1: Increased GRC policy and practical initiatives in population activities.</u>			
<u>Benchmark Indicators</u>			
<ul style="list-style-type: none"> Utilizing data from the Demographic Health Survey, by 1992, the GRC will issue a Population Policy Action Plan. This plan will establish a nationwide target for Contraceptive Prevalence Rate. 	GRC SDA Office MOH	FHI PIR	EHRD
<ul style="list-style-type: none"> By 1993, a functioning central distribution system for contraceptives will have been developed. 	GRC SDA Office MOH	FHI PIR	EHRD
<ul style="list-style-type: none"> By 1993, culturally appropriate IEC materials will have been developed and be under distribution by the MOH. 	GRC SDA Office MOH	FHI PIR	EHRD
<ul style="list-style-type: none"> By 1993, the contraceptive prevalence rate in the areas served by USAID/Cameroon-assisted health care centers will have reached 10%. 	GRC SDA Office MOH	FHI PIR	EHRD

<u>Results to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
<u>Targets of Opportunity</u>			
Target 4.1 Increase preventive education and protective behaviors for population most at-risk to AIDS.			
<u>Benchmark Indicator</u>			
. Condom sales increase from 731,000 units in 1989 (3 mo.) to 8,772,000 units in 1992.	CRS Program reports	FHI PIR	EHRD
Target 4.2 Increased quantity and quality of non-agricultural skilled labor force on a sustainable basis through Cameroon Opportunities Industrial Centres (COIC).			
<u>Benchmark Indicator</u>			
. 25% of COIC annual operating expenses are non-A.I.D. and non-OICI by 1992, as compared to 5% in 1989, with approximately the same level of enrollment.	COIC quarterly reports	COIC PIR	EHRD
Target 4.3 Management plan for utilization yet protection of unique biodiversity of Korup National Park developed and adopted by GRC.			
<u>Benchmark Indicator</u>			
. Planned inventory of Korup forest resources 60% complete by 1992.	Contractor Reports	Korup Small Proj. PIR	ARD

<u>Result to Monitor</u>	<u>Source</u>	<u>Venue</u>	<u>Action</u>
B. AFR Targets of Opportunity			
<ul style="list-style-type: none"> • <u>Sub-Sahara Regional</u>: Regional facility for mapping, monitoring, research and control of schistosomiasis throughout Sub-Saharan Africa established in Cameroon and alternate funding sources to ensure sustainable activities identified. (Health Constraints to Rural Production, formerly 698-0408.1, now 631-0067, implemented through Tulane University) 	Tulane Reports	Health Constraints PIR	EHRD
<ul style="list-style-type: none"> • <u>Central African Republic</u>: Increased efficiency of food marketing and distribution in selected rural areas. (Rural Enterprise Development, 676-0017, implemented by Africare) 	Africare reports	Rural Enterprise PIR	ARD
<ul style="list-style-type: none"> • <u>Central African Republic</u>: Reduce childhood morbidity and mortality through control programs for diseases relevant to the expanded program for immunization (EPI), to malaria and to diarrheal diseases. (Combatting Childhood Communicable Diseases, 698-0421.76, implemented by U.S. Centers for Disease Control) 	CDC reports	CCCD PIR	EHRD
<ul style="list-style-type: none"> • <u>Equatorial Guinea</u>: Improve agricultural production and marketing through development of a structure for sustainable cooperative services. (Cooperative Development Phase II, 653-0003, implemented by CLUSA) 	CLUSA reports	CLUSA PIR	ARD

Appendix B

Tables

**Table 1: EPI Doses Administered
South, Adamaoua, and Extreme North Provinces**

**Table 2: Analysis of NPA Budgetary Availability
FY 1990-1994 CDSS Period**

Table 2
Analysis of Budgetary Availability
FY 1990-1994 CDSS Period

<u>Activity</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>Total</u>
CDSS Level	20,000	20,000	20,000	20,000	20,000	100,000
DA Levels	6,000	12,600	10,540	11,527	10,440	51,107
NCRE II	--	--	1,000	2,337	1,000	4,337
NCRE (Phase III)	--	--	--	--	--	--
CAPP	2,000	3,000	2,650	--	--	7,650
CAPP (Phase II)	--	--	--	2,500	2,000	4,500
Cr. Union (Phase III)	--	--	750	--	750	1,500*
ROTREP	350	--	--	--	--	350
ROTREP (Phase II)	--	--	1,000	1,000	1,000	3,000
MCH/CS	--	2,500	1,000	--	--	3,500
MCH/CS (Phase II)	--	--	--	2,000	2,000	4,000
Health Constraints	650	--	--	--	--	650
Ag. Ed. (Phase II)	--	3,000	2,000	2,000	2,000	9,000
COIC	600	--	--	--	--	600
COIC (Phase II)	--	2,000	--	--	--	2,000
HRDA	400	400	400	400	400	2,000
FHI	400	400	400	--	--	1,200
HIV/AIDS	250	250	250	250	250	1,250
PRITRECH/CCCD	320	250	250	200	200	1,220
PD & S	990	760	800	800	800	4,150
Small Proj Assistance	40	40	40	40	40	200
NPA	14,000	7,400	9,460	8,473	5,667	45,000
FSSRP	--	4,000	1,000	--	--	5,000
PRAMS I	14,000	3,400	2,600	--	--	20,000
PRAMS II	--	--	5,800	8,473	5,667	20,000
Residual Available	--	--	--	--	3,893	3,893

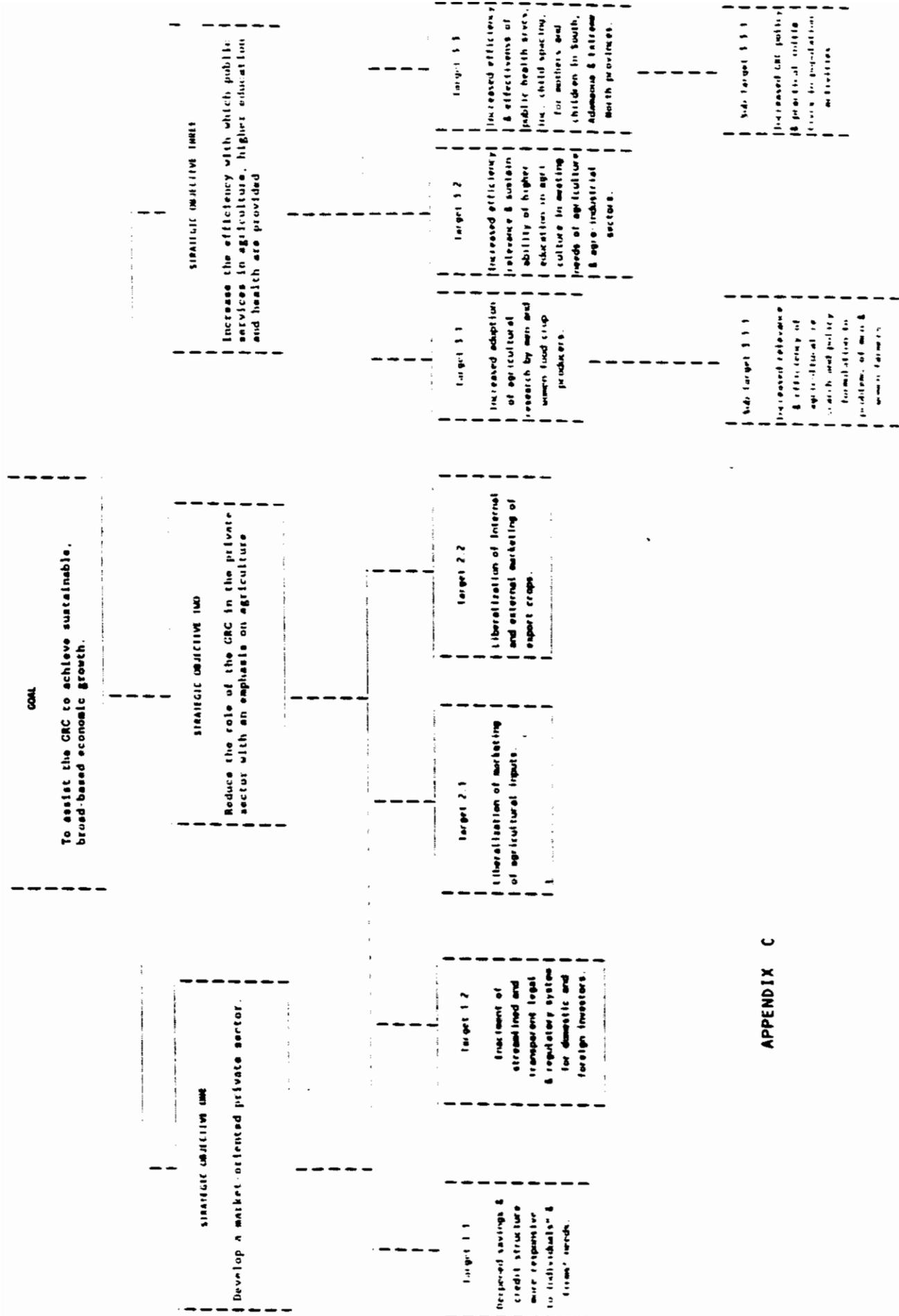
* Local Currency Support via PRAMS II

Table 1
EPI Doses Administered
South, Adamaoua, and Extreme North Provinces

SOUTH			
<u>Vaccine</u>	<u>No. Doses</u>	<u>Actual</u> <u>1989</u>	<u>Target</u> <u>1991</u>
Measles	11,796	19 %	39 %
BCG	12,234	19	39
DPT 3	10,705	17	37
Tetanus Toxoid II	10,687	8	28
Population:	372,000		
Target: Children Under 5 *	63,000		
Target: Pregnant mothers **	123,000		
ADAMAOUA			
<u>Vaccine</u>	<u>No. Doses</u>	<u>Actual</u> <u>1989</u>	<u>Target</u> <u>1991</u>
Measles	10,987	17 %	37 %
BCG	15,290	24	44
DPT 3	9,230	14	34
Tetanus Toxoid II	6,498	5	25
Population:	385,000		
Target: Children Under 5 *	65,000		
Target: Pregnant mothers **	127,050		
EXTREME NORTH ***			
<u>Vaccine</u>	<u>No. Doses</u>	<u>Actual</u> <u>1989</u>	<u>Target</u> <u>1991</u>
Measles	25,415	10 %	30 %
BCG	26,655	10	30
DPT 3	18,357	7	27
Tetanus Toxoid II	9,602	2	21
Population:	1,549,000		
Target: Children Under 5 *	263,330		
Target: Pregnant mothers **	511,000		

Currently, reliable baseline data for disease and mortality rates does not exist. Utilizing the DHS, USAID/Cameroon will assist the GRC/MOH in establishing these baselines during FY91-92.

- * Target population for Measles, BCG, and DPT 3 vaccines; estimated as 1/6 of total population.
- ** Target population for Tetanus Toxoid; estimated as 1/3.3 of the total population.
- *** Extreme North Province included in Action Plan FY 1990-1992 but not in Action Plan FY 1988-1990.



Appendix D
Women in Development

The current USAID/Cameroon program includes a variety of projects which while not specifically designed as WID activities are having a significant impact on improving the lives of women in Cameroon. Among these projects are : OICI (20% of students are women); Credit Union (1/3 of active members are women); HRDA; UCD; ROTREP; and CAPP. The emphasis on the USAID/Cameroon WID program is to expand the opportunities for women in all of our activities with an emphasis on the major projects. In doing so, we have four major objectives:

1. Establish a gender tracking system.
2. Broaden cooperation with the Ministry of Social and Women's Affairs (MINASCOF).
3. Extend agricultural development to rural women through better research-extension links.
4. Increase training opportunities for women.

1. Establishment of the Gender Tracking System

- a. COPS directed to report on a gender disaggregated basis (3/8/90). For COPS to provide adequate, relevant and uniform data, we will develop a standardized reporting format that will be made available to them.
- b. PIR reporting is gender disaggregated (5/15/90)
- c. Credit Union gender study complete (6/15/90)*
- d. Semi-annual WID report established in conjunction with PIR (10/15/90)
- e. Establish gender tracking system with CIDA (under discussion)
- f. Concentrate on NCRE, Credit Union, COICI, UCD, ROTREP and CAPP
- g. All health projects are currently over 50% women
- h. Include a gender disaggregated component in all contracts (6/15/90)

2. Broaden Cooperation with MINASCOF and Other Donors

- a. Create a WID Action Committee to include WID officers from MINASCOF, MINAGRIC, the Ministry of Health, USAID/Cameroon, and other donors (9/90). Such a committee would promote information and experience sharing, as well as the coordination of activities. The Committee would also create more awareness with MINASCOF of the opportunities offered by donors in terms of WID and eventually lead to jointly funded specific WID projects similar to the Save the Children/CARE/USAID Reform of Health Care Delivery System proposal. Finally, the monitoring and evaluation, and even gender tracking issues could be more effectively addressed.

* Study is currently underway by MUCIA.

As a first move towards the creation of such a committee, we will invite representatives from these ministries and donors to the presentation of the MUCIA Credit Union Gender Study scheduled for June 1, 1990 at USAID/Cameroon. We project as a first task reaching agreement on basic terms and definitions.

3. Extend Agricultural Development to Women in Rural Areas

- a. Work through community development structures and personnel. Over the next two years, include a new gender disaggregated component in any contract.
 1. By FY 92, 25% of cooperating farmers will be women.
 2. CAPP statistics will be gender disaggregated.
- b. Make use of the HRDA funds to screen, monitor and follow-up on agricultural training activities of rural women. Make Embassy Self-Help scheme more responsive to WID concerns.
- c. Project, as well as non project related training plans and project agreement, will be designed to take care of more involvement of women (e.g. covenants and conditions precedent should be written to address this concern.

4. Increase Training Opportunities for Women

Increase MINASCOF responsiveness to the bi-annual WID training report sent by USAID/Cameroon for its review: that is, increase its efficiency by finding ways to allow MINASCOF to take a stronger role in identifying women for training from other ministries and sectors.

We anticipate that by the end of FY91, 35% of the participants under HRDA will be women, while the percentage will increase significantly in other projects. Over the next two years, we plan to sponsor additional training sessions of the PAID type conducted in 1988, which proved very successful. USAID/Cameroon will seek to actively partake in the timely selection of appropriate candidates as the selection process has proved to be a major constraint in the past.

Training Goals

- a. HRDA 35% by end of FY92.
- b. Two special management seminars (PAID type) by end of FY 92.
- c. Seminar on training of women trainers.
- d. Training follow-up studies

NPA and Gender

All new studies relating to NPA are to be disaggregated data by gender.

Appendix E

Policy Reform and Structural Adjustment

There is a very close relationship between Cameroon's Structural Adjustment Program (SAP) and USAID/Cameroon's Program of Reform in the Agricultural Marketing Sector (PRAMS). Indeed, if designing and implementing a program of structural adjustment can be likened to constructing a house, then the SAP is the concrete foundation and the frame of beams and studs that define and support the house and PRAMS is the plastering, painting, and finish carpentry that turns a framed space into an inhabitable room. In other words, the structural adjustment program establishes the macroeconomic foundation and macro-policy framework for a rebuilt economy, but it is sectoral interventions like PRAMS that define, structure, and monitor the stages between policy articulation and policy realization. This briefing note summarizes the relationship between the two programs. A more detailed discussion can be found in the PAIP for PRAMS I that has been submitted to AID/W for approval.

The Components of the SAP

The GRC's Structural Adjustment Program is intended to stabilize the economy and make the policy changes necessary to stimulate and sustain economic growth. The SAP is the product of negotiations first with the IMF and then with the World Bank and is presently being supported by an IMF Stand-By Arrangement and a World Bank Structural Adjustment Loan. The aim of the 18-month \$87 million (SDR 70 million) IMF Stand-By Agreement is to restore financial stability and liquidity to the economy through a reduction in public expenditure and a cash infusion. The availability of IMF funds is conditioned upon adherence to short-term macroeconomic targets related to: (1) limits on credit availability, (2) limits on new public-sector arrears and (3) financial sector reform. The IMF program thus provides for financial stability, the foundation for structural adjustment and policy reform.

The objective of the World Bank's 18-month \$150 million first Structural Adjustment Loan (SAL) is to remove the structural impediments to sustained economic growth. The heart of the SAL I is the action program which consists of over 180 policy reform measures to be implemented during the life of the SAL. These action steps are grouped into 11 sectoral categories ranging from public finance to public enterprise reform to reform in the rural sector to measures related to the social dimensions of adjustment (see Table 1). Thus the SAL I can be said to provide the scaffolding that both defines and underpins the policy reform agenda.

With respect to agriculture, the aim of the policy reforms contained in the SAL is "financial stabilization of the marketing structures for the principal export crops (coffee, cocoa, and cotton), progressive liberalization of trade in these crops, and creation of incentives to increase food-security and promote non-

Table 1. Relationship Between the Structural Adjustment Program and PRAMS

		STRUCTURAL ADJUSTMENT PROGRAM												
		Public	Civil	Service	Enterprise	Public	Financial	Rural	Industrial	Transport	Urban	Water,	Human	Social
		Finance	Reform	Reform	Reform	and	and	Sector	and	and	Sector	Energy,	Resource	Dimensions
						Banking	Infra-	Commercial	and	and	Mining	Development	of	Adjustment
						Sector	structure	Sector	Sector	Sector	Sectors			
Macro-level Reforms														
Sectoral Reforms														

KEY: Single underlined SAP actions are those that also serve as PRAMS 1 conditions precedent.
 Double underlined SAP actions have been targeted in PRAMS 1 for phased implementation.

traditional agricultural exports".¹ The specific action steps related to these goals are largely found in the rural sector category of the policy matrix, although relevant measures are located in the financial and banking sector category as well.

Both the SAL's objectives in agriculture and the action steps are grounded in a major sectoral review conducted by the World Bank in 1988, to which USAID/Cameroon made financial and technical contributions. The review provides a thorough examination of the problems confronting agricultural development and is particularly trenchant in its treatment of export crops. As a result, the SAL reforms directed toward agriculture are considered and appropriate.²

PRAMS: Extending the SAP in Agricultural Marketing

The Mission's approved CDSS contains three criteria to be applied in the selection of its new interventions: (1) support of the Mission's three strategic objectives, (2) emphasis on policy reform, and (3) integration with the SAP.³ Applying these three criteria led to the selection of the agricultural marketing sector as the target of a multi-phased non-project assistance intervention.

One of the key factors influencing the selection of the agricultural marketing sector was that the GRC had, through the SAP, agreed in principle to a set of important and wide-ranging reforms that would, if implemented, result in a much more dynamic and sustainable agricultural sector (see Table 1).⁴ One of the Mission's concerns was that given the generality of the action steps pertaining to agricultural marketing and bureaucratic inertia, it appeared that World Bank leverage alone would not be sufficient to assure the steps were meaningfully implemented. As an example, one of the action steps is "progressive elimination of subsidies on fertilizer". This one step alone is a major preoccupation of USAID's five-year \$20 million Fertilizer Sub-Sector Reform Program (FSSRP). Other action steps, such as "progressive withdrawal of the marketing board from internal and external marketing" are, if anything, much more problematic.

¹ Memorandum and Recommendation of the President to the Executive Directors on a Proposed Loan of \$150 Million Equivalent to the Republic of Cameroon for a Structural Adjustment Program, Report No. P-5079-CN. p. 1.

² For a fuller discussion of the Agricultural Sector Review see pp. 18-20 of the PAIP and the excerpts contained in the PAIP's Annex A.

³ See pages 1, 45, and 52-3 of the CDSS.

⁴ The factors leading to the selection of an intervention in agricultural marketing are presented in more detail in Section II.F of the PAIP.

Another Mission concern was that insufficient attention was being paid to the implementation of liberalization. The experience of the FSSRP has made it clear that liberalization is a complex undertaking, requiring the specification of distinct intermediate stages, careful monitoring of implementation, and judicious use of leverage. However, neither the World Bank nor the GRC had dealt with implementation issues outside of the critical area of public finance.

Given these concerns, the Mission has sought to design a sectoral non-project intervention that would be an extension of the SAP in the agricultural marketing sector. This is done in two ways. First, it provides additional leverage on particular key reforms by making them conditions precedent to the disbursement of various tranches of the sector cash grant. Second, it establishes meaningful intermediary steps and a timetable that will lead gradually to full liberalization. Therefore, PRAMS is seen as providing the incremental resources and the implementation monitoring that will assure that the SAP action steps related to agricultural marketing are implemented in a timely fashion and with minimal social cost.

As a practical matter, PRAMS I is linked to the SAP through the action steps related to agricultural marketing.⁵ Five of the SAP's action steps have been selected as preliminary conditions precedent under PRAMS I (those with a single underline in Table 1). The Mission feels that restructuring producer prices, payment of arrears from the last crop season, redefinition of the role of the marketing board, and drafting of legislation to liberalize the cooperative sector are key elements of a policy liberalization regime for arabica coffee marketing. Two more of the action steps have been incorporated into a three-stage process under PRAMS I that leads to full liberalization of arabica marketing in 1992 (those with a double underline in Table 1). Withdrawal of the marketing board from arabica coffee marketing will occur in Stage Two and authorization of private traders to purchase coffee in the North West Province will occur in Stage Three.

Thus both theoretically and practically, the relationship between the SAP and PRAMS has been designed to be close. As a result, it is fair to say that PRAMS finishes off and makes livable the agricultural marketing "room" of the structural adjustment "house".

EAPRI/PRIMOS:TWalker

⁵ A more detailed description of the stages of PRAMS I and the attached conditionality is contained in Section III.A of the PAIP.