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Country Development Strategy Statement

FY 1990-1994

CAMEROON

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COUNTRY DEVELOPMENT STRATEGY STATEMENT
(CDSS)

FY 90-94

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USAID/Cameroon

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LIST OF ACRONYMS

ARD	Agriculture and Rural Development
BEAC	Banque des Etats de l'Afrique Centrale (Central Bank of the Central African States)
CAC	Caisse Agricole du Cameroun
CamCCUL	Cameroon Cooperative Credit Union League
CCCE	French Caisse Centrale de Cooperation Economique
CDSS	Country Development Strategy Statement
CELLUCAM	Cellulose du Cameroun
CENADEC	Centre National de Développement des Enterprises Coopératives (National Center for Cooperative Development)
CFAF	Franc de la Communauté Financière Africaine (Franc of the African Financial Community)
CG	Consultative Group
CIC	Caisse d'Investissement du Cameroun
c.i.f.	Cost, insurance and freight
CRS	Catholic Relief Services
DSS	Development Strategy Statement
EAMI	Enterprises Agricoles de Moyenne Importance (program to promote medium-scale agricultural investment)
EEC	European Economic Community
FAA	Foreign Assistance Act
FED (EDF)	European Development Fund
FIAS	Foreign Investment Advisory Service
FOGAPE	Fonds de Garantie aux Petites Entreprises (guarantee fund for small and medium enterprise lending)
FONADER	Fonds National de Développement Rural (Rural Development Fund)
FSSRP	Fertilizer Sub-Sector Reform Program
GDP	Gross Domestic Product
GRC	Government of the Republic of Cameroon
IBRD	International Bank for Reconstruction and Development
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation

IMF	International Monetary Fund
MAPS	Manual for Action in the Private Sector
MINDIC	Ministry of Industrial and Commercial Development
MINPAT	Ministère du Plan et de l'Aménagement du Territoire (Ministry of Planning and Regional Development)
NGO	Non-Governmental Organization
ONCPB	Office National de Commercialisation des Produits de Base (National Produce Marketing Board)
OPIC	Overseas Private Investment Corporation
ORT	Oral Rehydration Therapy
PAGE	Programme d'Appui Gestion d'Economie (an economic support program of the World Bank)
PROSEM	Projet Semencier (USAID's Seed Multiplication Project)
PTT	Ministry of Post and Telecommunications
PVO	Private Voluntary Organization
REGIFERCAM	Régie Nationale des Chemins de Fer du Cameroun (National Railway)
SAL	Structural Adjustment Loans
SAP	Structural Adjustment Program
SAVE	Save the Children Foundation
SDA	Social Dimensions of Adjustment
SDR	Special Drawing Rights
SEMRY	Société d'Expansion et de Modernisation de la Riziculture à Yagoua (rice development scheme in the Extreme North Province)
SNH	Société Nationale des Hydrocarbures
SNI	Société Nationale d'Investissements (National Investment Company)
SODECAO	Société de Développement du Cacao
SODECOTON	Société de Développement du Cotton (parastatal for marketing and exporting cotton)
UDEAC	Customs Union of the Central African States
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VAT	Value added tax
WHO	World Health Organization

I. INTRODUCTION

The USAID/Cameroon Country Development Strategy Statement (CDSS) covers the period FY 1990 through FY 1994. During the period of the previous CDSS, the Cameroon economy underwent a serious financial and economic down-turn precipitated by dramatic declines in revenues from the oil, cocoa and coffee sectors. These declines in revenues brought to the surface the magnitude of the serious structural and institutional problems resulting from the overextension and inefficiency of the public sector in the provision and delivery of goods and services. What was once believed to have been a well-managed broad based economy quickly became an economy suffering from serious structural, institutional and financial problems.

The thesis of this CDSS is that in order for the country to return to a sustainable level of broad based economic growth, significant reform of particular policies and their underlying institutional arrangements will be required. To a large degree, this assessment is shared by the Government of the Republic of Cameroon (GRC), the International Monetary Fund (IMF), the World Bank, and other donors. As a result, the Mission believes that our development program should strongly associate itself with both the overall objectives and, more importantly, the implementation of the ongoing structural adjustment program (SAP) that is being pursued jointly by the GRC and the major donors. The Mission's approach differs to some extent from the other donors in the stress it places on analyzing and addressing the dysfunctional institutional arrangements that underlie the existing economic problems. It is the Mission's view that the set of formal and informal rules, regulations, and incentives that have developed since independence to support a state-led model of development must be replaced with a new set of institutional arrangements that will support private sector activity and investment. This will be a major focus of the USAID program. The Mission further believes that it must target its interventions in areas where it has particular expertise, principally in the agriculture sector. Although the Mission believes that its existing project interventions remain valid, it recognizes that substantial modifications must be made to these activities in order to reduce their burden on the public sector and, where possible, to allow the private sector a greater role in the more efficient delivery of these public services.

The structure of the CDSS is as follows. Chapter II provides an overview of the macro-economic and sectoral development of the Cameroonian economy. Chapter III provides an overview of the importance of performing an analysis of the institutional environment surrounding the policy reform process, particularly if the reforms are to be successfully implemented. Unlike the GRC's development strategy, and that of the other donors, USAID/Cameroon's development strategy recognizes the importance of both economic and institutional analysis in devising an appropriate and implementable set of policy reforms. Based on the economic and institutional analysis, Chapter IV identifies the main issues facing the Cameroon economy and which need to be addressed if the country is to attain sustainable broad based economic growth. Chapter V describes the existing development strategy being pursued by the GRC, as well as by the main donors operating within the country. Chapter VI provides a detailed discussion of the Mission's development strategy, its goals, objectives, timing, modalities, programming, monitoring and evaluation.

The strategy that emerges from the CDSS stresses three objectives in support of the goal of sustainable broad based economic growth: (1) the development of an efficient and competitive private sector; (2) the increased efficiency of the public sector; and (3) the reduction in the overextension of the public sector into commercial activities. In pursuit of these objectives, the Mission will shift its focus regarding new activities to non-project policy reform based interventions. There will be two dimensions to these non-project interventions. First, dollar cash transfers will be disbursed fairly rapidly based on the initiation of key reforms under the IMF/World Bank supported structural adjustment program. Second, the disbursement of the requisite local currency counterpart funds from these dollar cash transfers will be based on the implementation of policy reforms directed to the overall development of the private sector. The Mission's existing core project interventions will be continued, but will be modified in support of achieving the objectives of increasing public sector efficiency and reducing the overextended role of the public sector in areas better served by the private sector. USAID/Cameroon proposes to implement its FY 1990-94 program based on the following breakdown: (1) project assistance ($35 million) and (2) non-project assistance ($65 million and the CFA equivalent of $65 million in counterpart funds).

II. THE ECONOMIC SETTING

A. Macro-economic Performance

Between 1977 and 1985, Cameroon experienced a rapid rate of economic growth based primarily on oil production. Oil earnings enabled Cameroon to have a positive balance of payments and a balanced national budget for most of this period. Prior to 1977, the growth sector in Cameroon was agricultural exports, mainly cocoa and coffee. Cameroon is also the sixth most important exporter of tropical hardwoods in the world and maintains significant protected forest reserves. The investment of agricultural and oil surpluses in industry and infrastructure brought about a rapid rate of import substitution as well as increased value added from the processing of domestically-produced agricultural products. Thus, by 1985 Cameroon had an apparently strong and diversified economy characterized by rapidly growing per capita income, a high rate of investment in relation to GDP, a balanced national budget, and low external debt. The Cameroonian Government was widely regarded as committed to long-term balanced growth and as an effective manager of the country's resources.

The period of rapid growth came to a sudden halt in 1986 due to the sharp reduction in the world price for petroleum followed by similar severe declines in the world price for cocoa and coffee. In 1984/85, these products accounted for over 85 percent of the country's exports and over 50 percent of total revenue. Between 1984/85 and 1987/88, the world prices for these commodities (in terms of CFA francs) declined at an average annual rate of 30, 19 and 14 percent, respectively. In turn, gross domestic product, which grew at an average annual rate of 8.1 percent during 1980 to 1985, declined at an average annual rate of 9.4 percent during 1986/87 and 1987/88.

Cameroon maintained sizeable surpluses in its current account balance through 1984/85, largely because of revenues from petroleum exports. In 1984/85, petroleum export revenue comprised CFAF 722 billion or 66 percent of total export revenues. However, beginning in 1985/86 petroleum export revenues declined to CFAF 419 billion and fell to CFAF 233 billion by 1987/88. The bulk of this decline was due to the fall in world petroleum prices as export volume only declined by less than 7 percent over the entire period. Export revenues from coffee and cocoa also declined during this period from CFAF 110.2 billion and CFAF 106.5 billion, respectively, in 1984/85 to CFAF 61.2

billion and CFAF 72.4 billion, respectively, in 1987/88. This reduction was almost entirely due to declines in the world prices for these commodities since export volumes remained relatively constant on average throughout this period. Hence, the current account deteriorated from a surplus of CFAF 159 billion in 1984/85 to deficits of CFAF 237 billion (5.7 percent of GDP), CFAF 373 billion (9.4 percent of GDP) and CFAF 280 billion (8.4 percent of GDP) in 1985/86, 1986/87, and 1987/88, respectively. In order to finance these large current account deficits, the government repatriated sizeable amounts of resources from its offshore oil accounts, drew on its overdraft facility at the French Treasury, drew down its net international reserves and incurred arrears to external creditors.

The decline in the world price of oil, coffee and cocoa also had a significant negative effect on Cameroon's public finance situation. Tax revenues from the oil sector, which peaked at CFAF 382 billion (9.5 percent of GDP) in 1985/86 declined to CFAF 207 billion (6.2 percent of GDP) in 1987/88. Revenues from export duties on cocoa and coffee exports similarly declined from its peak of CFAF 19.5 billion in 1984/85 to CFAF 12.0 billion in 1987/88. Thus, during the period 1985/86 to 1987/88, total government revenues declined by one-third from CFAF 911.4 billion to CFAF 625.5 billion. Despite this sharp decline in revenue, total expenditure and net lending continued to increase from CFAF 866.5 billion 1984/85 to CFAF 926.4 billion in 1985/86 and to 1,228.8 billion in 1986/87. This resulted in a huge overall deficit of CFAF 463.8 billion (11.8 percent of GDP) in 1986/87. A smaller, but nonetheless significant, deficit of CFAF 171.3 billion (5.2 percent of GDP) in 1987/88. This sharp drop in revenues had two serious short term effects on the economy. First, funds available for public sector investments completely dried up., Second, the GRC chose to finance much of its 1986/87 and 1987/88 deficits by not paying local suppliers. These arrears in turn caused defaults on loans by domestic banks to firms doing business with the GRC. At the same time, the GRC was unable to pay subsidies to money losing parastatals and hence these enterprises' deposits with domestic banks also declined. The result is a liquidity crisis that makes it impossible for the commercial banking system to finance economic activity. Finally, the GRC has had to reduce non-salary current expenditures to the point where the majority of civil servants do not have the means to carry out their functions and the work of many Government services is at a virtual standstill.

Table 1

Growth Rates of Export Crops

Crop	Period	Growth Rate
Cocoa	1971-87	-3.3
Arabica coffee	1971-87	-2.6
Robusta coffee	1971-87	4.5
Cotton	1971-87	7.9
Palm oil	1971-87	8.2
Rubber	1971-82	1.9

Source: World Bank, 1988.

Table 2

Marketed Output of Principal Export Crops, 1982/83-1987/88 [1]

(thousand metric tons)

	1983/84	1984/85	1985/86	1986/87	1987/88
Cocoa	102.9	109.0	97.6	118.7	117.6
Arabica coffee	28.4	21.6	21.2	11.9	25.0
Robusta coffee	102.1	72.3	77.1	67.7	70.0
Cotton	22.5	27.0	21.8	19.9	20.3

Source: IMF, Statistical Annex, 1988.

[1] Fiscal year is July 1-June 30.

Table 3

Export Unit Values, 1983/84-1987/88 [1]

	1983/84	1984/85	1985/86	1986/87	1987/88
	(In CFAF per kilogram)				
Cocoa	833	973	982	724	618
Arabica coffee	1,070	1,338	1,368	1,345	820
Robusta coffee	762	1,124	1,070	975	597
Cotton	N/A	693	452	348	N/A
Petroleum [2]	N/A	27	22	15	36

Source: IMF, Statistical Annex, 1988.
[1] Fiscal Year is July 1-June 30.
[2] In US dollars per barrel.

Table 4

Balance of Payments

(In billions of CFA francs)

	1983/84	1984/85	1985/86	1986/87	1987/88
Exports. f.o.b.	838	1,101	772	545	511
Petroleum	531	722	419	245	233
Cocoa	89	107	96	83	72
Coffee	95	110	112	82	61
Other	123	162	145	135	145
Imports, f.o.b.	-464	-513	-571	-553	-471
Trade Balance	374	588	201	-8	40
Services (net)	-243	-409	-411	-325	-277
Transfers (net)	-2	-20	-23	-40	-43
Curr. Account Bal.	129	-159	-232	-373	-280
Medium and long term capital (net)	197	113	14	66	111
Short-term capital	-54	-163	102	101	69
Monetary capital	-59	-85	122	48	-27
Errors and omissons	-262	-6	63	-60	49
Overall balance	-50	18	69	-217	-78
Financing	50	-18	-69	217	78
Changes in net off. res. (increase -)	50	-18	-69	165	59
Arrears	0	0	0	52	19

Source: IMF, Statistical Annex, 1988.

Table 5

Central Government Revenues and Expenditures [1]

	1984/85	1985/86	1986/87	1987/88	1988/89
	(In billions of CFA francs)				
Total revenues	736.5	911.4	765.0	625.5	600.0
Oil [2]	350.0	382.0	252.0	207.0	163.0
Export taxes	19.5	17.0	16.3	12.0	16.0
Other revenues	367.0	512.4	496.7	406.5	421.0
Total expenditures	866.5	926.4	1,228.8	796.8	656.0
Current	440.5	455.5	533.5	479.8	484.0
wage bill [3]	220.0	224.5	280.0	265.0	245.0
interest	34.0	38.0	44.0	72.8	102.0
other	186.5	193.0	209.5	142.0	137.0
Capital	426.0	470.9	445.3	317.0	172.0
Deficit	-130.0	-15.0	-463.8	-171.3	-56.0
Financing:					
Arrears	0.0	-20.0	250.0	- 5.0	-311.0
Foreign loans	68.0	48.0	117.0	49.0	39.0
Domestic loans	62.0	-13.0	96.8	25.5	37.0
Unidentified [4]	0.0	0.0	0.0	101.8	0.0
Consolidation [5]	0.0	0.0	0.0	0.0	221.0
Exceptional	0.0	0.0	0.0	0.0	70.0
	(In percent of GDP)				
Total revenue	18.8	22.6	19.4	18.8	20.9
Total expenditure	22.1	23.0	31.1	24.0	22.8
Overall surplus or deficit (-)	-3.3	-0.4	-11.8	-5.2	-1.9

Source: IMF, Statistical Annex, 1988.

[1] Fiscal year (July 1-June 30); excludes the social security system.
[2] Profit taxes, royalties paid for by the foreign oil companies, and other contributions by the National Oil Company.
[3] Includes fringe benefits, backpay from earlier wage increase and other personnel expenditures.
[4] Mainly unreported loans from public entities and arrears build-up.
[5] Consolidation of postal debt (CFAF 35 billion) and of domestic arrears and assumed arrears of public entities (CFAF 186 billion).

The impact of oil/cocoa/coffee price declines caused the gross domestic product to drop at an average annual rate of 5.5 percent in current values and by almost 4 percent in constant values during the period 1984/85 to 1987/88. The bulk of this reduction was on account of the oil sector whose value added declined at current prices from 19.6 percent of GDP in 1984/85 to 7.0 percent of GDP in 1987/88. In real terms, oil GDP declined at an average annual rate of 6 percent during the period 1984/85 to 1987/88, while non-oil GDP declined by less than 3.5 percent during the same period. Value added in agriculture has continued to grow due mainly to the strong growth recorded by the domestic food sector. Agricultural producers have (as of January 1989) not yet felt the brunt of the decline in export prices because of the GRC's policy of not reducing domestic producer prices in line with the recent decline in world prices. As a result, the parastatals responsible for marketing agricultural export crops (ONCPB for coffee and cocoa and SODECOTON for cotton) have been forced to incur large deficits. These deficits have recently been financed through accumulation of arrears of CFAF 54 billion to export crop producers and processors. Currently the two sectors most adversely affected by the recession are industry and services, particularly those activities dependant on investment or heavy public sector involvement. In addition, activities which depended on the Government and the parastatal sector were adversely affected by the decline in oil and agricultural export profits which had previously been accrued by the public sector.

B. Sectoral Performance

1. Petroleum

The advent of petroleum production in 1977 has affected both the economic and political life of Cameroon. Within seven years petroleum's share of GDP moved from zero to 21 percent in 1984/85, momentarily displacing agriculture as the largest contributor to national production (Table 1.1, Appendix B). In 1984 petroleum earnings represented 66 percent of total export revenue and 48 percent of central government revenue. Between 1979 and 1985 Cameroon's oil boom was an engine of economic growth.

The GRC policy of emphasizing that oil revenues were used to create an offshore national stabilization fund to be used for long-term investments in productive sectors of the economy, spurred public confidence. However, the revenues were maintained in secret accounts never fully reported to the public. Following the peak of 1984/85, Cameroon's petroleum earnings began to decline, and were driven sharply downward by the collapse of world oil prices in early 1986. By 1987/88 petroleum's share of nominal GDP shrank to 8 percent, its share of total export earnings dropped to 46 percent, and the sector contributed only 33 percent of central government revenue.

Interview data (December 1988) imply that funds currently remaining in GRC offshore accounts have dropped to approximately CFAF 500 billion (US$1.7 billion) or the equivalent of actual operating expenses of the GRC for a one-year period.

Although oversight and financial management of the petroleum sector was assigned to a parastatal holding company, the Societé Nationale des Hydrocarbures (SNH) in 1980, production is carried out by joint ventures between the SNH and foreign partners. Operating partners are obliged to bear the full cost of prospecting and development until a field becomes operative.

Prospects for the petroleum sector are uncertain. Estimated remaining reserves of 70 million tons (at current prices) would be depleted by the late 1990s if the current rate of production (157,000 barrels/day) is continued. Present low world prices are a disincentive to new exploration and to use of higher cost secondary extraction methods which could extend existing reserves.

In response to the decline in world prices, the GRC is seeking to adjust existing agreements with foreign oil firms to encourage new exploration. To do so, it will have to amend regulations which currently prohibit oil firms from offsetting prospecting costs in new fields against current production. Low world demand and high start-up costs have also prevented Cameroon from exploiting identified natural gas reserves.

Table 6

Gross Domestic Production and Expenditure

	1983/84	1984/85	1985/86	1986/87	1987/88
	(in billions of current CFA francs)				
GDP	3,117	3,923	4,035	3,947	3,311
Oil	500	768	439	250	231
Non-oil	2,617	3,155	3,590	3,697	3,080
Agriculture	702	790	897	1,010	1,100
Industry	586	687	806	810	660
Services	960	1,264	1,410	1,361	845
Gross Dom. Expend.	2,965	3,501	4,027	4,129	3,402
Consumption	1,822	2,412	2,739	3,034	2,485
Private	306	357	364	683	362
Public	1,515	2,055	2,375	3,351	2,124
Investment	951	1,089	1,288	1,095	917
Private	332	426	471	445	317
Public	619	663	817	650	600
	(annual percentage change)				
Real GDP	9.2	12.9	5.7	-1.7	-14.8
Oil	29.6	36.0	-11.4	4.0	-10.0
Non-oil	6.7	9.3	17.3	-2.6	-15.6
Nominal GDP	21.7	25.8	2.9	-2.2	-16.1
Oil	24.7	53.6	-42.8	-43.1	-7.6
Non-oil	25.5	17.2	17.3	0.5	-18.5

Source: IMF, Statistical Annex, 1988.

2. Agriculture

Long term agricultural growth has been high compared to other sub-Saharan countries. Also, agricultural productivity is relatively high as indicated by the 85 percent of farmers who produce marketed surpluses. In addition, the agricultural census estimated that, in 1984, 45 percent of farmers used fertilizers, of which only 33 percent used chemical fertilizer.

Table 7 summarizes the contribution of agriculture to the Cameroonian economy. The breakdown of agricultural production is as follows (1983-88 average):

Food crops	54 percent
Export crops	21 "
Livestock	15 "
Forestry	9 "
Fisheries	1 "

Ninety percent of agricultural production is accounted for by small traditional producers. The remainder is accounted by large plantations, most government-owned.

Table 7
Agriculture in the Economy

	1971/75	1976/81	1982/88
Share of GDP (%)	29.9	29.2	22.5
Share of non-oil GDP (%)	29.9	29.2	27.2
Share of Exports (%)	82.3	72.3	45.9
Growth rate (%)	3.4	7.0	1.9
Employment share	79.4	72.6	75.0
Per capita GDP (US $)	236.0	597.3	903.8
Per capita agr. prod. (US $)	69.9	172.2	204.0

Source: World Bank (1988d).

The major crops are millet and sorghum in the north, cassava, yams and plantains in the center and south, and in the west and Northwest. There have been recent increases in corn and rice production as a result of government development projects. Corn production is based on improved high yielding varieties and is likely to displace sorghum production to some extent if demand continues to grow and wide dissemination of improved seeds is possible. Prospects for rice are less promising. Costs in the largest rice producing area, the SEMRY project in the north, are about double the price of imported rice at Douala.

It appears from food price trends that production has been growing with population with most of the increase coming from increased area planted. Cameroon is self-sufficient in food and is probably a net exporter to neighboring countries. In some cases food production has increased in response to higher prices relative to export crops. Both rubber and coffee production seem to have suffered from the reallocation of labor into food crops. One significant area of productivity increases is in the north where complementary millet and sorghum production benefits from the fertilizer applied to cotton.

In contrast to the modest growth in food crops the production of export crops has remained stable or declined in recent years. Table 6 shows long term growth rates and Table 7 shows recent production levels. The export crop sector is currently depressed due in part to recent declines in world prices. For the last two years, the export parastatals have been experiencing deficits because the margin between fixed producer prices and world prices are not enough to cover their costs plus export taxes.

The causes of the poor export crop performance during the past decade are not easy to sort out. Much blame has been placed on low producer prices. In the case of cocoa, Cameroon producer prices during most of the 1970s were low compared to the world market price and investment was low as well. However, since 1978, producer prices in Cameroon have been higher the world market with no apparent improvement in investment or production. In general prices were stable during the period. Other factors adversely affecting cocoa production include the manpower constraint compounded by recent high food crop prices, poor supporting services and marketing infrastructure (World Bank, 1987, p.6). Cameroon produces a variety of cocoa that, because of its high fat yield and red powder, has a special market in Europe, especially Germany and the Netherlands. More could be sold if production could increase.

The most serious problems relate to Arabica coffee. Although Cameroon's coffee quota can be met with Robusta or Arabica coffee, the share of Robusta in total exports has been steadily increasing. Production and yields of Arabica, a higher value crop, have been declining over the last several years for a number of reasons including ageing trees, late crop payments, low produces prices and increased competition from commercial food crops such as corn and potatoes. Also, quality has declined to the

point where Cameroon's Arabica sells at a discount on the world market. The basic reason appears to be that farmers in the Arabica growing areas are shifting labor to food production because it is more profitable. Consequently, aging arabica coffee trees are not being replaced and labor intensive measures to maintain quality are not being taken. The solution would seem to be higher prices. Despite the fact that the world price for Arabica coffee is usually CFAF 200/kg higher than for Robusta coffee the present producer price differential in Cameroon is only CFAF 35.

Cotton has been the fastest growing crop during the last ten years. Cameroon pays the highest producer price in Africa, and a reliable system of supporting services is provided by SODECOTON, a parastatal. An increase in cotton production has been welcomed because it is grown in the poorest driest part of the country where there are few alternatives for cash crops. To encourage cotton production a large subsidy is provided. The overall financial picture for the cotton sector, however, is bleak. Over half of the production is sold to local textile firms at below world prices; at current world prices even exports lose money.

The livestock and forestry sectors are both experiencing declining production. The main constraint to livestock production is population pressure in northern Cameroon. Crop production is expanding into increasingly marginal lands which were once used for grazing; similarly, population growth is reducing the size of the forest in Cameroon. The latter situation is aggravated by poor forest management practices and an apparently low quality of processing capability which reduces the value of forest production.

3. Industry and Commerce

Industry grew at a rate exceeding 16 percent in real terms from 1980 through 1985, led by oil (25 percent) and manufacturing (22 percent); manufacturing increased its share of GDP from eight percent of value added in 1980 to 15 percent (and about seven percent of employment) in 1988, with most of the growth coming from new foreign and government owned enterprises. Manufacturing is varied but generally medium sized, with most sectors dominated by a few large capital-intensive firms concentrated in high-cost import substitutes, agro-industrial exports, wood-based exports, and aluminum and consumer goods for local consumption and for export within UDEAC. The

effective rate of protection in industrial value added varies from - 24 percent in agro-industry to infinite in the chemical, mechanical, textile, and wood industries. State participation, largely through SNI, represents 51 percent of equity, dominating the ten percent private Cameroonian and 39 percent foreign equity. Foreigners operate many private sector industrial firms.

Services, including commerce, grew more modestly at 6 percent and account for 36 percent of GDP (42 percent of non-oil GDP) in 1988. More than 250 registered service companies vary from trade (import-export, wholesale and retail), which is dominated by local small private firms, to representation, distribution, and backup services, in which foreign and SNI investment is more common. Marketing of food crops is in the hands of small private traders, except for rice, and is efficient despite high markups due to transportation. Marketing of export crops is by parastatals, private sector, depending on region and crop. Entrepreneurship in trade is largely Cameroonian.

Table 8
Commerce and Industry

Share of non-oil GDP (percent)	1980	1985	1986	1987	1988
Industry	28	27	25	24	23
(Manufacturing)	8	18	17	17	17
Services	39	43	45	44	42
Growth Rates:					
Industry	16	3	-7	-10	
(Manufacturing)	22	6	-5	-9	
Services	6	17	-5	-13	

Road transport is private, of unknown profitability, growing in line with demand to satisfy basic services; the railroad (Regifercam) is state-owned, and operated at a loss of CFAF 8 billion in 1986/87; the national airline, Camair, in recent years reversed a long period of profitable growth with losses of approximately 24-33 percent of sales, and now has significantly negative net worth. Telecommunications suppliers are foreign, with domestic service operated by the PTT and international telecoms by a mixed public-private organization. Tourism is mostly business travel, with 43 percent from Africa. The insurance sector is undergoing a period of consolidation due to recent portfolio and casualty losses, and a French company is buying the shares of other foreign insurers. Private providers--many religious--provide 40 percent of health services, but significant regional imbalances in distribution remain (Section B.4). The

State holds a large stake in the banking sector as an instrument of its policy of firm control over the monetary system (Section A.4f).

Since 1985 both industry and services have experienced a slump, with industry declining by 6.5 percent in 1987 and by 10 percent in 1988, and services declining by 5.4 percent and then 13 percent (Table 1).

4. Health/Population

In 1986 Cameroon's population was estimated at 10,450,000, representing an average annual growth rate of 3.1 percent between 1973 and 1984. However, current studies indicate because of an increase in the total fertility rate (6.5 in 1982) and declining child mortality that the annual population growth rate has accelerated to 3.3 percent. In an effort to confront the issue of population growth, the GRC is currently formulating a population policy, expected to be announced in 1989. Because little or no reliable data exist regarding such key indicators as the modern contraceptive prevalence rate, total fertility rate, USAID/Cameroon has requested and AID/W has agreed to fund a Demographic health Survey (DHS) in late 1989. The findings from the DHS will provide the GRC with adequate data from which Family Planning service delivery programs can be designed and implemented.

While the past twenty years have seen steady gains in the well-being of Cameroon's people, recent data suggest that the country's rapidly growing population may have begun losing ground in several key areas. While Cameroon's achievements in reducing infant mortality compare favorably with those of other countries in the region, disparities between rural and urban areas remain dramatic. While official statistics for the period since 1985 have not been released, informed sources indicate that during the 1985-1987 period infant mortality rose significantly, from 110 per thousand to between 115 and 118 per thousand, with the most serious increases occurring in rural areas. This suggests that cutbacks in operating costs, deactivated mobile vaccination programs, and inadequate pharmaceutical and ORT supplies are eroding the gains of the past.

Morbidity and mortality patterns in both rural and urban areas show predominance of infectious and communicable childhood diseases. Major causes of mortality include

measles, tetanus, acute respiratory infections, and malaria. The 1983/84 WHO survey reports that 50 percent of infant deaths were diarrheal-related, due in large part to rotavirus infection, socio-nutritional factors, and poor sanitation and lack of potable water.

While Cameroon has made favorable gains in food production during the past several decades, chronic malnutrition and transitory food insecurity remain a matter of serious concern for particular regions and among particular segments of the population. Recurrent drought, expansion of agriculture onto marginally productive lands, and inadequate health and marketing infrastructure have rendered the northern provinces particularly susceptible to transitory food insecurity.

The prevalence of chronic malnutrition is significantly higher in urban areas (19.4 percent) than in rural ones (2.4 percent). Time series data on urban migration, market trends, and food supply leave little doubt that urban malnutrition is primarily a function of socio-economic factors.

GRC budgetary allocations for health have, in recent years, constituted as much as 6.3 percent of the government services budget, compared with the WHO recommended average of ten percent for low income countries. In 1988/89, however, the health budget has declined to 4.6 percent. However with $12.60 per capita spending, Cameroon remains on a high level compared to other African countries.

Nonetheless, budgetary imbalance is characteristic of the national health services due to overly ambitious investment programs skewed toward urban centers, and severe under-financing of non-personnel recurrent costs.

During the period 1981 to 1985, investments in health infrastructure and services totalled CFAF 2.6 billion, including the construction and rehabilitation of 1,441 hospitals, clinics, pharmacies, propharmacies (basic village pharmacies), and mother and child care centers. While the public investment budget in health continued to grow in 1986/87, only 14 percent was allocated for the construction of primary health centers, while 80 percent financed construction costs of hospitals. In 1987/88 hospital construction consumed 92 percent of investment.

Table 9

1989 SOCIAL INDICATOR DATA

	1965	1975	Most Recent Estimate
POPULATION:			
Total Population (million)	5.8	7.4	10.9
Projection year 2000			16.7
Population growth rate (per 000)			
Total		25*	32*
Urban		73	79
Life expect. at birth (yrs)	46	52	56
Crude birth Rate (per 000)	40	47	48
Crude death rate (per 000)	20	17	16
Total fertility rate	5.2	6.3	6.9
Infant mortality (per 000)	143	114	115
Child death rate (per 000)	34	23	24
FOOD, HEALTH AND NUTRITION:			
Index of food production per capita (1979-81=100)	89	116	94
Per capita supply of calories (per day)	2,043	2,328	2,080
Malnutrition (1978, percent):			
Chronic (under 90% ht/age)	22.1		
Acute (under 80% wt/ht)	1.1		
Underweight (under 80% wt/age)	22.3		

Source: World Bank, 1988d.

*Note: Population growth rate data cannot be reconciled with crude birth and death rates. Problem lies with originally reported GRC data.

Table 10

CAMEROON HEALTH BUDGETS, 1986/87 - 1988/89
(CFAF Billion)

	1986/87	1987/88	1988/89
Investment	23.0	21.5	17.6
Hospitals	18.6	20.0	16.7
Internal Funds	(11.2)	(7.0)	(1.2)
External Funds	(7.4)	(13.0)	(15.5)
Primary Health Ctrs.	3.1	0.3	0.4
Internal Funds	(3.1)	(0.3)	(0.4)
External Funds	(--)	(--)	(--)
Other	1.3	1.2	0.5
Internal Funds	(0.7)	(0.6)	(0.5)
External Funds	(0.6)	(0.6)	(--)
Recurrent	29.8	25.6	24.0
Personnel	20.8	21.2	20.2
Medications	4.2	2.2	1.9
Other	3.8	2.2	1.9

Source: World Bank, 1988c.

Recurrent costs in the health budget remain low relative to other sectors. However, this includes a large allocation earmarked for administrative costs and personnel within the Ministry of Health, and a disproportionate share of personnel costs in rural and primary health care facilities (often as high as 98 percent of recurrent costs per facility).

Since 1986, economic austerity measures have further exacerbated this situation, as budgetary allocations for medications have been reduced by more than 50 percent. Field reports indicate a breakdown in central inventory and management operations, and chronic shortages of basic drugs and clinical supplies.

Prospects for privatization of health services over the short-term are not promising, although new government commitments to cost-recovery (fee for service) are likely to improve prospects for private practitioners. Forty percent of hospital beds and an undetermined proportion of health services are provided by missionary societies and non-Cameroonian private voluntary organizations, most of which operate on a fee-for-service basis. A uniform trend toward cost-recovery in health care is likely to transform public expectations regarding free health care that have become prevalent as the result of past practice.

5. Education

Since independence the GRC has made impressive strides in improving access to education. Over a ten year period (1973-1983) annual growth of the primary education system was 4.5 percent, compared with population growth of 3.6 percent. The ratio of gross enrollment at primary level per hundred primary school-aged children has been and remains one of the highest in the region, rising from 94 in 1965 to 108 in 1988. The ratio for secondary schools during the same period rose from five to 23.

While the Government has long been committed to the expansion of school facilities, serious constraints to the improvement of educational quality remain. Pupil/teacher ratios remain high, at 51 for primary schools. As enrollment ratios suggest, school drop-out rates also remain high, with only 57 percent of students reaching sixth grade. Although girls make up 45 percent of primary school enrollment, they constitute only

38 percent of secondary school students and a bare 14 percent of the university student body.

Improvement in the quality of education is hampered by a variety of operational problems, which reflect budgetary imbalances. GRC investment in construction has only partially remedied the poor quality of buildings, equipment, and sanitation in the school system (Only half of all classrooms are made of durable materials, the largest proportion of which are private facilities). However, a national scarcity of textbooks and materials (including teaching guides, student learning guides, and learning guides for teachers with limited training) is considered to be the greatest problem in the system. Plans to harmonize the two educational systems, francophone and anglophone, considered to be very important at the lower educational levels, have been delayed.

The GRC is concerned that its primary and secondary educational system has inadequate enrollment capacity, insufficient teaching staff, recurrent budgets with personnel costs swamping out other operating expenses. Overall performance is poor. While the Sixth Five Year Plan has outlined an ambitious program of new school construction, even counterpart funds for externally-financed programs to which the government had committed itself may be difficult to obtain. Recent major projects by USAID and the World Bank involving renovation of teacher training college facilities at eight sites could not be completed. Future implementation of this type of construction program will turn on the GRC's ability to meet recurrent costs generated by expanded physical facilities, and to effect important policy and organization changes. The government's commitment to university education has been reflected in major increases in fully-subsidized student enrollment in recent years, although scholarships are being reduced under austerity. University population has risen from 9,562 in 1980 to approximately 15,000 in 1985, with enrollments in some fields, notably law and economics, out of balance with post-graduate employment prospects.

The GRC 1988/89 budget points toward increasing support to secondary technical education compared to primary education, and increased constraints on non-salary expenditures. USAID and IBRD take the position--that there must be a major examination of sectoral goals and priorities focusing on critical issues of diversification of funding sources, reduction in unit costs, improvements in efficiency and quality; and modernization of management. Greater attention should be paid to

Table 11

CAMEROON: EDUCATION BUDGETS, 1986/87--1988/89
(CFAF Billion)

	1986/87	1987/88	1988/89
Investment	22.4	20.8	22.3
Prim. & Secondary	13.6	16.9	19.3
Internal Funds	(12.9)	(6.6)	(5.3)
External Funds	(0.7)	(10.3)	(14.0)
Higher Education	8.8	3.9	3.0
Internal Funds	(8.8)	(3.9)	(3.0)
External Funds	(--)	(--)	(--)
Recurrent	110.1	105.9	96.1
Personnel	65.4	64.3	59.3
Operations	5.7	5.5	3.4
Maintenance	0.2	0.1	0.1
Scholarships	5.3	4.5	4.7
Other, including universities & private schools	33.5	31.5	28.6

Source: World Bank, 1988c.

individuals not benefiting from education as fully as national development objectives require: females, especially at the secondary and higher education levels, and dropouts who have not obtained marketable skills.

More than half the students in the National University study in the Faculty of Law and Economics, due to the limited capacity of university professional and technical schools and past demand for administrative personnel in the civil service. Only 17 percent of students graduate in the sciences, engineering, or business administration.

III. INSTITUTIONAL ANALYSIS

A. The Importance of Institutional Arrangements and the Value of Institutional Analysis

The previous chapter has described the deterioration of Cameroon's economy in recent years. Although generally referred to as an economic crisis, it is an institutional crisis as well. The institutional crisis results from serious inconsistencies between Cameroon's present set of institutional arrangements and those necessary to support the policy reforms of the SAP and provide thé basis for economic recovery. This suggests that correcting the problems confronting Cameroon during the CDSS period will require both improved economic policies and institutional arrangements.

The terms "institution" and "institutional arrangements" are used in this chapter and throughout the CDSS in a special, somewhat technical sense. Following the usage adopted by analysts of the "new institutional school" of economics and advocates of institutional change like Hernando DeSoto, institutional arrangements refers to the full range of formal and informal rules, regulations, laws, procedures, and incentives in the economic, political, and social spheres that guide human interaction. Institutions include those mechanisms, structures, or organizations that formulate, interpret, enforce, and legitimize a particular set of rules, regulations, and incentives.

Adopting this definition and an institutional perspective adds considerable depth to the analysis of the feasibility, dynamics, and complexity of policy reform. The SAP, for example, includes a fairly standard set of economic reform measures, such as removing price controls and reducing import and export restrictions, that are intended to replace

the 'visible hand' of an administered economy with the 'invisible hand' of the competitive market. From an institutional perspective, these reforms are not simply actions to be authorized or enacted. They are a new set of rules that are intended to guide human behavior in new ways. These new rules may be formally adopted, but unless these rules carry with them incentives and sanctions and unless supporting institutions are created to interpret the new rules, clarify the new relationships, and enforce the rewards and sanctions, the old rules will persist and the reform will fail. This suggests that if the SAP is to succeed in getting the invisible hand to function effectively and efficiently, more is needed than removal of price distortions and import restrictions. At the same time, such supporting institutions as enforceable contracts, fair courts, standardized weights and measures, property rights, and liability insurance, must also be in place so that the private sector can respond efficiently to market-based pricing.

Furthermore, institutional analysis points out the nested nature of rules. Even if a new set of rules removing price controls is carefully introduced with supporting institutions like property rights and enforceable contracts, they may be overwhelmed by contradictory signals and incentives from the wider environment. If adjudication of contract claims is not fair or suppliers continue to rely agreements based on social or ethnic relations, then even free markets may not operate effectively.

While adopting an institutional perspective ought to sober reformers about the ease and speed of sustained reform, it should not be defeating. Indeed, careful institutional analysis will not only help in identifying and prioritizing areas needing reform, but will help in determining the feasibility of particular reforms and designing strategies for implementation to maximize sustainability.

The value of this type of institutional analysis is more than theoretical conjecture. It has being used in the implementation of USAID/Cameroon's most recent initiative in policy reform -- the Fertilizer Sub-Sector Reform Program (FSSRP) -- with much success. The economic policy objectives of the program are to eliminate fertilizer subsidies over five years and to remove the visible hand of government from fertilizer importation and distribution. These new rules were formally adopted by the GRC early on, but assuring that these new rules are the ones guiding the behavior of importers, distributors, bankers, and government officials is an on-going process.

Moreover, a considerable amount of time has been spent working with private economic actors on establishing procedures and relationships appropriate to a private market that did not exist during the period of government monopoly. Examples of these new institutions include private tendering processes, new types of financial guarantees, and performance-based contracts for transporters. Institutional analysis, ad-hoc though it may be, has helped to identify issues and design responses.

Although the experience of the FSSRP and the insights of DeSoto and others has convinced the Mission of the importance of this type of analysis, the lack of a fully articulated institutional analysis framework has prevented us from including in the CDSS the type of rigorous institutional analysis we know is possible. Obviously the Mission places considerable importance on developing such a framework in the near term. The steps we envision in generating this analytical methodology are discussed briefly in this chapter and in the description of the Mission's development strategy in Chapter VI. What is possible at this point, is to provide a very general overview of the political context from which the existing institutional arrangements emerged, the risks involved in changing those arrangements and the role of institutional analysis in addressing those risks. These issues are described in the next section of this chapter which is followed by a brief assessment of the implications of these themes on the SAP. In addition, these themes have been brought to bear on the discussion of main issues in the following chapter.

B. Political/Institutional Context

The long-standing and deeply-seeded political and social underpinnings of the existing institutional arrangements provides important insights regarding the complexity and risks involved in policy reform. At independence, the Cameroonian polity was confronted with a number of historical and social forces, including two colonial legacies, considerable ethnic and religious diversity, and civil unrest, as well as aspirations for rapid political and economic development. In response, it created a set of mutually reinforcing institutional arrangements that the gave the state the dominant role in civil life. Economically, Cameroon adopted a state-led model of economic development, which resulted in a dominant government role in industrial investment and a close control of private sector activity through price controls, tax policies, and regulations. Politically, Cameroon adopted a centralized, bureaucratic state structure,

capped by a powerful Presidency. The state also assumed responsibility for assuring national unity by carefully balancing domestic development and the provision of services among competing groups. Socially, the state took on the role of guarantor of social welfare. As a result, it progressively extended the range of social services in the health education and communication sectors, usually at no cost to the recipients. One critical consequence of adopting this role has been the rapid growth in the number of high school and university graduates. Consistent with its roles as dominant economic actor and as guarantor of social welfare, the GRC has absorbed the bulk of these graduates with a resulting expansion of the number of public and para-public employees. It is estimated that there are now over 200,000 such employees, a ratio of 1 civil servant for every 58 Cameroonians (this compares to a ratio of 1 to 156 in Senegal, another heavily bureaucratized state).

The institutional environment within which both public and para-public employees operate provides important insight into some of the major causes of inefficiency in these sectors. The use of public and para-public employment for political purposes has bloated civil service and parastatal staffs. This, combined with the lack of appropriate performance incentives and inadequate operating budgets, has resulted in serious inefficiencies in a civil service not always held accountable to the national interest and are more likely to respond to family or ethnic interests instead.

At the same time, a wide array of existing laws, regulations and administrative procedures allow some civil servants tremendous discretionary authority over private sector activities in such critical areas as hiring, firing, wage rates, fringe benefits, working conditions, etc. This, compounded by uncertainties caused by the lack of effective rules, procedures and enforcement structures in such fundamental areas as property rights, contract law, etc. impose very high transaction costs on would be entrepreneurs.

C. Implications for Policy/Institutional Reform

The nature and long-term direction of the structural changes contemplated in the SAP are both clear and fundamental. To the extent that economic liberalization/ privatization combined with public sector cutbacks are successfully implemented, they will result in a gradual passing of discretionary power, and with it, political power,

from the public to the private sector. As the economy's dependence on the private sector to generate economic growth and employment increases, so also will its political and lobbying strength with the government. Further, the shift to greater reliance on liberalized markets will reduce the governments control over the distribution of resources among competing interest groups. In sum, given the considerable and growing empirical evidence from many countries of the destabilizing potential of the transition to greater reliance on the market forces, the political implications of the SAP are sobering.

Thus, while Cameroon's presidential regime enjoys both sweeping powers and unlimited tenure, its primary objective will be to remain in power, principally through the exercise of social control and risk minimization policies. Clearly the implementation of the SAP could undermine both policies. Nevertheless, as long as the political risks involved in not implementing structural adjustment appear greater than those involved in implementing it, we expect the GRC will proceed with the SAP--cautiously.

The pace of specific policy reforms will depend on the level of perceived risk. This, in turn, will depend on such factors as how the reforms are implemented (e.g. are compensating measures introduced) the time framé in which they are implemented (e.g. are they too abrupt), the sequence in which they are implemented (e.g. are negative impacts compounded on particular groups or in particular locations) as well as others.

The challenge facing the advocates of reform within the government and the donor community is to devise strategies and procedures for mitigating the effects of structural adjustment on the general population, and minimizing or overcoming risk and bureaucratic resistance. The role of institutional analysis in this process is to provide accurate and timely reform-specific information and guidance regarding the what, how, when, etc., of policy reform.

Take again the lessons provided by FSSRP. At the same time that our institutional analysis pointed out the nature and rational of the bureaucratic resistance to privatization, it also pointed out that there are interest within the Presidency and within the civil service itself that would be more supportive of reform. As a result, USAID has collaborated with these interests and has obtained their support when serious implementation problems have arisen. Similarly, at the same time that

institutional analysis pointed out need to soften bureaucratic discretion, this has been accomplished through transparent decision-making, publicity to remove information imbalances, and devolution of decision-making outside the government where possible.

D. Next Steps

The combination of the complexity of the proposed institutional analyses and the absence of a standard methodology for conducting them underlines the importance of first developing a methodology that is both relevant and cost-effective. When complete, it will provide a framework within which to better understand the significance of institutional arrangements as well as identifying a manageable number of key variables or relationships that will help to focus the attention of Mission staff during the design and implementation of policy reform activities. The Mission intends to complete the methodology with the year.

During that time, the Mission intends to draw on the data generated from a number of on-going donor activities. The most wide-ranging is the World Bank-supported civil service reform, which calls for a ministry-by-ministry assessment of organizational objectives and staffing requirements. This assessment should shed some needed light on incentive patterns and areas of bureaucratic conflicts. Also contributing to the development of the methodology will be USAID/Cameroon's related efforts, including: support to IFC's Foreign Investment Advisory Services inputs in drafting a liberalized investment code, support to OPIC on a feasibility analysis of establishing a Free Trade Zone in Cameroon, and a follow-up MAPS study that will further elaborate the key constraints to private sector development posed by present institutional arrangements.

With a methodology in place, the Mission will then be in a strong position to target its policy reform efforts on those areas that the institutional analysis points out as priorities and that have a high likelihood of success given the Mission's level of staff and financial resources.

IV. MAIN ISSUES

Based on the analysis of the overall macroeconomic performance and sectoral trends in Chapter II and drawing on the institutional analysis in Chapter III, the Mission has

identified what it considers to be the main issues that the country must address in order to attain the objective of sustained broad based economic growth. These issues can be usefully grouped into three areas: (1) issues related to improving the performance of the private sector; (2) issues related to improving the efficiency of the public sector; and (3) issues related to the over-extension of the public sector. However, given their breadth and complexity, tackling all of the issues is beyond the capability of USAID/Cameroon. The Mission's response, which will be discussed at length in Chapter VI, is to focus on those issues in which it has particular expertise.

A. Issues Related to Improving the Performance of the Private Sector

As discussed in Chapter II, the Government has created a distorted environment in which critical decisions regarding pricing and marketing, international trade and investment are not left to the decisions of the market place. The result has been a lack of competition which could have led to increased production, efficiency and social welfare. Although the list of distortions that inhibit the development of the private sector is extensive, policy-based distortions in the following four areas stand out as being most important: (1) regulatory policy, (2) pricing policy, (3) trade policy and (4) financial sector policy.

1. Regulatory Policy

Government regulatory policies create severe distortions and high transaction costs for the private sector. These policies include the ponderous array of laws, regulations and procedures, as well as the structures which interpret and enforce these laws, regulations and procedures. THis results in state control of private entrepreneurial behavior all the way from the initial decision to make an investment through the period of operation and up to the decision to liquidate the investment. For example, through the business licensing mechanism the state can control or strongly influence all aspects of the investment. Once a business is created, the state continues to have a major say in such fundamental areas as personnel hiring, firing, wage rates, fringe benefits, and working conditions. The state can also have a major role in the decision to go out of business. In addition to this onerous regulatory environment, there are several problems in the basic legal framework in such areas as property rights, contract law, and torts. Moreover, these legal and regulatory problems are

exacerbated by the inefficiency, effectiveness and unpredictability of the structures and procedures for enforcement (e.g., court, police, government ministries, etc.). In sum, the existing legal, regulatory and enforcement structures under which the private sector must operate in Cameroon impose major constraints on the development of the competitive, efficient and dynamic private sector required to achieve broad based, sustainable growth.

2. Pricing Policy

The major distortions in the area of pricing policy have taken the form of price controls on domestically produced goods, margin requirements on traded goods, fixed agricultural producer prices and subsidies on agricultural inputs.

a. Price Controls

The process of "homologation" is applied to a large category of goods that are domestically produced. The Ministry of Industrial and Commercial Development (MINDIC) reviews the cost of production for each firm subject to homologation and determines the legal price based on what is considered to be an acceptable profit margin. Hence, price controls is yet another mechanism to protect inefficient domestic industries. The end result is that firms operating under price controls have no incentive to increase their efficiency since their prices are adjusted in line with their cost of production. Given the limited degree of competition, firms have little incentive to reduce costs or increase quality. In sum, it is the protected producer who gains at the expense of the consumer or local producer and the society in general. In addition, MINDIC's review and approval of cost of production has not been rapid enough in cases where imported input prices have changed and have therefore not been able to meet the operational needs of producers.

b. Margin Requirements

MINDIC also enforces legal margins which are administratively set for wholesale and retail trade in standardized goods and services. Margins vary according to the products involved. As in the case of price controls, the system of legal margins reduces competition and creates little incentive to increase efficiency. Small,

inefficient traders can charge the same price for a traded good as large traders who can benefit from significant economies of scale. The margin system creates little incentive, therefore, for the development of an efficient delivery system.

c. Agricultural Producer Prices

Government policy in the area of agriculture export pricing is to set fixed producer prices which are insulated from changes in world prices. The Government's objective is to induce farmers to produce these export crops by creating a stable price environment for planning purposes. However, the stable producer prices have been set so low that there has been little incentive on the part of farmers to increase either the efficiency or scale of their production. The rigid export price policy contrasts with one where producer prices are allowed to freely fluctuate in response to world prices. During a period of high commodity prices such as the 1970s, this policy would provide a strong incentive for farmers not only to increase production, but also to invest more for future production. However, during periods of low world commodity prices, it would be the farmer who would bear the brunt of the price decline under this totally flexible export price policy regime. There is an intermediate partially flexible export price policy which would avoid the shortcomings of either the rigid export price policy or the totally flexible price policy. A market oriented system which shields the farmer from excessive and politically unacceptable decline in income is one which sets a floor price and allows the producer price to move above this floor in line with world markets. This would create an incentive for more efficient production processes and investment since the farmer could be somewhat spared from abnormal price flux. Moreover, it would provide for a base level of income stability for the farmer during periods of declining commodity prices.

d. Agricultural Input Subsidies

Government policy in the area of agricultural inputs is to increase the use of these inputs by subsidizing the farm-gate price and thereby increase overall agricultural productivity. Pesticides, fungicides and seeds are provided free of cost to individuals involved in the export crop sector. In addition, until recently, fertilizer was extensively subsidized and constituted the single largest government budgetary subsidy. At present, the fertilizer subsidy is in the process of being phased out with assistance

from USAID under the Fertilizer Subsector Reform Program (FSSRP). These subsidies are an unnecessary drain on public resources and have served to aggravate the Government's current financial crisis. Moreover, because of delays in the delivery of agricultural inputs, these budgetary subsidies do not achieve the Government's objective of increased input use and increased agriculture productivity. As emphasized in the World Bank Agriculture Sector Review (1988D), producer prices, efficient marketing and reliable delivery of inputs constitute more important determinants of how much farmers choose to spend on inputs than do subsidies.

3. Trade Policy

Distortions caused by inappropriate trade policies have also had a negative impact on private sector development. These policy distortions include the use of quantitative restrictions, highly dispersed tariff levels, inappropriate use of price equalization funds, inappropriate use of the proceeds from stabilization funds, and inefficient use of tax incentives and tariffs which favor import substitution activities over export activities. The overvalued CFA Franc also reinforces the bias for import substitution activities against export activities.

a. Quantitative Restrictions for Protective Purposes

All products produced domestically in Cameroon are protected against competition from imports through various degrees of quantitative restrictions. Most imports fall into one of the following three categories of protection: (1) goods that are produced locally and can therefore be imported only when local production cannot meet demand (mostly consumer goods), (2) goods that are produced locally but at costs higher than on the world market and are subject to pairing requirements (i.e., rice, cotton textiles and shoes), and (3) goods that are not produced locally and which may be imported if no producer contends that the same goods are available in Cameroon. The literature on the superiority of using the pricing mechanism (i.e., a tariff) over a quantitative restriction (i.e., a quota or an import license scheme) is well established. In sum, a quantitative restriction does not guarantee that the import goes to the most efficient user of the import and allows an economic rent to be extracted by the administering body at the expense of the consumer and government revenues. In addition, a system of administrative allocation of a quota or license is also susceptible to rent extraction

by the administrative body itself. A tariff, on the other hand, allows the import to be rationed to the most efficient user of the import based on an efficient price mechanism, as well as generates revenue for the government. Hence, the use of quantitative restrictions places an important constraint on the development of an efficient private sector and increases costs to the consumer.

b. Highly Dispersed Tariff Levels

Goods imported into Cameroon are subject to both the common tariff of the UDEAC and the surcharge placed on them by the Cameroonian Government. Tariffs average 70 percent of the c.i.f. import value. The system, however, has three major flaws. First, in order to encourage the greatest amount of value added in Cameroon, the Government imposes a consistently higher tariff rate on finished products than on intermediate goods. The result has been that products in which Cameroon could never hope to have a comparative advantage are provided extremely high rates of protection. For example, in a 1987 survey of 49 industrial firms, only 12 used less than one CFA Franc in local resources to earn a CFA Franc equivalent of foreign exchange (i.e., there were positive foreign exchange savings), while 16 firms imported intermediate goods that cost more than it would have cost to import the finished product itself (i.e. there were negative foreign exchange savings). The second flaw is that many import duty exemptions for intermediate and capital goods are granted on a firm by firm basis. This practice not only encourages the use of imported--rather than locally produced--intermediate goods, but also places firms which do not have the duty exemption at a disadvantage against other firms in the same sector. A distortion free system which provides low and evenly distributed tariff levels would ensure that domestic resources are being used in the most efficient and productive manner.

c. Inappropriate Use of Price Equalization Funds

Cameroon has recently created price equalization funds which apply to products that are produced locally but which cannot compete with imports because of so-called production subsidies of the exporting countries. The GRC's policy is to impose an import tax equal to the assumed foreign subsidy and to use the revenues to subsidize the price paid to local producers. This system is applied to rice, sugar and edible oils. This measure can be justified, however, only if: (1) the exporting countries are

selling to Cameroon at below cost (i.e., existence of dumping) or (2) the local production will eventually become competitive after it has become established (i.e., infant industry argument). Use of these measures in all other cases would result in Cameroon producing goods in which it does not have a comparative advantage. In this regard, the World Bank (1988d) concludes that dumping is not evident and that Cameroon is not likely to be competitive in these products. Protection should therefore be largely phased out. Given the overvalued CFA Franc, the price equalization funds can also be viewed as schemes to correct for distortions from fixed exchange rates through import taxes and subsidies to local production. Given the administrative difficulties involved in managing these funds, a readjustment of the CFA Franc and French Franc parity would be more appropriate. Such an adjustment is not, however, being contemplated by the GRC.

d. Inefficient Use of Proceeds from Stabilization Funds

GRC policy has been to tax the traditional export sector (explicitly through export taxes and implicitly through fixing producer prices below the f.o.b. export prices) and to use the revenues to broaden the development base of the economy, mainly through import substitution and export diversification. ' The export price stabilization fund which, until 1986, consistently accumulated a surplus, resulted in less than adequate reinvestment in coffee and cocoa production. In the meantime, many of the import substitution and export diversification investments financed by the surplus turned out to be ill-advised so that, on balance, overall economic performance has not been as strong as it could have been. From a policy standpoint, there is nothing inherently wrong with export taxes and stabilization funds. The problem in the case of Cameroon has been that the producer was taxed too heavily (in favor of the marketing board) and that the proceeds of the stabilization funds were used to finance activities outside the purpose for which they were designed.

e. Inefficient Use of Tax Incentives and Tariffs

Government policy has been to levy a revenue tax of 2 percent on all exports. Manufactured goods are exempt from this tax, except for textiles, leather articles and packaging materials. In addition, some exports have special taxes (e.g., bananas 17.5 percent, wood and lumber 15-40 percent and coffee and cocoa 40-50 percent). There

are very few tax incentives specifically for exports, so that the effective rate of protection for export industries is often negative (Industrial Master Plan, 1988). This contrasts with the import tax regime which provides very high effective rates of protection for import substituting industries. The system, therefore, discriminates against investment in export-oriented enterprises.

4. Financial Sector and Monetary Policy

The primary distortions in financial policy has been in the areas of inappropriate interest rate policy, the lack of financial deepening, and the inability of the banking system to fill the "missing middle" of sizeable medium to long term financing for plant and equipment.

a. Inappropriate Interest Rate Policy.

Monetary policy in Cameroon is determined by a supra-national regional Central Bank, the Banque des Etats de L'Afrique Centrale (BEAC), of which Cameroon is a member. The BEAC interest rate policy is based on two assumptions (1) that the poor do little or no saving, and (2) low interest rates promote investment and growth. The first point, which is not supported by research, leads to the conclusion that lending must be based on a Central Bank rediscount mechanism rather on a price mechanism (i.e. interest rate). The second point, which has resulted in negative real rates of return on deposits, has served to discourage the placement of private savings in the domestic banking system. Real deposit rates were negative from 1975 to 1982 (IMF 1986a), averaging -4.35 percent. Low real lending rates, which averaged 0.4 percent during the same period, have served to encourage borrowing. The resulting low interest rates relative to those in foreign countries (i.e. France) have led banks and some private individuals to transfer part of their asset holdings overseas. Moreover, the highly differentiated rate structure leads to the allocation of funds based on artificial administratively determined proceedings rather than on the inherent financial viability of the project involved.

b. Lack of Financial Deepening

Cameroon has had little financial development, particularly for the level of its per capita GDP. Financial deepening reflects the degree of willingness to use the formal banking system for planned transactions and thus make them available for lending for productive investment. The country's formal deposit base consists mostly of the government, parastatal organizations and large companies, which leaves the system vulnerable to outflows from any one of its major depositing groups. The current liquidity crisis can be directly linked to the fiscal crisis experienced by the central government and the parastatals and the ensuing draw down of these entities' large deposits in the commercial banking system.

c. The "Missing Middle"

Cameroon's banking system is highly concentrated, with four of its ten major banks controlling roughly 85 percent of all lending (World Bank 1987). These banks have branch offices primarily in the major cities and tend to focus on short-term trade finance in the form of commercial overdrafts and on long term home mortgages. Both types of activities are relatively secure, efficient and lucrative forms of financing for commercial banks which have relatively high overhead costs. The informal financial sector consists of credit unions and "tontines" or lending clubs whose interest rates tend to be high and who depend on social sanctions for loan recovery. Although tontines represent a substantial share of total credit to the Cameroonian economy, particularly small enterprises, they do not permit transformation of short-term or sight deposits into longer-term loans needed for productive investments. Moreover, the tontines are so segmented that they do not provide for financial intermediation outside the individual tontine (i.e. they are incapable of allocating domestic savings to the most productive use from the perspective of the economy as a whole). The credit unions at present have been limited to the Southwest and Northwest provinces in the Anglophone part of Cameroon. There is a "missing middle" in the financial system which consists of demand for sizeable levels of financing on a medium to long term basis for plant and equipment by small and medium scale enterprises. This is an area that is not profitable for the commercial banks to pursue because of the high overhead costs and low interest rates involved, and too large and too long-term for the informal sector to pursue. Since these enterprises represent a potentially important source of

economic activity, the lack of appropriate financing is serving to undermine the growth and employment potential of the Cameroon economy.

B. Issues Related to Improving the Efficiency of the Public Sector

The institutional analysis of Chapter III pointed out the numerous roles the government has adopted for itself immediately after independence including acting as mediator between the competing regional and ethnic, claims for development resources and social services and becoming the employer of choice in the modern sector. Adopting these roles had significant financial implications. Government expenditure rose at an average annual rate of 10.2 percent between 1983/84 and 1986/87, while nominal GDP grew at about half that rate. At the beginning of the period, government expenditure accounted for 23 percent of nominal GDP; in four years it had risen to almost one-third of nominal GDP. With the decline in export revenues since 1986 has come a decline in government revenues. These declines in revenues have not been initially offset by equivalent reductions in expenditures. The result has been the accumulation of vast government arrears.

This situation raises both short and long-term issues. In the short-term, the GRC needs to address its fiscal policy, i.e., how it manages its budget and collects its revenues. Over the long-term, the GRC will have to re-examine the roles it has adopted and determine which are truly appropriate governmental functions. One role that the GRC can no longer afford is to serve as the modern sector major employer. The government must make significant cuts in the wage bill. Once legitimate government activities have been identified the tasks will be to examine its investment priorities to assure that capital expenditures are supporting those activities and reviewing the full-range of government services to determine which are appropriately provided at no-cost and which are most efficiently provided through user fees or other cost recovery schemes. The objective of all of this self-examination is to: increase the efficiency of the public sector, limit its activities to those it is best able to perform, and implement them in an efficient and equitable manner.

1. Fiscal Policy

The GRC does not have a comprehensive budget that covers all of its revenues and expenditures. There are large "extra-budgetary" expenditures that are not included in the deficit or debt calculations. These hidden obligation meant that when economic activity dropped sharply, as it did in 1986, the GRC continued to incur obligations outside the official budget-making process. This exacerbated the official budget deficit and added to the size of government arrears further reducing liquidity in the banking system.

At the same time, the GRC will have a difficult time increasing government revenue as a share of GDP. The World Bank (1987) found that direct taxes accounted for 18 percent of current revenues, and taxes on external trade (mostly imports) accounted for 26 percent of revenue (compared to averages of 38 percent and 17.5 percent respectively for other middle income countries). The high indirect tax rates facing importers and producers in the formal sector create strong incentives to avoid taxes by staying in the informal sector or trading through unofficial channels. Steps are needed to widen the tax base so that those who pay taxes are subject to lower rates. These matters are being studied by the Ministry of Finance. There is also a need to impove the efficiency and timeliness of tax collection.

2. Excessive Wage Bill

The World Bank estimated that the number of civil servants increased at an annual average rate of 10 percent from 1979 to 1985. Presently, Cameroon has approximately 170,000 civil servants for a population of 10 to 11 million inhabitants, compared to Senegal which has 50,000 civil servants and a population of 7 to 8 million inhabitants. The 1988/89 wage bill is estimated to be CFAF 340 billion (US$ 1.2 billion) and constitutes almost 40 percent of total government expenditure. This excessive wage bill is financed at the expense of adequate levels of recurrent expenditure needed to maintain the government's existing capital stock. The wage bill should be reduced; the magnitude of the requisite reduction is currently being negotiated between the GRC and the IMF and World Bank.

3. Inappropriate Distribution of Social Sector Investment

In recent years, GRC investment in the health sector has shifted toward capital-intensive facilities, such as tertiary care hospitals, in urban areas. Investments have also emphasized curative care at the expense of preventive health measures. In the education sector, the majority of investments have been directed toward secondary and university-level facilities as opposed to primary schools. All of this suggest a movement toward high quality services for the urban elite instead of low-cost services for the majority. However, unless it is consciously counteracted, it will lead to a continuing decline in social well being in the rural areas. As a result, the GRC needs to re-examine its investments in the social sectors and direct its increasingly limited resources towards those areas which increase the efficiency of service delivery and which have lower recurrent cost requirements.

4. Increased Need for User Fees

As a way to reduce the cost of providing necessarily public sector activities and as a way of increasing the efficiency with which these services are used, the GRC will need to adopt user-fees or appropriate non-price allocative mechanisms. The decision regarding which services should be subject to user fees will have to be based on both equity and efficiency criteria. Nevertheless, the areas that seem most amenable to user fees are the health and education sectors. In these sectors, user fees for essential pharmaceuticals, use of secondary and tertiary health care facilities and tuition payments for the national university system seem appropriate. Another area of consideration might be rural road maintenance charges.

C. Issues Related to the Over-Extension of the Public Sector

One consequence of adopting the state-led development model has been the GRC's tendency to become directly involved in the provision of a wide range of goods and services. Some of these goods and services are natural monopolies, such as electricity and water, which in Africa are normally provided by the state. However, the GRC has also been heavily involved in the production private goods, such as pulp and paper and fertilizer in the commercial sector and wheat, sugar, cocoa, cotton and rice in the agriculture sector. The GRC's record in these commercial ventures has not been good.

Total GRC subsidies to parastatals have been estimated to exceed CFAF 100 billion (US$ 330 million) per year. This is a severe drain on government revenues and needs to be redressed by restricting the government's role to those activities that it is best able to perform and permitting the private sector, including cooperatives, to undertake those economic activities in which they are the most efficient producers.

1. Reducing Government Involvement in Commercial Activities

The government's direct involvement in commercial activities reached a peak during the period of the Fourth Development Plan (1977-81). During that period, the GRC created the Societé Nationale d'Investissement (SNI) through which to channel government investment funds. By 1984, firms with SNI participation accounted for 40 percent of the value added in the manufacturing sector (Lazard, et al, 1987).

Government involvement in commercial activities either directly or indirectly through the SNI have generally taken one of four forms: (1) wholly owned enterprises providing public services, (2) wholly owned enterprises in strategic (usually capital intensive) industries, (3) state participation in firms which contribute to import substitution or increased domestic value added but in which there was insufficient private sector interest, and (4) agricultural enterprises intended to promote the production of existing export crops, such as cocoa and cotton or the production of new commercial crops like rice. The Government's objective was to achieve growth in sectors that: (1) seemed critical for long-term development and (2) were not profitable enough to be financed entirely with private capital. While it is true that without GRC participation, growth in these sectors would most likely not have occurred, investment decisions were often based more on concerns for maintaining regional balance in investment than on financial viability. Moreover, without competition or incentives for positive performance, even ostensibly viable enterprises have not been profitable. As a result, the performance of the parastatal sector has been poor.

The worst case was the wood pulp and paper company, CELLUCAM, which closed its doors less than one year after opening at a loss to the GRC of CFAF 259 billion (US$ 850 million), including labor US$ 450 million in external debt. In the agriculture sector, SODECOTON, the cotton development parastatal; SODECAO, the cocoa development parastatal; and SEMRY, a parastatal involved in rice production, were all

intended to be profitable ventures. However, in 1988, these parastatals recorded sizeable deficits of CFAF 14 billion, CFAF 10 billion, and CFAF 10 billion, respectively. Only SODECOTON delivered effective services to the farmer.

It has become increasingly clear that government involvement in commercial activities has not achieved the stated goals of increased production, savings and investment, while making significant claims on government budgetary resources. There is a need to involve the private sector more directly in the investment and management of these parastatal activities. There is also a need to expose these parastatals more fully to competitive market forces. Steps are also needed to strengthen the management of those enterprises that provide public goods by introducing performance-based incentives. The GRC, with the support of the World Bank, CCCE and UNDP, have begun taking steps along these lines. A commission has recently completed a review of 74 parastatals to determine which enterprises should be liquidated, privatized or rehabilitated. Early responses to the results indicate that there are significant interests allied behind each enterprise. As a result, it would appear that implementation of the reform in this area will be slow since political balance remains such a key element in decision making.

2. Cooperative Development

Cooperatives play a significant role in the marketing of export crops and in the distribution of agricultural inputs. In 1987, cooperatives marketed over 95 percent of the arabica coffee and a quarter of the robusta coffee and cocoa crops. In 1988, cooperatives distributed almost all of the fertilizer imported into Cameroon. Although cooperatives are nominally private entities, in most cases the government exerts a great deal of control over them through the Directorate of Cooperation and Mutuality (Coop-Mut) of the Ministry of Agriculture. At present, the law governing cooperatives gives wide latitude for government intervention. As a result, it is not uncommon in the Northern part of the country to find cooperatives managed by agents of Coop-Mut. In other parts of the country, the situation is not as bleak. The best functioning, financially soundest, and most independent cooperatives are in the West Province. They are involved mainly in marketing arabica coffee and are not subject to marketing margins. In the anglophone Southwest and Northwest Provinces, where cooperative are controlled by their members but are obliged to market through official

channels at controlled margins, the cooperatives are experiencing more financial difficulties.

The key issue is the correlation between a cooperative's independence from governmental control and its economic performance. Data obtained by the World Bank (1988d) showed that, in general, internal marketing of export crops is inefficient, unreliable and costly, except where it is handled by self-managed cooperatives. The obvious point is that the GRC should allow cooperatives to manage their own affairs and to demonstrate their efficiency in a competitive environment.

V. STRATEGIES FOR DEVELOPMENT

A. Development Strategies of the Government of Cameroon

The explicit development strategy of the GRC is revealed in three documents: The Sixth Five Year Plan (1986), the Industrial Master Plan (1988), and the Development Strategy Statement (draft, 1988), or DSS, which is in the process of being finalized in the context of the negotiations for structural adjustment loans to be provided by the World Bank and the African Development Bank.

The Sixth Five Year Plan presents the most recent official statement of development strategy. Its goals, which were debated at all levels of the government before being approved, are (1) food self-sufficiency through rural development, (2) promotion of forestry exploitation, (3) industrial development based on the domestic resource base, (4) encouragement of small and medium scale enterprises rather than large-scale enterprises, (5) infrastructure improvement, and (6) equitable regional distribution of development benefits. Although MINPAT states the Five-Year Plan has been superceded by the DSS, further modifications in strategy seem likely.

The Industrial Master Plan presents a sectoral strategy with policy and macroeconomic implications. It provides for: (1) an economic and political environment promoting a competitive and efficient private sector; (2) trade policy reforms in line with liberalization; (3) commercial policy which will create incentives for efficiency in domestic and export markets (including flexibility in price controls, and replacement of production taxes with a VAT); (4) an investment policy which eliminates criteria

favoring large-scale projects and substitutes criteria favoring value-added, foreign exchange generation, and development of human capital; and (5) a monetary policy which supports the above.

The Development Strategy Statement, drafted and strongly supported by MINPAT, is not yet officially approved as Government Strategy. It was most recently revised during the joint World Bank/African Development Bank structural adjustment loan appraisal mission which took place in March 1989. It is expected that the statement will be finalized during the final SAL negotiations, presently scheduled to take place in Washington, D.C. in April 1989. The DSS is deeply rooted in the context of the economic crisis, and is intended "to express the will of the government to act to preserve the gains and pursue harmonious national growth."

The DSS is based on three principles: 1) reducing constraints to the operation of a free market; 2) transforming the State from a direct participant in production and distribution of both public and private goods and services to a source of information assisting the private sector, and; 3) reorienting public services toward programs which improve well-being and productivity. The strategy concerns the public sector and its interaction with the private economy. Stabilization and adjustment are its primary goals, while subsidiary and sectoral measures are planned to achieve the goal of economic recovery. The first priority of the DSS is to reduce the external and internal deficits, with the rigorous measures called for to be explained clearly to economic actors so that the desired effect is understood and supported. The second priority is to resolve the balance of payments deficit by increasing exports, reducing imports, and attracting autonomous foreign capital in-flows. This will require a combination of policy changes, sectoral interventions and additional donor financing. The third priority is to offset or avoid the pernicious side effects or social dimensions of structural adjustment and is to be addressed within the context of the Social Dimensions of Adjustment (SDA) project being spearheaded by the World Bank with the support of various donors.

1. Sectoral Strategies

The **rural development strategy** of the DSS calls for (1) food security (reducing the public marketing role, improving drought reaction capability and the agricultural

statistics apparatus); (2) promoting and diversifying exports; and (3) generating rural income through increased productivity on existing farms, promoting EAMI (modern medium-size farms), increasing value added in transforming local products, accompanied by reforms in prices and marketing, institutional support, finance, and human resource development. The impact of the Price Equalization Fund for rice, edible oils and sugar, which appears to oppose the liberalization, will be followed closely.

The **forestry strategy** is being developed separately in 1988/89. The DSS indicates that this strategy will stress renewable forest resources, the preservation of existing ecosystems, the use of long term permits based on forest management and controlled use of fragile and buffer zones, and fiscal changes which promote the use of secondary products and increase domestic value added. Moreover, the strategy calls for strengthening the Forestry Directorate. Potential issues concerning the environment appear to be addressed, but environmental analysis of forestry and the EAMI await the actual development of this strategy.

The **livestock and fisheries strategy** of the DSS calls for cost recovery and privatization in inputs and veterinary services, but increased parastatal activity in vaccine production. The fisheries strategy, which focuses on training artisans, improving preservation, intensifying, and improving parastatals, is one of import substitution and therefore differs markedly from that of other sectors.

The **rural credit strategy** of the DSS is also interventionist and supports the C.A.C. which, unlike FONADER which it replaced, "will be managed according to good banking principles and which will respond to the financing needs of improving existing farms and the creation of EAMI." The strategy calls for special attention to be placed in particular on village savings and loan associations.

The **mines and energy strategy** of the DSS recognizes the country's dependence on world market conditions for minerals and on local demand for energy. During the period of the SAP, the focus will be on increasing competition, while the longer-term project orientation of the strategy will not be pursued until after economic recovery has been achieved.

The DSS **strategy for communications, transport, urban, and housing infrastructure** calls for reorganization and increased efficiency. In particular, it focuses on: (1) cost recovery through user charges and (2) delays in expansion (particularly for ports and the PTT) in all subsectors. It gives priority to profitable or employment-generating activities, and to privatization of industrial and commercial functions. It calls for improving the functioning of the urban property market, and increasing the role of the private sector in the provision of housing.

Finally, the GRC does not propose a new **strategy for human resources** in the DSS, but calls for a rethinking of the old strategy by studying the structure and finances in education, training, and health, and by identifying the core programs in each area which defend basic levels of enrollment or coverage. Based on this review, a strategy and budget are to be proposed which would accomplish the core goals.

The DSS **social strategy** is directly related to structural adjustment, with the goals of: (1) returning to strong growth in per capita income to protect the standard of living, especially of the poor; (2) reducing the transitional costs of adjustment by the most vulnerable groups of the population; (3) restructuring social costs to provide affordable basic services to these vulnerable groups; (4) improving the productivity and efficiency of human resources, particularly in the public sector; and (5) helping women, in particular, adapt to these changes. The actions called for include "reconversion" to new careers of those laid off by the public or parapublic sector using a "safety net" of grants and credit, encouraging self-employment of those laid off in the informal and rural sector, and developing in the medium term a well conceived and implemented social security scheme.

The GRC's difficulties in implementing its **investment strategy** according to the DSS priorities suggests that there may be a divergence between the formal and implicit strategy. For example, the new investment in international air transport infrastructure, the degree of investment in school buildings and equipment (given the operating budget for use of existing buildings and equipment), the capital-intensive support system for agriculture, and certain investments in water and telecommunications infrastructure cited by the World Bank are being particularly questioned. Moreover, the government's heavy investment in urban health infrastructure rather than in rural infrastructure and services and its failure to provide

operation and maintenance budgets for planned investment raise issues concerning the discipline of the budgetary process under these new "priorities". The priority list suggests that the political imperatives under which these low return proposals were accepted may lead to opposition for other, more difficult reform measures.

B. Other Donor Objectives and Programs

1. Overview

Although the share of foreign assistance in the Gross National Product (GNP) of African countries has been increasing since 1980, it has fallen in Cameroon both as a share of GNP (from 3.3 percent in 1980-81 to 2.6 percent in 1985-86) and in absolute terms (from $264 million in 1980 to $213 million in 1987). This reflects in part the decline in some donors' programs worldwide. However, it also reflects, on the Cameroonian side, the economic crisis which has made it difficult to satisfy conditions precedent to loan financing, a general reduced capacity to absorb projects, an increase in bureaucratic bottlenecks, and delays in project implementation. During the period 1985-1987, eight donors obligated more than 90 percent of total development aid to Cameroon, of which the US (with six percent) ranked sixth.

Donor strategies are generally related to that of the GRC, with the highest priority being given to agricultural and rural development. Donors differ, however, in their approaches, instruments, and sectoral emphases. The details of donor strategies are discussed in Appendix J.

As revealed in Table 13, France, Germany and the World Bank give high priority to transport and infrastructure. Canada and France allocate a large share of their assistance to education and human resources development. Until recently, there has been little donor assistance in the area of industry and energy, but this has recently been altered by German and Canadian assistance to small enterprises and joint ventures, and by the recent UNIDO assistance under the Industrial Master Plan.

2. Bilateral Assistance

a. France

The French concentrate their foreign assistance on Africa, which receives 87 percent of their bilateral aid. In Cameroon, France is the largest bilateral donor and the second largest donor overall. Bilateral aid from 1960 to 1987 totalled CFAF 322 billion, 58 percent of which were as grants and 42 percent were loans. The strategy's "highest priority" is training. Sectoral strategies are: (1) in agriculture and rural development, support for self-help projects and cooperative research efforts; (2) in industry, private foreign investment and joint ventures; and (3) in health, infrastructure and improved hospital management. Finally, France supports structural adjustment, with an emphasis on maintaining socio-political stability throughout the process. In particular, the Caisse centrale de cooperation économique (CCCE) has provided structural adjustment lending to Cameroon, the latest of which was informally tied to the 1988 IMF Standby and was disbursed in one single tranche. France also actively encourages non-government organizations, the private sector, and other institutions in the "cooperation" effort to pursue the goal of developing an industrial partnership between French and African institutions. To this end, the French provide grants to small projects and programs by non-profit groups in this category.

b. Federal Republic of Germany

West Germany is the second largest bilateral donor and the fourth largest donor overall. West German bilateral assistance has as its goal the transformation of African countries into economic partners of industrialized nations through improvement in living conditions and increases in their purchasing power. German foreign assistance criteria since the 1960s have been the adoption of: (1) economic reforms reflecting acceptance of economic liberalism and (2) efforts to strengthen democratic systems of government. These, plus country specific factors (i.e., in Cameroon the use of the German PAL television system) define the volume and nature of the bilateral program.

German assistance has three sectoral priorities (1) agricultural and rural development, (2) energy (conventional, traditional, and renewable); and (3) natural resource development. The criterion of economic liberalism has not, however, precluded

important aid to parastatals involved in rural development, and has extended to the identification of potential joint ventures using German capital or marketing Cameroonian production in Germany. Transportation and communication infrastructure, exploitation of energy resources, and rural development have received the highest level of assistance. Although procurement is not tied, 89 percent of assistance funds were spent on German goods and services because of the country's comparative advantage in the priority sectors. Finally, German NGOs and Foundations are active in economic research and workers' training in Cameroon.

c. Canada

Canadian ranks fifth in foreign assistance to Cameroon and slightly exceeds that of the U.S.. It is based on the principles that: (1) the growth of developing countries has a positive effect on the Canadian economy, and (2) all segments of Canadian society, including the private sector, must participate in the cooperation effort a substantial portion (11 percent in 1985) of Canadian assistance has been through PVOs. Since 1987, Canadian policy worldwide has included debt relief, including the cancellation of official debt and rescheduling of Canadian commercial debt. The country's foreign assistance policy also supports industrial partnerships between Canadian enterprises and local firms. Since 1988, Canadian policy has emphasized human resources development, rural development, support to small farmers, women in development, primary education and health care, environmental protection, and grassroots local development efforts. In Cameroon, Canadian infrastructure assistance has aided road maintenance and the modernization of the railroad and poor of Douala. Other assistance has been directed towards forestry, rural electrification, small enterprise promotion, and education and training through government institutions.

3. **Multilateral Assistance**

The **World Bank**'s goal is to provide financial resources for productive purposes to developing countries. As part of its change in strategy since 1980, it is increasingly focussing on sectoral and macro-economic structural adjustment lending to help African and other countries implement adjustment and recovery programs. Its project assistance to Cameroon through 1987 amounted to $1.3 billion and was placed in a variety of sectors, including road and other infrastructure, agriculture and rural

Table 12

Donor Commitments

Source:	Commitments 1985-87 (CFAF bill.)	Percent of Total
IBRD	101.8	26.7
France	82.9	21.7
ADB	44.4	11.6
West Germany	32.8	8.6
Canada	23.6	6.2
U.S.A.	23.0	6.0
E.E.C.	22.2	5.8
Italy	18.9	5.0
Belgium	8.6	2.3
All Others	23.8	6.2
TOTAL	382.0	100.0

Source: EEC delegation to Cameroon, Nov. 1988

Table 13
Sectoral Emphases

Source:	ARD	Transp. Infra-struct.	Energy Natl. Rsrcs.	Ind., Tele-comm.	Health & Soc. Infra.	HRD	Educ. & Other	
Sectoral Emphasis:								
IBRD	X	X						
France	X	X	X	X			X	
ADB	X	X						
Germany	X	X			X	X		
E.E.C.	X	X						
Canada					X		X	X
U.S.A.	X					X	X	
UNDP	X				X			
1985-87 Commitments:								
Total:	30%	31%	6%	6%	6%	17%	4%	

Source: donor strategy statements.

development, and education, but excluding health, energy, and industry. The Bank also has provided significant assistance to the parastatal and plantation sectors. As discussed above, the World Bank (in conjunction with the African Development Bank) is in the process of finalizing an agreement on a structural adjustment loan (SAL) in support of the Government's structural adjustment program. The Bank SAL mission which visited Cameroon during March 1989 successfully completed the appraisal stage of the discussions and negotiations are expected to be completed before the end of the fiscal year (i.e. before June 30, 1989). The exact amount and timing of the SAL disbursements are yet to be finalized. The Bank SAL focuses on macroeconomic reforms primarily in the area of trade reform, price and marketing reform, financial sector reform, civil service reform, and parastatal reform. In addition, the Bank is involved in five discrete sectoral investment programs that parallel the SAP. These include urban development, livestock, agriculture extension, export marketing and forestry.

The World Bank is also pursuing a Social Dimensions of Adjustment (SDA) project and an economic management support project (PAGE) to complement the structural adjustment loan and program. An SDA identification mission visited Cameroon in February 1989 and, in conjunction with the GRC and the donor community, reached preliminary understandings regarding potential interventions in the area of health, population and social security; employment; education; women in development; and institutional development. It is envisaged that the SDA project would involve total expenditures of US$ 60 million, all in the form of grants from various donors. The SDA project will most likely presented to the Bank Board for approval in September 1989. The PAGE project was appraised in March 1989 and is expected to be presented to the Bank Board before the end of the fiscal year. Under the PAGE, technical assistance in the area of public institutions, civil service reform, statistics and debt management will be provided.

The Foreign Investment Advisory Service (FIAS) of the International Finance Corporation (a member of the World Bank Group) discussed its areas of possible assistance with the GRC during a mission in February 1989. FIAS, with the financial support of USAID, will sponsor a workshop for key government officials involved in the drafting of the new Investment Code. The intention is to work closely with these officials in developing a transparent, distortion-free investment code which will

facilitate increased domestic and foreign investment. It is expected that during summer 1989, FIAS (again with financing from USAID) will perform an overall diagnostic survey of the existing laws, rules, regulations and procedures that may be hampering the development of private sector activity and investment in Cameroon.

The African Development Bank assists member countries in addressing a variety of development constraints. In general, the ADB focuses upon agricultural development, economic diversification, social development, institution building and, most recently, structural adjustment. The ADB constitutes the third largest overall donor to Cameroon and provided over 10 percent of the country's total aid commitments in 1985-1987. As discussed above, the ADB is presently negotiating a structural adjustment loan in conjunction with the World Bank SAL. It is expected that disbursements of the yet-to-be decided ADB funds will take place in two or three tranches during the first 18 months of the program. The ADB is also exploring solutions to the African debt crisis, and has pursued several initiatives to strengthen donor coordination in Africa, particularly between itself and the World Bank. Assistance through 1986 totalled $250 million, a fifth that of the World Bank. The ADB will participate in the SAP.

The European Economic Community (EEC) programs its foreign assistance through five-year plans popularly known as the Lome Conventions. Its priorities are agricultural and rural development (which constituted 97 percent of total EEC contribution to Cameroon in 1985-87), basic infrastructure, and the development of industry and mining with an emphasis on the promotion of small and medium enterprises for the transformation of local primary materials. EEC assistance is geographically concentrated in the northern provinces. The 1990-1994 (Lome IV) budget for Cameroon is estimated at CFAF 33 billion ($103 million), of which 69 percent represents grants. However, the EEC has experienced significant delays in project implementation which has resulted in only 4.5 percent of total commitments being disbursed within the first half of Lome III. In response, the EEC is reprogramming resources to more fast disbursing modes, such as program support for fertilizer reform in parallel to the USAID program (FSSRP).

The United Nations classifies Cameroon as a "middle income" country and thus provides only limited technical assistance. UNDP assistance for 1987-1991 totals $16 million,

covering rural development and industry (including the promotion of modern medium sized farms, EAMI), followed by natural resources, transport and communications. UNDP contributed funds and UNIDO provided technical assistance in support of the development of the 1988 Cameroon Industrial Master Plan. The proposed program for 1990-1991 focusses on industry, particularly with regard to implementing the recommendations of the Industrial Master Plan.

4. Non-Governmental and Private Voluntary Organizations

More than 50 non-governmental organizations (NGOs) and private voluntary organizations (PVOs) operate in Cameroon. While many are local, single-purpose organizations, several are internationally known, development organizations with significant programs in Cameroon. Important sources of funding include local and foreign private donors, the GRC, and donor agencies. These programs operate in Cameroon on budgets well under $1 million per year, thus their impact is primarily regional.

Larger international NGOs include the U.S. based Save the Children Foundation (SAVE), CARE and Catholic Relief Services (CRS), the Swiss based Sata Helvetia, and the German based Hanns Siebel Stiftung, Konrad Adenauer Stiftung and Friedrich Ebert Stiftung foundations. These activities are described more fully in Appendix J. Canada, which disburses 11 percent of its development assistance worldwide through PVOs, is especially active, with the result that the Small Projects Administrator at Canada's Yaounde Embassy serves as unofficial evaluator and coordinator for most international PVO proposals.

NGO--especially PVO--funding comes from highly variable private charitable giving, from the now undependable budget of the GRC, and from donor governments and international organizations (IFAD). In February 1989, PVOs interviewed were attempting to reformulate their strategies to fulfill their organizational objectives while coping with budget cuts from all three categories. All PVOs interviewed expressed concern regarding USAID (particularly USAID/W) procedures which they found inflexible and incommensurate with the size of the grants received.

CRS has moved from food aid, into local institution-building by providing very small project support co-financing with local groups in a partnership relation rather than one of donor-recipient. SAVE and CARE engage in community development, primary health care and child survival, in geographically determined zones. Their activities have increasingly moved toward cost recovery and sustainability. Giving them an indirect role in influencing policy at the provincial level. A proposed joint Child Survival strategy involving several PVOs in the Extreme North province, with an emphasis on cost recovery would provide an incentive for policy change on the national level.

5. Donor Coordination

The GRC has agreed to the establishment of a donor Consultative Group. The first meeting is schedule for September 1989. At present, policy or program coordination among donors is limited. U.N. agencies in Cameroon hold regular meetings under the guidance of the UNDP representative. UNDP and the Pan African Institute for Development have attempted to involve NGOs in programs to reduce the social costs of structural adjustment. Donor and NGO coordination is more effective at the implementation level, with informal ties between long-term project and program staff from the various donor agencies and their local counterparts.

VI. USAID/CAMEROON DEVELOPMENT STRATEGY

A. Introduction

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 AID's ongoing projects, 2) the Cameroonian economy cannot return to a sustained growth path without major structural reforms, and 3) existing distortions within the economy prevent AID programs from achieving their planned objectives.

The main conclusions of the CDSS analysis are that there is too much government involvement in the production and commercial sectors and much of the private sector is inefficient and non-competitive due to excessive isolation from market forces. Unless these problems are corrected, there is little chance that Cameroon will return

to the sustained high rates of growth that were achieved between 1970 and 1985. These findings are consistent with those of the World Bank, the IMF and the GRC and are the basis for a structural adjustment program currently being negotiated between the GRC and the World Bank.

For AID projects to have their desired impact, the policy reforms that are being discussed in the context of the structural adjustment program are essential. Therefore during this CDSS period, the AID program will be integrated into the overall objectives of the structural adjustment program. This implies a shift toward more non-project assistance conditioned by policy reform.

As part of this program, existing projects will be restructured. A key consideration in the redesign of our existing projects is that the GRC has been unable to pay the recurrent costs of these projects during the present economic crisis and has asked that USAID finance part of these costs until the budgetary situation improves, which they presume will be in two to three years. It should be noted that through 1986 the GRC consistently funded 50% of USAID project costs. Donors agree that recurrent cost financing is essential for the effective implementation of their projects, but have made it clear that such financing must be linked to policy reforms aimed at reducing recurrent costs and increasing public sector efficiency.

In line with the DFA Action Plan, we have informed the GRC that the programming of AID funds in support of the structural adjustment program will be based on GRC performance. It was explained to the GRC that AID funds will be allocated on performance criteria agreed upon between the GRC and the Mission before the start of the program. Meeting the targets would indicate efficient use of funds and would justify increased funding. However, should agreed upon targets not be achieved, this could indicate inefficient use of funds and could lead to reduced funding. The GRC has agreed to proceed with this approach. The Mission would like to be assured that this principles works in both directions and not used only for the purpose of reductions.

B. Scenarios

The previous chapters discussed the macroeconomic and institutional policy issues associated with the adjustment process, the sectoral issues defining the Mission's strategy, and the issues concerning the GRC's ability to respond to changes in the economic environment. The greatest uncertainty lies in whether the GRC is willing and able to face the current challenges and take difficult decisions regarding the future direction and structure of the economy. The degree of political commitment and success in implementing the necessary reforms will directly influence the level and nature of the Mission's support to Cameroon. The Mission foresees three probable outcomes regarding the extent and success of Government reform during the CDSS period. These are:

1. Deepening crisis
2. Slow recovery
3. Rapid recovery

Accordingly, USAID has designed its strategy to respond to whichever scenario(s) ultimately evolves. In chapter IV above we have described the major issues facing the GRC. Under the deepening crisis scenario one assumes that the GRC does not respond effectively to the crisis. While the Government may have underestimated the difficulties it is facing and has been slow in taking corrective action, it is nonetheless responding. It is actively engaged in dialogue with the IBRD, IMF, and ourselves about a structural adjustment program. The IMF reached agreement with the GRC in October 1988. The IBRD anticipates signing a SAL in June 1989. This would be preceded by a Paris Club meeting in May 1989 for the rescheduling of official debts. Other donors are reorienting their programs to support the SAP.

Thus in our view the most likely scenario is slow recovery. The GRC continues and expands the corrective actions begun in 1987. Implementation is uneven and resisted by some groups. The program itself proves to be conceptually flawed in various areas. (We cannot predict what the flaws are, only that they will exist). Adjustments are made but slowly. However, in spite of real difficulty, recovery slowly begins to take place so that by 1993-94 the majority of the major economic indicators are at similar levels to those during 1983-85. Significant policy changes will have taken place and a return to real growth will begin.

If the crisis continues to deepen without an effective government response USAID would fall back to a social institutional strategy. We would continue to support institutions which are needed regardless of the state of the economy. We would also continue to support some projects particularly in health/population and training. Overall funding levels would drop.

Since the GRC is responding to the crisis, we believe **slow recovery** will take place. As jointly agreed upon targets are met, expansion in funding will be justified. We can also foresee variations of this scenario where the GRC responds adequately but due to unforeseen conditions recovery is slower than planned. Under these conditions support to the SAP would continue to be justified.

Rapid recovery assumes things will happen as planned. In Africa, as elsewhere, this is always an unwise assumption. USAID believes this scenario is unlikely to occur. If, happily, implementation takes place as planned significantly increased aid flows would be in order.

1. Goal

The basic goal for USAID/Cameroon during the FY90 - FY94 period is to assist the GRC to return to a position of sustained, broad-based economic growth. This goal is shared by the GRC and most donors. USAID believes that it will take the full CDSS period to reach reasonable rates of positive growth. We further believe that our main contribution to this national objective is in the agriculture sector. How much growth will be achieved during the CDSS period will, however, depend on exogenous factors

2. Objectives

To achieve this goal USAID has established three objectives.

1. Develop a market oriented private sector that can flourish.
2. Increase the efficiency of the public sector.
3. Reduce the over extended role of the GRC.

3. Modalities

USAID proposes to implement our FY 90-94 program using a mix of project (approx. $35 million), non-project assistance (approx. $65 million, and Counterpart-funded (approximately $65 million equivalent CFA francs) activities. This represents a significant change in the approach to funding our development program. In the past, nearly all our program was traditional project assistance, whereas now we are placing a heavy emphasis on non-project assistance (cash transfer) dollars and local currency counterpart funds. As discussed below, this new mix of funding offers a number of benefits not found in a strict project assistance funding approach.

The bulk of project assistance funds will be used to fund the existing mortgage of our on-going core projects and to continue to support our regional and central projects. The balance of our program will be funded with sector resource grants, other non-project assistance dollars and with counterpart funds.

Non-project assistance cash transfer dollars will be disbursed fairly rapidly, conditioned to the GRC's performance with regard to implementing the SAP. A $65 million cash transfer program is large enough to encourage the GRC's performance under the SAP. In addition, because USAID maintains control over the use of these dollars, we will also be able to direct their use to service external debt, thereby providing an immediate response to the GRC's liquidity crisis. Given adequate performance on the part of the GRC, we recommend Cameroon be given priority consideration for additional non-project assistance funding.

The cash transfer will be designed to generate local currency Counterpart Funds equivalent to about $65 million. These funds, which are mutually controlled by USAID and the GRC, represent a significant resources which would otherwise not be available to us through a purely development assistance program. Furthermore, as the CFA franc is in many respects a "hard currency" the utility of these counterpart funds is unique in comparison to most other AID-controlled counterpart funds. These funds will be programmed:

- to fulfill host country contribution (recurrent cost) requirements for existing USAID projects. By allowing this, USAID will be better able to encourage GRC refocusing the objectives of core projects to meet current conditions.

- to establish a counterpart fund (equivalent to from five to ten percent of our cash transfer program, or $3-6 million) for use in supporting mission operations.
- to fund project assistance-type activities that would, in large part, have been funded with appropriated DFA dollars.

Finally, this change in funding mix generates changes in USAID's staffing mix as well as a period of adaptation with regard to our relationships with the GRC. This heavy reliance on non-project assistance program not only is the most appropriate response to the GRC's economic situation, but allows management to make the most effective use of current resources.

Under the funding modalities we have proposed, USAID will be able to continue to provide professional management for the entire portfolio and reduce staffing levels to 17 U.S. DH by the end of 1990 if the current level of FSNs is maintained and if we hire 3 additional PSCs. The FSNs will require additional training which can be financed out of the counterpart fund. The PSCs will be used in project management roles. One will manage the mechanics of the adjustment package. The two others will serve as project managers in ARD. We also anticipate a slight change in the skill mix of U.S DH. A heavier emphasis will be placed on analytical, skills. Less emphasis will be placed on project management skills. To accommodate the increased emphasis on policy reform and the simultaneous reduction in U.S. DH levels project management will be increasingly done by FSNs and PSCs.

4. Operational Guidance

Listed below are descriptions of how we will approach the three objectives.

a. Developing a Market-Oriented Private Sector

The creation of a more market-oriented private sector is necessary to achieve sustained, broad based economic growth. To achieve this the GRC's attitude must change from a belief that only the government can assure long-term development to one that places confidence in market forces as the most reliable way to assure optimal resource allocation and efficiency of production. In the absence of market signals, the private sector has not been able to make sound resource allocation

decisions, and as a result has been experiencing slow and unsustainable growth over the past decade. The structural adjustment program aims at creating a more market-oriented private sector by: (1) revising the trade regime, in particular with regard to the removal of non-tariff barriers and a restructuring and compression of the tariff regime in order to rationalize the level of effective protection and reduce inefficient and non-competitive industries; (2) removal of price controls; (3) strengthening of the financial sector by increasing interest rates, encouraging the creation of new financial institutions, and eliminating requirements which force banks to lend to "priority" sectors at low or negative real rates of interest; (4) reducing or eliminating export taxes; and (5) relating the agriculture export pricing system more closely to market forces by restructuring the price stabilization program, privatizing internal marketing including cooperatives, and revising subsidy policy. Each of these reforms have been discussed between the GRC, the World Bank and other donors and most have been accepted by the Government in its draft Development Strategy Statement. The next step is to link the implementation of these measures directly to donor programs, including that of USAID.

The Mission's intervention with respect to this strategic objective will be in supporting overall reforms in the area of trade and price policy, and sector specific reforms in the financial and parastatal sectors. Performance indicators could include a major restructuring of trade policy which included the dismantling of non-tariff barriers; the phasing out of price controls and margin requirements; the reduction in government sectoral credit controls; the elimination of export taxes; the removal of export taxes. In addition, the Mission will focus its particular interventions in the area of the agriculture and financial sector, as well as in the area of the overall institutional environment surrounding private sector activity in general. With regard to the agriculture sector, the Mission will have three areas of focus: (1) the removal of input subsidies in areas such as fertilizers, pesticides and fungicides, improved seeds, and farm machinery; (2) developing a more market-oriented agricultural export pricing and marketing system, which would involve decontrolling agricultural export prices with as little price stabilization as possible, removing controls on internal marketing, and privatizing and strengthening the marketing cooperatives; and (3) a new food marketing intervention. In the financial sector, the Mission will focus on improving financial institutions in the rural areas where most of the saving and lending occurs through informal institutions. At the more national level, the mission intends to pursue a

diagnostic survey of the major legal, regulatory and administrative problems which presently limit the development of the private sector. Our research in support of the OPIC African Free Zone initiative and the MAPS exercise, along with that of the proposed diagnostic survey of the Foreign Investment Advisory Service of the International Finance Corporation, will provide important information from which the Mission can select the most appropriate areas for future interventions. It is only through an in-depth analysis of the environment that meaningful and effective interventions can be formulated and coordinated with those of other donors.

b. Increasing the Efficiency of the Public Sector

The structural adjustment program intends to improve efficiency in the public sector by: (1) reducing recurrent costs (in particular the wage bill) through improved policies, planning, budgeting and management; (2) reforming the civil service through the creation of a meaningful civil service code, the reorganization of the various ministries, the development of job descriptions and job qualifications, and the evaluation of personnel based on job descriptions and performance; (3) improving budget management, including the current budget, the investment budget and the budgets of the autonomous agencies and public sector enterprises; (4) improving the tax revenue structure, including the expansion of the tax base and the reduced reliance on import and export taxes; and (5) rationalizing the public sector enterprises and autonomous agencies, including the liquidation of organizations that are clearly not sustainable and which have demonstrated that they are incapable of carrying out their mandates. A list of these is included in Appendix D.

AID's contribution to this objective will be in reinforcing the implementation of key macroeconomic and structural adjustment reforms. Specifically, in the agriculture sector, our interventions will be directed towards three public functions: (1) improved agricultural policy, planning, and program coordination with regard to the Ministries of Agriculture and Plan; (2) food crop research programs that are more affordable, sustainable and relevant to the needs of agricultural producers; and (3) an agricultural education program that better reflects the reduced needs of the public sector and the increased needs of the private sector. In the health sector, the Mission has targeted its interventions towards: (1) an improved rural health program with increased emphasis on cost recovery and affordability and (2) establishing family planning programs based

on the principles of efficiency and affordability. Where appropriate, the Mission will also support increases in budget allocations to health and to redressing the urban/rural imbalance in health service delivery. These strategies recognize that while the World Bank will be taking the lead on overall fiscal and civil service reforms, the Mission is well positioned to support reforms in the agriculture and health sector because of our long-standing involvement in these areas.

c. Reducing the Overextended Role of the Public Sector

The structural adjustment program is addressing the problem of the overextended public sector through its ambitious reform effort aimed at liquidating, rationalizing and privatizing various parastatal activities. A diagnostic survey of seventy-five of the largest parastatals has been completed and the Government has divided these enterprises into three categories--activities to be liquidated, rationalized and privatized. Liquidation is to be carried out through the appropriate legal mechanisms. Enterprises that are to be restructured will be required to sign performance agreements with the Government that hold the management of these enterprises accountable for their financial performance. It is expected that this rationalization will ensure that these entities will be run on commercial grounds and will result in a reduction of direct government budgetary subsidies. The action plan for privatization of those firms selected to be divested is in the process of being developed. It is envisaged, however, that these firms will be offered for sale after appropriate analyses are performed on the firm's assets, liabilities and other obligations.

The Mission's contribution to this strategic objective will be directed at both the aggregate level and more specifically at the health and agriculture sectors. Implementation of key aspects of the overall parastatal reform effort will be included as indicators which, along with the other macro indicators, will determine the level of non-project assistance. With regard to the health sector, the Mission envisages pursuing an initiative which would shift the responsibility of providing certain health services or inputs to the private sector and away from the public sector. One such example could be the liberalization of the input and distribution of pharmaceuticals which is presently being handled by the government parastatal ONAPHARM. In the agriculture sector, the Mission will continue its support for the privatization of the import and distribution of fertilizer. Moreover, the Mission envisages expanding its

interventions, as appropriate, to the liberalization and privatization of other important agriculture inputs and marketing.

d. Timing

In the short term, the primary focus will be on economic stabilization with an emphasis on restoring liquidity. Existing USAID activities will be restructured to reflect current economic conditions, and to improve the efficiency in the production and delivery of public goods and services. Studies to expand the knowledge base of the private sector are being initiated. The emphasis in the **public sector** will be on restructuring current core projects to better meet Cameroon current needs and improving the efficiency of service delivery of on-going programs in Health, Agriculture Research, (includes policy and farming systems research), Agriculture Education and Rural Financial Institutions. Restructuring and improving public sector efficiency will include reducing the recurrent cost burden, introducing cost recovery systems, and, where feasible, privatizing the delivery of certain services, either directly or through contractual mechanisms. More detailed discussion of restructuring the portfolio are found in Appendices E, F and G.

Support for the **private sector** will concentrate on identifying constraints to investment by entrepreneurs in both the formal and informal sectors; monitoring policy reform activities related to fertilizer importation and distribution, and initiating new policy reform oriented activities focused on at the liberalization and privatization of other agriculture input delivery systems in the agriculture and health sectors.

In the medium term as increased discretionary funds become available, USAID will shift toward supporting policy changes identified through the studies conducted during the short-term phase. At the same time, policy reforms already initiated under the existing portfolio will be refined, consolidated and, as appropriate, expanded.

More specifically, support for **private sector** development will focus on such areas as assisting the GRC in the further removal of subsidies in the agriculture sector; removing unnecessary protection for domestic industries; removing export taxes on agriculture commodities; simplifying the legal/regulatory environment and simplifying business taxes.

Activities directed toward the **public sector** will continue during the medium term. The emphasis will be on reducing the recurrent cost burden and on increasing the efficiency of public sector service delivery. This might include rationalization of operating budgets aimed at improving the balance between salaries and other operating costs in the research and health sectors; improving civil service administration to create incentives for improved performance; improving the effectiveness of administration and enforcement of simplified public sector regulation. Although we do not at present have a specific project in the area of education, we are open to dialogue in this area.

5. Programming

The USAID program is divided into three parts: 1) core, 2) base, and 3) structural adjustment.

The core program consists of projects in agriculture research, agriculture education, rural financial institutions and health that were initiated sometime ago and which USAID and GRC believe are vital to an effective economy. When these activities were begun USAID assumed a long term commitment to see them through to the point where they are successfully institutionalized. Economic conditions have changed that will require significant restructuring of the projects, however the conditions they are designed to meet continue to exist. Hence we will continue to support them although in a form that is appropriate to current conditions.

The base program consists of activities which form part of AID's legislative mandate, and which we believe are useful. These programs, while not representing long term commitments fall into a category which with the exception of AIDs, would be subject to cuts if funding levels decreased.

The structural adjustment program represents a potential area for expansion. It will focus on policy reform and non-project assistance. In particular we anticipate supporting two different initiatives in this area. (1) a continuation of the fertilizer reform program, possibly expanding into other agriculture inputs or marketing. (2) developing a program assistance package to deal with both short term economic stabilization and basic policy changes.

Table 14

USAID Proposed Obligations

	FY90	FY91	FY92	FY93	FY94	FY90-94 TOTAL
CORE						
MCH/FP	2,000	1,500	---	2,000	2,000	7,500
NCRE II	---	---	5,000	3,500	---	8,500
CREDIT UNION	---	1,000	1,000	---	---	2,000
AGRICULTURE EDUC.	---	---	3,000	---	---	3,000
TRTR	---	1,000	1,000	1,000	---	3,000
AGRICULTURE POLICY AND PLANNING	3,000	2,000	2,650	---	---	7,650
SUBTOTAL	5,000	5,500	12,650	6,500	2,000	31,650
BASE						
FHI	400	400	---	---	---	800
OICI	250	---	---	---	---	250
HRDA	400	350	500	500	500	2,250
HAPA - AIDS	300	200	350	300	300	1,450
ACSI - CCCD	100	100	150	100	100	500
PDS	500	450	500	550	500	2,500
SPA	50	50	50	50	50	250
SUBTOTAL	2,000	1,500	1,500	1,500	1,500	8,000
STRUCTURAL ADJUSTMENT						
FERTILIZER SUBSECTOR	5,000	---	---	5,000	5,000	15,000
STABILIZATION PACKAGE	8,000	13,000	5,850	7,000	11,500	45,350
SUBTOTAL	13,000	13,000	5,850	12,000	16,500	60,350
TOTAL	20,000	20,000	20,000	20,000	20,000	100,000

Policy dialogue is a key element of the structural adjustment program. We are willing to underwrite some recurrent costs in exchange for policy reform in other areas. Determining what the specific reforms are will depend on how the overall structural adjustment program is designed. We anticipate concentrating on elements that reduce the numbers of state owned enterprises engaged in commerce and on privatizing of the economy.

We believe USAID has a vital role to play in the reform process, first in developing the data base upon which sound policy can be formulated. By this approach, we will be able to assert intellectual leadership in the donor community. We will also work closely with the GRC on actual implementation of reforms.

6. Funding Strategy

Table 14 is an illustrative table of proposed obligations for the period FY1990-FY1994.

7. Monitoring and Evaluation

The Mission's monitoring and evaluation strategy under the CDSS will include the following components:

GOAL LEVEL

USAID will monitor performance data collected by the IMF/IBRD in the context of the Government's structural adjustment and stand-by program.

OBJECTIVE LEVEL

USAID will monitor overall SAP performance and AID's program. Relying heavily on IBRD/IMF monitoring data in tracking performance. The IBRD/IMF structural adjustment matrix will be used. USAID generated data will supplement that of the IMF/IBRD. USAID will conduct its own analysis of all data.

JOINT WORKING GROUP

A joint USAID/GRC working group composed of senior level interministerial representatives will identify objective and, where possible, quantifiable performance criteria for each target.

TRACKING SYSTEM

An integrated monitoring and evaluation performance tracking at system at both the program and project level will be developed. We anticipate the CAPP program will be part of the system.

TARGET DEFINITION

Over the next 12 months USAID will expand efforts already begun under the agriculture education project to define more specifically the restructuring targets and benchmarks for all core projects.

ACTION PLAN

Based on the results of our efforts mentioned above, we will prepare a detailed Action Plan for submission one year from the submission of this CDSS. This will include initiating a series of pre-design studies to identify, define and prioritize specific program options for addressing the strategic objective of expanding the role of the private sector.

In tracking economic performance at the goal level, we will focus primarily on the following widely accepted indicators of success: (1) growth in GDP and in the key productive sectors: agriculture and industry; (2) growth and diversification in the exports of goods and non-factor services; (3) a reduction in the current account deficit as a share of GDP; (4) an increasing surplus in current budget with additional resources being made available for recurrent costs and investment; (5) growth in employment; and (6) growth in the contribution of the private sector to overall GDP. Due to the decline that has occurred in the Cameroonian economy as it adjusts to the depressed export markets and the inappropriate economic policies pursued in the post, significant improvements in these indicators is not expected to occur much before the end of the CDSS period.

The primary task faced by the Mission over the next several months is to define more specifically the targets laid out in the strategy section of this CDSS. With respect to our core projects, the focus of our efforts will be on defining more specifically the restructuring targets and benchmarks to bring them into closer conformance with our strategic objectives. Most of the core program falls under the strategic objective of increasing public sector efficiency.

In this context, a series of studies to guide the restructuring of our programs with the University Center at Dschang are nearing completion. These include a student profile study, a graduate tracer study (to determine where graduates are working and

what/how well they are doing), a study of public and, particularly, private sector demand for UCD graduates, a recurrent cost study, a follow-up financial management improvement study, a personnel needs study, and a synthesis study to pull together the findings of all previous studies and to develop a comprehensive restructuring action plan. Similar studies are planned for the remaining core projects. In addition, the Mission will initiate a series of pre design studies to identify program options for achieving the Mission strategic objectives related to expanding the role of the private sector.

8. Special Interests

a. Women in Development

Cameroon's economic crisis threatens to erode many of the gains that women have made during the past decade. The security of personal and household income is threatened by the illiquidity of the nation's financial institutions, while the slowdown in business activity has diminished opportunities for women in the formal sector. Public sector inefficiency and the absence of government recurrent cost financing has led to cutbacks in essential social services, which has a negative impact on the well-being and security of women. The burden of cutbacks in government hiring and eventual reductions in the civil service are expected to fall heavily on women. The fully private food distribution and trade subsectors, which women dominate should be less effected by the economic retrenchment.

USAID's strategic objectives--liberalizing conditions in the marketplace, increasing public sector efficiency, and restoring equity and rationalization of resources in social services--will have direct and quantifiable benefits for women. The approach of the Mission addresses systemic issues at the technical and policy level, and will have an impact over the medium to long-term. We anticipate applying conditionality directly to improve women's participation in the economy.

b. Micro Enterprise

One of our primary objectives of this CDSS is privatization. If achieved this will create the conditions under which micro enterprises can develop. The Fertilizer

Reform program and the Credit Union project address the development of micro enterprises directly by providing credit. We do not anticipate further direct initiatives until the environment for the private sector improves.

c. Urban Programs

Given the availability of resources and the constraints on the Cameroonian economy, USAID does not anticipate any activities in this area during the CDSS period.

d. Natural Resources and Biodiversity

Cameroon's natural resources represent a tremendous asset, both in terms of economic wealth and tropical forests, genetic and biological diversity. The country is unique since one finds an unusually diverse range of ecosystems, stretching from the semi-arid areas of the north, through wooded savannahs and transitional forests to the humid tropical rain forests of the southern provinces. Although forest and range degradation is a serious problem, Cameroon can still protect rationally and manage its natural resources before the situation becomes critical.

Within the drier savannah and semi-arid ecológical zones, increased pressure from agricultural development, fuel wood exploitation and livestock is causing soil erosion and degradation. In the humid forest zone, annual deforestation from agriculture alone amounts to 100,000 hectares. Many negative impacts on Cameroon's biological resources and diversity are linked with the destruction of the tropical rain forest, since Cameroonian forests contain some of the highest flora and fauna diversity on the African continent. There are about 200,000 square kilometers of humid evergreen and semi-deciduous tropical forests in Cameroon. The F.A.A. 118/119 analysis (Annex H) provides further detail on the sources of impacts on tropical forests and biodiversity and mission involvement in this sector.

The mission recognizes several important actions that should be undertaken to conserve natural resources, tropical forests and biodiversity in Cameroon. With regard to forests; 1) accelerate the inventorying of forested areas, covering some of the more important dense forest zones; 2) development of an efficient, integrated and rational forest management policy (i.e. management, timber preservation, rural development); 3) evaluation and possible re-direction of forest regeneration activities; 4) increasing

efficiency of timber harvesting and raw wood transformation, and; (5) increased agricultural output per unit area to slow down forest destruction.

Preservation and conservation of biological diversity is closely tied into the above interventions in tropical forests. However, other actions are required such as; (1) increased inventorying of flora and fauna distribution; (2) development of land use and livestock production schemes; (3) protection of unique and endangered species and ecosystems and (4) development of a conservation education ethic in Cameroon.

USAID/Cameroon recognizes the importance of natural resources and biodiversity as part of the framework for economic development. Mission strategy is geared to address important interventions in this area through our project portfolio. Of primary importance is the promotion of sustainable agriculture through biologically sound land-use management practices. The mission's agricultural research program emphasis the development of sustainable farming systems, especially soil related problems and conservation of topsoil and organic matter. Research is currently being carried out on maize-based cropping systems in north-west Cameroon, where the combination of hilly terrain, intensive agriculture and high rainfall is a precursor for soil erosion and degradation. The mission is also supporting the collection and preservation of plant genetic material through our root and tuber research source nurseries and tissue culture collections. USAID's Agriculture Management and Planning project will be investigating the need for land-use and natural resource mapping and data analysis techniques. The mission's new project in biodiversity. Biological Inventory and Training in Korup National Park, directly addresses the need to conserve biological resources in one of Africa's most diverse tropical rain forests. In addition, the mission has trained several wildlife and forestry scientists through the Agriculture Education project and will continue to consider future long and/or short-term training in these areas based on specific needs in Cameroon.

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Appendix A.

CDSS Guidance Cable

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REF: 87 STATE 342629 (31 OCT. 87)

1. TEN YEARS AGO, A.I.D. INSTITUTED THE COUNTRY DEVELOPMENT STRATEGY STATEMENT (CDSS) TO ENCOURAGE THE DEVELOPMENT OF AN ANALYTIC FOUNDATION FOR U.S. ECONOMIC ASSISTANCE IN EACH COUNTRY WHERE WE ARE ACTIVE. SINCE THEN, ANNUAL CABLES TO THE FIELD HAVE REFORMULATED AND REFINED THE GENERAL CDSS GUIDANCE AND HAVE PROVIDED AN UPDATED LIST OF CONGRESSIONAL EARMARKS.

2. REVIEWING THIS PROCESS, WE HAVE DECIDED TO REVISE THE GENERAL CDSS GUIDANCE ONCE MORE AND THEN MAKE IT PERMANENT, BY INCORPORATING IT INTO A.I.D. HANDBOOK TWO. THAT PROCESS WILL OCCUR THIS SPRING. WHEN IT IS READY, A DRAFT VERSION OF THE GENERAL CDSS GUIDANCE THAT WE PROPOSE TO INCORPORATE INTO THE HANDBOOK WILL BE SENT TO MISSIONS FOR THEIR COMMENTS. ONCE NEW GENERAL GUIDANCE IS PUBLISHED IN HANDBOOK TWO, ANNUAL CABLES WILL SIMPLY PROVIDE THE FIELD WITH AN UPDATE ON BUDGETARY CONSTRAINTS AND GUIDELINES AFFECTING THE DEVELOPMENT OF CDSS.

3. THROUGH THE REWRITE OF THE GENERAL CDSS GUIDANCE WE UNDERTAKE THIS SPRING WE HOPE TO FOSTERTHE KIND OF WIDE-ANGLE COUNTRY ANALYSIS TO WHICH THE ADMINISTRATOR REFERRED IN THE OPENING STATEMENTS FOR OUR FY 1989 AND FY 1990 CONGRESSIONAL PRESENTATIONS.

4. IN THE FIRST INSTANCE, SUCH AN ANALYSIS WOULD EXAMINE A COUNTRY'S DEVELOPMENT PROBLEMS AND OPPORTUNITIES. PAST CDSS GUIDANCE HAS IN FACT ASKED FOR THAT KIND OF AN ASSESSMENT. HOWEVER, IT IS OUR SENSE THAT, OVER TIME, WE HAVE NARROWED THE ANGLE OF OUR ANALYSES — AND FOCUSED IN TOO QUICKLY ON PROBLEMS AND OPPORTUNITIES IN AREAS THAT PARALLELED OUR FUNCTIONAL ACCOUNT CATEGORIES AND OTHER WASHINGTON CONCERNS. OUR EXPERIENCE, WITH THE DFA AND WITH THE MORE ADVANCED DEVELOPING COUNTRIES, IS DEMONSTRATING THE NEED TO

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BROADEN THE SCOPE OF SUCH ANALYSES.

5. WE ANTICIPATE THAT THE REVISED GENERAL GUIDANCE FOR THE CDSS WILL, FOR EXAMPLE, CALL UPON MISSIONS TO ASSESS ECONOMIC GROWTH PROSPECTS, PROBLEMS AND ASSISTANCE NEEDS BOTH GENERALLY AND FOR EACH PRODUCTIVE SECTOR: AGRICULTURE, INDUSTRY AND SERVICES. SEVERAL CONCEPTUAL SHIFTS ARE IMPLIED AND INTENDED HERE.

O THE TERM SECTOR WOULD ONCE AGAIN HAVE ECONOMIC MEANING. THE VERY STRUCTURE OF OUR ANALYSIS WOULD ENCOURAGE US TO LOOK FOR OPTIONS THAT FOSTER BROAD-BASED GROWTH.

O OF EQUAL IMPORTANCE WOULD BE THE MISSION'S ASSESSMENT OF OPPORTUNITIES FOR PARTICIPATION IN THE GROWTH PROCESS. BROAD-BASED GROWTH IMPLIES A PROCESS PDM 3/14 THAT BRINGS NEW ENTREPRENEURS INTO THE ECONOMIC MAINSTREAM AND CREATES A STEADY FLOW OF NEW JOBS IN BOTH TRADITIONAL AND NON-TRADITIONAL GOODS AND SERVICE INDUSTRIES. IT IS A BROAD-BASED PATTERN OF GROWTH THAT WILL YIELD RESULTS IN TERMS OF RISING FAMILY INCOMES.

O PROGRAMMATIC OPPORTUNITIES IN HEALTH AND FAMILY PLANNING WOULD BE DISCUSSED WITHIN THE SERVICE SECTOR FRAMEWORK AND WE WOULD EXPECT THAT QUESTIONS ABOUT WHETHER SUCH SERVICES COULD BE PROVIDED BY PRIVATE ENTITIES RATHER THAN GOVERNMENTS WOULD BEGIN TO ARISE NATURALLY.

O IN THE INDUSTRIAL SECTOR, WHERE WE HAVE NOT HAD BUDGETARY FLEXIBILITY TO BE VERY ACTIVE, THIS KIND OF ANALYSIS WOULD, AT MINIMUM, HELP US IDENTIFY POLICY AND REGULATORY BARRIERS TO GROWTH THAT CAN BE RAISED AS PART OF THE POLICY DIALOGUE. IN AFRICA, WHERE THE DFA GIVES US MORE FLEXIBILITY, SUCH ANALYSES MIGHT WELL LEAD US INTO PROJECTS THAT FOSTER EXPORT-ORIENTED LIGHT MANUFACTURING.

O UNDER THE NEW CDSS GUIDELINES, MISSIONS WILL ADDRESS KEY QUESTIONS ABOUT THE POLITICAL ECONOMY OF REFORM: WHAT INSTITUTIONS AND INTEREST GROUPS SERVE TO SUPPORT CURRENT POLICIES WHICH INHIBIT BROAD BASED ECONOMIC GROWTH? HOW SHOULD POLICY REFORMS WHICH PROMOTE ECONOMIC GROWTH BE PACKAGED? WHO ARE THE PRINCIPAL GAINERS AND LOSERS OF THE PROPOSED POLICY REFORMS AND WHAT INSTITUTIONAL CHANGES ARE REQUIRED FOR THE REFORMED POLICIES TO BE SUSTAINABLE?

O FINALLY, THE REVISED CDSS APPROACH WE ARE CONTEMPLATING WOULD HELP US TO MOVE AWAY FROM

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CONVENTIONAL WISDOM ABOUT GLOBAL DEVELOPMENT AND TOWARD A BETTER UNDERSTANDING OF EACH COUNTRY'S NEEDS.

6. MISSIONS THAT ARE SCHEDULED TO PRODUCE A CDSS BEFORE REVISED GENERAL GUIDANCE ARE REQUESTED TO REFER TO THE FY 1990 GUIDANCE TRANSMITTED REFTEL. MOVEMENT IN SCHEDULED CDSS'S TOWARD THE CONCEPTUAL FRAMEWORK OUTLINED IN (5) ABOVE IS LEFT TO MISSION DISCRETION.

7. WHILE IT IS OUR INTENTION TO MOVE TOWARD STRONGER COUNTRY-BASED PROGRAM DEVELOPMENT, MISSIONS MUST NEVERTHELESS BE AWARE OF AND RESPONSIVE TO CONGRESSIONAL EARMARKS AND GUIDANCE. FOR THIS YEAR, THESE INCLUDE THE FOLLOWING:

8. MICROENTERPRISE. THE FY 1989 EARMARK FOR MICROENTERPRISE ASSISTANCE IS DOLLARS 75 MILLION FROM DA AND ESF. ESF AND P.L. 480 GENERATED LOCAL CURRENCIES CAN CONTINUE TO BE USED TO MEET THIS EARMARK. PD-17, MICROENTERPRISE DEVELOPMENT PROGRAM GUIDELINES, OFFERS ASSISTANCE AND GUIDANCE IN ADDRESSING THE MICROENTERPRISE SECTOR. MISSIONS SHOULD DISCUSS IN THE CDSS HOW THEY PLAN TO ADDRESS THIS SECTOR DURING THE PLANNING PERIOD.

9. WOMEN IN DEVELOPMENT. THE FY 1989 FOREIGN ASSISTANCE APPROPRIATIONS ACT STIPULATES THAT A.I.D. SHALL QUOTE SEEK TO ENSURE THAT COUNTRY STRATEGIES, PROJECTS AND PROGRAMS ARE DESIGNED SO THAT THE PERCENTAGE OF WOMEN PARTICIPANTS WILL BE DEMONSTRABLY INCREASED, UNQUOTE. THE STATEMENT OF MANAGERS ACCOMPANYING THE LEGISLATION ALSO DIRECTS A.I.D. QUOTE IN THE DESIGN OF COUNTRY STRATEGIES...TO SEEK TO ENSURE THAT THE PERCENTAGE OF WOMEN PARTICIPANTS WILL BE IN APPROXIMATE PROPORTION TO THEIR TRADITIONAL PARTICIPATION IN THE TARGETED ACTIVITIES OR THEIR PROPORTION OF THE POPULATION, WHICHEVER IS GREATER UNQUOTE. THEREFORE, WID SHOULD BE ADDRESSED AS A CROSS-CUTTING ISSUE IN THE KEY DEVELOPMENT PROBLEM SECTION AND EACH OF THE STRATEGY SECTIONS. WHERE THE GOALS SET FORTH ABOVE CANNOT REASONABLY BE INCORPORATED, LEGISLATION DIRECTS A.I.D. TO ENSURE THAT THERE IS A SUBSTANTIVE ANALYSIS AS TO THE OBSTACLES PREVENTING COMPLETION OF SUCH EFFORTS, AND AN EXPLANATION OF HOW THESE OBSTACLES WILL BE OVERCOME.

10. BIOLOGICAL DIVERSITY/TROPICAL FORESTS. AS REPORTED REFTEL, THE FAA REQUIRES ALL CDSS'S TO INCLUDE AN ANALYSIS OF ACTIONS NECESSARY TO CONSERVE BIOLOGICAL DIVERSITY. THE LEGISLATION ALSO DIRECTS THAT CDSS'S FOR COUNTRIES WITH TROPICAL FORESTS PRESENT AN ANALYSIS OF WHAT MUST BE DONE TO CONSERVE THESE FORESTS. 88 STATE 032584 (FEB, 1988) PROVIDES MORE DETAILED GUIDANCE AND A SUGGESTED OUTLINE FOR MISSION USE. EXPERT TECHNICAL ASSISTANCE IS AVAILABLE FROM S AND T/FENR AND THE REGIONAL BUREAUS. IN GENERAL, MISSIONS ALSO SHOULD BE GUIDED BY A.I.D.'S POLICY PAPER ON THE ENVIRONMENT AND

NATURAL RESOURCES.

11. ENERGY. RECENT CONGRESSIONAL DIRECTIVES AND INITIATIVES STRESS THE IMPORTANCE OF ENERGY TO SUSTAINABLE DEVELOPMENT. THE FY 89 APPROPRIATION ACT ELABORATES ON PREVIOUS A.I.D. POLICY, WHICH REGARDS ENERGY AS AN ESSENTIAL INGREDIENT FOR ECONOMIC GROWTH, AGRICULTURAL OUTPUT, INDUSTRIAL PRODUCTIVITY, TRANSPORTATION, AND SOCIAL WELL-BEING. THE ACT REQUIRES EACH CDSS TO INCLUDE AN EXAMINATION OF HOW ENERGY-SECTOR ASSISTANCE CAN BE USED TO MEET AGENCY GOALS FOR ECONOMIC GROWTH, PRIVATE SECTOR DEVELOPMENT, SCIENCE AND TECHNOLOGY, AND TRADE AND INVESTMENT PROMOTION.

THE CONGRESSIONAL LANGUAGE INCLUDES FIVE MAIN TRUSTS: ENERGY EFFICIENCY, RENEWABLE ENERGY SOURCES, PRIVATE SECTOR PARTICIPATION IN THE ENERGY SECTOR, EXPANSION OF RURAL ENERGY SUPPLIES, AND PRICE REFORM. IN EACH OF

THESE AREAS, AN EMPHASIS SHOULD)E)LA))) ON T)E USE OF ENVIRONMENTALLY-SOUND TECHNOLOGIES. THE LANGUAGE DIRECTS THE AGENCY TO ISSUE GUIDANCE STATING THAT RENEWABLE ENERGY RESOURCES AND CONSERVATION ARE TO BE THE CENTERPIECE OF A.I.D.'S ENERGY EFFORTS, AND THAT MEETING ENERGY NEEDS THROUGH THESE MEANS SHALL BE DISCUSSED IN EVERY CDSS. THE ACT ALSO ASKS A.I.D. TO INITIATE TWO PILOT PROGRAMS IN EACH OF THREE GEOGRAPHICAL REGIONS: ONE ON ENERGY CONSERVATION AND END-USE EFFICIENCY IN THE POWER SECTOR, AND A SECOND ON PRIVATE-SECTOR PARTICIPATION IN POWER GENERATION. THE AGENCY IS INCORPORATING THESE MANDATES INTO A NEW ENERGY POLICY PAPER. ASSISTANCE IS AVAILABLE FROM AID/W TO HELP WITH APPROPRIATE TREATMENT OF THESE ISSUES IN THE CDSS.

12. BASIC EDUCATION. UNDER THE FY 1989 FOREIGN ASSISTANCE APPROPRIATIONS ACT, A.I.D. MUST OBLIGATE FOR BT
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BASIC EDUCATION ACTIVITIES THIS FISCAL YEAR THE EQUIVALENT OF 50 PERCENT OF ITS SECTION 105 APPROPRIATION (DOLLARS 64.77 MILLION) FROM THE SECTION 105,AND DFA ACCOUNTS. THE ACT FURTHER PROVIDES THAT IN FY 1989, A.I.D. MUST INITIATE AT LEAST TWO NEW BILATERAL PROJECTS IN BASIC EDUCATION, AT LEAST ONE OF WHICH MUST BE IN SUB-SAHARAN AFRICA. IN EACH OF FYS 1990 AND 1991, THE ACT PROVIDES THAT A.I.D. SHALL INITIATE THREE NEW BILATERAL PROJECTS IN BASIC PRIMARY AND SECONDARY EDUCATION, AT LEAST TWO OF WHICH IN EACH FISCAL YEAR MUST BE INITIATED IN SUB-SAHARAN AFRICA.

IN THEIR ANALYSIS, MISSIONS ARE ENCOURAGED TO CONSIDER THE BROAD IMPACT OF SUPPORT FOR BASIC EDUCATION ON SUCH AREAS AS HEALTH, IMPROVED NUTRITIONAL STATUS, DECLINING FEMALE FERTILITY, INCREASED AGRICULTURAL PRODUCTION, AND IMPROVED HUMAN RESOURCE BASES FOR INDUSTRIALIZATION, AS WELL AS TO ASSESS THE FISCAL AND OTHER MACRO-ECONOMIC IMPLICATIONS OF MORE EFFICIENT NATIONAL EXPENDITURES ON BASIC EDUCATION. IN COUNTRIES WHERE BASIC EDUCATION APPEARS TO CONSTITUTE A SIGNIFICANT CONSTRAINT, MISSIONS SHOULD INCLUDE ANALYSIS OF THE BASIC EDUCATION SUBSECTOR IN THEIR CDSS, AS WELL AS CONSIDER PROJECTS TO BE IMPLEMENTED THROUGH THE DFA AND SECTION 105 OF THE FAA. SPECIFIC REFERENCE SHOULD BE MADE TO FEMALE PARTICIPATION LEVELS, TO PROGRAMS ADDRESSING CRITICAL FEMALE ACCESS DEFICIENCIES, AND TO THE PRIVATE PROVISION OF EDUCATION AS AN ALTERNATIVE OR SUPPLEMENT TO PUBLICLY-FUNDED EDUCATION.

13. AS PART OF EACH CDSS TRANSMISSION) MISSIONS ARE REQUESTED TO INCLUDE A COUNTRY MAP WHICH WILL REPRODUCE CLEARLY. BAKER
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APPENDIX B

ECONOMIC AND STATISTICS TABLES:[1]

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Table 1.1
National Accounts
at 1985 Prices
(CFAF billion)

	-- A C T U A L --			Preliminary:	
	1980	1985	1986	1987	1988
GDP (Current CFAF billion)	1569	3992	4166	4022	3788
Gross Domestic Product	2709	3992	4358	4237	3871
(Non-Oil GDP)	2709	3247	3600	3502	3192
Net indirect taxes	145	121	133	177	153
Agriculture	754	854	923	954	959
Industry	764	1621	1674	1566	1412
(Manufacturing)	221	586	620	590	538
(Oil)	-	745	758	735	679
Services	1046	1396	1628	1540	1347
Resource Balance:	-5	424	324	325	398
Exports	624	1318	1290	1196	1155
Imports	-629	-894	-966	-871	-757
Gross Domestic Expenditure	2714	3568	-4034	3912	3473
Consumption:	2217	2788	3235	3264	2947
Private consumption:	1981	2306	2711	2672	2485
Central government:	236	482	524	592	462
Gross Domestic Investment	497	780	799	648	526
Private (incl. SOEs):	na	482	484	374	340
Central Government:	na	298	315	274	186

Source: World Bank Calculations (World Bank, 1988b)

Table 1.2
National Accounts
Growth Rate of Real GDP

	1980-85	1985-86	1986-87	1987-88
Nominal GDP	20.5%	4.4%	-3.5%	-5.8%
Gross Domestic Product	8.1%	9.2%	-2.8%	-8.6%
(Non-Oil GDP)	3.7%	10.9%	-2.7%	-8.9%
Net indirect taxes	-3.6%	9.9%	33.1%	-13.6%
Agriculture	2.5%	8.1%	3.4%	0.5%
Industry	16.2%	3.3%	-6.5%	-9.8%
(Manufacturing)	21.5%	5.8%	-4.8%	-8.8%
(Oil)	24.8%	1.7%	-3.0%	-7.6%
Services	5.9%	16.6%	-5.4%	-12.5%
Resource Balance:				
Exports	16.1%	-2.1%	-7.3%	-3.4%
Imports	7.3%	8.1%	-9.8%	-13.1%
Gross Domestic Expenditure	5.6%	13.1%	-3.0%	-11.2%
Consumption:	4.7%	16.0%	0.9%	-9.7%
Private consumption:	3.1%	17.6%	-1.4%	-7.0%
Central government:	15.4%	8.7%	13.0%	-22.0%
Gross Domestic Investment	9.4%	2.4%	-18.9%	-18.8%
Private (incl. SOEs):		0.4%	-22.7%	-9.1%
Central Government:		5.7%	-13.0%	-32.1%

Source: Calculated from Table 1.1

Table 1.3
Public Service Employment 1974/75 to 1987/88

	1974/75	1978/79	1981	1982	1983	1984
Civil Service:	20,132	30,064	36,919	40,200	43,903	48,883
Cat. A	2,732	3,884	5,279	6,002	6,848	7,813
Cat. B	4,362	6,302	7,973	9,125	10,641	11,954
Cat. C	6,124	10,770	13,324	14,403	15,070	16,542
Cat. D	6,914	9,108	10,343	10,670	11,344	12,574
Contractual:	3,444	5,854	7,088	7,704	8,902	9,847
Auxiliaries:	11,385	58,488	61,900	66,730	71,558	76,387
Total:	34,961	94,406	105,907	114,634	124,363	135,117

Ministry of Finance Payroll Total: *

1983/84:	163,946
1984/85:	172,398
1987/88:	179,144

Growth Rates:	1978/79	1981	1982	1983	1984
Civil Service:	10.5%	8.6%	8.9%	9.2%	11.3%
Contractual:	14.2%	8.0%	8.7%	15.6%	10.6%
Auxiliaries:	50.6%	2.3%	7.8%	7.2%	6.7%
Total:	28.2%	4.7%	8.2%	8.5%	8.6%

Notes:

Explanation of Categories:

Cat. A	Management, policy-making, and control duties
Cat. B	Organization and execution duties
Cat. C	Specialized functional duties
Cat. D	Routine functional duties
Contractual:	Fixed-term. Most later absorbed into permanent grades of civil service.

* Discrepency with Plan data concerns persons hired but not paid.

Source: IBRD (1987, 1988c) from GRC information

Table 1.4a
INDEX OF CONSUMER PRICES IN YAOUNDE

Table 7.1: INDEX OF CONSUMER PRICES IN YAOUNDE
(Moderate Income Cameroonian families)

Tableau 7.1 : INDICE DES PRIX A LA CONSOMMATION A YAOUNDE
(Familles Camerounaises à revenu moyen)

(1968 = 100)

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
Foodstuffs	177.2	199.5	232.0	275.1	296.4	311.3	348.8	408.4	473.0	537.2	517.6	Produits alimentaires
Beverages and Tobacco	136.9	142.4	147.5	157.7	164.9	181.3	196.1	205.8	224.3	263.1	267.1	Boissons et tabac
Household Expenses	152.6	167.3	178.7	199.1	208.5	243.6	271.9	301.3	340.7	366.6	425.2	Dépenses de maison
Clothing	148.5	163.4	197.3	215.6	264.4	292.5	323.3	358.3	391.1	500.9	484.6	Habillement
Transportation	247.5	257.4	275.2	320.8	334.4	347.7	355.7	400.9	487.1	471.6	512.2	Transports
Health	148.0	161.2	160.5	166.8	177.9	192.9	213.4	231.9	254.1	290.3	318.5	Hygiène et santé
Recreation	144.8	157.4	172.0	227.7	276.2	297.3	326.9	358.5	376.6	424.8	499.1	Loisirs
Education & Other Services	164.5	194.0	211.6	236.4	230.8	245.5	260.7	303.8	322.7	370.3	497.7	Scolarité et divers
GENERAL INDEX	168.5	185.0	206.8	237.4	259.1	279.1	306.6	346.9	393.8	445.4	492.3	INDICE GENERAL
Imported Products	156.3	169.7	187.7	204.9	226.3	243.9	263.4	294.9	324.3	385.2	478.0	Articles importés
Local Products	168.7	192.7	225.8	274.9	298.4	312.2	356.7	414.9	475.8	541.7	526.5	Articles locaux
Services and Others	201.2	213.1	226.5	267.3	284.1	318.7	339.5	373.4	444.0	445.9	474.0	Services et divers

Source: Note annuelle de statistique.

World Bank

Table 1.4b
INDEX OF CONSUMER PRICES IN DOUALA

Table 7.2: INDEX OF CONSUMER PRICES IN DOUALA (1)

Tableau 7.2 : INDICE DES PRIX A LA CONSOMMATION A DOUALA (1)

(May 1966 = 100)

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
Foodstuffs	161.7	163.2	194.8	225.3	241.8	260.5	292.8	339.2	389.2	410.7	436.4	Produits alimentaires
Beverages and Tobacco	158.9	172.6	188.3	203.7	213.8	226.3	238.3	249.0	260.0	293.8	324.4	Boissons et tabac
Household Expenses	154.1	166.3	184.5	197.8	212.4	226.0	238.2	267.4	300.1	333.5	375.4	Dépenses de maison
Clothing	199.4	232.5	259.2	309.0	381.3	415.1	450.9	505.0	550.8	547.4	575.9	Habillement
Transportation	163.9	162.9	175.6	180.6	196.6	210.6	270.8	301.4	331.4	351.7	368.7	Transports
Health	119.6	138.6	139.1	177.2	202.6	210.9	226.0	247.2	266.9	288.6	318.9	Hygiène et santé
Recreation	123.0	135.3	133.7	125.7	142.1	151.8	157.8	166.9	179.6	223.5	232.9	Loisirs
Education & Other Services	202.2	242.3	245.0	248.3	266.6	292.7	342.3	387.9	429.6	450.3	451.2	Scolarité et divers
GENERAL INDEX	161.7	178.6	192.8	212.3	229.8	248.3	274.3	308.7	344.6	370.3	399.7	INDICE GENERAL
Imported Products	168.1	185.8	201.2	221.5	236.8	258.7	287.0	318.0	350.3	370.3	401.0	Articles importés
Local Products	155.3	168.0	187.3	215.4	231.4	242.8	267.5	310.6	351.0	382.9	407.8	Articles locaux
Services & Others	156.7	172.8	177.8	185.9	208.7	229.3	252.2	276.5	314.9	346.2	356.5	Services et divers

(1) Relevant for expatriates and families.

(1) Concernant des expatriés et leurs familles.

Sources: Note annuelle de statistique, 1983-84.

World Bank

Table 1.5
Profits for Sectors with SNI Participation
(CFA Francs millions)

	1980/81	1981/82	1982/83	1983/84	1984/85
Total All Subsectors:	(16,022)	(50,105)	(60,996)	na	(15,442)
Primary Sector:	(9,929)	(34,931)	(52,174)	na	(24,818)
Agro-industries	(4,567)	(5,446)	(9,483)	na	(1,664)
Fisheries, Livestock	(253)	(295)	(232)	na	(1,029)
Wood and pulp	(2,960)	(26,076)	(38,855)	na	(21,491)
Development Societies	(2,149)	(3,114)	(3,604)	na	(634)
SNI Participation, pct.	19.9%	27.7%	27.1%	na	26.1%
Secondary Sector:	(6,093)	(15,174)	(8,822)	9,890	9,376
Food industries:	(1,384)	2,894	4,113	4,514	5,157
Textiles, clothing	(565)	(1,289)	(1,778)	(2,283)	(660)
Construction materials	(647)	(644)	(273)	1,869	1,913
Leather and Skins	(1,280)	(821)	(164)	(912)	(285)
Metallurgy, electro-mech.	(666)	(6,715)	(6,941)	(1,779)	(3,447)
Chemical, fertilizer	(1,551)	(8,599)	(3,779)	8,481	6,698
SNI Participation, pct.	21.1%	22.2%	20.9%	18.5%	19.4%

Source: Societé Nationale d'Investissement
Reported in Plan Directeur d'Investissement du Cameroun (1988)

Note: Totals do not add correctly in original

na = Not available.

Table 2.1a
MONETARY SURVEY: Liabilities

Table 6.1: MONETARY SURVEY (1)

Tableau 6.1 : SITUATION MONETAIRE - PASSIF (1)
(In billions of CFA francs/En milliards de francs CFA)

	1978	1979	1980	1981	1982	1983	1984	1985	
Currency	58.5	68.2	78.1	101.9	107.6	127.6	134.4	145.3	Monnaie Fiduciaire
Demand Deposits	88.5	116.0	130.1	157.1	190.9	249.4	276.3	278.4	Monnaie Scripturale
Banks	87.5	115.1	129.2	155.9	189.4	247.9	274.9	277.3	Banques
C.C.P.	1.0	0.9	0.9	1.2	1.5	1.5	1.5	0.1	C.C.P.
Money	146.9	184.3	208.2	258.9	298.5	377.1	410.8	433.7	Masse Monétaire
Quasi Money	65.4	75.8	107.2	146.7	184.9	235.4	325.5	437.8	Quasi Monnaie
Money and Quasi Money	212.3	260.1	315.4	405.6	483.4	612.4	736.2	861.5	Masse Monétaire et Quasi Monnaie
External Borrowings: Medium & Long Term	2.1	14.3	28.4	40.7	64.8	64.6	60.9	51.3	Emprunts Extérieurs : à Moyen & Long Terme
Capital Account	17.5	24.4	30.6	45.4	53.6	67.0	50.1	67.8	Capitaux propres
S.D.R. Allocations	2.9	4.2	5.5	7.7	8.4	9.7	11.5	10.1	Allocation de D.T.S.
Other Items (Net)	-1.5	-8.2	-20.6	-30.4	-57.8	26.2	2.4	-0.4	Autres Postes (nets)
TOTAL LIABILITIES	233.3	294.8	359.4	469.0	553.0	760.0	862.1	990.4	PASSIF TOTAL

Sources: B.E.A.C.
World Bank

(1) On calendar year basis

(1) Sur la base de l'année calendaire

Table 2.1b
MONETARY SURVEY: Assets

Table 6.2: MONETARY SURVEY - ASSETS (1)

Tableau 6.2 : SITUATION MONETAIRE - ACTIF (1)

(In billions of CFA francs/En milliards de francs CFA)

	1978	1979	1980	1981	1982	1983	1984	1985	
Net Foreign Assets (2)	-16.2	9.4	-1.7	43.8	-9.1	60.8	130.2	154.2	Avoirs Extérieurs Nets (2)
Domestic Credit	249.5	285.4	361.0	425.2	362.1	699.2	731.9	836.3	Crédit Intérieur
Claims on Govt (net)	-17.1	-30.3	-53.6	-134.5	-116.6	-109.5	-74.3	-42.0	Créances nettes sur l'Etat
Claims by BEAC	-7.8	-6.9	-19.2	-7.9	-20.3	-57.3	-19.6	-8.9	B.E.A.C.
Claims by comm. banks	-27.4	-45.6	-49.6	-140.3	-113.7	-73.0	-72.4	-65.8	Banques commerciales
Claims by other institutions	17.9	16.2	15.2	13.7	18.4	21.1	17.7	14.9	Autres Institutions
Claims on private sector	266.8	315.8	414.6	559.7	478.7	808.8	806.1	878.3	Crédits à l'économie
TOTAL ASSETS	233.3	294.8	359.4	469.0	353.0	760.0	862.1	990.4	ACTIF TOTAL

Source: B.E.A.C.
World Bank

(1) On calendar year basis

(2) Central Bank, commercial banks and CCP

(1) Sur la base de l'année calendaire

(2) Banque Centrale, banques commerciales, et CCP.

Table 2.2
Comparative Measures of Financial Development, 1983

Country:	GNP/Capita (US $)	M_2/GDP	LB/GDP	QM/GDP
Cameroon	820	0.19	0.15	0.09
Kenya	340	0.27	0.22	0.10
Nigeria *	770	0.37	0.26	0.15
Côte d'Ivoire	710	0.26	0.17	0.08
Senegal **	440	0.31	0.21	0.08
Morocco *	760	0.44	0.29	0.10
Thailand	820	0.48	0.42	0.39
Indonesia	560	0.20	0.16	0.10
Philippines	760	0.25	0.20	0.17

Notes:
* 1982 data
** 1981 data
M_2: Currency, demand deposits and savings deposits
LB: Bank Liabilities
QM: Quasi-Money

Source: World Bank, IFS, recorded in IMF (1986 p 11)

Table 2.3
Nominal and Real Exchange Rate
1980/81 - 1987/88 [1]
(1980 = 100; annual averages)

	Nominal Effective Exchange Rate	Real Effective Exchange Rate [2]	Real Effective Exchange Rate [3]
1980/81	97.0	95.5	97.5
1981/82	92.1	91.3	93.8
1982/83	88.2	80.8	92.8
1983/84	86.3	94.7	90.0
1984/85	87.0	93.5	87.1
1985/86	94.5	105.3	92.1
1986/87	99.5	117.7	96.6
1987/88	104.2	126.1	97.7

Source: IMF (1988a), from IMF exchange rate information system and IMF staff estimates.

Notes:
1. Cameroon Fiscal Year = July 1 - June 30.
2. Based on consumer price index Table 1.4a, Moderate Cameroonian native families in Yaounde.
3. Based on consumer price index of expatriate families in Yaounde.

Table 3.1
BALANCE OF PAYMENTS: Current Account

Table 3.1: BALANCE OF PAYMENTS

Tableau 3.1: BALANCE DES PAIEMENTS (COMPTE COURANT)

(billion CFAF/milliards FCFA)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
RESOURCE BALANCE	-67.10	-90.16	-49.16	-45.71	-5.78	121.70	282.78	474.13	BALANCE EN RESSOURCES
Merchandise Trade (net)	-74.40	-57.26	-7.16	35.69	98.42	235.30	388.28	581.33	Balance Commerciale
Exports (F.O.B)	190.09	198.91	298.66	414.86	479.79	448.97	851.87	1093.96	Exportation (FOB)
Imports (F.O.B)	214.49	256.17	303.82	379.17	381.37	413.67	463.54	512.61	Importation (FOB)
Non-Factor Services (net)	-22.60	-32.90	-42.00	-81.40	-104.20	-113.60	-105.50	-107.20	Services Nets Non-Facteurs
Receipts	58.80	66.50	81.30	101.30	119.40	148.00	188.90	229.30	Recettes
Payments	81.40	99.40	123.30	182.70	223.60	261.60	294.40	336.50	Paiements
Factor Service Income (net)	-17.70	-20.60	-34.20	-62.10	-93.90	-140.00	-171.80	-182.00	Revenus Nets des Services Facteurs
Worker's Remittances (net)	-1.30	-1.70	-2.30	1.80	-0.40	-1.90	-0.70	8.80	Transferts Nets des Salaires
Investment Income (net)	-16.40	-18.90	-31.90	-63.90	-93.50	-138.10	-171.10	-167.80	Revenus Nets de l'Investissement
Receipts	3.60	3.20	4.40	5.80	3.90	4.50	19.20	19.60	Recettes
Payments	-18.00	-22.10	-36.30	-69.70	-97.40	-142.60	-190.30	-187.40	Paiements
Interest on Public Debt	-8.50	-11.30	-17.30	-26.00	-35.60	-38.30	-40.90	-48.80	.Dont: Int. Dette Publ.et Gar.
Interest on Private Debt	-0.90	-1.60	-2.60	-6.10	-6.70	-12.50	-20.80	-26.90	Int. Dette Privee
Foreign Oil Earnings	0.00	-0.80	-6.70	-22.20	-32.80	-40.60	-48.20	-60.70	Transf.des Comptes Pet.
Other Payments	-8.60	-8.40	-9.70	-13.40	-22.30	-51.20	-80.40	-46.80	Autres Paiements
Current Transfer (net)	5.00	3.00	0.70	2.50	-4.70	-1.20	-2.70	-17.60	Transferts Courants Nets
CURRENT ACCOUNT BALANCE	-59.70	-107.76	-82.66	-105.31	-104.38	-19.50	108.78	294.53	BALANCE COURANTE

Sources: Data supplied by the Ministry of Finance.
National Accounts.
World Bank Debt Data.
Mission Estimates.

Table 3.1 page 2 (update)

Cameroon: Summary Balance of Payments (in CFA Francs)
1983/84-1987/88 1/

	1983/84	1984/85	1985/86	1986/87	1987/88 Est.
			(In billions of CFA francs)		
Trade balance	374	588	201	-8	40
Exports, f.o.b.	838	1,101	772	545	511
Petroleum	(531)	(722)	(419)	(255)	(233)
Nonpetroleum	(306)	(379)	(353)	(290)	(277)
Imports, f.o.b.	-464	-513	-571	-553	-471
Services (net)	-243	-409	-411	-325	-277
Nonfactor (net)	-30	-165	-144	-174	-132
Factor (net)	-213	-243	-216	-151	-145
Of which: interest (net)	(-76)	(-42)	(-49)	(-52)	(-77)
Transfers (net)	-2	-20	-23	-40	-43
Of which: official balance (net)	(30)	(22)	(26)	(10)	(16)
Current account balance	129	159	-232	-373	-280
Nonmonetary capital (net)	143	-50	116	114	180
Medium- and long-term (net)	197	113	14	66	111
Private (net)	156	46	-18	21	11
Official (net)	41	67	32	45	100
Disbursements	(63)	(133)	(113)	(127)	(188)
Amortization	(-22)	(-66)	(-81)	(-82)	(-88)
Short-term (net)	-54	-163	102	101	69
Monetary capital (net)	-59	-85	122	48	-27
Errors and omissions (net)	-262	-6	63	-60	49
Overall balance	-50	18	69	-217	-78
Financing	50	-18	-69	217	78
Change in net official reserves (increase -)	50	-18	69	165	69
Arrears	—	—	—	53	18
			(In percent of GDP)		
Memorandum items:					
Current account balance	4.0	4.1	-5.7	-9.4	-8.4
CFAF/SDR rate (average)	430.2	467.0	423.5	395.2	388.8
Export unit values (1982/83=100) 1/	101.4	104.6	72.8	53.5	49.1
Import unit values (1982/83=100)	100.6	101.7	99.7	100.4	101.7
Terms of trade (1982/83=100)	100.8	102.9	73.0	53.3	48.3

Sources: Data provided by the Cameroonian authorities; and staff estimates.
—World Bank

1/ Fiscal year (July 1-June 30).
2/ In terms of CFA francs.

Table 3.2
BALANCE OF PAYMENTS: Capital Account

Table 3.2: BALANCE OF PAYMENTS (CAPITAL ACCOUNT)

Tableau 3.2: BALANCE DES PAIEMENTS (Compte des capitaux)
(billion CFAF/milliards FCFA)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
Total Non-monetary Capital (net)	75.3	82.3	92.7	112.3	141.2	176.9	143.6	-16.3	Total des Capitaux non-monétaires (net)
Private Non-monetary Capital (net)	7.1	12.7	23.7	29.9	96.0	131.0	169.9	66.5	Capitaux privés non-monétaires (nets)
Direct Foreign Investment (net)	1.3	10.0	22.6	30.5	27.6	37.8	93.1	-21.7	Investissement extérieur direct (net)
Credit	9.8	15.8	24.4	36.2	38.1	73.8	107.4	40.5	Crédit
Debit	-8.6	-5.8	-1.4	-5.7	-10.5	-14.0	-10.3	-72.2	Débit
MLT Non-Guaranteed Debt (net)	5.8	12.4	6.9	10.1	23.4	61.2	74.1	57.8	Dette non-garantie à moyen et long termes (nette)
Disbursements	7.7	15.3	13.8	17.8	33.8	79.6	102.5	96.7	Décaissements
Amortization	-1.9	-3.0	-6.9	-7.7	-13.4	-18.4	-28.4	-38.9	Amortissement
Short Term Capital (net)	0.1	-9.7	-7.2	-14.7	43.8	34.0	3.7	30.4	Capitaux à court terme (nets)
Credit	10.0	5.7	13.1	29.3	65.2	60.5	107.8	112.5	Crédit
Debit	-9.9	-15.4	-19.3	-43.8	-21.4	-46.5	-104.1	-82.1	Débit
Official Capital (net)	68.2	69.5	69.0	86.4	44.4	23.9	-37.5	-82.7	Capitaux publics (nets)
MLT Public and Guaranteed Debt (net)	68.1	76.1	97.8	86.5	44.4	23.9	29.9	7.5	Dette publique et garantie à moyen et long termes (nette)
Disbursements	79.1	91.0	114.1	106.6	79.1	69.5	76.1	76.0	Décaissements
Amortization	-11.0	-14.9	-16.3	-20.1	-34.7	-45.6	-46.2	-73.7	Amortissement
Short-term Capital (net)	0.1	-0.9	0.3	-0.1	0.0	0.0	0.0	-0.2	Capitaux à court terme (nets)
Credit	0.4	0.1	0.9	0.0	0.0	0.0	0.0	0.0	Crédit
Debit	-0.3	-1.0	-0.6	-0.1	0.0	0.0	0.0	-0.2	Débit
Other Capital (net)	0.0	-5.7	-29.0	0.0	0.0	0.0	-57.4	-84.0	Autres Capitaux (nets)
Monetary Capital (net)	-16.2	12.9	-13.3	0.9	23.1	-13.0	-59.1	-84.9	Capitaux Monétaires (nets)
Credit	0.1	13.3	0.0	5.2	49.4	10.3	5.6	5.6	Crédit
Debit	-16.3	-0.4	-13.3	-4.3	-26.3	-23.3	-64.7	-90.5	Débit
Errors & Omissions (net) g/	11.0	4.6	36.3	-31.2	-75.2	-70.9	-243.2	-176.3	Erreurs et omissions g/
Overall Balance	10.4	-8.1	24.0	-33.7	-19.1	33.6	-90.1	17.1	Balance Générale
Memorandum Item:									Pour mémoire:
Net foreign reserves	14.9	-9.3	22.8	10.0	-28.2	59.3	-8.4		Réserves extérieures nettes

g/ Including oil sector capital flows

g/ y compris mouvements de capitaux du secteur pétrolier.

Sources: Data supplied by the Ministry of Finance.
World Bank Debt Data.
Mission estimates.

Table 3.3
MAJOR EXPORTS

Table 3.4: VALUE OF EXPORTS BY TYPE OF PRODUCT

Tableau 3.4: VALEUR DES EXPORTS PAR TYPE DE PRODUITS
(CFAF million/millions FCAF)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	
Agricultural Products and Semi-Processed Goods	164,448	131,493	161,292	146,766	145,252	184,743	241,471	294,369		Produits Agricoles et Produits Semi-Traités
Total Cocoa	68,849	60,811	58,003	53,645	43,911	57,066	88,939	104,517	95,113	Total Cacao
Cocoa Beans	43,522	45,221	40,133	42,148	34,926	48,109	74,655	94,713		Cacao en fèves
Cocoa Butter	7,327	5,854	6,493	5,279	4,123	5,803	8,285	5,643		Beurre de Cacao
Cocoa Cake	13,620	9,736	10,978	5,978	2,882	3,170	6,019	4,141		Tourteaux de Cacao
Total Coffee	53,934	49,994	68,163	60,111	45,283	71,183	94,830	111,201	112,949	Total Café
Arabica	14,552	11,646	21,310	16,956	17,996	18,744	30,191	28,865		Arabica
Robusta	39,044	37,567	44,100	42,896	27,283	53,225	63,844	81,268		Robusta
Roasted	338	781	753	259	4	214	593	1,068		Café Torréfié
Logs & Wood Products	33,019	31,973	33,132	28,318	23,365	22,359	17,227	36,118	32,788	Produits Forestiers
Logs	17,258	14,581	22,115	17,839	14,878	13,016	10,272	24,914		Grumes
Wood Products	5,761	7,390	10,797	10,479	10,487	9,283	6,955	11,204		Bois
Other Major Commodities	17,307	17,318	22,726	22,192	29,557	32,735	37,893	37,948	29,384	Autres Produits Principaux
Tobacco	3,600	2,747	3,370	3,349	3,322	3,012	3,702	5,256	4,429	Tabac
Cotton	5,351	6,409	10,724	14,119	14,753	18,130	19,992	13,961	13,483	Coton
Natural Rubber	2,118	1,003	1,621	1,178	964	3,827	5,042	6,878	4,461	Caoutchouc Naturel
Bananas	5,158	6,021	5,358	1,871	6,676	6,707	8,092	10,819	6,978	Bananes
Palm Oil & Palm Kernels	880	2,048	1,761	1,405	1,842	1,039	1,025	2,012	1,111	Huile de Palme et Huile de Palmiste
Other Agricultural Goods	1,319	938	1,264	2,320	1,116	1,190	2,563	2,585		Autres Produits Agricoles
Mineral Commodities	4,911	28,041	87,795	219,727	304,197	434,000	570,463	746,959		Produits Miniers
Oil	2,765	23,288	81,765	216,005	301,443	430,982	565,496	721,629		Pétrole
Aluminium	1,766	4,661	4,527	1,722	4,750	28,328	31,792	33,462		Aluminium
Manufactured Goods	13,462	13,843	20,312	20,969	23,165	27,277	36,944	51,150		Produits Manufacturés
Metal Products	4,852	5,145	5,854	6,132	6,098	5,776	7,552	..		Produits Métalliques
Chemical Products	2,170	2,234	4,246	4,487	4,179	5,427	7,407	..		Produits Chimiques
Electrical & Mechanical Equipment	2,864	1,957	2,748	3,433	3,489	5,440	10,294	..		Equipement Electrique et Mécanique
Textiles	3,268	3,277	4,537	3,800	7,376	6,178	8,190	..		Textiles
Transport Equipment	354	111	1,040	1,074	1,064	1,102	582	..		Equipement de Transport
Other Manufactured Goods	1,954	2,699	1,707	2,015	2,961	3,854	2,719	..		Autres Produits Manufacturés
Other Merchandise Exports NEC	3,819	3,314	5,267	7,385	3,172	3,062	1,878	1,993		Autres Exportations de Marchandises NCA
TOTAL NON-OIL EXPORTS	187,345	173,733	213,398	190,838	178,339	238,109	303,252	373,042		TOTAL DES EXPORTATIONS NON-PETROLIERES
TOTAL EXPORTS	190,090	198,911	294,664	414,863	429,786	649,090	830,706	1,094,471		TOTAL DES EXPORTATIONS

Sources: Annual Statistical Note.
National Accounts.
Mission estimates.

Table 3.3 update

Cameroon: Principal Exports, 1983/84-1987/88 1/

	1983/84	1984/85	1985/86	1986/87	1987/88 Est.
			(In billions of CFA francs)		
Petroleum exports	531.4	722.0	419.0	255.2	233.1
Crude petroleum	498.3	680.6	394.7	232.5	214.9
Refined products	33.1	41.4	24.3	22.7	18.2
Nonpetroleum exports	306.4	378.9	353.2	289.9	277.5
Cocoa beans	74.7	94.8	82.7	72.1	62.0
Cocoa products	14.3	11.7	13.5	10.6	10.4
Coffee	94.8	110.2	111.5	82.0	61.2
Robusta	(63.8)	(81.3)	(82.5)	(66.1)	(44.7)
Arabica	(30.4)	(28.9)	(29.0)	(16.0)	(16.6)
Cotton	20.0	9.1	9.4	7.5	9.9
Logs and wood products	18.3	36.1	32.8	24.5	27.2
Aluminum products	25.0	33.9	28.2	18.3	26.9
Other manufactured goods	36.9	59.3	47.5	42.3	48.6
Miscellaneous agricultural goods	22.3	23.7	27.6	27.6	31.6
Total exports	837.8	1,100.9	772.2	545.1	510.6
			(In thousands of metric tons)		
Petroleum exports					
Crude	5,740.0	7,380.0	7,384.0	7,013.0	6,880.0
Refined products	456.5	540.0	670.0	750.0	800.0
Nonpetroleum exports					
Cocoa beans	89.7	97.4	84.2	99.6	102.6
Cocoa products	12.4	11.6	13.4	19.1	15.0
Coffee beans	130.5	93.9	98.3	79.6	95.0
Robusta	(102.1)	(72.3)	(77.1)	(67.7)	(70.0)
Arabica	(28.4)	(21.6)	(21.2)	(11.9)	(25.0)
Cotton	22.5	27.0	21.8	19.9	20.3
Logs and wood products	294.3	653.5	452.5	347.0	357.4
Aluminum products	47.1	70.6	60.6	39.7	39.7
Other manufactured goods	73.4	92.4	113.5	120.1	124.9
Miscellaneous agricultural goods	91.3	92.3	125.0	125.0	127.5

Sources: -Data provided by the Cameroonian authorities; and staff estimates.
-World Bank

1/ Fiscal year (July 1-June 30).

Cameroon: Selected Producer Prices and Export Unit Values, 1983/84-1987/88 1/

(In CFA francs per kilogram)

	1983/84	1984/85	1985/86	1986/87	1987/88
Producer prices 2/					
Cocoa					
Grade I	370	410	420	420	420
Grade II	370	410	420	420	420
Substandard	130	250	310	310	310
Coffee					
Robusta	390	430	440	440	440
Arabica	410	450	475	475	475
Cotton					
Yellow	117	130	140	140	140
White	117	130	140	140	140
Nonselected	105	117	130	130	130
Export unit values					
Cocoa	833	973	982	724	618
Coffee					
Robusta	762	1,124	1,070	975	597
Arabica	1,070	1,338	1,368	1,345	820

Source: - Data provided by the Cameroonian authorities.
-IMF

1/ Fiscal year (July 1-June 30).

2/ The producer price for cocoa is announced in September, for coffee in January, and for cotton in November.

Table 3.4
MAJOR IMPORTS

Table 3.4: VALUE OF IMPORTS BY PRODUCT GROUP 1/

Tableau 3.4: VALEUR DES IMPORTATIONS PAR GROUPE DE PRODUITS 1/

(FCAF million/millions FCAF)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
Consumption Goods	35,507	43,392	49,763	56,961	61,941	71,137	74,253	113,961	Biens de Consommation
Food, Beverages and Tobacco	13,781	17,358	16,803	18,434	19,125	23,630	29,187	43,479	Alimentation, Boissons, Tabac
Other Consumer Goods	21,721	26,033	32,959	38,527	42,816	49,506	45,066	70,481	Autres Biens de Consommation
Petroleum Products	22,169	22,397	38,420	38,114	18,743	5,722	6,961	3,720	Produits Pétroliers
Raw Materials	8,286	9,670	11,367	13,920	23,693	24,912	32,002	25,513	Matières Premières
Of Animal and Vegetable Origin	5,003	5,145	5,484	6,778	6,607	8,934	11,919	5,528	d'Origine Végétale et Animale
Of Mineral Origin	3,283	4,524	5,883	7,142	17,085	15,978	20,062	19,985	d'Origine Minérale
Intermediate Goods	81,145	99,803	124,431	142,318	169,237	187,929	202,065	189,332	Biens Intermédiaires
Semi-finished Goods	33,243	42,658	59,956	64,286	79,509	86,238	100,632	80,667	Produits Semi-Finis
Finished Goods	47,902	57,144	68,515	78,032	89,728	101,687	101,432	108,665	Produits Finis
Capital Goods	87,388	80,509	79,600	109,858	107,148	121,971	148,260	180,084	Biens d'Equipement
Agricultural Equipment	1,318	1,488	1,485	1,612	1,821	2,092	3,178	2,870	Equipement Agricole
Industrial Equipment	36,375	33,253	34,910	67,604	69,974	81,587	100,948	122,146	Equipement Industriel
Transport Equipment	29,345	25,767	23,404	40,635	35,952	38,292	44,134	55,067	Equipement de Transport
TOTAL IMPORTS	214,491	256,173	303,624	379,172	381,369	413,670	463,544	512,612	TOTAL DES IMPORTATIONS

1/ Total import bill based on Ministry of Finance data.
Distribution across product group based on National Accounts data.

Sources: National Accounts.
Data from the Ministry of Finance.
Mission estimates based on data for FY 1985 provided by the Ministry of Plan, National Accounts Division.

Cameroon: Composition of Imports, f.o.b.
1983/84-1986/87

(In billions of CFA francs).

	1983/84	1984/85	1985/86	1986/87
Food, beverages, and tobacco	29.2	43.4	55.5	58.7
Other consumer goods	45.1	70.4	85.7	87.3
Oil imports	7.0	3.7	4.0	3.0
Raw materials	32.0	25.6	27.3	24.4
Non-oil intermediate goods	202.1	189.3	223.5	223.7
Semifinished	100.6	80.7	88.6	95.0
Finished	101.4	108.6	134.9	128.7
Capital goods and equipment	148.3	180.1	175.0	155.8
For industry	100.9	122.2	105.9	92.4
For transport	44.1	55.1	63.6	58.2
For agriculture	3.2	2.9	5.5	5.2
Total imports, f.o.b.	463.5	512.6	571.0	553.0

Source: Data provided by the Cameroonian authorities.
IMF

1/ Fiscal year (July 1-June 30).

PRODUITS REGLEMENTES DITS SENSIBLES DONT L'IMPORTATION N'EST AUTORISEE QUE DANS CERTAINES CONDITIONS

N° d'ordre	Position tarifaire	Désignation du produit	Observations
1	11.01.01	Farine de froment	Importations autorisées au profit des régions éloignées du centre de production ou dans des cas laissés à l'appréciation du ministre du Commerce et de l'industrie
2	17.01.01 17.01.11	Sucre granulé industriel Sucre raffiné	Importations autorisées uniquement lorsque la production locale est défaillante
3	17.04.90	Sucreries sans cacao autres	
4	25.23.00	Ciment hydraulique	Importations autorisées pour les ciments spéciaux, au profit des régions d'accès difficile ou dans des cas laissés à l'appréciation du ministre du Commerce et de l'Industrie
5	53.06.11	Diadermine (lait, crème, poudre)	Importations autorisées uniquement lorsque la production locale est défaillante
6	36.06.00	Allumettes	Importations interdites sauf à titre publicitaire
7	39.07.31	Tuyaux en matière plastique de 200 mm ou moins	Importations autorisées uniquement lorsque la production locale est défaillante
8	40.11.35	Chambre à air pesant 500 g ou moins	Importations autorisées uniquement lorsque la production locale est défaillante
9	40.11.46	Pneumatiques de 2 kg ou moins	Importations autorisées uniquement lorsque la production locale est défaillante
10	48.15.00	Papier hygiénique	Importations autorisées uniquement lorsque la production locale est défaillante
11	55.06.30	Fils à coudre, à broder, à tricoter en coton	Importations autorisées uniquement lorsque la production locale est défaillante
12	55.08.00	Tissus de coton bouclé du genre éponge	Importations autorisées lorsque la production locale est défaillante
13	56.06.30	Fils à coudre, à broder, à tricoter en matière synthétique et en acrylique	Importations autorisées uniquement lorsque la production locale est défaillante
14	62.02.21	Linge de toilette	Importations autorisées uniquement lorsque la production locale est défaillante
15	62.03.01	Sacs de jute	Importations suspendues sauf dérogation exceptionnelle
16	73.10.01	Fer à béton	Importations possibles lorsque la production locale est défaillante
17	82.21.00	Hâches, machettes	Importations autorisées uniquement lorsque la production locale est défaillante
18	84.21.09	Pulvérisateurs à usage agricole	Importations autorisées uniquement à la suite d'un appel d'offre ou si la production locale est défaillante
19	84.25.11	Dépulpeuses à café à main	Importations autorisées uniquement lorsque la production locale est défaillante
20	85.03.00	Piles électriques rondes de 1,5 volt	Importations temporairement suspendues sauf dérogation exceptionnelle

Table 4.2

ANNEXE II[illegible]

PRODUITS REGLEMENTES SOUMIS AU SYSTEME DE JUMELAGE A L'IMPORTATION

N° d'ordre	Position tarifaire	Désignation du produit
1	10.06.19 et 10.06.21	Riz en grains entiers autres et brisures de riz
2	42.02.00	Valises
3	48.16.01 et 48.16.11	Boites, sacs, pochettes et autres emballages en carton ou papier
4	48.13.00	Papier carbone, excepté le stencil
5	51.04.00	Tissus en fibres synthétiques ou artificiels continus sauf tissus écrus
6	55.09.03	Tissus de coton blanchis sauf tissus écrus
7	55.09.04	Tissus de coton teints sauf écrus
8	55.09.06	Tissus de coton imprimés sauf tissus écrus
9	55.09.51 à 55.09.90	Autres tissus de coton sauf tissus écrus
10	56.07 toutes positions	Tissus de fibres textiles synthétiques ou artificiels discontinus sauf tissus écrus
11	60.01.00	Etoffes de bonneterie non élastiques ni caoutchoutées
12	61.01.00 et 61.03.00	Vêtements de dessus hommes, chemisiers, chemisettes, vêtements de dessous hommes plastrons, manchettes
13	61.09.00	Soutien-gorges, panties, bustiers, gaines, gaines-culottes, slips, bretelles, corsets
14	64.01.01	Chaussures à dessus en caoutchouc, semelles en caoutchouc
15	64.01.11	Chaussures à dessus en plastiques semelles en plastique
16	64.02.01	Chaussures à semelles en cuir
17	64.02.21	Chaussures à dessus en toile
18	64.02.22	Chaussures à dessus en cuir
19	64.02.29	Chaussures à dessus autres
20	64.03.00	Chaussures à semelles en bois ou liège
21	98.08.00	Rubans encreurs

ANNEXE II

PRODUITS REGLEMENTES SOUMIS A LA PROCEDURE D'AUTORISATION PREALABLE A L'IMPORTATION

N° d'ordre	Position tarifaire	Désignation de produit
1	02.02.00	Volailles mortes de basse cour et leurs abats comestibles
2	03.01.29	Poisson congelé
3	04.02.03	Lait concentré sucré à l'état liquide ou pâteux
4	10.06.11	Riz de luxe
5	15.07.02	Huile brute d'arachide
6	15.07.08	Huile brute de coton
7	15.07.21	Huiles épurées ou raffinées d'arachide
8	15.07.29	Huiles épurées ou raffinées autres sauf huile de lin à usage industriel
9	17.01.01	Sucre granulé industriel
10	19.03.00	Pâtes alimentaires
11	21.05.00	Preparations pour soupes, potages ou bouillons
12	22.01.01	Eaux naturelles non distillées
13	25.01.01 et 25.01.02	Sels destinés à l'alimentation
14	28.05.00	Barite
15	30.03.00	Médicaments pour bétail
16	30.04.00	Coton hydrophile
17	31.01.00 à 31.05.00	Engrais
18	32.09.11	Vernis
19	32.09.21	Peintures
20	32.12.00	Mastics et enduits
21	33.06.11	Produits pour soins de la peau non alcooliques (sauf produits diadermine)
22	33.06.21	Produits capillaires alcooliques
23	34.01.01	Savons ordinaires
24	34.01.21	Savons médicaux
25	34.01.90	Autres savons
26	34.02.21	Préparations pour lessives
27	36.07.00	Articles de pyrotechnie (pétard, fusées, paragrèle et similaires
28	38.11.01 à 90	Désinfectants, insecticides, fongicides, herbicides etc...
29	39.02.01	Chlorure de polyvinyle en granulé
30	39.07.33	Toutes sacheries en matière plastique, toutes épaisseurs imprimées ou non
31	39.07.39	Articles de ménage, d'hygiène et d'économie domestique en matière plastique, éponge et fil propylène, casiers en PEHD
32	42.02.00	Article de voyage et contenants similaires

33	48.15.00	Autres papiers et cartons découpés en vue d'un usage déterminé
34	48.18.00	Cahiers, carnets, bloc-notes etc...
35	48.19.00	Etiquettes de tous genres, en papiers ou en cartons, imprimées ou non, avec ou sans illustrations même gommées
36	48.21.90	Serviettes hygiéniques
37	55.07.00	Tissus de coton à point de gaze
38	59.01.00	Ouate et articles en ouate, nœuds, boutons de matière plastique
39	59.03.00	Nappes de tables
40	59.08.00	Tissus imprégnés, enduits
41	60.04.00	Sous-vêtements de bonneterie non élastique, ni caoutchoutée
42	60.05.00	Vêtements de dessus, accessoires et vêtements autres, articles de bonneterie non élastique ni caoutchoutée
43	60.06.00	Etoffes en pièces et autres articles de bonneterie élastique et de bonneterie caoutchoutée
44	61.01.00	Vêtements de dessus d'hommes et de garçonnets
45	61.02.00	Vêtements de dessus de femmes, fillettes ou jeunes enfants
46	61.03.00	Vêtements de dessous, d'hommes ou de garçonnets
47	61.04.00	Vêtements de dessous de femmes, fillettes ou jeunes enfants couches carrées pour bébés
48	62.01.00	Toutes couvertures
49	62.02.01	Linge de lit
50	62.02.31	Couvre-lits
51	62.05.00	Autres articles confectionnés en tissus, y compris les patrons de vêtements
52	69.07.00 et 69.08.00	Carreaux, pavés et dalles
53	70.10.00	Bouteilles
54	73.13.61	Tôles ondulées
55	73.18.00	Tubes et tuyaux en fer sauf pour installations pétrolières
56	73.21.19	Charpentes sauf candelabres, chemins de câbles
57	73.23.00	Fûts, tonnelets, boîtes, seaux galvanisés
58	73.27.11	Grillages et treillis
59	73.31.01	Pointes à tête plate ordinaire et clous à tôle
60	73.31.90	Punaises
61	73.36.00	Cuisinières à gaz sauf réchaud à gaz
62	73.38.91	Articles de ménage émaillés sauf baignoires
63	73.38.12	Eponges métalliques
64	76.03.00	Tôles, planches, feuillets et bandes en aluminium
65	76.12.00	Câbles, cordages tressés et similaires en fils d'aluminium à l'exception des articles isolés pour l'électricité
66	76.15.00	Articles de ménage en aluminium

67	82.01.00	Pelles, bêches, pioches, autres articles à taillants agricoles, horticoles à main etc...
68	84.12.00	Climatiseurs à l'exception de ceux conçus pour véhicules
69	84.15.01	Réfrigérateurs et congélateurs électriques sauf réfrigérateurs à pétrole.
70	84.24.01	Matériel agricole à main, traction animale
71	85.12.90	Cuisinières électriques ou mixtes
72	85.15.01	Appareils émetteurs récepteurs
73	85.15.12	Appareils de radiodiffusion combinés ou non
74	85.15.19	Autres appareils récepteurs
75	85.23.00	Fils de câbles isolés pour l'électricité
76	87.14.91	Brouettes et leurs pièces
77	92.11.00	Appareils d'enregistrement et de reproduction de son sauf magnétoscopes et téléviseurs
78	93.04.00	Armes à feu
79	93.07.01 à 90	Munitions sauf plomb carabines à air combiné
80	94.03.11	Lits de camp, lits pliants, lits-cages et similaires
81	96.01.01 à 02	Balais, brosses à dents
82	96.01.90	Autres brosses pour linge et chaussures
83	96.05.00	Craies
84	96.10.00	Briquets et allumeurs

Table 4.4
UDEAC TARIFFS: Examples

Tableau 2 - Exemples de droits et tarifs UDEAC

N° Tarif	Désignation du produit	Droit de douane	Droit d'entrée	TCA	Taxe compl.
1107	Malt.	5	25	10	10
2203	Bières	30	90	10	55
2501/04/05/20	Prod.minéraux	5	25	10	0
2523	Ciments	20	15	10	15
2801-2828	Prod. chimiques inorganiques	5	25	10	0
3401	Savons	30	45	10	0
3505	Dextrines et colles	7,50	25	10	10
3606	Allumettes	30	70	10	50
3902	PVC	5	10	10	5
3907	Ouvr. en plastique	25	30	10	5
4415	Bois plaqués et contreplaqués	30	25	10	15
5502	Coton	15	20	10	0
5505	Fils de coton	30	10	10	5
5509	Tissus de coton	30	15	10	20
5710	Tissus de jute	0	0	0	5
6203	Sacs en tis. de jute	30	5	10	20
7301-7321	Métaux et ouvrages en fer ou acier	10	20	10	10
7331	Pointes et clous	15	30	10	5
8201	Outils agricoles	7,50	20	10	25
8424	Machines appareils et engins agricoles	10	5	0	0
8448	Pièces détachées aux machines-outils des n° 8445 à 8447 inclus	5	20	10	10

Source : " Tarifs des Douanes" UDEAC.

Table 4.5
NOMINAL TARIFF IMPACT (ex-ante, ex-poste)

Tableau 8

TAUX TARIFAIRES EX ANTE & EX POST POUR UN ECHANTILLON DE MARCHANDISES CONCURRENTIELLES AU CAMEROUN

No.	Description du Produit	Taux tarifaires ex ante	ex post	No.	Description du Produit	Taux tarifaires ex ante	ex post	No.	Description du Produit	Taux tarifaires ex ante	ex post	No.	Description du Produit	Taux tarifaires ex ante	ex post
1	Poisson frais	37.00 %	43.50 %	44	Nitrates	5.00 %	n.a.	87	Filet à poisson	67.00 %	20.09 %	130	couverts	53.50 %	n.a.
2	Poisson trempé & préparé	56.75 %	37.82 %	45	Phosphates	8.00 %	n.a.	88	Vêtements	66.00 %	n.a.	131	poignées métalliques	53.00 %	n.a.
3	lait	29.25 %	16.31 %	46	alcools	54.00 %	n.a.	89	Vêtements	66.66 %	n.a. %	132	serrures	53.00 %	n.a.
4	plumes	24.50 %	n.a.	87	produits pharmaceutiques	46.13 %	8.02 %	90	Couvertures en coton	58.58 %	63.63 %	133	bouchons métalliques	53.00 %	5.81 %
5	fruits	15.50 %	8.39 %	48	produits pharmaceutiques	46.13 %	15.12 %	91	articles de maison	74.66 %	68.96 %	134	électrodes de soudure	53.00 %	31.80 %
6	légumes	61.00 %	62.75 %	49	engrais	8.00 %	n.a.	92	sacs en jute	68.58 %	43.38 %	135	pièces des chaudières	52.00 %	20.83 %
7	racines alimentaires	63.00 %	26.74 %	50	engrais	8.00 %	n.a.	93	cuirs	74.00 %	29.96 %	136	pièces détachées	51.00 %	21.37 %
8	fruit	61.00 %	42.22 %	51	colorants	55.75 %	n.a.	94	résidus industriels	53.00 %	40.63 %		des brasseries		
9	agrumes	53.00 %	30.23 %	52	peinture et vernis	86.00 %	n.a.	95	Chaussures	69.58 %	69.14 %	137	pièces pour ascenseurs	51.00 %	21.93 %
10	maïs	32.00 %	71.37 %	53	parfum	162.00 %	127.60 %	96	abrasifs	58.58 %	n.a.	138	pièces machines agricoles	15.00 %	5.37 %
11	farine	65.00 %	36.69 %	54	savons de ménage	102.50 %	100.00 %	97	produits en ciment	51.58 %	51.58 %	139	pièces détachées laiterie	74.06 %	n.a.
12	farine de maïs	64.00 %	36.69 %	55	détergents	64.00 %	8.01 %	98	plaques de verre	61.58 %	69.65 %	140	pièces machines à papier	37.00 %	8.66 %
13	malt	53.00 %	3.63 %	56	colles	55.15 %	12.65 %	99	bouteilles	69.58 %	6.21 %	141	pièces pour textile	15.66 %	5.69 %
14	amidon	54.00 %	1.78 %	57	explosifs	48.00 %	17.61 %	100	vaisselle	58.58 %	88.47 %	142	pièces machines à cuir	52.00 %	18.13 %
15	graisse	48.58 %	0.75 %	58	allumettes	170.00 %	170.00 %	101	fer et acier	53.00 %	8.23 %	143	pièces pour travaux forestiers	47.58 %	31.14 %
16	huile de palme	48.58 %	38.56 %	59	insecticides, désinfectants	64.75 %	n.a.	102	barres de fer et d'acier	53.00 %	35.29 %	144	machines à écrire	64.00 %	45.24 %
17	acide (cuisine)	48.58 %	9.90 %	60	PVC	31.58 %	8.83 %	103	équerres en fer/acier	53.00 %	25.69 %	145	calculatrices	64.00 %	53.78 %
18	huile de cuisine	48.58 %	5.63 %	61	polyéthylène	53.00 %	8.83 %	104	tôles	53.00 %	1.63 %	146	ordinateurs	58.58 %	38.42 %
19	sucre	109.00 %	n.a. %	62	mousse	53.00 %	8.83 %	105	fil de fer	53.00 %	31.62 %	147	autres machines de bureau	64.00 %	41.68 %
20	pain	61.25 %	n.a. %	63	produits plastiques	75.58 %	15.33 %	106	tuyaux en fer	53.00 %	6.87 %	148	autres pièces de bureau	53.00 %	18.19 %
21	patisseries	91.58 %	90.91 %	64	caoutchouc	53.58 %	56.12 %	107	construction en fer/acier	53.00 %	n.a.	149	autres pièces de	15.00 %	8.00 %
22	marmelade, confiture	64.58 %	81.00 %	65	produits en caoutchouc	53.58 %	39.03 %	108	boites en fer	58.58 %	6.11 %		machines agricoles		
23	jus de fruit	64.00 %	36.63 %	66	poeux	51.58 %	n.a.	109	câbles et cordages en acier	67.58 %	n.a.	150	piles	104.00 %	58.09 %
24	yaourt	64.00 %	19.41 %	67	cuir	53.58 %	n.a.	110	fil de fer barbelé	59.00 %	20.02 %	151	pièces des radios	80.00 %	n.a.
25	glace	32.00 %	n.a.	68	bois	70.58 %	26.73 %	111	grillage	59.00 %	36.58 %	152	pièces électriques	48.00 %	14.78 %
26	eau minérale	32.00 %	n.a. %	69	bois de sciage	70.58 %	n.a.	112	clous	64.58 %	50.02 %	153	tracteurs	32.00 %	16.16 %
27	boissons gazeuses	15.58 %	n.a. %	70	poudre de bois	15.58 %	1.06 %	113	vis et boulons	53.58 %	n.a.	154	autres véhicules	64.00 %	44.57 %
28	bière	191.00 %	n.a.	71	placage	85.58 %	n.a.	114	articles en métal émaillé	69.00 %	59.60 %	155	pièces détachées véhicules	51.58 %	29.58 %
29	tabac	125.00 %	6.80 %	72	papier	58.75 %	n.a.	115	paille d'acier	49.00 %	59.60 %	156	meubles	75.00 %	99.97 %
30	sel	62.00 %	23.28 %	73	matériel d'emballage	58.75 %	7.19 %	116	fil de cuivre	52.60 %	n.a.	157	matelas	75.00 %	41.15 %
31	graphite	43.00 %	n.a. %	74	cahier	38.75 %	35.21 %	117	tables en cuivre	59.00 %	62.81 %	158	fournitures de bureau	53.00 %	100.00 %
32	sable - gravier	43.00 %	n.a.	75	étiquettes	58.75 %	9.25 %	118	aluminium brut	58.58 %	27.78 %				
33	gypse	43.00 %	n.a.	76	fil synthétique	69.58 %	63.03 %	119	aluminium extrudé	58.58 %	6.26 %				
34	ciment	63.58 %	1.92 %	77	tissu synthétique	85.00 %	24.38 %	120	feuilles et bandes d'aluminium	58.58 %	38.73 %				
35	pétrole brut	43.00 %	n.a.	78	fil en métal	59.58 %	48.95 %	121	câbles en aluminium	58.58 %	5.05 %				
36	gas oil	6.25 %	5.90 %	79	coton brut	48.58 %	48.95 %	122	articles de maison	78.58 %	n.a.				
37	fuel	3.58 %	n.a.	80	fil en coton	59.00 %	9.57 %	123	articles divers	64.58 %	28.06 %				
38	lubrifiants	32.00 %	32.00 %	81	tissus en coton	79.58 %	55.84 %	124	feuilles et bandes de zinc	58.58 %	32.19 %				
39	gaz	43.00 %	8.86 %	82	jute	53.58 %	53.58 %	125	tubes et tuyaux en zinc	58.58 %	57.16 %				
40	produits chimique	41.00 %	0.85 %	83	toile en jute	5.00 %	1.12 %	126	autres articles en zinc	52.60 %	1.17 %				
41	charbon	43.00 %	n.a.	84	dentelle	59.00 %	n.a.	127	outils agricoles	65.25 %	44.07 %				
42	acides	43.00 %	n.a.	85	bourre	85.00 %	3.01 %	128	outils manuels	53.00 %	40.10 %				
43	CO2	43.00 %	9.50 %	86	corde	53.58 %	n.a.	129	lames industrielles	63.00 %	18.37 %				

Note : 0 estimation

Moyenne

n.a. not available

Source : Direction des Douanes.

Source: Industrial Master Plan, Synthesis volume

Table 4.6

EFFECTIVE RATES OF PROTECTION
(Sample of 49 industrial firms)

TABLEAU 4.6 - ESTIMATION DU TAUX DE PROTECTION EFFECTIVE ET DU COUT EN RESSOURCES INTERIEURES SUR LA BASE D'UN ECHANTILLON DE 51 ENTREPRISES (1985/86)

(1) BRANCHE	No.	Produit/activité	TAUX DE PROTECTION EFFECTIVE interieur	export	totale net	COUT EN RESSOURCES INTERIEURES (CRI) proportion	classement
02 Agriculture pour l'industrie et exportation	1	Huile de palme	92.49	- 7.26	36.25	1.23	15
	2	Tabac	*	- 6.50	-15.00	0.36	4
	3	Fruits (bananes)	155.19	-16.19	-24.84	0.69	6
04 Pecne	4	Pecne et crevettes	471.03	-19.17	0.72	0.75	7
05 Sylviculture et exploitation forestiere	5	Grumes	504.78	- 7.99	-15.65	0.31	2
09 Boulangerie et patisserie	6	Boulangerie	145.10	-	122.82	1.10	14
	7	Boulangerie	*	-	*	1.59	19
10 Autres industries alimentaires	8	Produits laiterie	*	-	*	-3.78	3
11 Boissons et tabacs	9	Brasserie	663.65	- 5.04	-494.64	- 1.81	20
	10	Brasserie	*	-	*	2.80	29
	11	Eau minerale	76.95	-	60.86	1.01	12
12 Industries de textile et confection	12	Ecrus teints imprimes	*	-12.68	655.96	4.61	32
	13	Sacs de jute et polypropoleyne	*	- 1.1e	*	-2.55	41
	14	Couverture des lits et draps	*	- 1.59	*	-2.45	42
	15	Linge de maison	11646.00	- 4.14	298.79	1.58	23
13 Fabrication de chaussures	16	Chaussures	359.19	- 2.36	255.01	1.96	25
14 Industries du bois et fabrication d'ouvrages en bois	17	Scierie	383.29	-16.71	69.83	0.96	11
	18	Contreplaques, sciage	*	-17.81	*	-76.09	45
	19	Contreplaques	*	-31.85	-29.32	0.59	8
	20	Contreplaques	*	- 7.36	32.83	2.80	29
	21	Contreplaques	1057.19	- 7.96	42.39	0.93	10
	22	Scierie	404.41	- 4.83	2.09	0.37	3
	23	Meublerie	525.90	-	472.64	4.45	31
15 Fabrication de papier et d'articles en papier	24	Cahiers	159.15	-	143.77	2.05	26
	25	Emballages en carton	232.54	- 4.90	185.38	1.26	16
16 Fabrication des produits chimiques a l'exception des produits de base	26	Allumettes	*	- 6.75	385.57	1.24	22
	27	savon	*	-14.40	920.80	2.34	28
	28	Detergent	*	-11.57	*	-6.56	37
	29	Gaz industrielles	135.99	-	115.17	1.83	21
	30	Piles electriques	*	- 4.08	*	-3.72	45
18 Fabrication des produits derives du petrole	31	Lubrifiants	*	- 1.91	24.01	0.24	1
19 Industrie du caoutchouc	32	Pneumatiques	426.76	-11.27	123.27	1.33	17

TABLEAU 5 - (suite)

BRANCHE (1)	No.	Produit/activite	TAUX DE PROTECTION EFFECTIVE interieur	export	totale net	COUT EN RESSOURCES INTERIEURES (CRI) proportion	classement
17 Fabrication d'ouvrages en matiere plastique	33	Tuyaux PVC	53866.13	-	48978.30	171.23	32
	34	Emballage en plastiques	*	-6.23	*	-13.30	36
	35	Produits en plastiques	*	-	*	- 0.53	46
	36	Tuyaux en plastiques	*	-	*	- 1.56	45
18 Fabrication de materiaux de construction	37	Ciment	*	-12.72	*	- 1.42	44
	38	Planchers precontraints en beton	*	-	*	- 2.67	40
19 Transformation de l'aluminium	39	Bandes toles disques en aluminium	*	-23.76	*	- 0.05	48
20 Fabrication d'appareils mecaniques et electriques	40	Articles de menage en aluminium	1883.39	-28.91	355.52	2.13	27
	41	Fers a beton, outillage agricole	*	- 7.21	*	- 3.25	35
	42	Construction metalliques	*	-	*	-34.75	34
	43	Eponge menagers	181.81	-	156.15	1.42	18
	44	Pointes, grillage	*	-	*	- 0.82	47
	45	Ustensiles menagers metalliques	209.06	- 1.56	109.07	1.02	13
	46	Câbles	104.16	-	35.60	0.78	8
	47	Radio	*	-63.78	*	- 0.06	45
22 Industries manufacturieres diverses	48	Fabrication des matelas et bâches	*	-56.20	272.66	3.61	30
	49	Bouteilles en verre	334.47	- 3.64	444.95	1.95	24

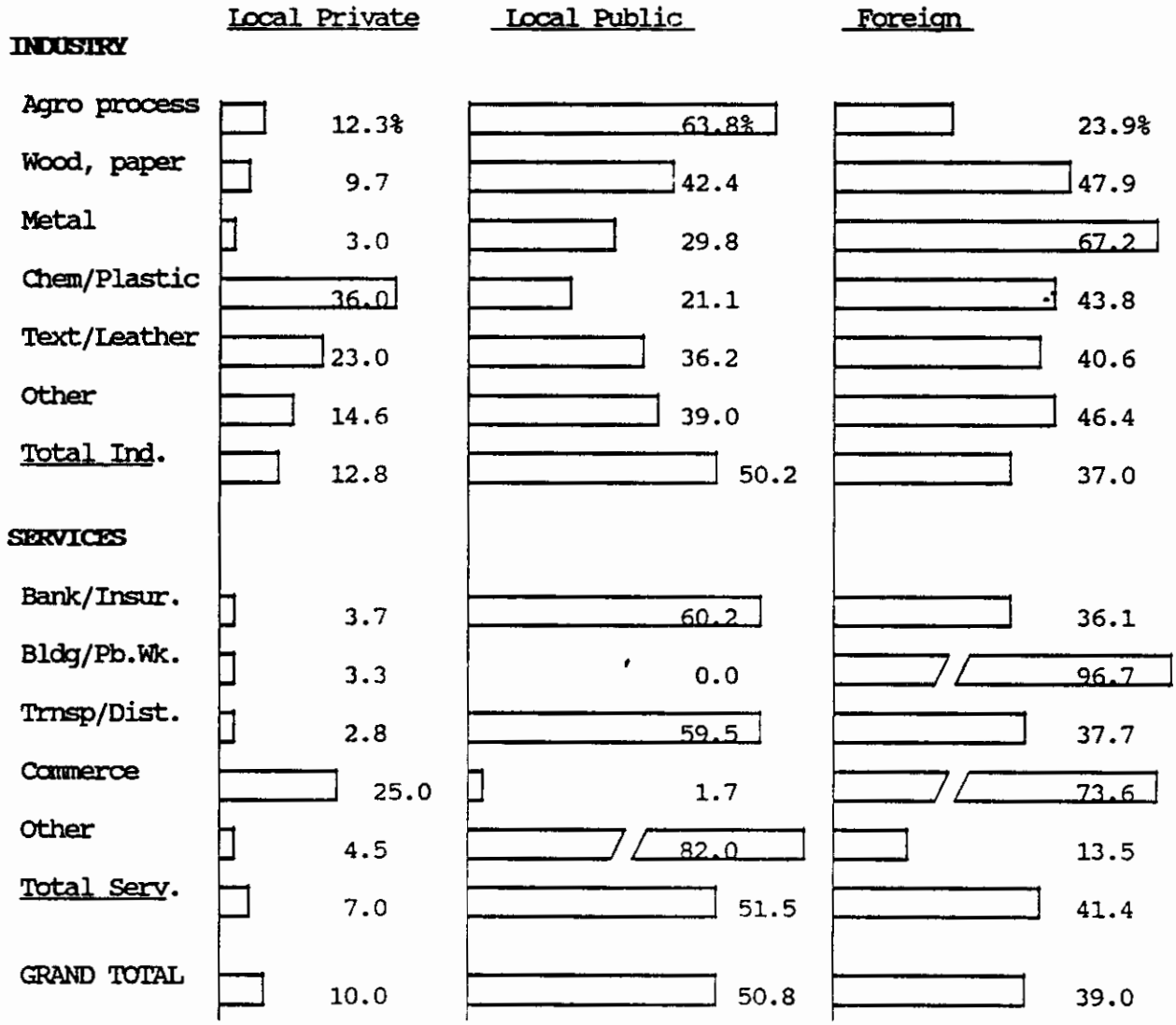
Note : *protection effective infinie
- pas de vente
(1) nomenclature de la Direction de la Statistique et de la Comptabilité Nationale

Source: Industrial Master Plan (1988)

Table 4.7
Price Controls
Examples of Legal Margins

Item:	Margin (wholesale, retail)	Minimum Margin
Matches	15 %	7 %
Beer	34	12
Plywood	40	15
Fertilizer	45	15
Farm produce	25	8
Iron reinforcing rod	40	15
Small tools	45	15
Pharmaceuticals	15	23

Table 4.8
Private Sector Structure
Capital Ownership of 409 Firms by Sector
(excluding petroleum)



Source: IFC, "The Private Sector in the Economy of Cameroon", June 1985.

Table 5.1 (part 1 of 3)

Table 5.1: BUDGETARY REVENUE

Tableau 5.1 : RECETTES BUDGETAIRES
(In billions of CFA France/En milliards de francs CFA)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
TAX REVENUE	184.10	132.20	210.60	279.30	348.90	416.20	532.20	598.80	RECETTES FISCALES
Income taxes:	29.20	34.60	50.00	88.60	151.90	188.90	240.50	274.80	Impôts sur les revenus :
Companies	9.40	12.90	21.80	45.40	101.80	131.30	172.30	205.60	Sociétés, dont :
of which: royalties (oil)	-	-	(10.6)	(30.50)	(53.5)	(77.7)	(102.90)	(123.0)	redevances pétrolières
taxes (oil)	-	-	(5.6)	(7.5)	(24.2)	(27.8)	(34.7)	(47.4)	impôts des sociétés pétrolières
Individuals	13.80	21.70	28.20	43.00	50.10	55.50	68.15	69.19	Personnes physiques
Social Security contributions	15.70	16.00	18.50	19.50	24.30	28.90	37.70	43.21	Contributions à la Sécurité Sociale
Taxes on Property	3.70	4.40	6.10	8.10	9.30	12.00	12.90	15.10	Impôts sur la propriété
Taxes on goods & services	28.40	32.00	41.30	50.10	56.40	69.11	98.85	109.80	Impôts sur biens et services
Turnover tax	10.80	12.40	14.40	19.60	24.60	28.35	53.25	61.40	Impôts sur le chiffre d'affaire
Excises	13.10	15.10	21.80	26.10	23.60	33.60	36.20	38.00	Impôts indirects
Taxes on Services	2.90	3.40	4.00	4.40	4.10	7.06	8.50	9.50	Impôts sur les services
Taxes on permits to use goods	0.70	0.90	1.10	-	0.10	0.10	0.90	0.90	Patentes et licences
Other	0.90	1.10	3.00	-	0.10	-	-	-	Autres
Taxes on international trade	83.00	41.00	88.50	107.20	101.30	108.04	135.50	148.10	Taxes sur le commerce international
Import duties	75.30	37.10	65.20	77.20	84.30	89.60	116.40	130.20	Taxes à l'importation
Export taxes	7.30	3.60	22.50	30.00	16.70	16.60	16.90	16.00	Taxes à l'exportation
Other	0.40	0.30	0.80	-	-	1.70	1.90	1.90	Autres
Other Taxes	8.10	4.00	4.30	5.40	6.00	8.30	7.20	7.60	Autres Taxes
Stamp duties	3.60	4.00	4.30	5.40	6.00	6.20	7.10	7.60	Droits de timbre
Other	4.50	-	-	-	-	2.10	0.14	0.70	Autres
NON-TAX REVENUE	9.30	6.50	18.30	35.20	40.20	43.02	57.20	62.00	RECETTES NON FISCALES
Service charges & fees	4.90	1.70	8.50	12.10	13.20	21.10	24.40	26.60	Commissions et honoraires
Other	4.40	4.80	9.80	23.10	27.00	21.90	32.80	35.40	Autres
Unclassified & Adjustment items	3.40	63.70	1.80	-	-	-	-	-	Ajustements et non classifiés
BUDGETARY REVENUES	178.80	222.40	230.70	314.50	389.10	459.20	589.40	660.80	RECETTES BUDGETAIRES
Transfers from Oil sector	-	-	-	132.50	146.00	246.70	127.50	153.10	Transferts du secteur pétrolier
TOTAL REVENUE	178.80	222.40	230.70	447.00	535.10	705.90	716.90	813.90	TOTAL DES RECETTES

Source: Ministry of Finance and Mission Estimates.

Table 4. Cameroon: Central Government Fiscal Operations, 1982/83-1991/92 1/

(In billions of CFA francs, unless otherwise specified)

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88 Est.	1988/89 Program	1989/90 Projected	1990/91 Projected	1991/92 Projected
Total revenue and grants	695.3	722.7	736.5	911.4	765.0	625.5	600.0	646.5	679.0	718.4
Total revenue	695.2	722.6	736.5	911.4	765.0	625.5	600.0	646.5	679.0	718.4
Oil sector 2/	352.2	366.2	350.0	382.0	252.0	207.0	163.0	130.0	125.0	125.0
Other tax revenue	312.8	299.2	368.0	497.9	450.2	395.5	404.5	468.5	504.0	541.4
Nontax revenue	30.2	57.2	18.5	31.5	62.8	23.0	32.5	48.0	50.0	52.0
Grants	0.1	0.1	—	—	—	—	—	—	—	—
Total expenditure and net lending	604.6	725.0	866.5	926.4	1,228.8	796.8	656.0	693.5	714.0	715.9
Current	328.7	392.8	440.5	455.5	533.5	479.8	484.0	513.4	544.0	565.9
Personnel 3/	133.7	172.6	220.0	224.5	280.0	265.0	245.0	261.0	278.0	296.0
Interest on public debt 4/	16.1	17.6	34.0	38.0	44.0	72.8	102.0	112.0	117.2	117.1
Other current expenditure	178.9	202.6	186.5	193.0	209.5	142.0	137.0	140.4	148.8	152.8
Capital	267.6	332.2	426.0	470.9	445.3	317.0	172.0	180.0	170.0	150.0
Of which:										
foreign-financed	(42.8)	(63.0)	(98.0)	(93.0)	(123.5)	(138.0)	(117.0)	(130.0)	(115.0)	(75.0)
extrabudgetary 5/	(135.7)	(131.0)	(126.0)	(162.0)	(52.0)	(26.0)	(—)	(—)	(—)	(—)
Unbudgeted expenditure	—	—	—	—	250.0	—	—	—	—	—
Net lending	8.3	—	—	—	—	—	—	—	—	—
Overall surplus or deficit (-), commitment basis	90.7	-2.3	-130.0	-15.0	-463.8	-171.3	-56.0	-47.0	-35.0	2.5
Arrears settlement (reduction -)	-10.0	-20.0	—	-20.0	250.0	-5.0	-111.0 6/	-15.0	—	—
Overall surplus or deficit (-), settlement basis	80.7	-22.3	-130.0	-35.0	-213.8	-176.3	-167.0	-62.0	-35.0	2.5
Financing	-80.7	22.3	130.0	35.0	213.8	176.3	167.0	62.0	35.0	-2.5
Foreign (net)	39.2	40.9	68.0	48.0	117.9	69.0	39.0	55.0	44.0	28.5
Disbursements	42.8	63.0	99.0	93.0	159.0	138.0	117.0	130.0	115.0	93.5
Amortization	-13.6	-22.1	-31.0	-45.0	-42.0	-69.0	-78.0	-75.0	-71.0	-65.0
Domestic	-109.9	-18.6	62.0	-13.0	96.8	25.5	17.0	-70.0	-47.0	-31.0
Banking system	-131.3	123.4	45.0	25.5	-3.5	23.0	17.0	-26.0	-8.0	—
Of which: Central bank	(-118.7)	(56.9)	(64.0)	(5.0)	(-5.0)	(26.0)	(17.0)	(-26.0)	(-8.0)	(—)
Nonbank 7/	21.4	-142.0	17.0	-38.5	100.3	2.5	—	-44.0	-39.0	-31.0
Unidentified financing 8/	—	—	—	—	—	101.8	—	—	—	—
Consolidation 9/	—	—	—	—	—	—	221.0	—	—	—
Exceptional financing	—	—	—	—	—	—	70.0	77.0	38.0	—
					(In percent of GDP)					
Memorandum items:										
Total revenue and grants	25.6	22.6	18.8	22.6	19.4	18.9	20.9	21.4	21.2	20.9
Total expenditure and net lending	23.1	22.7	22.1	23.0	31.1	24.0	22.8	22.9	22.3	20.9
Overall surplus or deficit (-), (commitment basis)	3.5	-0.1	-3.3	-0.4	-11.8	-5.2	-1.9	-1.6	-1.1	0.1
Overall surplus or deficit (-), (settlement basis)	3.1	-0.7	-3.3	-0.9	-5.4	-5.3	-12.8	-2.1	-1.1	-0.1
					(In billions of CFA francs)					
Nominal GDP	2,562	3,117	3,923	4,035	3,947	3,330	2,866	3,014	3,198	3,434

Sources: Data provided by the Cameroonian authorities; and staff estimates and projections.

1/ Fiscal year ended June; excludes the social security system.
2/ Profit taxes, royalties paid by the foreign oil companies, and other contributions by the National Oil Company.
3/ Includes fringe benefits, backpay from earlier wage increases and other personnel expenditure.
4/ From 1987/88 onward includes interest payments on guaranteed external debt; from 1988/89 also includes interest payments on rescheduled domestic arrears at 9 percent interest rate over 7 years.
5/ Expenditure of the special budget and other extrabudgetary outlays.
6/ Settlement of postal debt (CFAF 35 billion), domestic arrears and assumed arrears of public entities (CFAF 261 billion) and external arrears (CFAF 15 billion).
7/ Includes net position of other treasury accounts; after 1988/89 refers mainly to amortization of rescheduled domestic arrears.
8/ Refers to unidentified financing items, mainly unreported loans from public entities and arrears buildup.
9/ Consolidation of postal debt (CFAF 35 billion) and of domestic arrears and assumed arrears of public entities (CFAF 186 billion).

Table 5.1 part 13

Table 1. Cameroon: Central Government Operations, 1983/84-1987/88 1/

	1983/84	1984/85	1985/86	1986/87	1987/88 Est.
	(In billions of CFA francs)				
Total revenue and grants	722.7	736.5	911.6	745.0	625.5
Total revenue	722.6	736.5	911.6	745.0	625.5
Oil sector 2/	286.2	350.0	382.0	252.0	207.0
Other tax revenue	399.2	368.0	497.9	450.2	395.5
Nontax revenue	37.2	18.5	31.5	62.8	23.0
Grants	0.1	—	—	—	—
Total expenditure and net lending	725.0	866.5	926.4	1,228.8	796.8
Current	392.8	440.5	455.5	533.5	479.8
Personnel 3/	172.6	220.0	224.5	280.0	265.0
Interest on public debt	17.6	36.0	38.0	44.0	72.8
Other current expenditure	202.6	184.5	193.0	209.5	142.0
Capital	332.2	426.0	470.9	445.3	317.0
Of which: foreign-financed	(63.0)	(98.0)	(93.0)	(123.5)	(138.0)
extrabudgetary 4/	(131.0)	(136.0)	(142.0)	(52.0)	(24.0)
Unbudgeted expenditure	—	—	—	250.0	—
Net lending	—	—	—	—	—
Overall surplus or deficit (-), commitment basis	-2.3	-130.0	-15.0	-483.8	-171.3
Arrears settlement (reduction -)	-20.0	—	-20.0	250.0	-5.0
Overall surplus or deficit (-), settlement basis	-22.3	-130.0	-35.0	-213.8	-176.3
Financing	22.3	130.0	35.0	213.8	176.3
Foreign (net)	40.9	68.0	48.0	117.0	69.0
Disbursements	63.0	99.0	93.0	159.0	138.0
Amortization	-22.1	-31.0	-45.0	-42.0	-69.0
Domestic	-18.6	62.0	-13.0	96.8	25.5
Banking system	123.6	45.0	25.5	-3.5	23.0
Of which: Central Bank	(56.9)	(64.0)	(5.0)	(-5.0)	(26.0)
Nonbank 5/	-142.0	17.0	-38.5	100.3	2.5
Unidentified financing 6/	—	—	—	—	101.8

Sources: Data provided by the Cameroonian authorities; and staff estimates.

1/ Fiscal year (July 1-June 30); excludes the social security system.
2/ Profit taxes, royalties paid by the foreign oil companies and other contributions by the National Oil Company.
3/ Includes fringe benefits, backpay from earlier wage increase and other personnel expenditure.
4/ Expenditure of the special budget and other extrabudgetary outlays.
5/ Includes net position of other treasury accounts.
6/ Mainly unreported loans from public entities and arrears build-up.

Table 5.2 (part 1 of 3)

Table 5.2: BUDGETARY EXPENDITURE

Tableau 5.2 : DEPENSES BUDGETAIRES
(In billions of CFA France/En milliards de francs CFA)

	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	
TOTAL EXPENDITURE of which:	173.1	189.0	224.9	443.7	494.3	606.2	720.4	813.7	DEPENSES TOTALES dont :
CURRENT EXPENDITURE of which:	124.3	133.9	151.7	217.4	260.6	358.5	446.1	506.5 (1)	DEPENSES COURANTES dont :
Wages and salaries	60.4	66.8	70.7	92.5	107.2	134.6	172.6	204.1	Traitements et salaires ,
Materials and supplies	41.7	44.3	51.5	79.8	92.1	113.7	131.5	145.9	Matériels et fournitures
Interest charges on public debt	4.8	2.0	4.4	9.7	16.1	17.6	28.3	32.0	Intérêts sur la dette publique
Subsidies & other current transfers	17.5	20.6	25.1	35.6	45.2	92.6	113.9	124.5	Subventions et autres transferts courants
CAPITAL EXPENDITURE of which:	48.8	55.1	73.2	226.3	233.6	247.7	274.3	307.2	DEPENSES EN CAPITAL dont :
Domestically Financed of which:	..	..	40.9	153.9	180.0	204.9	213.6	235.4	Financées sur ressources propres dont :
Public Investment Budget	..	..	16.7	40.3	46.5	65.2	98.7	87.8	Budget d'investissement public
Comptes Hors Budget	..	..	24.2	113.6	133.5	139.7	114.9	147.6 (2)	Comptes hors-budget
Externally Financed	..	..	32.3	72.3	53.6	42.8	60.6	71.8	Financées sur ressources extérieures

Source: Ministry of Finance and Mission Estimates.

(1) Expenditure breakdown estimated
(2) Expenditure authorised in Decree 110 of February, 1986.

(1) Ventilation estimée
(2) Dépenses Autorisées sur Décret 110 / Février, 1986

Table 5.2 part : 2

Table 2. Cameroon: Revenue and Grants, 1983/84-1988/89 1/

(In billions of CFA francs)

	1983/84	1984/85	1985/86	1986/87	1987/88 Est.	1988/89 Budget
Tax revenue	665.4	718.0	879.9	702.2	602.5	567.5
Oil sector	266.2	350.0	382.0	252.0	207.0	163.0
Tax on companies	35.7	72.0	88.0	52.0	24.0	13.0
Oil royalties	103.0	123.0	159.0	150.0	150.0	150.0
Other contributions	127.5	155.0	135.0	50.0	33.0	0.0
Other tax revenue	399.2	368.0	497.9	450.2	395.5	404.5
Tax on income and net profits	102.8	80.0	190.7	175.7	141.5	114.7
On enterprises (excluding oil sector)	34.8	16.3	127.9	127.6	99.4	74.6
On individuals	68.0	63.7	62.8	48.1	42.1	40.1
Taxes on goods and services	98.0	84.0	103.6	97.3	88.0	124.0
Turnover tax	53.3	37.5	45.2	43.0	37.0	38.0
Excise taxes	44.7	46.5	58.4	54.3	51.0	86.0
Of which:						
Single tax	(30.1)	(37.1)	(43.8)	(42.0)	(35.0)	(40.0)
Petroleum products	(—)	(1.5)	(4.9)	(4.0)	(10.0)	(47.0)
Taxes on international trade	135.1	143.0	154.6	144.1	133.5	126.5
Import duties	116.4	121.0	135.6	125.3	120.0	108.0
Of which: import surcharge	(16.8)	(21.2)	(24.0)	(23.9)	(24.0)	(21.0)
Export duties	16.9	19.5	17.0	16.3	12.0	16.0
Other duties	1.9	2.5	2.0	2.5	1.5	2.5
Other taxes	63.3	60.9	49.0	33.1	32.5	35.3
Stamp tax	7.1	7.7	7.1	5.6	6.3	7.7
Other	56.2	53.2	41.9	27.5	26.2	27.6
Nontax revenue	57.2	18.5	31.5	62.8	23.0	32.5
Property income	0.7	0.8	1.5	2.0	2.0	2.5
Other	56.5	17.7	30.0	60.8	21.0	30.0
Grants	0.1	—	—	—	—	—
Total revenue and grants	722.7	736.5	911.4	765.0	625.5	600.0

Sources: Data provided by the Cameroonian authorities; and staff estimates.

1/ Fiscal year (July 1-June 30).

Table 4. Cameroon: Central Government Fiscal Operations, 1982/83-1991/92 1/

(In billions of CFA francs, unless otherwise specified)

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88 Est.	1988/89 Program	1989/90 Projected	1990/91 Projected	1991/92 Projected
Total revenue and grants	695.3	722.7	736.5	911.6	765.0	625.5	600.0	646.5	679.0	718.6
Total revenue	695.2	722.6	736.5	911.6	765.0	625.5	600.0	646.5	679.0	718.6
Oil sector 2/	352.2	366.2	350.0	382.0	252.0	207.0	163.0	130.0	125.0	125.0
Other tax revenue	312.8	299.2	368.0	487.9	450.2	395.5	404.5	468.5	504.0	541.6
Nontax revenue	30.2	57.2	18.5	31.5	62.8	23.0	32.5	48.0	50.0	52.0
Grants	0.1	0.1	—	—	—	—	—	—	—	—
Total expenditure and net lending	604.6	725.0	866.5	926.4	1,228.8	796.8	656.0	693.5	714.0	715.9
Current	328.7	392.8	440.5	455.5	533.5	479.8	484.0	513.4	564.0	565.9
Personnel 3/	133.7	172.6	220.0	224.5	280.0	265.0	245.0	261.0	278.0	296.0
Interest on public debt 4/	16.1	17.6	34.0	38.0	64.0	72.8	102.0	112.0	117.2	117.1
Other current expenditure	178.9	202.6	186.5	193.0	209.5	142.0	137.0	140.4	168.8	152.8
Capital	267.6	332.2	426.0	470.9	445.3	317.0	172.0	180.0	170.0	150.0
Of which:										
foreign-financed	(42.8)	(63.0)	(98.0)	(93.0)	(123.5)	(138.0)	(117.0)	(130.0)	(115.0)	(75.0)
extrabudgetary 5/	(135.7)	(131.0)	(136.0)	(142.0)	(52.0)	(24.0)	(—)	(—)	(—)	(—)
Unbudgeted expenditure	—	—	—	—	250.0	—	—	—	—	—
Net lending	8.3	—	—	—	—	—	—	—	—	—
Overall surplus or deficit (-), commitment basis	90.7	-2.3	-130.0	-15.0	-463.8	-171.3	-56.0	-47.0	-35.0	2.5
Arrears settlement (reduction -)	-40.0	-20.0	—	-20.0	250.0	-5.0	-311.0 6/	-15.0	—	—
Overall surplus or deficit (-), settlement basis	80.7	-22.3	-130.0	-35.0	-213.8	-176.3	-367.0	-62.0	-35.0	2.5
Financing	-80.7	22.3	130.0	35.0	213.8	176.3	367.0	62.0	35.0	-2.5
Foreign (net)	39.2	40.9	68.0	48.0	117.0	69.0	78.0	95.0	66.0	28.5
Disbursements	42.8	63.0	99.0	93.0	159.0	136.0	117.0	130.0	115.0	93.5
Amortization	-13.6	-22.1	-31.0	-45.0	-42.0	-89.0	-78.0	-75.0	-71.0	-65.0
Domestic	-109.9	-18.6	62.0	-13.0	96.8	25.5	37.0	-70.0	-47.0	-31.0
Banking system	-131.1	123.4	45.0	25.5	-1.5	23.0	37.0	-26.0	-8.0	—
Of which: Central Bank	(-118.7)	(56.9)	(64.0)	(5.0)	(-5.0)	(26.0)	(37.0)	(-26.0)	(-8.0)	(—)
Nonbank 7/	21.4	-142.0	17.0	-38.5	100.3	2.5	—	-44.0	-39.0	-31.0
Unidentified financing 8/	—	—	—	—	—	101.8	—	—	—	—
Consolidation 9/	—	—	—	—	—	—	221.0	—	—	—
Exceptional financing	—	—	—	—	—	—	70.0	77.0	38.0	—
					(In percent of GDP)					
Memorandum items:										
Total revenue and grants	25.6	22.6	18.8	22.6	19.4	18.9	20.9	21.4	21.2	20.9
Total expenditure and net lending	23.1	22.7	22.1	23.0	31.1	24.0	22.8	22.9	22.3	20.9
Overall surplus or deficit (-), (commitment basis)	3.3	-0.1	-3.3	-0.4	-11.8	-5.2	-1.9	-1.6	-1.1	0.1
Overall surplus or deficit (-), (settlement basis)	3.1	-0.7	-3.3	-0.9	-5.4	-5.3	-12.8	-2.1	-1.1	-0.1
					(In billions of CFA francs)					
Nominal GDP	2,362	3,117	3,923	4,035	3,947	3,330	2,866	3,016	3,198	3,434

Sources: Data provided by the Cameroonian authorities; and staff estimates and projections.

1/ Fiscal year ended June; excludes the social security system.
2/ Profit taxes, royalties paid by the foreign oil companies, and other contributions by the National Oil Company.
3/ Includes fringe benefits, backpay from earlier wage increases and other personnel expenditure.
4/ From 1987/88 onward includes interest payments on guaranteed external debt; from 1988/89 also includes interest payments on rescheduled domestic arrears at 9 percent interest rate over 7 years.
5/ Expenditure of the special budget and other extrabudgetary outlays.
6/ Settlement of postal debt (CFAF 33 billion), domestic arrears and assumed arrears of public entities (CFAF 281 billion) and external arrears (CFAF 15 billion).
7/ Includes net position of other treasury accounts; after 1988/89 refers mainly to amortization of rescheduled domestic arrears.
8/ Refers to unidentified financing items, mainly unreported loans from public entities and arrears buildup.
9/ Consolidation of postal debt (CFAF 33 billion) and of domestic arrears and assumed arrears of public entities (CFAF 156 billion).

Table 5.3

Table 3. Cameroon: Sectoral Distribution and Financing of Investment Under the Fifth Development Plan (1981/82-1985/86) 1/

(In billions of CFA francs; and in percent)

	Fifth Plan		Realization			Realiz investm
	In 1979/80 prices	In percent of total	1981/82	1982/83	1983/84 2/	As perc of tot
			In current prices			
Directly productive activities	1,098.9	47.8	254.4	352.6	334.8	51.
Agriculture 3/	545.1	23.7	70.1	129.7	82.4	15.
Manufacturing, mining and energy	377.2	16.4	151.0	186.1	147.7	25.
Commerce, transport, and tourism	176.6	7.7	33.3	36.8	104.7	9.
Infrastructure	486.4	21.1	84.1	156.7	116.7	19.
Social projects	593.4	25.8	52.4	92.1	10.5	13.
Others 4/	121.9	5.3	114.7	103.0	57.6	15.
Total	2,300.6	100.0	505.6	704.4	619.6	100.
Financing	2,300.6	100.0	505.6	704.4	619.6	100.
Public	1,380.0	60.0	380.6	529.4	431.0	73.
Domestic resources	1,000.0	43.5	299.0	395.9	322.0	55.
Foreign grants and loans	380.0	16.5	81.6	133.5	109.0	17.
Private	920.6	40.0	125.0	175.0	188.6	26.

Source: Data provided by the Cameroonian authorities.

1/ Fiscal year (July 1-June 30). The Sixth Development Plan (1986/87-1991/92) is being redefined in light of the current economic situation. Information on executed projects in 1986/87 and 1987/88 is not yet available.

2/ Latest available year.

3/ Including animal husbandry, fishing, and forestry.

4/ Including information, culture, and public administration.

Table 6.1
Outstanding External Public Debt
30 June 1987

	--- (CFAF billions) ---			
	Direct Debt	Guaranteed Debt	Total	Share (Percent)
Multilateral:	202.1	76.6	278.7	31.8
World Bank:	145.6	35.3	180.9	20.6
EIB:	23.0	29.7	52.7	6.0
ADB:	15.2	8.3	23.5	2.7
IMF (Trust Fund):	5.5	--	5.5	0.6
Other:	12.8	3.3	16.1	1.8
Bilateral:	250.3	168.4	418.7	47.8
France:	74.2	73.4	147.6	16.8
Germany:	66.9	10.6	77.5	8.8
Austria:	--	50.8	50.8	5.8
Saudia Arabia:	28.0	5.4	33.4	3.8
United States:	9.8	13.0	22.8	2.6
United Kingdom:	10.3	7.9	18.2	2.1
China:	17.2	--	17.2	2.0
Denmark:	6.4	0.5	6.9	0.8
Japan:	4.2	--	4.2	0.5
Other:	33.3	6.8	40.1	4.6
Financial Institutions:	100.0	79.3	179.3	20.5
Total:	552.3	324.3	876.6	100.0

Notes:
Data: Disbursed debt with a maturity of over one year.
Totals do not add because of rounding.

Source: Calculated from IMF (1988b, p. 30), based on GRC data.

Main elements of program

1. Budgetary policies

a. Revenue measures totaling CFAF 36 billion, including: increases in taxes on petroleum products, alcoholic beverages, cigarettes, soft drinks, automobiles, and luxury products; a new real estate tax; increased stamp duties; increased minimum income tax levels.

b. Measures to reduce current expenditure, excluding interest, by CFAF 48 billion, including:

(1) Wage freeze, restructuring staff compensation, compliance with mandatory retirement;

(2) Reduction in outlays on housing;

(3) Cuts in staff transfer costs, embassy staffing;

(4) Cuts in administrative outlays (electricity and telephone use);

(5) Budgetary control and monitoring mechanisms strengthened, penalties introduced for overruns; fiscal reporting system introduced.

c. Reprogramming of the investment budget to cut outlays by nearly one-half; elimination of practice of carrying over of investment appropriations.

d. Arrangements underway for the rescheduling of all domestic arrears and arrears on French postal debt.

e. No new domestic or external arrears.

2. Structural policies

a. Public enterprises:

(1) Rehabilitation Commission established. Recommendations on which enterprises to be privatized or liquidated and the measures to improve performance of those retained by the Government to be made by first program review. Reform program to be undertaken within framework of World Bank SAL.

(2) Evaluation of cross-debts of public enterprises in progress. Arrangements for settlement of these debts to be discussed during first review.

b. Policy studies underway for forestry, electronics, aluminum, and construction sectors; assistance to be provided by the World Bank.

c. Elimination of subsidies in stages for fertilizer subsector by 1991/92 with bilateral assistance.

d. Trade system: rationalization of tariff structure and reduction in anti-export bias to be examined. Options will include harmonization of duties, elimination of export taxes, and, in consultation with World Bank, replacement of quantitative restrictions by tariffs.

e. Progressive decontrol of prices; progress to be examined during first review.

f. Level of producer prices to be determined in context of SAL.

g. Public investment program to be reoriented toward productive sectors.

3. Monetary policy

a. Structural measures:

(1) liquidity difficulties of banking system to be addressed through:

(a) settlement of part of government arrears to suppliers through cash payments;

(b) increased deposit rates to recapture funds;

(c) tightly-controlled credit policies to ensure that improvement in liquidity position will be sustained.

(2) Bank solvency problems to be addressed by: exchange of nonperforming loans for negotiable Treasury notes issued in conjunction with arrears consolidation scheme; use of court procedures and regulatory powers to facilitate collection of bad debts; and banks will be required to make sufficient reserve provisions for bad debts.

(3) Bank inspection procedures to be strengthened to ensure compliance with solvency/liquidity ratios; strict penalties for noncompliance to be applied.

(4) Structure of interest rates rationalized by reducing number of rates from 20 to 4. Level of rates to be kept under review in light of need to maintain internationally competitive rates and ensure sufficient flow of resources to banking system.

b. Credit policy

(1) Ceilings on domestic credit and net credit to government. Ceilings to be adjusted by amount of any unforeseen external financing or any shortfall in cash payments of domestic arrears.

(2) Credit ceilings to be enforced bank by bank.

(3) No bank credit to decentralized agencies without approval of Minister of Finance.

c. External debt policies

(1) Ceilings on new loan commitments for all maturities in excess of one year; subceilings for loans in the 1-5 and 1-12 year maturity ranges.

(2) No increase in short-term debt, except for normal trade credits.

(3) No prefinancing of exports.

(4) Phased elimination of arrears to export credit guarantee agencies.

(5) Request to reschedule French postal debt.

Table 8.1
Oil Production 1977-1987
(million tons)

Year	Nicod Estimates	IOI Estimates		Other Estimates
1977	--	--	0.41	
1978	--	0.12	0.60	
1979	1.4	1.00	1.71	
1980	2.8	1.90		2.80
1981	4.0	3.40		4.33
1982	5.2	4.70		5.50
1983	6.3	5.80		6.00
1984	7.6	8.40		8.00
1985	7.6	8.20		9.21
1986	7.3	8.20		8.22
1987	7.0	8.10		8.01

Source: Nicod 1983
International oil Industry Estimates
Ediafric, Bulletin de l'Afrique Noire, 1981.

Table 8.2
Oil Production and Export 1984/5-1987/8 [1]
(CFAF billions)

	1984/5	1985/6	1986/7	1987/8 (Est)
Total petroleum production				
In million MT [2]:	8.78	8.94	8.66	8.00
Sales to refinery	1.40	1.55	1.57	1.50
Exports	7.92	8.06	7.84	7.15
Crude petroleum	(7.38)	(7.39)	(7.09)	(6.50)
Petroleum products	(0.54)	(0.67)	(0.75)	(0.65)
In CFAF billions [2]:				
Sales to refinery	810	447	284	264
Exports	129	83	51	50
Crude petroleum	(681)	(395)	(232)	(215)
Petroleum products	(43)	(34)	(21)	(19)
Total production costs:	195	171	137	131
Operating costs:	(56)	(51)	(46)	(44)
Investment costs:	(73)	(78)	(69)	(71)
Financial costs:	(66)	(42)	(23)	(16)
Total revenue:	615	307	147	133
Oil companies:				
net revenues:	80	40	19	17
net profits/losses:	51	32	17	-1
SNH:				
net revenues:	535	267	128	116
net profits/losses:	198	-122	-137	-88
GRC Treasury:				
Income tax on oil companies	72	88	52	24
Royalties	123	159	150	150
Extrabudgetary transfers	155	135	50	33
Less: reimbursements to oil cos:				
Reimbrusements due	(-98)	(-85)	(-69)	(-66)
actual reimbursements	-69	-77	-66	-47
Memorandum items:				
Export unit value (US$/bbl)	27.00	21.22	14.09	15.90
Export unit value (CFAF/bbl)	12,721	8,204	4,492	4,611
Operating costs (US$/bbl)	1.86	2.27	226	2.66
Total production costs (US$/bbl)	6.50	7.58	6.80	7.90

Source: World Bank, from Cameroonian authorities.
[1] Cameroonian fiscal year = July 1-June 30.
[2] Excluding exports of refined petroleum products to avoid double counting.

Table 8.3
Average Annual Growth Rates in Agricultural Production

Food Crops			Export Crops		
Crop	Period	Growth Rate	Crop	Period	Growth Rate
Maize	1971-87	2.9	Cocoa	1971-87	-3.8
Millet/ Sorghum	1971-87	0.3	Coffee Arabica	1971-87	-2.6
Rice	1971-87	15.9	Robusta	1971-87	4.5
Cocoyams	1971-84	-0.4	Cotton	1971-87	7.9
Yams	1971-85	-1.0	Palm Oil	1971-87	8.2
Cassava	1971-85	-1.5	Rubber	1971-82	1.9
Plantains	1971-85	3.3			
Potatoes	1971-85	10.1			

Source: World Bank compilation of FAO data, and MINAGRI statistics.

Table 8.4
Estate Sector Production 1982-1987
(000 metric tons)

	1982/83	1983/84	1984/85	1985/86	1986/87
Palm Oil	72.5	65.1	79.0	102.6	103.0
Palm Nuts	15.5	13.1	14.2	16.0	15.8
Rubber	16.1	18.4	18.9	22.5	...
Bananas	56.5	59.0	58.4	50.3	50.0
Tea	1.8	2.4	2.3	3.2	2.5

Source: IMF (1988a) Statistical Annex and combined parastatal data.

Table 8.5
Meat Production (1969-1988)

	Quantity (000 mt)		Total Growth
Meat Type	1969	1988	(Percent)
Beef	42	65	55
Sheep & Goat	11	20	83
Poultry	8	14	79
Pigs	11	11	0
Total	72	110	53
Per capita (kg)	11.8	11	-7

Source: World Bank and MINEPIA

Table 9.1
Costs of Maintaining Major Agricultural, Industrial and Regional Development Parastatals
(Annual results in million of CFA Francs 1988/89)

Name	Expenditure	Income	Operating Deficit	Principal Activity
CDC	2,390	1,540	1,850	Estate Crops
CENEDEC	1,240	390	850	Cooperatives
CENADEFOR	2,970	150	2,820	Forest Products
CENEEMA	1,000	100	900	Mechanization
HEVECAM	4,100	3,400	700	Rubber
MAETUR	13,600	13,200	400	Urban lands development
MAGZI	1,640	600	1,040	Industrial zone development
MIDENO	1,480	0	1,480	Regional Development
MIDEVIV	4,300	370	3,930	Food Development/Security
MIDO	500	0	500	Regional Development
OFFICE CEREALIER	1,210	630	580	Cereals Stabilization
ONAREF	4,790	1,460	3,330	Forest Products
ONDAPB	4,500	3,650	850	Poultry/Small Ruminants
ONPD	1,200	0	1,200	
SEMRY	11,430	2,830	8,600	Rice
SODECAO	12,500	2,400	10,100	Cocoa
SODECOTON	41,000	27,280	13,720	Cotton/Regional Development
SODENKAM	930	160	770	Regional Development
SODERIM	1,070	90	980	Rice
UNVDA	4,500	3,900	600	Rice
WADA	1,010	690	320	Regional Development
ZAPI-EST	3,600	2,800	800	Regional Development
Total	121,960	65,640	56,320	

Source: World Bank, 1988d

Table 10.1
Donor Technical Assistance 1986
(Percent)

Category of Assistance	France	U.S.A.	Fed Rep. Germany	U.K.	Belgium	Nethr-lands	Egypt	UNDP	Other U.N.	Total
Political Affairs	-	0.1	-	-	-	-	0.5	-	-	0.0
General Development Issues	17.6	0.5	-	8.3	-	-	-	-	47.3	9.7
Natural Resources	0.8	-	-	-	-	-	-	20.8	-	1.3
Agriculture	-	36.2	21.0	35.1	89.3	92.9	15.8	31.9	12.0	20.6
Industry	-	-	27.5	-	-	-	-	23.3	-	3.4
Transport and Communication	5.1	-	13.2	-	-	-	28.6	15.8	-	4.2
Population	-	1.7	-	-	-	-	0.9	-	5.1	0.7
Health	8.0	8.4	38.3	0.8	15.7	-	48.4	-	29.8	12.3
Education	58.5	52.0	-	55.9	-	7.1	-	-	-	42.8
Humanitarian Aid	-	1.1	-	-	-	-	5.9	-	0.9	0.3
Social Conditions	9.9	-	-	-	-	-	-	-	5.2	0.2
Science & Technology	-	0.1	-	-	-	-	-	-	-	4.5
Total by Donor:										
$ mill.	$42.2	28.4	8.4	0.9	0.8	2.2	0.5	3.8	3.1	$94.8
Percent	44.5%	30.0	8.9	0.9	0.8	2.3	0.5	4.0	3.3	100.0%

Source: UNDP. Development Assistance Cameroon, Annual Report 1986.

Note: Grand total includes $4.5 million of other multilateral assistance not listed elsewhere.

APPENDIX C.

ECONOMIC AND STATISTICAL ANALYSIS

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APPENDIX C.1
Quality of Statistical Data

This appendix provides an analysis of the economic, sector, and survey data used by various analysts and which provides the basis for this CDSS. In some cases, where information used by the GRC, the IBRD, or AID in its arguments but appears to be incorrect and should not be relied on for the CDSS, this is noted, too.

Statistical data:

There are deficiencies in the quality, coverage and currentness of statistical data in Cameroon which make any rigorous analysis difficult. These are noted in the World Bank CEM (1987, pages i, 2). First, secrecy surrounds oil sector data, which are only partially reflected in the national accounts, the government accounts, the balance of payments, and the official reserves. Second, national accounts tables are not very recent. Third, data on production are sketchy both in agriculture, particularly for food crops, and in industry. Fourth, employment data are available only for the civil service. Fifth, the balance of payments calculations are based on commercial banks' financial settlements, which covers only part of exports, imports, and capital flows; as a result the errors and omissions line item contains large unidentified flows. Sixth, no consumer price index is available at the national level, while the available indices are for urban populations. Seventh, detailed public finance accounts are not available, nor are data on the extra-budgetary accounts (largely oil-financed) which provide half of Government capital expenditure. The CEM attempts to adjust or re-estimate the official data to take better account of these; the Mission cannot do better than this. The estimates must be treated with caution and used solely as indicators of orders of magnitude. Special care must be taken in extrapolating trends from these data.

The lack of oil data also affects the balance of payments account. The proceeds of government oil revenues are held in foreign banks, outside the operations account of the Monetary Union in the French Treasury, and not part of official reserves. These funds are repatriated as needed to finance government expenditures and maintain reserves in BEAC.

Second, sale of oil is in foreign currency, so profits of foreign oil firms, as well as operating expenses in foreign exchange, are both unknown. Also, debt service by oil companies is not recorded or is under-recorded for the same reason. On the other hand, repatriations are through the banking system and ARE recorded, unless used directly to finance overseas procurement. This leads to distortions in the balance of payments accounts.

Imports are clearly under-recorded. Unrecorded payments are eventuall included in the Balance of Payments Accounts as outflow of monetary capital and in errors and omissions. The national accounts and balance of payments data suggest real annual growth of imports of less than 1 percent during 1979-85, or 13 percent per year in nominal terms. However, port traffic data suggest that import volume grew by 10 percent per year during the period, despite the virtual elimination of petroleum

imports. Further, the records of partner countries report exports to Cameroon considerably above the value of imports reported by the GRC.

Continuing by sector, the ratio of capital goods imports to gross fixed investment has fallen from 38 percent in 1978 to 20 percent in 1985 using official data; intermediate goods as a share of manufacturing output fell during the period from 37 percent to 19 percent. Such ratios are not reasonable, and suggest that neither the levels nor the trands for such data can be considered reliable.

Cameroonian National Accounts are based on the "Declaration Statistique et Fiscale". Since the DSF is also used for tax purposes, it tends to underestimate output, and overestimate both inputs and fixed capital formation, while substituting taxed inputs for non-taxed ones, all in order to reduce tax liabilities. The DSF itself is not filed by small enterprises which undoubtedly have lower overhead costs than large ones. Data obtained from the DSF are frequently internally inconsistent, such as trade sales increasing by 27 percent while intermediate consumption declined by 9 percent. Finally, the DSF is filed well after the end of the fiscal year and thus leads to delayed accounts. The World Bank estimates must be viewed as approximations for 1985/86 and 1987/88 (1988a, page 99-100).

The savings rate is difficult to calculate, since private consumption is a residual in the national accounts, and growth in import volume is clearly underestimated. Public consumption grew by 8 percent annually during 1979-1985 due to growth in the number of civil servants.

Savings are predominantly generated in the household and enterprise sectors, the share of which declined during 1979-81 because of the rapid growth of public savings from oil. No data are available on the structure or origin of private savings.

Farmers are incompletely adjusted for their own consumption of production which is thus not included in national accounts. The World Bank attempts to correct this using the USAID Cameroon Agricultural Census of 1984, which provides a first, cross-sectional view of the sector. Nevertheless, the data are inadequate for a large sector of the economy.

Finally, data from different sources are sometimes so different as to be unreconcilable for this study. They sometimes disagree in trend as well as in magnitude.

These are only examples; others could be found. In summary, national income and balance of payments figures used in this report must be treated with caution and used solely as indicators of orders of magnitude. It is dangerous to attempt to extrapolate trends from these data.

Survey information:

This appears to be mis-used in the structural adjustment debate. To pursue this, the CDSS team attempted to determine the origin of a statistic concerning the aging of

the Cameroonian agrarian population (and particularly the plantation crop population), and the posited effect of this aging on production, willingness to invest or innovate, and other managerial behavior. The statistic appears to be based on the 1984 Agricultural Census description of farmer characteristics (MINAGRI 1988, pp. 1-7), which is misleading:

The Census reports 54 percent of all farm operators were over 44 years of age, and that 85 percent were male. The population pyramid, properly redrawn, suggests age mis-reporting for males aged 15-24 who were attributed to the 5-14 cohort, possibly (given common errors in demographic surveys elsewhere) because they were students. A shortfall in males 25-44 remains, but this is not a new phenomenon or extraordinary in Cameroon, as ORSTOM surveys of the 1960s and 1970s will attest. The survey appears (the team has not seen the original) to use a culture- and sex-biased measure of the "operator" as contrasted to the person who manages a particular plot. In a dynamic traditional agriculture, "aging" of the operators attests to improved rural lifespans, not a change in the micro-management of farm plots.

APPENDIX C.2
Economic Analysis

MACROECONOMIC PERFORMANCE AND ISSUES

1. Macro-economic Indicators[1]

Table 1 presents the changes that have occurred in the performance of the Cameroonian economy since 1980.

Table 1

Gross Domestic Production and Expenditure
(Annual Growth Rates)

	1980-85	1985	1986	1987
GDP	8.1	9.2	-2.8	-8.6
Non-oil GDP	3.2	10.9	-2.7	-8.9
Agriculture	2.5	8.1	3.4	0.5
Industry	16.2	3.3	-6.5	-9.8
Services	5.9	16.6	-5.4	-12.5
Gross Dom. Expend.	5.6	13.1	-3.0	-11.2
Consumption	4.7	16.0	-0.9	- 9.7
Private	3.1	17.6	-1.4	- 7.0
Public	15.4	8.7	13.0	-22.0
Investment	9.4	2.4	-18.9	-18.8
Private		0.4	-22.7	- 9.1
Public		5.7	-13.0	-32.1

Source: World Bank SAL Mission Working Documents, 1988.

The manufacturing sector has grown at a rapid rate since the mid-1970s as a result of the Government's import substitution policies, with the oil sector contributing to rapid growth from 1980 until 1985. By 1987, agriculture accounted for only 22 percent of GDP, while oil, manufacturing, and services accounted for 14, 14, and 36 percent respectively. Per capita GDP in 1987/88 was about $900.

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[1] The data on economic trends are tenuous, due to their major deficiencies in quality, coverage, and currentness. Statistical data quality is covered in depth in Appendix C.1. A significant effort to adjust such information for error or bias has been undertaken by the World Bank, while data prepared by the IMF represent more closely the GRC official data source, corrected where possible according to IBRD analysis. Other sources of data are brought into the analysis as needed. The source used is cited. Any references to "tons" refer to metric tons (1000 kilograms, or about 2200 pounds).

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The economic recession which started in 1986 was precipitated by a sharp drop in world prices of Cameroon's export crops, as shown in Table 2. Value added in agriculture has continued to grow due mainly to the domestic food sector. The two sectors most adversely affected are industry and services, particularly activities such as construction with heavy public sector involvement, and those related to investment. Since most oil and agricultural export profits accrue to the Government and parastatal sectors, this is where economic activity has dropped the most. Private consumption expenditures have been the least affected by the recession (Table 1). Agricultural producers in particular have not yet felt the brunt of the decline because of the GRC's policy of not reducing domestic producer prices in line with world prices. As a result, parastatals responsible for marketing agricultural export crops (ONCPB for coffee and cocoa and SODECOTON for cotton) have been experiencing deficits while producer revenues have been maintained or increased.

Table 2

Export Prices

	Unit	1984/85	1985/86	1986/87	Percent of exp. volume (1984/85)
Cocoa	CFAF/kg	1,102	846	652	17
Arabica coffee	CFAF/kg	1,434	1,662	1,011	5
Robusta coffee	CFAF/kg	1,138	1,179	827	14
Cotton	CFAF/kg	693	452	348	2
Petroleum	US$/bbl	27	22	15	36

Source: Lazard et al, Republic of Cameroon, 1987.
Note: Cameroonian Fiscal Year is July-June.

The sharp drop in petroleum earnings has affected both the balance of payments and the GRC budget. Prior to the oil boom, Cameroon maintained a trade surplus due to its strong agricultural export sector and successful import substitution. The 1984/85 balance of payments (Table 3) is characteristic of Cameroon's performance during the early 1980s. As a result, Cameroon has very little external debt and until recently the banking system had substantial holdings of foreign assets.

The change began in 1985/86. The current account became negative and capital started to flow back into Cameroon. Total net capital inflows during the last three years equalled CFAF 712 billion (about $2.3 billion), and official reserves dropped by CFAF 303 billion (about $1 billion). The recession did not create a serious shortage of foreign exchange: the decline in imports in 1986/87 and 1987/88 was due to the reduced demand for intermediate and capital goods rather than to increased inability to obtain foreign exchange or increased restrictions on imports. The main concern now is to keep imports in line with the reduced level of exports, which the GRC is doing with its conservative monetary measures, and to get exports back on a growth path, which is essential for long-term economic growth.

Table 3

Balance of Payments
(CFAF billion)

	1984/85	1985/86	1986/87	1987/88
Exports	1101	772	545	511
Imports	-513	-571	-553	-471
Services & transfers	-429	-434	-365	-320
Curr. Account Bal.	159	-232	-373	-280
Capital Account,errors and omissions	-141	301	209	202
Change in Reserves (- is increase)	- 18	69	165	69

Source: IMF, Staff Report for the Stand-by Agreement, 1988.

Table 4

Central Government Revenues and Expenditures
(CFAF billion)

	1985/86	1986/87	1987/88	1988/89
Total revenues	911.4	765.0	625.5	600.0
Oil	382.0	252.0	207.0	163.0
Other revenues	529.4	513.0	418.5	437.0
Total expenditures	926.4	1,228.8	796.8	656.0
Current	455.5	533.5	479.8	484.0
interest	38.0	44.0	72.8	102.0
other	417.5	489.5	407.0	382.0
Capital	470.9	445.3	317.0	172.0
Deficit	-15.0	-463.8	-171.3	-56.0
Financing:				
Arrears	-20.0	250.0	- 5.0	-311.0
Foreign loans	48.0	117.0	49.0	39.0
Domestic loans	-13.0	96.8	25.5	37.0
Unidentified			101.5	
Consolidation				221.0
Exceptional				70.0

Source: Ministry of Finance and IMF estimates

The situation with respect to public finance is more serious. Table 4 shows that in 1986/87 expenditures increased by 32 percent while revenues dropped by 16 percent, creating a deficit of CFAF 464 billion. This sharp drop in revenues had two serious short term effects on the economy. First, funds available for public sector investments completely dried up. Second, the GRC chose to finance much of its 1986/87 and 1987/88 deficits by not paying local suppliers. These arrears in turn caused defaults on loans by domestic banks to firms doing business with the GRC. At the same time, the GRC was unable to pay subsidies to money losing parastatals so that their deposits with domestic banks also declined. The result was a liquidity crisis that makes it impossible for banks to finance economic activity. Finally, the GRC has had to reduce non-salary current expenditures to the point where the majority of civil servants do not have the means to carry out their functions. The work of many Government services is at a virtual standstill.

2. Action to Address the Short-term Crisis

The main actions to address the short-term crisis are being implemented in the context of the IMF Stand-by Agreement and Compensatory Financing Facility which totals SDR 115.9 million to be disbursed over the 18 months beginning September 1988. These actions fall into two categories: balancing the national budget and eliminating the Government's arrears.

GRC actions to help balance the budget include the following measures which will increase 1988/89 revenues by about CFAF 36 billion: increasing taxes on petroleum products, alcoholic beverages, cigarettes, soft drinks, and luxury products; a new real estate tax; increased stamp duties; and increased minimum income tax levels.

On the expenditure side, the GRC has taken the following measures which are expected to generate savings of CFAF 48 billion: a wage freeze; cuts in housing and utility subsidies for civil servants, staff transfer costs, and embassy staffing; and new budgetary control and monitoring mechanisms. In addition, the investment budget will be cut by one-half. There will be no new domestic or foreign arrears.

These measures will result in a deficit of CFAF 56 billion, which will be financed by a combination of domestic and foreign loans. Government arrears will total CFAF 311 billion in 1988/89 (Table 4). Domestic arrears will be settled with 15 percent in cash and the rest in negotiable treasury notes (CFAF 186 billion), with small creditors paid entirely in cash. There will remain an estimated gap of CFAF 105 billion (about $350 million). This will be covered by structural adjustment loans (SAL) from the World Bank, the African Development Bank, and the French Caisse Centrale de Coopération Economique (CCCE), assuming agreement on the details of the structural adjustment program can be reached before the end of the fiscal year, an increasingly unlikely event. Delays in structural adjustment assistance will presumably entail postponing the settling of arrears until next year. This will have serious implications for the banking sector liquidity crisis.

3. Long-term Fiscal Issues

The GRC has had a long-standing conservative approach to fiscal policy. Government revenues have usually not exceeded 20 percent of GDP which is average for middle income developing countries. Despite this low tax burden,the GRC has

generally spent little and run a surplus on its current budget. The present economic crisis, however, has raised several fiscal policy issues which have hampered the GRC in its efforts to adjust to the recent sharp drop in revenues. These are:

a. **Budget Management.** The GRC does not have a comprehensive budget that covers all of its revenues and expenditures. There are large "extra-budgetary" expenditures that are not included in the deficit or debt calculations. These hidden obligations meant that when economic activity dropped sharply, as it did in 1985, the GRC continued to incur obligations outside the official budget making process. The result was the large 1986/87 deficit accompanied by government arrears and reduced liquidity in the banking system.

b. **Government Revenues.** With its present tax system, the GRC will have a difficult time increasing the share of revenues in GDP. The World Bank (1987) found that direct taxes accounted for 18 percent of current revenues, and taxes on external trade (mostly imports) accounted for 26 percent of revenues (compared to averages of 38 percent and 17,5 percent respectively for other middle income countries). This means that importers and producers in the formal sector are subject to very high indirect tax rates, creating strong incentives to avoid taxes by staying in the informal sector or trading through unofficial channels. Steps are needed to increase the tax base so that those who pay taxes can be subject to lower rates. These matters are now being studied by the IMF and the Ministry of Finance.

c. **Cost Recovery.** If the GRC is to continue to provide adequate levels of social services at existing reduced revenue levels, the recipients of public services must pay part or all of the costs. This is especially important for the health and education sectors, but generally applies to all services including, for example, agricultural extension and rural road maintenance. The legislative and organizational steps required to move in this direction are complex and have not yet begun. The need, however, has been identified by key ministries and donors and is likely to be addressed, probably on a sector by sector basis, in the context of the Structural Adjustment Program.

4. Macro-economic Structural Adjustment Issues

As noted in the CDSS text, the present economic crisis has brought a number of structural economic problems to the surface. The nature of economic growth for the last 20 years has been determined by GRC development policies and programs, dominated by the GRC's direct investment decisions as well as by the role it played in directing the decisions of others. During this period the GRC has had three basic economic development objectives:

1. the promotion of import substitution industries and agricultural products;

2. the promotion of agro-processing industries to increase the value added of domestic agricultural products; and

3. export crop diversification.

The tools used for achieving these objectives have been the following:

a. **Import restrictions.**

Any product produced in Cameroon is protected against competition from imports. The main protection is a ban on imports. Almost all imports into Cameroon fall into one of three categories of protection:

1) Goods that are produced locally and can therefore be imported only when local production cannot meet demand. These are mostly consumer goods.

2) Goods that are produced locally but at costs higher than on the world market. These are subject to "pairing" which means that firms producing or purchasing the local product may import a certain multiple of this. Rice, cotton textiles and shoes have been in this category.

3) Goods that are not produced locally. These may be imported if no producer objects that the same goods are available in Cameroon.

Imported goods are subject to the common tariff of UDEAC plus Cameroonian surcharges. Tariffs average 70 percent of c.i.f. value. The system, however, has two major flaws. First, finished products have a consistently higher tariff than intermediate goods to encourage the greatest amount of value added in Cameroon. Products in which Cameroon can never hope to have a comparative advantage are provided extremely high rates of protection. A survey of 49 industrial firms in 1987 showed that only 12 used less than one franc in local resources to save or earn a franc in foreign exchange; in 16 cases the product uses imported intermediate goods that cost more than it would have cost to import the finished product which means that there were negative foreign exchange savings (Industrial Master Plan, 1988). The second flaw is that many import duty exemptions for intermediate and capital goods are granted on a firm by firm basis. This not only encourages the use of imported--rather than locally produced--intermediate goods, but also places firms which do not have the duty exemptions at a disadvantage against other firms in the same sector.

The Price Equalization Fund applies to products that are produced locally but cannot compete with imports because of so-called production subsidies of the exporting countries. GRC policy is to impose an import tax equal to the assumed subsidy and use the revenues to increase the price paid to local producers. This system is used for rice, sugar, and edible oils, for each of which the dumping argument is not evident.

b. **Price Controls:**

Import substitution industries are subject to price controls. They are regulated because 1) they are protected from competition, and 2) there are so few manufacturers that price controls are needed to protect the consumer. Price controls are based on documented (protected) costs of production plus a margin for profits and marketing. The system provides no incentive for increased efficiency which would reduce the price.

At the other extreme, price supports are used to encourage production of export crops. The prices bear little relation to production costs and distort decision-making. These are discussed further under agriculture.

Margins are determined by government for all production and trade in standardized goods and services. The process of changing agreed prices can be so lengthy that the new price no longer reflects costs of production.

The trade policy and price control regimes have effectively isolated Cameroon's industries from market signals. Firms are protected from the negative effects of bad decisions, are not rewarded for good decisions, and have no incentive to increase efficiency.

c. Direct Government Participation in Industry and Commerce

During the Fourth Development Plan (1977-81) the GRC undertook direct investment in industry and commerce, in the form of 1) wholly owned enterprises providing public services, 2) wholly owned enterprises in strategic (usually capital intensive) industries, and 3) state participation in firms which contribute to import substitution or increased domestic value added but in which there was insufficient private sector interest. Most of these investments were made by the Societé Nationale d'Investissements (SNI) which was created by the GRC for this purpose. By 1984, firms with GRC participation accounted for 40 percent of the value added in the manufacturing sector (Lazard et al, 1987).

Several of these firms failed at huge loss. The worst case was the pulp and paper company, CELLUCAM, which closed less than one year after opening at a loss to the GRC of CFAF 259 billion (US$ 850 million), including about US$ 450 million in external debt. Many firms that remain are experiencing deficits and are subsidized by the GRC in excess of CFAF 100 billion per year. These deficits are due to having made the wrong investment decision, and to weak management and lack of competition. These parastatals include public utilities, capital intensive industries, and large scale agriculture. The objective of the Government was to achieve growth in sectors that a) seemed critical for long-term development and b) were not profitable enough to be financed entirely with private capital. Without GRC participation, growth in these sectors would not have occurred; however, this growth is non sustainable and it is now obvious that too many mistakes were made.

The parastatal sector has become not only a large drain on public sector resources but is contributing little to GDP, employment, savings or investment. The need now is to involve the private sector more directly in the investment and management of these firms and to expose them more fully to free market forces. Also steps are needed to strengthen the management of those enterprises that provide public goods and therefore cannot operate in the private sector. The GRC and major donors, especially the World Bank, CCCE, and UNDP, have begun taking steps along these lines. The objective is to stop the CFAF 100 billion annual drain of public resources and turn existing commercial and production parastatals into viable non-subsidized businesses.

d. **Export Taxes:**

A major source of funds for the investments discussed above was taxes on agricultural export crops. The issue here is the appropriate role for Government in maximizing the development impact of traditional growth sectors and guiding the overall direction of the development process. In the case of Cameroon, the traditional growth poles were coffee and cocoa exports. The policy choices involve deciding how much to tax these activities and how much to intervene in private sector decision making. There is little doubt that Government non-involvement would have resulted in much of the income generated by coffee and cocoa going abroad, including income not directly attributable to the efforts of the investors (economic rent). Local investments would have been determined by the interests of the exporters, although local producers would have been beneficiaries of sound decisions.

The policy decision of the GRC was to tax the traditional export sector and use the revenues to broaden the development base of the economy, mainly through import substitution and export diversification. This was combined with a price stabilization program which consistently accumulated a surplus and, over the long term, resulted in less than adequate reinvestment in coffee and cocoa plants. In the meantime, many of the import substitution and export diversification investments financed by the surplus turned out to be ill-advised so that, on balance, overall economic performance is not as strong as it could have been.

A more general point also needs to be made regarding export taxes. There is a revenue tax of 2 percent on all exports. Manufactured goods are exempt from this tax, except textiles, leather articles and packaging. In addition, some exports have special taxes, e.g., bananas 17.5 percent, wood and lumber 15 - 40 percent, and coffee and cocoa 40-50 percent. There are in fact few tax incentives specifically for exports, so that the effective rate of protection for export industries is negative (Industrial Master Plan, 1988). This contrasts with the import tax regime which provides very high effective rates of protection for import substituting industries. The system in effect discriminates against investments in export-oriented enterprises.

e. **The Franc Zone.**

A key macro-policy issue is the effect of Cameroon being part of the Franc zone. A frequent criticism of the Franc zone is that the francophone African countries can have overvalued exchange rates because the French franc moves in ways that are unrelated to the competitiveness of the African economies. However, the normal adjustment process is for domestic prices to drop so that local costs of tradable goods and services reflect the purchasing power of the franc on the world market. This assures that the CFA franc will not remain overvalued over the long run.

The main disadvantage of the fixed exchange rate is that the adjustment process can be wrenching in terms of incomes and employment. Countries that are not part of a convertible currency zone have the flexibility to use monetary policy and exchange rate adjustments to reduce the disruptions associated with structural adjustments. The main advantage to being part of a convertible currency zone is that it imposes fiscal and monetary discipline. Small developing countries find it difficult to manage

their budgets, money supply and exchange rate without taking into account strong political and social realities. The result is economic instability and distortions that have serious adverse effects on sustained economic growth. African economies tied to a convertible currency have tended to have higher sustained growth rates than countries that are not.

Cameroon, however, is in a special situation because of its oil earnings. The large government revenues have been spent locally creating a inflationary pressures and resulting in increased local costs and an overvalued real exchange rate. The result is that Cameroonian exports are not competitive on world markets. As long as oil earnings are spent on local goods the currency will continue to be overvalued. Once these earnings are no longer spent on local goods and services, (i.e., once they are held as foreign exchange assets or, if spent, spent exclusively on imports), the economy will necessarily go into a recession until labor and other costs are reduced to a level that reflects the purchasing power of the CFA franc and Cameroon will again be competitive in products where it has a comparative advantage.

f. **Financial Sector:**

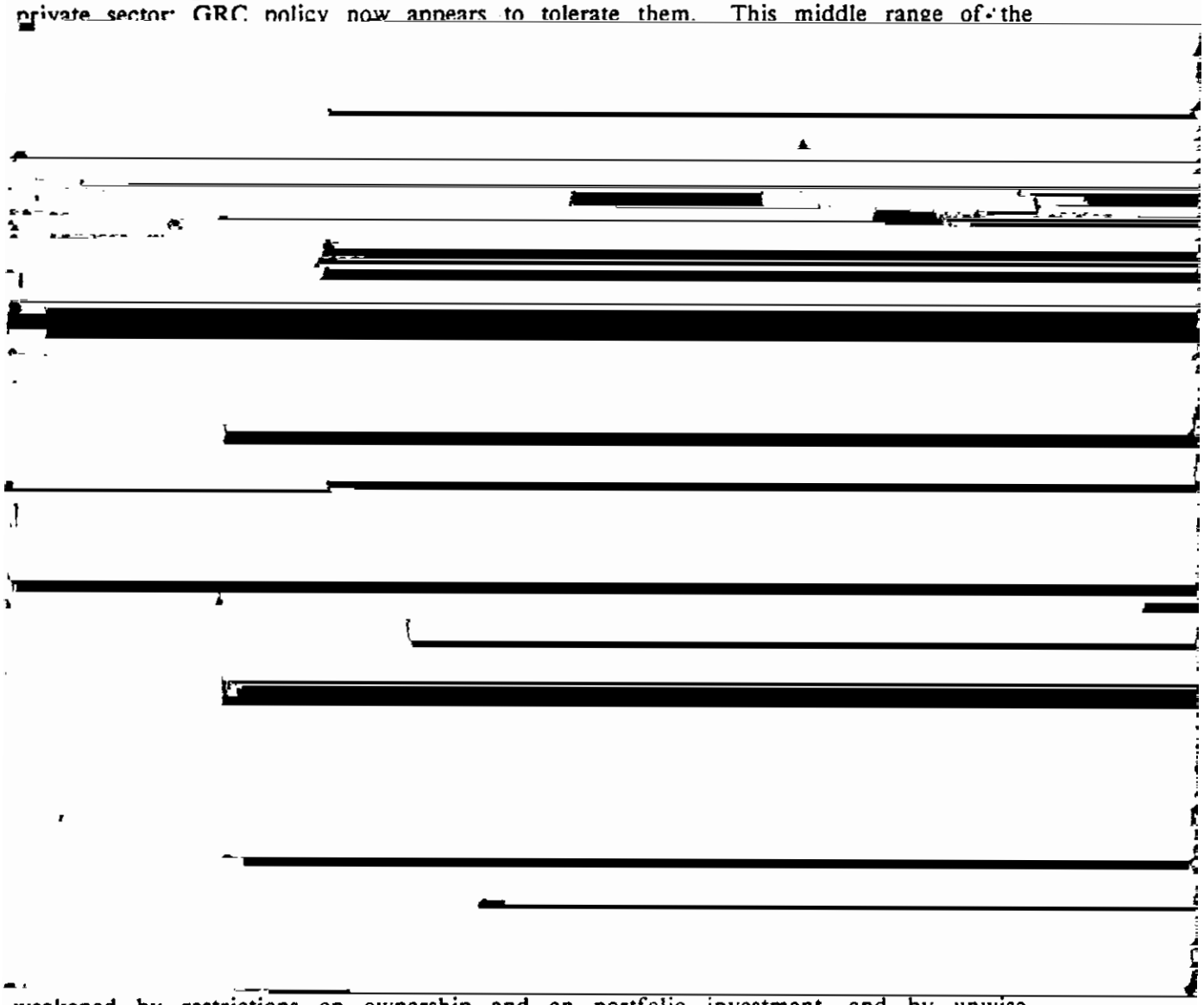
Cameroon has had little financial development, particularly for the level of its per capita GDP. Financial deepening reflects the degree of willingness to use the formal banking system for planned transactions and thus make them available for lending for productive investment. By most measures, Cameroon lags other African countries (in the CFA zone, only Niger has less financial depth). Individual deposits provide a cushion during shocks when institutional deposits fluctuate. The deposit base consists mostly of the Government, parastatal organizations, and large companies, which leaves the system vulnerable to outflows from any one of its major depositing groups. Crisis for all of these since 1986 has made the banks illiquid. This has led those individuals and firms which hold deposits to withdraw them thereby exacerbating the crisis.

Monetary policy is determined by a super-national regional central bank, the Banque Centrale des Etats de l'Afrique Centrale (BEAC), of which Cameroon is a member. The BEAC interest rate policy is based on two assumptions (1) that the poor do little or no saving, and (2) low interest rates promote investment and growth. The first point is not supported by research, but leads to a conclusion that lending must be based on a rediscount mechanism; this confirms the wisdom of the second point. Resulting negative real rates of return on deposits have discouraged placing private savings in the domestic banking system. Real deposit rates were negative from 1975 to 1982 (IMF 1986a, p 12), averaging -4.35 percent. Low real lending rates (average +0.4 percent) have encouraged borrowing. Low interest rates compared to foreign (French) rates have led banks and some private individuals to transfer part of their assets overseas.

Cameroon's commercial banking system is highly concentrated. Four of a total of ten major banks control roughly 85 percent of all lending (World Bank 1987, p. iii). There is one development bank, the Banque Camerounaise de Développement. Among government non-bank financial intermediaries, FOGAPE, (guarantor for small and medium enterprise lending), is to be replaced by a bank, CIC, and FONADER (which has been closed due to non-performing assets), will be replaced by the CAC. See Section III-A.

The informal financial sector consists at the bottom level of "tontines", or lending "clubs" whose lending costs tend to be high and who depend for their effectiveness on social sanctions which may not always work. Tontines represent a substantial share of total credit to the Cameroonian economy, particularly small enterprises, but they do not permit transformation of short-term or sight deposits into longer-term loans and are so segmented as to provide no financial transactions outside the individual tontine--either between tontines and the formal sector, or among tontines--to allocate savings to the most productive uses.

In Southwest and Northwest Provinces an active credit union movement (CamCCUL) is concerned with mobilizing savings. There is some evidence that informal sector banks are being created during the current crisis. Two already exist in the formal private sector. GRC policy now appears to tolerate them. This middle range of the



weakened by restrictions on ownership and on portfolio investment, and by unwise premium regulations in the property and casualty insurance subsector.

4. **Next Steps Related to Macro-economic Structural Adjustment:**

Many of these policy issues are planned to be addressed in the donor-supported GRC Structural Adjustment Program. Studies are currently underway and preliminary decisions have been made regarding the rehabilitation of parastatals, the elimination of export taxes, and the elimination of many non-tariff barriers. The overall thrust

The present crisis has highlighted major flaws in the government policy framework which must be addressed in the context of the short-term stabilization program.

SECTORAL PERFORMANCE AND ISSUES

1. Petroleum

The coming on-stream of petroleum production in 1977 has affected both the economic and political life of Cameroon. Within seven years petroleum's share of GDP moved from zero to 21 percent in 1984/85, momentarily displacing agriculture as the largest contributor to national production (Table 1.1). In that year petroleum earnings represented 66 percent of total export revenue and 48 percent of central government revenue. Between 1979 and 1985 Cameroon's oil boom was an engine of economic growth.

The GRC policy of emphasizing that oil revenues were used to create an offshore national stabilization fund, to be used for long-term investments in productive sectors of the economy, spurred public confidence. However, the revenues were maintained in secret accounts never fully reported to the public.

Following the peak of 1984/85, Cameroon's petroleum earnings began to decline, and were driven sharply downward by the collapse of world oil prices in early 1986. By 1987/88 petroleum's share of nominal GDP shrank to 8 percent, its share of total export earnings dropped to 46 percent, and the sector contributed only 33 percent of central government revenue.

Interview data (December 1988) imply that funds currently remaining in GRC offshore accounts have dropped to approximately CFAF 500 billion (US$1.7 billion), or the equivalent of operating expenses of the GRC for a one-year period.

Although oversight and financial management of the petroleum sector was assigned to a parastatal holding company, the Societé Nationale des Hydrocarbures (SNH) in 1980, production is carried out by joint ventures between the SNH and foreign partners. Operating partners are obliged to bear the full cost of prospecting and development until a field becomes operative.

Prospects for the petroleum sector are uncertain. Estimated remaining reserves of 70 million tons (at current prices) would be depleted by the late 1990s if the current rate of production (157,000 barrels/day) is continued. Present low world prices are a disincentive to new exploration and to use of higher cost secondary extraction methods which extend existing reserves.

In response to the decline in world prices, the GRC is seeking to adjust existing agreements with foreign oil firms to encourage new exploration. To do so, it will have to amend regulations which currently prohibit oil firms from offsetting prospecting costs in new fields against current production.

Low world demand combined with high start-up costs have also prevented Cameroon from exploiting identified natural gas reserves near Kribi.

2. Agriculture

a. Recent Performance

Table 5 summarizes the contribution of agriculture to the Cameroonian economy. The breakdown of agricultural production is as follows (1983-88 average):

Food crops	54 percent
Export crops	21 "
Livestock	15 "
Forestry	9 "
Fisheries	1 "

Ninety percent of agricultural production is accounted for by small traditional producers. The remainder is accounted by large plantations, most of them government-owned.

Table 5

Agriculture in the Economy

	1971-75	1976-81	1982-88
Share of GDP (%)	29.9	29.2	22.5
Share of Exports (%)	82.3	72.3	45.9
Growth rate (%)	3.4	7.0	1.9
Employment share	79.4	72.6	75.0
Per capita GDP (US $)	236.0	597.3	903.8
Per capita agr. prod. (US $)	69.9	172.2	204.0

Source: World Bank (1988d).

Long term agricultural growth has been high compared to other sub-Saharan countries. Also, agricultural productivity is relatively high as indicated by the 85 percent of farmers who produce marketed surpluses. The agricultural census estimated that, in 1984, 45 percent of farmers used fertilizers.

The least reliable data pertain to food crops. Most production and trend data are suspect. The major crops are millet and sorghum in the north, and cassava, yams and plantains in the center and south. There have been recent increases in corn and rice production as a result of government development projects. Corn production is based on improved high yielding varieties and is likely to displace sorghum production to some extent if improved seeds continue to be available. Prospects for rice are less promising. Costs in the largest rice producing area, the SEMRY project in the north, are about double the price of imported rice at Douala.

It appears from food price trends that production has been growing with population with most of the increase coming from increased area planted. Cameroon is self-

sufficient in food and is probably a net exporter to neighboring countries. In some cases food production has increased in response to higher prices relative to export crops. Both rubber and coffee production seem to have suffered from the reallocation of labor into food crops. One significant area of productivity increases is in the north where millet and sorghum complementary production benefits from the fertilizer applied to cotton.

In contrast to the modest growth in food crops the production of export crops has remained stable or declined in recent years. Table 6 shows long term growth rates and Table 7 shows recent production levels. The export crop sector is currently depressed due in part to recent declines in world prices. For the last two years, the export parastatals have been experiencing deficits because the margin between fixed producer prices and world prices are not enough to cover their costs plus export taxes.

Table 6

Growth Rates of Export Crops

Crop	Period	Growth Rate
Cocoa	1971-87	-3.3
Arabica coffee	1971-87	-2.6
Robusta coffee	1971-87	4.5
Cotton	1971-87	7.9
Palm oil	1971-87	8.2
Rubber	1971-82	1.9

Source: World Bank (1988d), p. 5.

The causes of the poor export crop performance during the past decade are not easy to sort out. Much blame has been placed on low producer prices. In the case of cocoa, Cameroon producer prices during most of the 1970s were low compared to Ivory Coast and investment was low as well. However, since 1978, producer prices in Cameroon have been substantially higher than in Ivory Coast with no apparent impact on investment or production. Other factors adversely affecting cocoa production include the manpower constraint compounded by recent high food crop prices, and poor supporting services including fertilizer delivery and marketing infrastructure (World Bank, 1987, p.6). Cameroon produces a variety of cocoa that, because of its high fat yield and red powder, has a special market in Europe, especially Germany and the Netherlands. More could be sold if production could increase.

Table 7

Production of Export Crops
(thousand metric tons)

	1982/83	1983/84	1984/85	1985/86	1986/87
Cocoa	106.3	109.0	120.9	118.8	123.1
Arabica coffee	24.9	16.8	18.9	19.2	22.9
Robusta coffee	105.4	46.9	118.9	76.8	120.1
Cotton	72.3	94.6	97.5	115.5	122.8

Source: Lazard et al, 1987.

The most serious problems relate to Arabica coffee. Although Cameroon's coffee quota can be met with Robusta or Arabica coffee, and Arabica is a higher value crop, the share of Robusta in total exports has been steadily increasing. Production and yields of Arabica have been declining. Also, quality has declined to the point that Cameroon's Arabica sells at a discount on the world market. The basic reason appears to be that farmers in the Arabica growing areas are shifting labor to food production because it is more profitable. Consequently, aging trees are not being replaced and labor intensive measures to maintain quality are not being taken. The solution would seem to be higher prices. Despite the fact that the world price for Arabica coffee is usually CFAF 200/kg higher than for Robusta coffee the present producer price differential is only CFAF 35.

Cotton has been the fastest growing crop during the last ten years. This is due to a high producer price, the highest in Africa, and a reliable system of supporting services provided by SODECOTON, a parastatal. Growth in cotton production has been welcome because it is in the poorest driest part of the country where there are few alternatives for cash crops. The overall financial picture for the cotton sector is bleak. Over half of the production is sold to local textile firms at below world prices, and at current world prices even exports lose money.

The livestock and forestry sectors are both experiencing declining production. The main constraint to livestock production is population pressure in northern Cameroon. Crop production is expanding into increasingly marginal lands which were once used for grazing; similarly, population growth is reducing the size of the forest in Cameroon. The latter situation is aggravated by poor forest management practices and an apparently low quality of processing capability which reduces the value of forest production. Although, steps can be taken to slow the deforestation process, forestry cannot be expected to be a source of long-term growth for the Cameroonian economy.

b. The Agricultural Policy Context

The objectives of the GRC in agriculture are to 1) continue to be self-sufficient in food, including certain foods now being imported (rice, sugar, and edible oils), 2) provide the necessary incentives for continued growth in traditional exports, and 3) diversify agricultural exports.

i. Food Self-sufficiency Policies

The GRC does not intervene directly in the production or marketing of traditional food crops. Although the Ministry of Agriculture and "regional development organizations" provide research and extension support to small farmers, input or output prices are not regulated. The Government does intervene heavily in the non-traditional food sector. The GRC has invested heavily in rice production and has a set of import protection measures--mentioned earlier--for rice, sugar and edible oils. These include pairing of imports quotas with local purchases, and the Price Equalization Funds which tax imports and use the proceeds to increase producer prices.

These measures can be justified only if 1) exporting countries are selling to Cameroon at below cost (dumping) or 2) the local production will eventually become competitive after it has become established. Otherwise, the country will be in the position of producing goods in which it does not have a comparative advantage. The World Bank (1988d) concludes that Cameroon is not likely to be competitive in these products and protection should be largely phased out.

ii. Export Price and Tax Policies

The GRC agricultural export tax and price policies address two major concerns: 1) the need to stabilize prices so that returns to investment and labor can be predictable and not be totally subject to world price fluctuations, and 2) the need to generate tax revenues from export income including the taxing of economic rent. The crops most directly affected are coffee and cocoa. There are two major shortcomings in the design and implementation of these policies:

1. The Setting of Export Prices. The cocoa and coffee price stabilization program is managed by ONCPB. The fixed producer prices are allowed to fluctuate very little in response to world prices. They are theoretically set at a level to induce farmers to grow these crops. Although this provides farmers with a stable price for planning purposes it deprives them of any benefits related to strong world markets. This contrasts with the export price policy of the Ivory Coast where producer prices were allowed to move in response to world prices. During the 1970s this provided strong incentives for Ivorian farmers to not only produce more but also invest in future production. A more market oriented system for Cameroon would set a floor price and allow the producer price to move above this floor price in line with world markets. The share of increased income retained for the stabilization fund would rise progressively as the difference the world price and the floor price increased.

2. The Export Tax Policy. Exports of coffee and cocoa are taxed directly as well as indirectly through the stabilization fund administered by ONCPB. Although the stabilization fund is meant to subsidize producer prices when world markets are weak, these funds have in fact been invested in other sectors and are no longer available for price supports. Between 1970 and 1985, the total tax on coffee ranged from 35 to 76 percent and on cocoa from 24 to 76 percent. From a policy standpoint, there is nothing wrong with export taxes and stabilization funds. The problem in Cameroon is that, in retrospect, the tax was set too high and the stabilization fund was mismanaged.

The more basic policy issue is the proper balance between private initiative and government intervention. Leaving more of the income from coffee and cocoa to the producers implies confidence that their use of income and assets is efficient in the long run. Taxing that income for reinvestment by government implies that the government will use the funds more efficiently. There seems to have been a shift in GRC policy in this regard. As part of the recently initiated liberalization process, it is intended that the export price and tax system will be revised to leave more resources and initiatives in the private sector.

Related to price policy is the issue of input subsidies. Until recently, the major subsidy in Cameroon was for fertilizer, most of which is used on coffee. This subsidy is now being phased out with support from USAID. In addition, pesticides, fungicides and seeds are provided free to the export sector, and credit is subsidized to all farmers when it is available. This compensates to some extent for the excessive taxes discussed above but, in general, is an unnecessary drain on public resources and does not achieve the desired objective of increased input use and increased productivity. As noted in the World Bank sector review (1988d), producer prices, efficient marketing, and reliable delivery of inputs are more important determinants of how much farmers choose to spend on inputs.

iii. Cooperative Development

There are about 400 cooperatives in Cameroon, most of them involved in the marketing of coffee and cocoa. The role and performance of these cooperatives vary greatly depending on the extent to which they are managed and controlled by their own membership. The best functioning and financially strongest cooperatives are in the Western Region. They are involved mainly in marketing coffee and are not subject to marketing margins. In the Anglophone Southwest and Northwest, where cooperatives are controlled by their members but obliged to market through official channels at controlled margins, they are experiencing financial difficulties. The cooperatives in other areas were formed by Government and are managed by civil servants. These are generally ineffective and provide few benefits to their members. They experience chronic deficits.

Technical support for cooperatives is provided by two Government organizations, the National Center for Cooperative Development (CENADEC), and the Cooperative and Mutualist Directorate in the Ministry of Agriculture. These organizations have done little to strengthen cooperatives and in general tend to intervene in ways that reduce the control of cooperatives over their own activities and finances. Data obtained by the World Bank (1988d) team showed that internal marketing of export crops is inefficient, unreliable and costly, except where it is handled by self-managed cooperatives. The GRC should reduce the regulations imposed on cooperatives and concentrate on improving their management in a free market environment.

iv. The Role of Government Organizations

Government involvement in the agriculture sector is characterized by a large number of organizations carrying out expensive programs whose activities are not coordinated and whose impact is difficult to measure. These organizations fall into four categories: 1) integrated rural development agencies, 2) crop promotion

organizations, 3) crop production enterprises, and 4) agricultural support and marketing services.

Although these organizations are supposed to be self financing they all operated at a loss in 1988. The largest money losers were SODECOTON (CFAF 14 billion), SODECAO (CFAF 10 billion) and SEMRY (CFAF 9 billion). More importantly, most of these organizations have not succeeded in achieving their objectives. One notable exception is SODECOTON which has effectively provided a wide range of supporting services for cotton farmers. Other organizations have not been so successful. None of the parastatals involved in export diversification have succeeded in becoming viable, and the organizations providing support services have either ceased to function or will do so in the near future.

c. Next Steps

There is no question that the future long-term growth of Cameroon depends on a strong agricultural sector. The top priority of the GRC is appropriately to increase agricultural productivity and create and maintain an environment which encourages growth in traditional crops as well as diversification, especially in export crops. In the past the GRC has relied heavily on direct Government involvement in production and marketing and has excessively constrained private enterprise. Now it must reduce its direct involvement, reduce or eliminate the protection and subsidies that have distorted decision making and resource allocation by producers, and improve government supporting services where such services are needed.

The specific steps to be taken are the following:

1. Reduce or preferably eliminate taxes on agricultural exports except where a convincing case can be made that producers and/or exporters are collecting economic rent.

2. Remove restrictions on the marketing of export crops, including as little involvement as possible in price stabilization. The objective is to encourage efficiency in marketing and expose producers as much as possible to market forces.

3. Leave export diversification and import substitution initiatives to the private sector. The government should support private sector initiatives rather than undertake initiatives and expect the private sector to follow.

4. Produce much better data, at both the micro and aggregate levels, on which to base government policy and private sector decisions. This is especially true with respect to farm-level returns for different crops. This argues for better farming systems research as well as better statistics at the national level.

The first three steps constitute a broad based liberalization program for agriculture. This implies a shift in attitude within government that sustained and equitable growth depends on a strong private sector responding to market forces rather than on large scale government interventions. There is some indication that the present crisis is changing some attitudes, but the feeling that only the government can take the long view and assure equitable development will not die easily.

3. Industry and Commerce

a. Recent Performance

Industry grew at a rate exceeding 16 percent in real terms from 1980 through 1985, led by oil (25 percent) and manufacturing (22 percent); manufacturing increased its share of GDP from eight percent of value added in 1980 to 15 percent (and about seven percent of employment) in 1988, with most of the growth coming from new foreign and government owned enterprises. Manufacturing is generally varied but medium sized, with most sectors dominated by a few large capital-intensive firms concentrated in high-cost import substitutes, agro-industrial exports, wood-based exports, and aluminum and consumer goods for local consumption and for export within UDEAC. The effective rate of protection in industrial value added varies from -24 percent in agro-industry to infinite in the chemical, mechanical, textile, and wood industries. State participation, largely through SNI, represents 51 percent of equity, dominating the ten percent private Cameroonian and 39 percent foreign equity. Foreigners operate many private sector industrial firms.

Services, including commerce, grew more modestly at 6 percent and account for 36 percent of GDP (42 percent of non-oil GDP) in 1988. More than 250 registered service companies vary from trade (import-export, wholesale and retail), which is dominated by local small private firms, to representation, distribution, and backup services, in which foreign and SNI investment is more common. Marketing of food crops is in the hands of small private traders, except for rice, and is efficient despite high markups due to transportation damage and loss. Marketing of export crops is by parastatals, private concessionaires, private and public cooperatives, and by the private sector, depending on region and crop. Entrepreneurship in trade is largely Cameroonian.

Table 8
Commerce and Industry

Share of non-oil GDP (percent)	1980	1985	1986	1987	1988
Industry	28	27	25	24	23
(Manufacturing)	8	18	17	17	17
Services	39	43	45	44	42
Growth Rates:	See Table 1.				

Road transport is private, of unknown profitability, growing in line with demand to satisfy basic services; the railroad (Regifercam) is state-owned, and operated at a loss of CFAF 8 billion in 1986/87; the national airline, Camair, in recent years reversed a long period of profitable growth with losses of approximately 24-33 percent of sales, and now has significantly negative net worth. Telecommunications suppliers are foreign, with domestic service operated by the PTT and international telecoms by a mixed public-private organization. Tourism is mostly business travel, with 43 percent from Africa. The insurance sector is undergoing a period of consolidation due to recent portfolio and casualty losses, and a French company is

buying the shares of other foreign insurers. Private providers--many religious--provide 40 percent of health services, but significant regional imbalances in distribution remain (Section C.2). The State holds a large stake in the banking sector as an instrument of its policy of firm control over the monetary system (Section A.4f).

Since 1985 both industry and services have experienced a slump, with industry declining by 6.5 percent in 1987 and by 10 percent in 1988, and services declining by 5.4 percent and then 13 percent (Table 1).

b. **Policy Issues**

The most serious policy issues affecting commerce and industry are related to the macroeconomic environment, discussed in Section A.4. Other issues are related to price and tax policies, financial resources, and human resources.

i. **Price and Tax Policies**

The current investment code, tariff structure, and tax policies provide a heavily distorted environment which discourages investment for export or according to comparative advantage. Until these policy distortions are reduced, other interventions to aid industry and commerce will be ineffective. Related to this, limited market size (partially due to poor infrastructure, including telecommunications) reduces the possible market for commerce and industry.

Export trade has been helped in the past by Nigeria's policy regime; to the extent that Nigeria continues with its own structural adjustment program, these possibilities have been greatly reduced; if Cameroon continues with its own distorted regime, it will continue to have problems with former export sectors such as rice and small wares.

Despite a pro-private sector position at the highest levels of government, administrative delays impede investment projects, largely at the lower bureaucratic strata. In addition, public bidding shows strong discrimination against local entrepreneurs--particularly those from the English-speaking provinces--despite substantial cost advantages compared to French-managed firms.

Controlled trade margins do not offer incentives to increased efficiency, nor for trading in high-cost regions, and provide serious disincentives for those in affected subsectors.

The informal sector, which employs more persons that the formal sector, continues to be adversely affected by the lack of a transparent legal, fiscal and regulatory environment, and through lack of access to finance.

ii. **Financial Resources**

Industrial and commercial growth, particularly of small scale enterprises, is limited by the pool of domestic savings. Current banking regulations discourage savings mobilization through financial intermediaries, and offer insufficient interest rate spreads for banks to recover supervision costs of small business loans. Policy

reform within the franc zone is necessary for a strong business-oriented private banking sector to develop.

The financial system is poorly unified, with informal organizations providing small, local credits and the large banks unwilling to provide loans and services to middle sized and smaller firms, leaving a "hole". Once policy reform has been undertaken, the issues of bank unwillingness to provide services (such as irrevocable letters of credit, which are now issued only against full cash payment), and of the bridging of the formal-informal gap, can be addressed.

iii. **Training and human resources**

In a less distorted policy environment, there remains a significant need for the development of appropriate management and technical skills for business. Any such program must be demand-driven, responding to the needs of the entrepreneurial class. The noted and lamented lack of entrepreneurship itself is clearly a result of the non-competitive regulatory regime, so no special activities should be taken to promote it until the environment is modified and businesses have a time to adapt.

c. **Next Steps**

The key to assistance to the industrial and commercial sector lies in policy reform. In this domain, AID must work in coordination with the SAP; continue policy dialogue; and use its expertise to provide working examples of liberalization, for instance for agricultural output prices.

AID can utilize its expertise and experience in such sectors as agriculture and health to assist in the privatization of viable parastatal institutions or their function, or in shifting the responsibilities of non-viable institutions to those run on sound management principles.

AID should continue CamCCUL, and continue to push for financial sector reform. To increase investment, a first step would be to investigate the economic institutions which affect the savings mechanism in francophone areas, with a goal of designing an appropriate instrument for savings mobilization.

In a liberated business environment, the scope exists for PVO programs in the business sector to provide technical and management assistance to small and medium enterprises.

APPENDIX C.3
"Dutch Disease"

Introduction:

This appendix attempts to tie together some topics in recent Cameroonian economic performance, on the basis of the scant evidence on petroleum export revenue available directly and through the World Bank, and on conjecture based on the experience of other petroleum exporters. These topics are: loss of competitiveness in international trade, domestic economic slowdown, crisis in the banking sector, and the perceived (by several informants in the private sector) rise in individual corruption on the part of government actors in the trade and fiscal processes. The appendix is based on an analysis of the economic motivation provided by various economic institutions in Cameroon to their actors--whether client or employee. The analysis is brief and possibly off the mark, but it has important implications for A.I.D. strategy in Cameroon.

The monetary influence of the CFA franc zone(s) is discussed elsewhere. Within the zone, the French franc accounts for @@@ percent of the money supply while the West African CFA accounts for @@@ percent and the Central African cfa for @@@ percent. Trade-weighted, these are @@@ percent, @@@ percent, and @@@ percent, respectively. Hence, the French franc has a powerful effect on the purchasing power of the two CFA francs.

As a late producer of oil, Cameroon was able to learn from the experience of producers of the 1970s concerning the effect of petroleum exports on the non-oil economy. The government avoided getting addicted to temporary revenues (it did not mortgage future revenues, and it devoted a large percentage for investment, particularly in economic and social infrastructure), and so maintained low external debt. It kept both internal and external financial stability despite an unstable and unfavorable international environment. Although oil swelled personal incomes (of workers and--through the expenditure multiplier--the economy) and tax revenues, the SNH placed most of its oil profits in assets offshore. This partially isolated the money supply from oil revenues, and served to protect Cameroon from what is known as "the Dutch disease".

Dutch disease results from rapid growth in the domestic money supply when extraordinary foreign exchange earnings (in this case from petroleum export at high prices) are converted into local currency. If the productive capacity of the economy has not grown as fast or faster to provide goods and services to be purchased by this new liquidity, and if the excess is not completely sopped up by new imports, then the textbook economic example of "too much money chasing after too few goods" leads to domestic inflation. Inflation in turn makes local industry less competitive in both domestic and export markets; incentives to produce favor non-traded sectors while consumer incentives favor imports, and economic stagnation results. Although named with respect to oil in Holland, the disease has been observed as long ago as 16th century gold looting from the New World which led Spanish prices (under the gold standard) to exceed those of imports, to capital outflow and hence to the inadvertent financing of the industrial revolution in Northern Europe at the expense of potential Spanish industry which did not develop.

If the currency is not allowed to depreciate (within the Gold Standard or within the Franc Zone), the real exchange rate appreciates, so non-traded sectors become "favored" compared to export sectors, and exports become less profitable or unprofitable under Dutch disease, while import-substituting producers suffer as imports become relatively less expensive.

This can be prevented if earnings unrelated to the basic productive apparatus of the economy are spent on imported items; it does not matter whether for investment goods or consumer goods. It is not the productivity of the expenditure which is important (the choice between productive investment goods, "non-productive" public investment, or consumer goods is sometimes falsely cited), as it is the repurchase of foreign exchange. The problem is macroeconomic and should not be treated as a microeconomic or allocative phenomenon.

Through offshore placement of oil assets, Cameroon appeared to have avoided much of the Dutch disease. The government's economic managers, however, appears to have looked at the micro-economic elements more than the macro-economic one. Oil sector proceeds have been carefully concealed by the GRC and even its own projections produced by the "troika" (Lazard-Shearson-Warburg) can show balance of trade surplus or deficit according to how the "unknown" oil revenues are allocated (p. 21), so this is partially conjecture. The World Bank CEM (1987, p 39) calculates that 86 percent of oil revenues were actually reinjected into the economy even before the beginning of the crisis, to finance government investment and consumption. Consumption included an increase of 10 percent per year in the number of civil servants, as well as regular subsidies to those noncompetitive firms with public participation.

As the Government arrears have worsened in the current economic crisis, more, probably in excess of 100 percent, of these "black" reserves have probably been reinjected to cover current budget shortfalls. At the moment that the real economy slowed substantially (the growth in domestic goods and services on which to spend money is slowing), repatriation of reserves inflated the money supply.

The reduction in the real interest rate discourages placement of assets in the financial sector, to the point where the most common measure of financial deepening, M_2/GDP was 0.19 in 1983 (IBRD 1986, p. 10-11), less than most countries at a similar level of development and the second lowest (ahead of Niger but behind CAR) in the franc zone.

With costs higher than other African countries, Cameroon has become less competitive even within the CFA zone at a moment when the CFA zone has become less competitive due to the appreciation of the French franc against other currencies (particularly the U.S. dollar). The two phenomena are distinct in the analysis of the deterioration in the balance of payments.

Finally, the fall in oil prices as well as those of other primary commodities has reduced the source of finance which created the high-cost economy. Economic recovery depends on the flexibility of Cameroonian economic institutions to reduce this cost disadvantage, with the handicap that one institution--the monetary regime--is constrained in its reaction either through exchange rates or interest rates.

The emergence of Dutch disease has had a visible impact on Cameroonian economic institutions through its modification of the incentive structure facing actors within the institutional framework.

Fiscal and customs apparatus:

The increased cost differential between imports at border prices and those bearing the full tax burden has increased the economic incentives for potential importers or producers to bypass the formal system to obtain lower-cost imports. This increases the incentives for smuggling (fiscal or real) and bribery, and so at equilibrium the amount would be expected to increase unless incentives existed on the government side to restrain them. Employment security, which in the past provides an alternative incentive to wage for government employees administering these tools, has decreased at the same time wage receipts have lagged due to the government "squeeze" in its trying to get or conserve revenues.

From the point of view of policy-makers, there is a perception that tariffs "do not work", because high local costs lead to increasing uncompetitiveness of domestic enterprises under the existing tariff regime, no matter how high. In such a case there is both pressure from the constituents for quantitative restrictions against "dumping", and frustration with the "market" model of restricting tariffs. Hence, the policy makers have a strong incentive to undertake the "wrong" policy from the point of view of economic efficiency.

Under such conditions, economic incentives lead to a marginal incentive for corruption within the inflexible system, smuggling and informal economy outside the system to improve the functioning of the market.' Encouragement is also provided to production and distribution within the parallel economy.

The more strongly the Government tries to enforce and extend the existing structure, the more economic incentives lead the actors to attempt to escape it. Attempts to raise new taxes or levies for revenue purposes will be inefficient or counterproductive. The pressure to impose non-tariff barriers to imports will increase as tariffs appear to work less well than formerly at barring imports.

The resumption of growth is both a macroeconomic and microeconomic problem. The overall economy has adjusted largely to the previous level of oil revenues, while the cost structure reflects the more recent inflow which has put additional pressure on potential exporters, while increasing incentives to bypass the official import and fiscal mechanism. Allocational questions--tinkering with the government investment budget--will not be sufficient.

A more serious question is how to repair the institutional motivation created by Dutch disease. This is the major point of intervention for correction of the major policy contradictions already stated by the GRC (Plan directeur de l'industrialisation, 1988, Synthesis, page 13).

The first step is to recognize the problem for what it is, and not consider it as a microeconomic phenomenon which can be treated by tinkering.

Second, some existing institutions are clearly incorrect for such resumption and repair, and must be reworked and harmonized with the development strategy.

Financial sector:

Interest rate rules of the BEAC and GRC provide no motivation (i) for the private sector to increase its deposits in the formal financial system, or (ii) for banks to engage in higher-risk SME lending. The result, over 20 years of this system, has been a narrow base of deposits (principally the Government, large companies--mostly those doing business with the Government, and paristatals; there is no significant private deposit base to act as a cushion). When a liquidity crisis hits the GRC, the parastatals, the oil sector or the price stabilization fund, the banking sector is hurt directly and through the private contractors. Recently all of these accounts have been affected. The banking sector has no private deposit base cushion.

When it was hit, the banking system had no possibility of offering an interest rate differential to draw capital inflow, and so absorbed the full force of the withdrawals. Some banks abosrbed more, given the private sector switching among banks according to each bank's perceived strength.

Non-financial sector:

Most of the growth in the non-oil economy was generated in the non-tradeables sectors--construction, services, food crops. Overall there has been a virtual stagnation in the production of export corps in 1978-85. These sectors have different relations to government spending and thus will be affected differently by the liquidity crisis. In the first wave, government arrears has harmed firms depending directly on the government for their sales of goods and services.

The second wave may soon break, given the macro-economic multiplier-accelerator. Salaries not paid to civil servants and illiquid companies will reduce national purchasing power as this sinks in. The institutional analysis of this is complicated by traditional revenue-sharing in Cameroonian society, since civil servants are used to long delays in their salary payments and have mechanisms in place to maintain their level of consumption. As a result, unless a clear signal is given from the Government that individuals have been laid off, the attrition through job-quitters will be delayed. The team's brief impression is that sectors not depending directly on the government continue at their previous strength, but eventually will suffer from the downturn in purchasing power.

The IMF, IBRD, and CCCE assistance in foreign exchange will be counter-cyclical, but possibly not enough to arrest this process.

APPENDIX C.4
Summary of Industrial and Commercial Policy Instruments

This appendix is intended to give an overview of the instruments of Cameroonian industrial and commercial policy, their intended purpose, and their impact on actual development. For further research, consult Minist re du Plan (1988) and World Bank (1987).

I. Summary of the industrial policy statement of the Government:

-- "Government policy aims to create an economic and political environment which serves to encourage a more dynamic and competitive private sector becoming more technically efficient. The accent is on small and medium enterprises.

-- "Concerning trade policy, tariffs will be reformed to respond to the requirements of the business downturn. Also, the commercial regime will be reformed to create incentives for industrial efficiency in both domestic and export markets. The mechanisms of the Franc zone must be reviewed to this end, with the collaboration of all partners.

-- "Price control must be made flexible to create a competitive environment.

-- "Production taxes must be replaced by the VAT which distorts production less.

-- "The investment code must be revised to reduce its polarization toward large-scale projects. Incentives should reflect more increase in value added, foreign exchange earnings, and the training of skilled human resources."

II. GRC priorities in Sixth Five-year Plan for Economic, Social and Cultural Development:

1. Food self-sufficiency through the development of the rural sector;
2. Promotion of forestry exploitation;
3. Industrial development based on domestic raw materials (vegetable or mineral);
4. Encouragement of SMEs rather than LSEs;
5. Infrastructure improvement; and
6. Equitable distribution in regional development.

III. Ministries' roles in government policy

Plan and Regional Development: coordination in industrial planning, elaboration of Government plans under the 5-year plan.

Industrial and Commercial Development: investment plans, incentives (such as UDEAC taxe unique, TIP); national price control and awarding of licenses; management (through SNI) of the state investment portfolio in public and para-public enterprises.

Mines and Energy: Mines, energy, iron and steel, petroleum, and chemical development.

Agriculture: Works directly with the agricultural sector, with tasks divided with parastatal development societies and with ONCPB for exports. Not responsible for the following two ministries' coverage;

Livestock, Fisheries and Animal Industries: livestock, abattoirs, leather, milk products, fisheries;

Forests: Awarding forest concessions; timber industry.

Public Health and others: pharmaceutical supply, pharmaceutical sector development;

Labor: Application of laws on minimum wage;

Finance: Control of fiscal and tariff regimes.

IV. **Industrial and Commercial Policy:**

1. **Fixed exchange rate:** This is good for monetary stability, but does not reflect relative purchasing power with the French franc or other CFA countries, let alone 3rd countries. Must seek mechanisms to reestablish parity between FF and CFAF based on purchasing power and business cycle.

2. **Import rights:** UDEAC rules expressed in "Tarif des Douanes" and "Re glementation Douaniere". Two systems exist to treat imports according to their origin:

a. **Non-UDEAC trade:**

Imports are subjected to four columns in the tariff program:

i. **Droit de Douane** (DD), 0-30 percent of CIF value on all imports;
ii. **Droit d'Entrée**, 0-90-percent of CIF value on all imports;
iii. **Taxe sur le Chiffre d'Affaires** (TCA), now 10 percent of (CIF+DD+DE); and
iv. **Taxe Complémentaire**, a national tax which varies by state, 0-90 percent of CIF value of import.

The cumulative tariffs on non-UDEAC imports are relatively uniform within product categories under the Brussels Commercial Nomenclature (BCN), with progressiveness according to the degree of manufacture to protect domestic transformation. However, except for certain luxury items with high tariff, and some necessities such as fertilizer, agricultural machinery [!], basic foodstuffs, with low tariffs, tariff progression is relatively straightforward [sic] and uniform, favoring higher stages of production.

The following export taxes are imposed:

i. A two percent export tax is imposed across-the-board, for revenue purposes.
ii. Most manufactured exports are exonerated, however. NOT exonerated are textiles, leather articles, packaging.
iii. Many products have special taxes (bananas 17.5 percent, tobacco 15 percent, wood and lumber 15-46 percent; coffee or cacao are 50 francs per ton plus 1 franc per net kilogram, or approximately 42.5 percent).

b. **UDEAC trade:**

Taxe Unique (TU) is a regime given to particular enterprises. Only these can export within UDEAC. Ad valorem tax are imposed in country where the goods are sold according to its own schedule, but varies by country (for schedule, see Minist're du Plan 1988, Industrial Policy Sectoral study, table 4 p 26). This shows level of ERP by country within UDEAC. Goods under TU are still taxed, but comparatively much less so. Also, TU enterprises have unlimited exonerations on local and imported inputs!

Taxe à la Production, Taxe Interieure à la Production (TIP):
Manufacturing enterprises pay a tax on value of production. This reduces their competitive position against imports, and especially against local producers exonerated from duties under the TU. So, those who only sell at home get TIP instead of TU, which gives them the same advantage on imports of inputs as those under TU. While giving a price advantage, this modifies the ERP and discriminates heavily against any use of local raw or intermediate materials.

V. **Protection:**

Two aspects of commercial policy have invisible effects: quantitative restrictions (QRs) and ONCPB policy on agricultural exports. Three types of import restrictions exist (excluding health bans):

1. Sensitive products, with conditions attached to import, where local production doesn't meet demand--local products get scarcity rent and inefficiencies, amount unknown;

2. Products regulated by "pairing" as equivalent to local origin products, many of which also controlled under first regime; and

3. Other controlled products requiring prior authorization to import.

These are enumerated in Appendix B, Tables 4.1-4.3.

Protection tends to protect particular enterprises, not sectors. The average nominal tariff rate is 70 percent.

VI. **Price control:**

- The price control mechanism reflects the importance the GRC accords to price stability.
- Also, GRC is interested in preventing monopoly profits when limited competition among producers and distributors (although evidence cited above suggests the import regime is the primary creator of such monopoly).
- The mechanism used is: reference price increased by fixed margin over cost. Prices must be certified first, so enterprise must present documentation justifying level of expenses.

This is intended to protect the consumer, but instead encourages producer to increase their costs without increasing their efficiency. It is analogous to the system used in France, which is being phased out due to its pernicious effects. French sources suggest to the CDSS team that only when enough young controllers return from training in France with immersion in the new "philosophy" will phaseout of the existing system be possible; it is not a target for the CDSS.

The system of homologation is imperfect. Only 20 of 100 enterprises under its statute use homologation; the State is unable to control the others. This penalizes those who are in order, because of delays in the homologation procedure. It is an inefficient process for attempting to regulate monopoly.

VII. **Minimum Wage:**

Minimum wage plus 15 percent social security plus bonuses for seniority are paid in formal sector. Some industries pay above minimum wage. Price control legislation is to guarantee the purchasing power of this wage, not for any intrinsic purpose, so the minimum wage must be included in any consideration of abolition of price controls

VIII. **Investment code:**

The investment code was revised in July 1984. It favors new investments over existing enterprises (expansion, repair and maintenance, or operations) and thus means that firms within the same product line are not competitive one with the other, according to their date of qualification under the code.

Criteria are:

1. Size (advantages increase as investment size exceeds CFAF 500 million (regime A), 2.5 billion (regime B), or 5 billion (regime D)). Regime C *refers to SME under CFAF 500 million.

2. There are 3-4 criteria within each regime for A,B, and C.: local trained employment, or high value added in frontier areas are criteria for regimes A and B. The system thus has multiple goals.

But: the system is static, not dynamic. It doesn't use efficiency as a criterion, distorts incentives away from other sectors (services, commerce, construction).

IX. Financial Sector Policy:

In the financial sector review which the CDSS design team finds divorced from reality, the Master Plan calls for putting in place financial institutions and techniques for raising internal savings to channel them toward new development industrial projects. This we believe is not rational within the current policy environment. The government policy interventions proposed are as follows:

1. Household Savings: these are low individually, and widely dispersed. GRC can sell shares and bonds with favorable financial and fiscal stimuli; this requires a capital market and encouragement. Recommendation: raise interest rates so financial institutions can intermediate.

2. Business savings: Encourage industrial investment from other sectors, by fiscal incentives and parallel measures to discourage "inopportune" investments.

3. Public savings: Give favorable conditions on loans to promote infant industries which need special handling [??]; participate in capital and profit-sharing through financial institutions.

4. Other: The Conseil National des Credits should harmonize investment credit policy according to the Plan objectives and investor needs: taux d'int'r^{t} pr'f'rentiel (T.E.P.) can be extended to SME, to the discount rate for public development finance, to the national Treasury, with the taux d'int'r^{t} normal (T.E.N). for all others. The CDSS team disagrees strongly.

5. Encourage savings: This policy has not been thought out. It proposes interventions such as: discouraging luxury consumption and ask BEAC to publicize the possibility of placing savings assets in the Money Market (not yet extant) through bank accounts; letting banks propose better deposit interest rates; letting medium- and long-term deposit rates approach money market rates, and others.

X. Export promotion:

The analysis indicates that Cameroon has had little success in attempting to diversify outside the UDEAC region, except aluminum, cotton fiber, and lumber. Entrepreneurs don't know enough about regional and extra-regional markets. Noting that CNCE is responsible to fill this gap and promote exports, the study acknowledges that CNCE "unfortunately" lacks the resources to do so completely. A list of things CNCE should do is presented. The agreement between the GRC and the IMF calls on the GRC to reduce nonproductive trade missions in its overseas diplomatic missions, so this policy appears to be an orphan.

APPENDIX C.5

SOCIAL, POLITICAL AND INSTITUTIONAL ENVIRONMENT

1. Social Analysis

a. Balance and Equity as Issues of Fundamental Social and Political Importance

The first presidential regime after independence faced a crisis of legitimacy due to competitive--and sometimes violent--regional, ethnic, and economic interests. From its role as broker for national unity among divergent constituencies the presidency emerged as a highly centralized executive branch based on establishing working balance rather than consensus. This original role, however, has expanded progressively through interventions intended to stimulate economic growth and to offset inequities. The assurance of equity and balance has been an underlying political theme in the growth of the public sector.

The presence of Government in society and the marketplace created a new class of civil servants and public employees whose well-being is tied to sustained growth and political continuity.

In the current economic crisis, the GRC is confronted with the need to distribute the costs of austerity in the same fashion as it once distributed the fruits of economic growth. However, it finds it difficult to impose austerity on a system that is dependent upon personality and patronage.

b. The State Apparatus as a Unifying Force

The principal force for social and political stability in Cameroon has been has been the executive branch of government. By consolidating power in the presidency, leaders have encouraged a popular perception of the state as the principal guarantor of political and social equity, and the engine of economic growth. The costs of preponderant government participation in the economy have been high in terms of both fiscal burden and rising public expectations.

The personalization of power by presidents Ahidjo and Biya reflects the hierarchical tradition of several major ethnic groups as well as a force for mediation among competing interests. Although the role of government has evolved since independence, the centralization of power within rigid executive institutions has been reinforced over time.

The consolidation of formal power in the executive branch has been accomplished through the absorption of competitive interests (including political parties, labor unions, and traditional leaders) into a single national political party. At the same time, support of the traditional ethnic leadership has been sought through institutions which acknowledge its prerogatives in matters of local jurisdiction.

Popular activity is mobilized through the Cameroonian People's Democratic Movement, the sole sanctioned political party. In the absence of an official ideology, the CPDM is largely a forum for political activists. Membership is mandatory for traditional leaders, government officials, civil servants, legislators, and commercial elites, and replicates hierarchies found elsewhere in society. As an adjunct of the executive, its principal mission is to generate support for the regime at the popular level, assuring the presence of presidential loyalists in all areas of the country.

Following the 1972 Constitution (which allows the president to govern by decree), the legislative branch of government--the National Assembly--was left with few formal powers of its own and only limited tenure. Nonetheless, the early years of the Biya presidency saw a revitalization of its ranks, when legislative elections were thrown open to multiple candidacies. The result has been the emergence of a younger, somewhat liberal group of legislators and CPDM activists who enthusiastically support a nationalist, executive-centered economic and social agenda.

c. Centrifugal forces

i. Ethnic and Religious Interests

Cameroon has more than two hundred ethnic groups, whose linguistic, cultural, and political differences have often been perceived as a divisive force. While the Constitution recognizes the existence of ethnic, religious, and regional interests, overt politicization of these groups has been actively discouraged. Ranging widely in size, political complexity and social cohesiveness, they serve instead as informal interest groups. The Government attempts to downplay their importance as factors of policy and governance, although it remains sensitive to their concerns. Its emphasis on political balance and relative economic equity has become a critical feature of the decision-making process, as reflected in the apportionment of public resources and political appointments. As this balancing of interests has become institutionalized in practice, "scale-tipping" power blocs have sometimes gained disproportionate influence in policy-making.

Religious identity is a second factor influencing social and political balance. Islamic feudal tradition in the north contrasts with Roman Catholicism and Protestant Christianity in the south, with each often competing or assimilated with traditional beliefs. The Moslem-Christian dichotomy causes national political differentiation and constituency-building as salient as ethnic affiliation, and which cuts across ethnicity.

ii. Regional Interests and Imbalances

Ecological diversity has resulted in a variety of regional economic orientations which are reflected in concern by political actors to obtain particular technical assistance, infrastructural improvements, and more favorable market conditions for their regions. The predominance of particular export and food crops in certain regions has given a resilience to the national economy, but, internally, has served as a source of regional unity which cuts across ethnic and religious bounds.

Economic interest provides the principal force for regional cohesion. Regional elites seek to maximize gain to their constituencies within the national structure. Resources at the disposal of regional authorities are political capital, so projects and institutions have become their principal medium of patronage.

Uneven regional development serves as a source of social and political tension. For many decades, the economy has depended heavily on revenue produced by the more densely-populated and modernized southern provinces. A frequent challenge to governmental development policy comes from better-endowed regions, which argue that they are underwriting economic development efforts of less productive or deserving regions. The proliferation of regional development authorities and production schemes during the 1970s and 1980s attempted to redress regional economic imbalance.

iii. **Linguistic Regionalism**

An additional catalyst in regional competition stems from Cameroon's legacy of French and British colonialism, with the English-speaking minority located in the Northwest and Southwest provinces of the country. French and English-speaking constituencies with differing legal, administrative, and economic institutions compete for power and legitimacy within the nation, with the English legal apparatus better adapted to commercial law than the dominant French (Napoleonic) apparatus.

Institutionalized efforts to implement power-sharing between Francophone and Anglophone regions are a fixture of policy. However, frequent criticism has been voiced regarding lack of competitive awarding of government contracts to low-bidding Anglophone contractors, the assignment of innocuous ministerial portfolios to Anglophone cabinet ministers, or the undercutting of their economic and political power by the creation of parallel agencies and monopoly parastatals in Francophone regions. Some senior parliamentary and executive positions are designated--as a price for unity--as a prerogative of Anglophone interests.

iv. **Economic Classes**

The emergence of economic class structures in Cameroon is a recent phenomenon. The peasantry, the middle class, and government and mercantile elites--each occupy highly visible niches in the hierarchy of power and privilege,

Cameroon's peasant farmers, who constitute seventy percent of the population, and span all ethnic groups, religions, and ecological and administrative regions, are economically vital but unorganized, with little direct influence on the political process and policy-making. Their political disenfranchisement is evident in the high level of regressive indirect taxation and the urban bias of access to social services.

By contrast, the urban population has become a powerful minority receiving significant concessions. Its power results from progressive improvements in its educational level, its proximity to the seats of political and economic power, and its sensitivity to economic conditions. The urban population shows gross social and economic disparities, which includes large numbers of semi-literate and unemployed Cameroonian and foreign migrants. Employment in the informal sector (400,000)

exceeds that in the formal private sector (360,000), though both are dwarfed by the disenfranchised agriculturally active population (2.9 million).

Cameroon's civil service also has become a socio-economic class. While it constitutes no more than five percent of the population, its support is critical to the survival of the regime. Its political interests are cross-cutting in nature, representing regional and ethnic concerns as well as the preservation of its own privileged place in Cameroonian society. As key operatives of the governmental apparatus, its members can effectively promote--or block--policy at the implementation level. It is also well placed to lobby effectively.

2. The Political Environment

a. The ideological basis for state participation in the economy

Cameroon has a pragmatic political ideology. Although Ahidjo joined many independence-era leaders in a flirtation with "African socialism," pragmatism and European influence led him to a philosophy of government characterized as "planned liberalism."

State intervention in the economy was initially limited to guiding the direction of economic development through the establishment of five-year development plans, and implementing programs to meet specific development objectives. Rapid demographic growth, technological change, donor interventions, accelerated urbanization, and rising levels of education fueled a proliferation of institutions for political and economic management, expanding the role and size of government.

Similar changes occurred in the regulatory environment for business and trade. In seeking to secure an environment attractive to investors and entrepreneurs, the GRC shifted gradually from corrective regulation to protectionism. Government protection grew to include routine protection for even the least efficient and most costly industries. As a result, in popular perception, Government emerged as the institution responsible for solving developmental and economic ills.

The GRC initial commitment to increased employment, education and social services was thus transformed into an obligation to bear the full burden of their costs. This popular perception places a difficult political burden on the GRC as and if it attempts to shift the burden of structural adjustment onto the individual economic actors of the economy.

b. The Central Role of Executive Authority

The structure of political authority in the Cameroonian presidency is a model for hierarchical relations and behaviors throughout the public and parapublic system. The centralized character of executive government contributes to a pervasive system of personalized authority, patronage, and limited administrative transparency.

Policy-making, budgetary formulation, political appointments, changes in the structure of government, and parastatal management are all within the political domain restricted to the presidency, resulting in a highly-centralized executive branch that is subject to few checks and balances.

Only a limited number of persons directly influence executive decision-making. These are generally presidential advisors and appointees, ranking officers of the security apparatus, and leading members of the private sector. This select--but changing--group is accountable first to the president at whose pleasure it serves, and second to its own bureaucratic, regional, and social constituency.

Highly-circumscribed authority is delegated to cabinet appointees, executive agencies, and the cadre of civil servants whose numbers have proliferated over time. While reforms expanding decision-making power at the ministerial level were initiated in May 1988, this process continues to lead to poor coordination between functionally-related ministries. The incentive structure thereby created for bureaucratic motivation impedes both efficient administration and integration of policy formulation and implementation.

c. **Problems of Coordination in Policy-Making**

Responsibility for policy-making is formally assigned to two ministries: Plan and Regional Development, and Finance. The two cabinet divisions are functionally segregated and provide only a limited lateral flow of key information.

The relative influence of the ministries of Finance and Plan has shifted back and forth in recent years, as the President has sought a responsive policy body to cope with the economic crisis. This has caused operational discontinuity and rivalry, impeding the flow of information across ministries. Exchanges of information, complementarity of action, and inter-ministerial cooperation generally are limited to those ordered from above within the tightly-defined limits of Presidential order. The process deteriorates further when reforms are decreed by the Presidency and delegated to ministries uninvolved in their creation (and unaware of their implication) for implementation.

The policy role of Ministries is further undercut by the practice of creating task-forces and **ad hoc** commissions to represent all possible constituencies when addressing controversial policy issues. Finally, policy implementation is often undertaken through the creation of new institutions rather than by reforms in related line ministries, creating duplication.
The lack of joint ministerial responsibility in policy rises from both a narrow view of the policy-making process, and a preservation of internal power within the Presidency. Because Ministers are accountable politically to the President, many decisions are referred upward, even where the associated flow of information for sound policy-making is absent. This is replicated at lower levels, where spheres of personal responsibility are defined negatively and responsibility--but not always information--is forwarded to the hierarchy.

3. <u>The Process and Pace of Change</u>

The broad-based structural adjustment policies which the GRC is currently negotiating with the donor community call for changes of several types and degrees. Although policy and management reforms focus on common objectives--efficiency and economic growth--they may imply a radical change in government ideology and practice which entails a high level of political risk.

Despite the official commitment to structural adjustment, policy implementation is reactive to a number of key issues.

a. **Change and Preservation of the Regime**

Under the constitution, Cameroon's presidential regime enjoys both sweeping powers and unlimited tenure. With such an open-ended mandate its first and most important objective is to remain in power through the exercise of social controls and risk averse policies.

Unequal distributional impacts of either continued crisis or structural adjustment could mobilize opposition or else erode support for the regime in key constituencies. The threat of reviving dormant political activism is almost certain to cause the GRC to adopt a "go-slow" policy of structural adjustment.

Policy reforms in agricultural pricing, public employment and perquisites, parastatal and regional development agency closures, and cutbacks in highly-visible infrastructure development projects will be particularly susceptible to official caution.

b. **Ideological Shift in the Role of Government**

The GRC is publicly committed to provide social services, to guarantee employment, and to serve as the principal engine of economic growth.

Key policy reforms--including a shift of the cost-burden for health care, education, and other social services to the individual, devolution of the economic decision-making powers of central government, and liberalization of the marketplace--would represent both an ideological and operative revision of this commitment. Such change is likely to encounter resistance among the risk averse within official ranks and among the public.

c. **Absorbing the Economic Costs of Adjustment**

While a SAP will be presented to the public as a GRC initiative, in official perceptions the SAP will be an externally-imposed program, whose costs are to be shared, if not borne, by the international donor community which shared responsibility for the creation of some parastatals. This provides the GRC with nationalistic grounds for resistance to unpopular reforms while obtaining financing (including recurrent cost financing) for institutions which are the object of reform.

This will lead to policy linkage between individual donors, policy reforms, and institutions. While this may ensure close monitoring and timely support for reforms, it may also have the effect of fragmenting what is designed to be an organic process of political and institutional change.

d. **Reticence of Elites and Civil Servants in Implementing Reforms**

Patronage-based systems of governance are usually difficult to transform when economic returns on the investment of political capital decline. If governmental

elites are deprived of resources, their individual influence and powers of patronage will decline as well, resulting in the erosion of the regime's strategic power base. Institutional elites and political actors within the government can be asked to accept reform measures which do not threaten them.

Change might be accomplished gradually through a transition to merit-based employment and performance-based compensation. While causing initial dislocations within the regime's elite power base. This would encourage more efficient performance while preserving the advantages accorded to those in power.

Delays in implementing this policy may be expected. Layoffs or withdrawal of government subsidies for civil servants must be implemented by the very constituency most damaged by cutbacks.

e. Social and Political Costs of Increased Unemployment

A key problem related to the structural adjustment process is that of unemployment. The liquidation and reorganization of parastatal industry, and cutbacks in the ranks of the civil service will lead to a highly visible increase in the numbers of unemployed. The ability of private industry to absorb dismissed workers will be limited over the short-term by the liquidity crisis, government arrears to the private sector, and declining new investment.

The GRC can no longer create first-time employment for school graduates, a reversal of past practice. Better educated than their predecessors, the new generation of unemployed will seek government assistance under "the old rules" and could have a braking effect on policy reform.

f. Balancing Distributional Impacts

Progressive erosion or scaling-back of GRC services will become increasingly visible with or without structural adjustment. While cutbacks have heretofore been absorbed by more remote regions, they are unlikely to become generalized until compensatory measures are identified and funded.

The opportunity for budgetary rationalization and restored efficiency over the medium-term will be weighed against the political costs of diminishing public confidence on a region-by-region basis. This implies that cutbacks in GRC service provision will be implemented tactically and unevenly, to be the least visible in politically sensitive urban centers.

APPENDIX D

PARASTATAL COMPANIES: ORGANIZATION AND STATUS

I. The Parastatal Sector

> "The good performance of the Cameroonian economy is being badly eroded by the festering sore of the public enterprise sector."
> (World Bank Country Economic Memorandum, 1987; p. 26)

The emphatically harsh assessment cited above underscores one of the greatest policy challenges facing the GRC: management and reorganization of the parastatal sector.

State participation in the economy is pervasive, involving at least sixty companies operating under private and extraordinary corporate law in all economic sectors. Government equity is between 25 percent or more in forty of these, including nearly all of the nation's banks and major industries.

In the absence of a functioning equity market it is impossible to measure the value of government ownership and participation in the economy. However, using book value ("capital social") as an imperfect measure, the value of GRC equity is 63.5 percent (CFAF 198.6 billion) of the book value (CFAF 310 billion) of the non-governmental sector as a whole. In 1983/84 annual sales of State and para-public organisms were more than CFAF 900 billion, the equivalent of 28 percent of GDP.[1]

In 1984 value-added for the total portfolio of the Societé Nationale d'Investissement (SNI, the official GRC holding company) constituted 5 percent of GDP, while value-added by non-SNI parastatals included an additional 2 percent. In manufacturing industries, public and mixed public/private enterprises constitute approximately 40 percent of total value added. Total investments of companies in the SNI portfolio amounted to CFAF 50.7 billion in 1984, or 6.2 percent of gross fixed capital formation (1.6 percent of GDP).

The performance of the parastatals has, however, been a drain on public resources. Net operating losses in 1984 totalled CFAF 39.9 billion, including profits of CFAF 36.4 billion and combined losses of CFAF 76.3 billion. Given that government subsidies to parastatals are recorded above the line, it is probable that total operating losses of the parastatal sector in 1984 reached the level of CFAF 150-160 billion, or $425 million (World Bank 1987). In the absence of appropriate reforms these losses have compounded in the last four years, although the government has been hesitant to announce the full measure of parastatal losses.

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[1] Current financial data on the parastatal sector are difficult to obtain. The most comprehensive data available from the GRC Ministry of Finance are for the period 1983/84. This situation may be remedied if the GRC makes public the 1988 findings of the Inter-Ministerial Committee on Public Companies.

The parastatal sector's rapid growth--and eventual difficulties--began during the period 1968-1977, when the GRC reoriented its agricultural and industrial development strategy, adopting a more interventionist stance. Until 1968, private capital either had not been forthcoming for large investments, or it had belonged to groups which were considered "suspect" by the government--foreigners, or certain ethnic groups. This policy reflected an apparent loss of confidence in the speed with which the private sector and traditional farmers could contribute to national development goals.

Beginning with the establishment of a national holding company, SNI, in 1968 the GRC began to channel resources into parastatal companies which employed a 'hands-on' approach to development in all sectors of the economy and assumed an increasingly broad range of functions which had previously been carried out by the private sector.

In 1968 a presidential decree also provided the legal basis for the establishment of parastatal "societés de développement" and "missions de développement" which, while operating autonomously, were to assume a broad range of integrated development functions on a geographical basis. By 1970 ten parastatal development agencies were created, increasing to fourteen over the next five years. Growth of regional development parastatals continued under the Fourth Five Year Plan (1976-1980), under which the GRC proposed creation of an additional twenty companies. However, a lack of donor support led the government to abandon implementation of the majority of these.

By 1980 the GRC had created more than ninety parastatal companies, of which only fifty-seven have survived to the present.

The role of the donor community in the emergence of the parastatal sector was an important one. Participation of bilateral and multilateral donors in the financing and implementation of proliferating parastatal companies was an endorsement of the GRC's strategy of investing in import substitution industries and regional development schemes.

In the case of agriculture and rural development parastatals, the donor community was drawn to their combined service, production, and marketing role, structured around the participation of small farmers. This approach was well-attuned to the "basic human needs" and integrated rural development approach that was in vogue among donors during the 1970s. Donors action in certain instances was also prompted by the GRC's reallocation of investment resources away from small-holder agriculture during this period.[2]

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[2] Under the Second Five Year Plan (1968-1977) the GRC devoted 60 percent of all agricultural investment resources into the estate sector, in spite of the fact that 80 percent of agricultural output during this period was produced by small-holders.

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In the early 1980s donors began to retreat from support of the parastatal sector for a variety of reasons, including disappointment with the high recurrent costs and marginal impact of regional development parastatals, increasing redundancy and overlapping of parastatal agencies, and the outright failure of two of the GRC's largest projects. The Societé Camerounaise des Engrais (SOCAME), a fertilizer company, halted operations only several months after its establishment in 1976, at a loss to the GRC of CFAF 8 billion.

Several years later, in 1982, Cellulose du Cameroon (CELLUCAM) was liquidated, only one year after its inauguration, at a loss to the government of CFAF 259 billion, including CFAF 139 billion in external debt.

A particular weakness of GRC parastatal policy is found in laws governing financing. The SNI finances investment through the issue of Capital Equipment Bonds, subscription to which is obligatory for financial institutions, stabilization funds, marketing boards, insurance companies, and parastatal companies.[3] Article 6 of the legislation, however, states that should the means at SNI's disposal be inadequate to enable it to meet reimbursement of capital sums and interest due on bonds, the state shall take steps to assure necessary credit from budgetary or extra-budgetary accounts.

Extra-budgetary support through the SNI or directly to troubled companies has enabled the GRC to continue financing of deficit-producing parastatals. The burden of the GRC's obligation in this respect is one of the most serious factors undermining performance of the economy. At present, the majority of parastatal companies are experiencing serious financial difficulties and many have carried operating deficits since their inception (Table 9.1)

The pervasive reach of the parastatal sector has compounded the effects of this crisis. The banking system (in whose institutions the government holds equity ranging between 25 and 39 percent) is currently in the midst of a liquidity crisis generated by arrears on both official debt to the private sector and parastatal debt to the banking system itself. Hence, while the GRC maintains a legal obligation to service the debt of autonomous parastatal companies, it simultaneously depends on those same institutions to generate revenue.

Prior to any discussion of prospects for reform of the parastatal sector, it is necessary to understand the variety of legal arrangements under which state enterprises operate. With the exception of regional development authorities ("societés de développement"), no uniform legislation exists to regulate parastatal companies. Most have been created as the result of presidential decrees which define their legal status and mode of operation.

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[3] Interviews with a private insurance company indicated that while mandatory subscription to SNI bonds applies to all companies, businesses in which the government does not hold equity are increasingly refusing to honor this obligation.

Only two parastatals fall within the category of "Etablissement du Caractère Administrative". These are statutory companies, wholly owned by the State. The largest of these is the Societé Nationale d'Investissement (SNI), the government holding company for parastatal participation. The second company which is included in this legal category is INTELCAM, the international telecommunications company.

"Etablissements Publiques du Caractère Industriel et Commerciel" are public companies engaged in commercial activity, organized in a manner identical to that of the previous category. A number of these are fully owned by the GRC, including REGIFERCAM, the national railway, and the Office National de Commercialisation des Produits de Base (ONCPB), the commodities stabilization fund and marketing board. Among the parastatals, the ONCPB is a pivotal organization, owning equity in all regional and agricultural development companies, and most banks, hotels, and manufacturing enterprises. It is second only to the SNI in the book value of its portfolio as a parastatal holding company.

Also included within this group are the Caisse de Stabilisation des Prix des Hydrocarbures (CSPH), the Caisse d'Epargne Postale (Post Office Savings Bank), and the Caisse Nationale de Prévoyance Sociale (CNPS, the national social security fund). Profits and capital acquired by these entities are generally invested in regional development companies and in mixed public/private companies.

"Societés de Développement" are the only category of parastatal companies for which there is existing legislation (Loi de 11 juin 1968 and Decrêt de 15 juillet 1968). Created by presidential decree, these regional and agricultural development companies were created as a means of mobilizing mixed public and private capital for development purposes. With the exception of the cotton development parastatal, SODECOTON, in which the Compagnie Française de Développement Textile owns 30 percent equity, the GRC and its holding companies are the only institutions which participate in the capital of these organizations.

"Societés d'Economie Mixte d'Etat" are public companies which are created by presidential decree under technical, administrative, or professional mandates. With a portion of their equity reserved for private participation, they are variously referred to as "semi-public companies", "open companies", and "semi-open public companies." All are governed by administrative councils whose members are nominated by the President of the Republic. Management is under the technical guidance ("tutelle") of particular GRC ministries. The most important of these are given in the following paragraph. The GRC holds a majority in the water (SNEC), electric (SONEL), and Sugar (CAMSUCO) companies. The full list is given in Table 9.2

One category within this group, the "societé d'état de statut particulaire", is the subject of provisions waiving common law pertaining to the nature of their internal organization and fiscal controls. In effect, these provisions accord the GRC greater legal authority in administering parastatal companies under this rubric. Among the ten companies included in this category are the Banque Camerounaise de Développement, Cameroon Airlines, the Societé Camerounaise de Banque, the Societé National du Raffinage (the petroleum refinery), and the Union Centrale des Cooperatives Agricoles de l'Ouest.

The GRC has only recently begun to address the need for reform in the parastatal sector, convening a special Inter-Ministerial Committee to deliberate on a program for reorganization, privatization, and liquidation of individual entities. A measure of the GRC's earnestness in this task has been its forthright analysis of problems within the parastatal sector.

Among the problems which the GRC has noted are:

-- initial overdesign of investments for the size of the market and inadequate financial structure (low equity/ excessive borrowing);

-- absence of clear corporate objectives, and the pursuit of social objectives without adequate financial compensation;

-- inefficient management, over-staffing, excessive bureaucratic structure, absence of performance criteria, strategic planning, and effective financial controls;

-- external governmental interference and politicization of management; and

-- the absence of competition, resulting in few incentives for cost and quality-controls.

Reform of the parastatal sector is one of the principal conditionalities of the Structural Adjustment Program which the GRC is currently negotiating with the World Bank. However it is unlikely that this agreement will proceed until resolution of modalities for privatization, reorganization, and liquidation are negotiated among competing interests within the GRC itself. This promises to become a lengthy process for several reasons. Individual constituencies within the government will seek to protect ethnic, regional, and competitive interests that are inextricably tied to particular parastatals. Moves toward privatization will be slow due to concerns about the prospect of control of companies becoming concentrated within particular ethnic groups.

Table 9.1
Costs of Maintaining Major Agricultural, Industrial and Regional Development Parastatals
(Annual results in million of CFA Francs 1988/89)

Name	Expenditure	Income	Operating Deficit	Principal Activity
CDC	2,390	1,540	1,850	Estate Crops
CENEDEC	1,240	390	850	Cooperatives
CENADEFOR	2,970	150	2,820	Forest Products
CDNEEMA	1,000	100	900	Mechanization
HEVECAM	4,100	3,400	700	Rubber
MAETUR	13,600	13,200	400	Urban lands development
MAGZI	1,640	600	1,040	Industrial zone development
MIDENO	1,480	0	1,480	Regional Development
MIDEVIV	4,300	370	3,930	Food Development/Security
MIDO	500	0	500	Regional Development OFFICE
CEREALIER	1,210	630	580	Cereals Stabilization
ONAREF	4,790	1,460	3,330	Forest Products
ONDAPB	4,500	3,650	850	Poultry/Small Ruminants
ONPD	1,200	0	1,200	
SEMRY	11,430	2,830	8,600	Rice
SODECAO	12,500	2,400	10,100	Cocoa
SODECOTON	41,000	27,280	13,720	Cotton/Regional Development
SODENKAM	930	160	770	Regional Development
SODERIM	1,070	90	980	Rice
UNVDA	4,500	3,900	600	Rice
WADA	1,010	690	320	Regional Development
ZAPI-EST	3,600	2,800	800	Regional Development
Total	121,960	65,640	56,320	

Source: World Bank, 1988d

Table 9.2
The Cameroonian Parastatal Sector

Companies in which GRC holds equity ranging between 1.97 per cent and 100 per cent.

ALCOCAM	Alcool du Cameroun
ALUCAM	Compagnie Camerounaise d'Aluminium
AMACAM	Assurances Mutuelles Agricoles du Cameroun
BCCC	Bank of Credit and Commerce-Cameroon
BCD	Banque Camerounaise de Développement
BEAC	Banque des Etats de l'Afrique Centrale
BGT	Brasseries et Glacièrs Internationales
BIAO-C	Banque Internationale de l'Afrique Occidentale--Cameroun
BIC	Briqueterie Industrielle du Centre
BICIC	Banque Internationale pour le Commerce et l'Industrie du Cameroun
CA	Cameroun Actualités
CAA	Caisse Autonome d'Amortissement
CACOCOM	Camerounaise de Coton et de Compresses Bandes
CAEFC	Chambre d'Agriculture d'Elevage et des Forets du Cameroun
CAMAIR	Cameroon Airlines
CAMATRANS	Société de Transit Maritime Delmas-Vieljeux Cameroun
CAMBANK	Cameroon Bank
CAMELCAB	Cameroon Electric Cables
CAMEP	Société Camerounaise d'Etudes et de Promotion pour l'Afrique
CAMSHIPLINES	Cameroon Shipping Lines
CAMSUCO	Cameroon Sugar Company
CAMTAINER	Société Nationale de Transport des Containers et de Transit du Cameroun
CAN	Conserverie Alimentaire du Noun
CAPLABAM	Coopérative Agricole des Planteurs de Bamboutos
CAPLAHN	Coopérative Agricole des Planteurs du Haut Nkam
CAPLAME	Coopérative Agricole des Planteurs de la Menoua
CAPLAMI	Coopérative Agricole des Planteurs de la Mifi
CAPLANDE	Coopérative Agricole de Planteurs du Ndé
CAPLANOUN	Coopérative Agricole des Planteurs du Noun
CAPME	Centre national d'Assistance aux Petites et Moyennes Entreprises
CCIMC	Chambre de Commerce, d'Industrie et des Mines du Cameroun
CDC	Cameroon Development Corporation
CDEN	Caisse de Développement de l'Elevage pour le Nord
CDENO	Caisse de Développement de l'Elevage pour le Nord-Ouest
CDPM	Caisse de Développement de la Pêche Maritime
CEFAM	Centre de Formation pour l'Administration Municipale
CENADEC	Centre national de Développement des Entreprises Coopératives
CENADEFOR	Centre National de Développement des Forêts
CENAFOP	Centre National de Formation Professionnelle Continue
CENEEMA	Centre National d'Etudes et d'Experimentation du Machinisme Agricole
CEPC	Caisse d'Epargne Postale du Cameroun
CEPER	Centre d'Edition et de Production pour l'Enseignement et la Recherche

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CFC	Crédit Foncier du Cameroun
CFGG	Compagnie Forestière du Golfe de Guinée
CFSO	Compagnie Forestière Sangha-Oubangui
CHC	Cameroun Hotels Corporation
CHOCOCAM	Chocolaterie Confiserie Camerounaise
CHU	Centre Hospitalier Universitaire
CICAM	Cotonnière Industrielle du Cameroun
CIMENCAM	Les Cimenteries du Cameroun
CNCC	Conseil National des Chargeurs du Cameroun
CNCE	Centre National du Commerce Extérieur
CNIC	Chantier Naval et Industriel du Cameroun
CNPS	Caisse Nationale de Prévoyance Sociale
CNR	Caisse Nationale de Réassurance
COCAM	Les Contreplaqués du Cameroun
CP	Centre Pasteur
CPE	Cameroun Publi-Expansion
CPLS	Comité Provincial de Lutte contre la Sécheresse dans le Nord
CRADAT	Centre Régional Africain d'Administration du Travail
CREPLA	Centre Régional de Promotion du Livre en AFrique
CREVECAM	Crevettes du Cameroun
CRIDSB	Centre Régional d'Information et de Documentation Scientifiques sur la Biosphère
CSPH	Caisse de Stabilisation des Prix des Hydrocarbures
CTMC	Compagnie de Transformation des métaux au Cameroun
CTV	Cameroon Television
CUB	Centre Universitaire de Buéa
CUD	Centre Universitaire de Douala
CUDS	Centre Universitaire de Dschang
CUN	Centre Universitaire de Ngaoundéré
ECAM-PLACAGE	Compagnie d'Exploitation Industrielle des Bois du Cameroun
ELF-SEREPCA	Société Elf de Recherches et d'Exploitation des Pétroles du Cameroun
FEICOM	Fonds Spécial d'Equipment et d'Intervention Intercommunale
FGA	Fonds de Garantie Automobile
FODIC	Fonds de Développement de l'Industrie Cinématographique
FOGAPE	Fonds d'Aide et de Garantie aux Petites et Moyennes Entreprises
FONADER	Fonds National de Développement Rural
GETRAM	Société Générale des Travaux Métalliques
HEVECAM	Société Hévéa Cameroun
HYDRAC	Hydrocarbures Analyses Contrôles
ICAB	Industries Camerounaises et Annexes du Bâtiment
IMPM	Institut de Récherches Médicales et d'Etudes des Plantes Médicinales
IN	Imprimerie Nationale
INTELCAM	Société des Télecommunications Internationales
IRA	Institut de Recherches Agricoles
IRGM	Institut de Recherches Géologiques et Minières

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IRZ	Institut de Recherches Zootechniques
ISH	Institut des Sciences Humaines
LABOGENIE	Laboratoire National du Génie Civil
LANAVET	Laboratoire National Vétérinaire
LONACAM	Office de la Loterie Nationale du Cameroun
MAB	Comité Permanent de l'Homme et de la Biosphère
MAETUR	Mission d'Aménagement et d'Equipment des Terrains Urbains et Ruraux
MAGZI	Mission d'Aménagement et de Gestion des Zones Industrielles
MAISCAM	Maïserie du Cameroun
MATGENIE	Parc National de Matérial de Génie Civil
MEAL	Mission d'Etude pour l Aménagement du Littoral
MEAVSB	Mission d'Etude pour l'Aménagement de la Vallée Supérieure de la Bénoué
MEDSE	Mission d'Etude pour le Développement du Sud-Est
MIDEBOM	Mission de Développement l'Embouche Bovine de Mbandjock
MIDENO	Mission de Développement de la Province du Nord-Ouest
MIDEPECAM	Mission de Développement de la Pêche Artisanale Maritime
MIDEVIV	Mission de Développement des Cultures Vivrières, Maraîchères et Fruitières
MIDO	Mission de Développement d'Ombessa
MIYAO	Menuiserie Industrielle de Yaoundé
NCC	Nouvelle Cimentèrie du Cameroun
NOBRA	Nouvelles Brassèries Africaines
NPC	Ntui Pineappple Corporation
OC	Office Cérealier
OCB	Organisation Camerounaise de la Banane
OCC	Office Commercial Camerounais
OCFT	Office du Chemin de Fer Transcamerounais
ONAC	Office National des Anciens Combattants
ONAREF	Office National de Regenération des Forêts
ONES	Office National des Equipements sportifs
ONCPB	Office National de Commercialisation des Produits de Base
ONDAPB	Office National de Développement de l Aviculture et du Petit Betail
ONPC	Office National des Ports du Cameroun
ONPD	Office National de Participation au Développement
OPV	Office Pharmaceutique Veterinaire
REGIFERCAM	Régie Nationale des Chemins de Fer du Cameroun
SABC	Société Anonyme des Brasseries du Cameroun
SABM	Société Anonyme de Broyage de Minerais du Cameroun
SAFACAM	Société Africaine Forestière et Agricole Cameroun
SATC	Société d'Applications Techniques au Cameroun
SBAC	Société Bastos Cameroun
SCB	Société Camerounaise de Banques

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SCDP	Société Camerounaise des Dépôts Pétroliers
SCEF	Société Camerounaise d'Exploitation Forestière
SCDM	Société Camerounaise de Métallurgie
SCM	Société Camerounaise de Minoteries
SCS	Société Camerounaise des Sacheries
SCT	Société Camerounaise des Tabacs
SEBACAM	Société d'Etude des Bauxites du Cameroun
SEFERCAM	Société d'Etude de Fer du Cameroun
SEITA	Société d'Exploitation Industrielle des Tabacs et des Alumettes
SEMC	Société des Eaux Minerales du Cameroun
SEMRY	Société d'Expansion et de Modernisation de la Riziculture de Yagoua
SEPBC	Société d'Exploitation des Parcs à Bois du Cameroun
SFIA	Société Forestière Industrielle de l'Azobe
SGBC	Société Générale de Banques au Cameroun
SGHC	Société des Grands Hôtels du Cameroun
SHE	Société Hôtelière de l'Est
SHNC	Société Hôtelière du Nord Cameroun
SIAMBOIS	Société Industrielle des Ateliers Modernes
SIC	Société Immobilière du Cameroun
SICC	Société Industrielle Camerounaise de Cacao
SNEC	Société Nationale des Eaux du Cameroun
SNH	Société Nationale des Hydrocarbures
SNI	Société Nationale d'Investissement
SOCADRA	Société Camerounaise des Droits d'Auteurs
SOCAMAC	Société Camerounaise de Manutention et d'Acconage
SOCAME	Société Camerounaise des Engrais
SOCAPALM	Société des Palmeraies du Cameroun
SOCA	Société Camerounaise de Réassurance
SOCARAVE	Société Camerounaise de Raffinage des Huiles Végétales
SOCATOUR	Société Camerounaise de Tourisme
SOCATRAL	Société Camerounaise de Transformation de l'Aluminium
SOCAVER	Société Camerounaise de Verreries
SOCOODER	Société Coopérative de Développement et d'Epargne Rurale
SODEBLE	Société de Développement de la Culture et de la Transformation du Blé
SODCAO	Société de Développement du Cacao
SODECOTON	Société de Développement du Coton du Cameroun
SODENKAM	Société de Développement du Nkam
SODEPA	Société de Développement et d'Exploitation des Productions Animales
SODERIM	Société de Développement de la Riziculture dans la plaine de Mbo
SOFIBEL	Société Forestière et Industrielle de Belabo
SOFOS	Société Forestière de Sangmelima
SOHLI	Société Hôtelière du Littoral
SOLADO	Société de Laminage de Douala
SOLICAM	Société Textile du Cameroun pour le Linge de Maison
SOLOCAM	Société de Location et de Construction du Cameroun
SONACCOM	Société Nationale de Commercialisation des Plantes Médicinales
SONADIC	Société Nationale des domaines Industriels du Cameroun
SONARA	Société Nationale de Raffinage
SONEL	Société Nationale d'Electricité

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SOPECAM	Société de Presse et d'Editions du Cameroun
SOTUC	Société des Transports Urbains du Cameroun
SPFS	Société des Palmeraies de la Ferme Suisse
STEC	Société des Tabacs de l'Est
SYNTHECAM	Société Camerounaise pour la Fabrication des Tissus Synthétiques
TANICAM	Tanneries Industrielles du Cameroun
TEPCAM	Total Exploration Cameroun
UCAC	Union des Coopératives des Planteurs de Cacao et de Café du Centre
UCA-SUD	Union des Coopératives des Planteurs de Cacao et de Café du Sud
UCCAO	Union Centrale des Coopératives Agricoles de l Ouest
UNVDA	Upper Nun Valley Development Authority
UTAVA	Unité de Traitements Agricoles par Voie Aérienne
WADA	Wum Area Development Authority
ZAPI-Est	Zones d'Actions Prioritaires Intégrées de l'Est

Table 9.3
Control of Parastatals by Ministry

Ministry	No. Parastatals	
Presidency	5	
Agriculture	21	
Commerce & Industry	19	
Finance	14	(of which, 5 banks)
Plan	14	(of which, 4 regional dev't orgs)
Transport	13	
Education & Research	11	
Livestock & Fisheries	9	
Information and Culture	8	
Mines & Energy	3	
Equipment	2	
Urbanization & Housing	2	
Health	2	
Labor	2	
Post Office	2	
Other	4	
Total	131	

APPENDIX E

Agriculture Sector Analysis

The purpose of this agriculture annex is threefold - to give:

I. **A current overview of the portfolio:** This section includes a brief status of the implementation and summary of observation; presents opportunities to improve strategic relevance; and possibilities for modification.

II. **A Summary of the Agriculture Sector Review conducted by the World Bank and USAID and its complementarity to the USAID agriculture portfolio:** This section includes the major findings and recommendations of the joint WB/USAID review, the strategic issues and new direction for Bank lending.

III. **New interventions/programming options:** This section will explore the opportunities for future programs guided by the major themes of operational flexibility, and, sustainability which leads to long term growth in the sector.

I. Current overview of the portfolio:

The existing portfolio includes seven major projects:[1]

A. National Cereals Research and Extension (NCRE)
B. North Cameroon Seed Multiplication (NCSM)
C. Tropical Root and Tuber Research (ROTREP)
D. Credit Union Development (CUD)
E. Fertilizer Subsector Reform (FSSRP)
F. Cameroon Agriculture Policy and Planning (CAPP)
G. Agriculture Education (See appendix G., Education Sector Analysis)

The NCRE II, LOP $43 million, PACD 12/95, Contractor -- IITA

Purpose: To provide assistance to the development of a Cameroonian capacity to conduct quality research on maize, rice, sorghum, millet, and continue to facilitate utilization of research results by farmers.

1. Due to the richness and diversity of the agricultural environment: climate, fertility, extensive network of agronomic research centers and government commitment, Cameroon has been targeted as one of the few sub-Saharan countries which has a potential to "generate and transfer" research technology to other regions in Africa.

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[1]The Agricultural Management and Planning (AMP), that has a PACD of 10/30/89 will be discussed in the context of the CAPP and the Bean/Cowpea CRSP will be discussed in relation to the NCRE. Also the FSSRP is included within the agricultural portfolio because of its significant agricultural content and its close relationship to other agricultural sector programs; however, as a privatization/reform effort, FSSRP is managed out of the Mission's Program Office.

The major focus of the NCRE has been on varietal breeding and testing, agronomic improvements, and some cultural and economic analysis. Testing and Liaison Units (TLU) are the farming systems research (FSR) component of the NCRE. Some of the noteworthy achievements as regards varietal breeding and agronomic improvement include:

- 50% increase in rice yields over existing varieties.
- 20% increase in sorghum yields
- 20% increase in maize yields and streak resistant.
- 5% increase in maize and sorghum yields on intercropping with various legumes in different ecological zones.

All of the improved varieties have been released in Cameroon and maize and sorghum breeder seed exported to neighboring national and international research centers for multiplication and diffusion. The TLUs have developed strong linkages with farmers, extension services and parastatal organizations. On farm research has had less measurable benefits. Varieties have been screened and spread to the farming community, profitable rates of chemical fertilization and agronomic practices have been determined for several areas. However maintaining a closer linkage between socio-economic survey and analysis and experimentation activities must be a top priority.

In addition, on-farm research is expensive and needs to be assessed relative to the cost/benefits of on station research. While they are complimentary, the GRC needs to prioritize and develop an appropriate, sustainable research agenda.

2. **Opportunities to Improve Strategic Relevance:** Some factors have changed since project design which the Mission intends to address in a major evaluation during May/June of 1989:

   a) The GRC financial crisis resulting in a zero operating budget allocation to the Institute for Agricultural Research (IRA).

   b) The on-going ISNAR analysis on research priorities, and management restructuring.

   c) IITA development of its new medium-term strategy where the changes of its research mandate and complementarity with other CGIARS, impact upon the direction of the NCRE.

3. **Possibilities for modifications to the NCRE to improve its impact:.** The Mission has prepared a comprehensive scope of work and has identified a senior level evaluation team to address the issues above. Given IITA's regional redirection of its mandate, contractual and management options will also be a critical element of the evaluation. Some of the following areas will be assessed in more detail for their feasibility:

a) Long-term - a sector grant which would simply provide recurrent support to IRA; relevant CGIARs supporting commodity improvement: develop conditionality for the recurrent cost support to lead IRA to restructure its crop research system.

b) Medium-term - Separate the TLUs and define it as a separate project. Develop stronger linkages with the CGIARs to support the breeding and agronomic on station research.

c) Short-term - The current IITA contract expires in December 1990. Between now and 1990 the groundwork can be laid for several forward looking interventions. Some of these include: improved information and research networking on each variety for acceptable performance prior to dissemination; determinants of the economics of production; further the ISNAR study to reduce irrelevant sub themes and provide determinants of cost/benefit analysis per theme; develop monitoring system for changes and impact thereof of the policy and parastatal and civil service reforms on extension, education (UCD) and marketing efficiencies; determine marketing opportunities for commodities that appear to have regional surplus; assess relevance of adding soils research and other commodity groupings such as bean/cowpea, peanut or even adaptive research on cash crops; strengthening of the collaboration between production parastatals, and the seed multiplication farms.

4. It must be noted that in the NCRE project, a baseline survey and economic impact reviews were recently conducted and standardized statistical and economic methodologies are being established at the TLUs. It is apparent that the economic impact has been great although difficult to accurately attribute to the NCRE. Given IRA's normal delays in the development of its research program and the lag in farmer acceptance and utilization curve for new technology, this program is evolving very well in relation to the normal evolution of other national research programs in Africa.

The NCSM, LOP $17 million, PACD 12/91, Contractor - DAC

Purpose: To create an institution which will multiply adequate quantities of improved corn, sorghum, cowpeas and peanut seeds for distribution to farmers.

1. This project has been more of an institution building project than was recognized in the initial design and has established a prototype concept for the multiplication of the improved seed material produced under the NCRE. A revised Project Paper Supplement and Agreement were recently negotiated and signed in August of 1988. The new Agreement combined with the appointment of a new and dynamic Minister of Agriculture has resulted in a heightened interest in this project by the GRC. The project continues to do well in meeting its production goals and the contract farming has been expanded successfully and according to plan. Contract farming has been expanded to comprise over 100 hectares and approximately 200 farmers.

The contract for construction of the seed processing plant was signed and construction is currently underway. Coordination of this project with the NCRE and SODECOTON, the cotton parastatal and largest buyer of seeds, has considerably improved and the definition of a coherent government seed policy and varietal release board is developing.

2. **Opportunities to Improve Strategic Relevance:** Some factors that have changed the institutional environment (in which this project operates) during the last year and which the Mission intends to address in the context of the revised supplement and agreement are:

   a) Shortfall in the GRC budget of Projet Semencier Nord (PROSEM) stemming from the financial crisis.[2]

   b) Liquidation of MIDEVIV, the parent parastatal organization of PROSEM.

   c) GRC and USAID recognition that: 1) seed multiplication is a necessary developmental link between NCRE research efforts and farmer productivity and economic growth, and 2) the seed multiplication farm represents real opportunity to participate in the "privatization" arrangements, 3) there is a great need for an information base on the demand for improved seeds and sensitivity of this demand to prices. Presently, costs of production exceed revenues under current policy.

3. **Possibilities for modification to NCSM to improve its impact:** The Mission has prepared a strategic planning tool to guide its actions toward the goal of "sustainability" of the farm at Sanguere. To summarize the strategic thinking we have divided the actions into two, short-term and long-term development.

   a) Short term: Given the recent GRC commitments to provide PROSEM Nord with enough operating monies to sustain production operations and USAID commitments to construct the modern seed processing plant and continue technical assistance, both parties recognize the urgency of developing plans to make the farm as self-sufficient as possible. There appears major constraints in developing this scenario given the absence of a coherent seed policy on pricing, marketing and management. However, this is the challenge before us and USAID is in the best position among the donor community to participate in the conceptualization and implementation. Our plans include policy dialogue with the Ministry of Agriculture on: economic and political feasibility of selling, leasing or giving the plant to a private firm;

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[2] PROSEM Nord is defined as five seed multiplication farms located in the North and Extreme North Province of Cameroon. The NCSM project has its mandate in only one - Sanguere farm located close to Garoua.

developing new marketing arrangements for expansion. The planning also includes information gathering from successful seed farms in the Ivory Coast, Nigeria, Zimbabwe and Kenya; assessments from U.S. hybrid production firms.

b) Medium term: USAID foresees that given the short lead time to PACD to develop a coherent and sustainable strategy for the GRC, other feasibility assessments will need to be conducted. If our earlier studies show that privatization can work by 1992 or soon after USAID may consider very limited assistance to monitor and finance post-project maintenance of the privatization through an institutional contract, a concept encouraged by AID/W.

ROTREP, LOP $5.7 million, PACD 9/91, Contractor - UMES

Purpose: To improve the socio-economic welfare of farmers in Cameroon by increasing the productivity of cassava, yams, cocoyams and sweet potatoes.

1. This project has had an excellent beginning in developing its institutional linkages with IRA, IITA other CGIARs; establishment of the tissue culture laboratory and greenhouse, selection of accessions and determinations of growth patterns and response to disease; completion of survey on researchable problems including storage, processing and utilization of roots and tubers; and long and short term training. Because of the importance of roots and tubers in family consumption and production patterns as well as a source of cash income in Cameroon, new areas of project intervention will be necessary.

2. **Opportunities to Improve Strategic Relevance:** Some factors that will affect future redirection for the ROTREP are:

   a) IITA Medium term strategy which has as a mandate cassava improvement but is dropping cocoyam.

   b) The on-going ISNAR analysis on research priorities and management restructuring.

   c) Apparent production surplus of roots and tubers due to modern technical output of the project.

   d) New areas of processing and marketing of a transformed commodity.

3. **Possibilities for modification to the ROTREP to improve its impact:** The Mission will prepare in the next few months (May/June 1989) a comprehensive scope of work for a project evaluation which will be conducted in August/September. We do not envision major changes in this project but some areas will need to be addressed during the next two years.

Some discussion of these follow:

a) The IITA medium term strategy, to be implemented by 1990, underscores a need for establishing a breeder and agronomic expertise in the Central Province of Cameroon. IITA headquarters also has a tissue culture laboratory in Ibadan. Complementarity in research mandates between the two entities must be addressed. IITA and UMES recently signed a MOA which signals a beginning of that process. Strengthened collaboration will be needed between the NCRE TLU at Ekona and the ROTREP in areas of on farm testing and economic surveys.

b) The draft ISNAR/IRA priority study shows that roots and tubers as a research commodity group is among the top priorities for resource assistance. The IRA has recently strengthened their commitment to the ROTREP by assigning additional counterparts and allocating funds for the infrastructure development. Cost/benefit analysis of the researchable subthemes will be a major exercise this summer and USAID intends to closely monitor this development. Given limited GRC funds the issues of relevance and affordability must be addressed.

c) Given the great potential in roots and tubers production in Cameroon through use of tissue culture and rapid seed multiplication practices, the issue of identifying increased demand and the economic consequences must be addressed.

d) In concert with the above issue on supply and demand, new areas of processing and transforming the commodity must be addressed. In addition, marketing of roots and tubers must be cost efficient and potential regional export markets must be explored. The project does not foresee a great leap in production until 1992. However, the feasibility studies will need to be conducted during the next two years.

CUD II, LOP $3.2 million, PACD 9/91, Contractor - WOCCU

Purpose: To strengthen Cameroon's national and regional credit union structures to continue provision of needed services to credit unions and members; to expand the credit network served by CamCCUL.

Self-sustained economic growth requires that savings be mobilized and channeled into productive investments.

1. Recent evaluations showed that the CamCCUL of anglophone Cameroon is a success story of financial intermediation. Responsible management combined with a prudent program of savings mobilization and lending services has resulted in a financially viable credit union/League structure involving almost 70,000 people.

Today, CamCCUL represents approximately 120 registered credit unions and 114 discussion groups with share savings of more than CFAF 9 billion, and loans outstanding of more than CFAF 6 billion. Current data indicates that of the 70,000 total membership, 10,000 reside in francophone areas. One important area of implementation during the second phase of the project will be the assessment and feasibility of the expansion factor. The impact evaluation team of July 1988 stated that the rapid expansion through the creation of new affiliates could weaken the viability of the credit union movement.

However, in light of the problems other formal financial institutions in Cameroon are facing today, credit unions should be a more attractive alternative for people in both urban and rural areas. To implement a successful expansion program, however, will require a survey by trained banking specialists to assess the feasibility and/or trained promotion experts to encourage mobilization and organization.

2. **Possibilities for modification of CUD to improve its impact**

   a) The league should consider the creation of a business advisory service to assist members receiving productive, small enterprise credit. Small entrepreneurs lack basic skills of bookkeeping and inventory control to make their business viable.

   b) In view of the interference that some credit unions have experienced from sources outside the movement, and the potential that exists for further interference given Cameroon's liquidity problem, the CamCCUL should closely follow and support cooperative law changes that encourage government non-involvement.

Fertilizer Sub-Sector Reform (FSSRP):
Program: LOP $17.0 million, PACD 9/29/92
Project: LOP $ 3.0 million, PACD 9/29/89, Contractor - None

Purpose: The program's purpose is to support the GRC's effort to: (1) progressively liberalize fertilizer importation and distribution; (2) eliminate fertilizer subsidies in phases; and (3) continue the expansion of the private sector in the financing, importation, and distribution of fertilizer. In short, to create a sustainable, subsidy-free, competitive market for fertilizer in place of a government-administered system. The purpose of the companion project is to provide technical and other assistance in support of the program's objectives.

1. Prior to launching operations, the GRC fulfilled the program requirements by dismantling the institutional arrangements supporting the government monopoly system. As a result, public tenders were abolished, all forms of quantitative allocations were removed, and a plan calling for the phased elimination of subsidies over four years was adopted. At the same time,

new arrangements were introduced to reduce government control over disbursing subsidy and loan funds and to provide incentives and financial resources to encourage private sector involvement.

With the liberalized institutional arrangements in place, operations under the FSSRP began in 1988. A recent GRC-USAID assessment concluded that despite a late start, the program hand notable success in its first year:

- 63,000 tons of fertilizer were imported under the program, an amount equal to the last year of the government monopoly.

- The subsidy rate was cut from 65 percent to an average of 33 percent; moreover, in-country pricing better reflected actual costs and nutrient content.

- The time-lag between placement of orders and delivery of fertilizer was cut in half to an average of seven months.

- Overall, the privatized system created within the FSSRP's framework was more efficient, reducing in-country costs alone by about 16 percent.

For the second year the subsidy rate has been further reduced to an average of 22 percent and improvements have been made in the regulations governing access to FSSRP financing. It is hoped that the second and subsequent years of the program will build on this initial success by following the subsidy removal plan, increasing the tonnage imported, expanding the number of participating importers and distributor's to ensure competitive conditions prevail, and extending the regions covered by distributors.

2. **Modifications to Improve FSSRP Impact**

The recent assessment pointed out that the fertilizer supply system (finance, importation, distribution) is relatively well-functioning. At the same time, the numerous factors that determine fertilizer demand are not well understood, are poorly coordinated, and are ultimately more likely to determine long-run program success. Thus, the FSSRP needs to focus more attention on understanding and improving linkages between elements that facilitate the articulation of demand (research, extension, and so forth).

To move in this direction, the FSSRP has embarked on the implementation of a program monitoring network that includes census data, farm surveys, agricultural trials and demonstrations, and special studies that are intended to monitor progress toward program objectives (particularly on fertilizer demand) and to encourage better collaboration between research and extension agencies, at least on the issue of fertilizer. It should be noted that in this regard, close collaboration, and indeed, buy-ins are contemplated with other project in the agricultural portfolio, including:

NCRE, Agricultural Education, CAPP, and ROTREP.

CAPP, LOP $12 million, PACD 3/94, Contractor - CID

Purpose: To strengthen and institutionalize the GRC capacity to develop economic and agricultural policy and to improve the planning process in the agricultural and livestock sectors.

1. The CAPP contract was recently signed with CID 2/15/89. The technical assistance team is now in place (April 1989). The MINPAT has provided a highly visible and centrally located building to the team leader for the project's use in coordinating the interministerial meetings and policy discussions and review. USAID's minimal assistance in the renovation of the building dwarfs the anticipated payoff for attracting and encouraging policy dialogue with the many actors - World Bank, key GRC decision makers and others.

2. The three Ministers of Agriculture, Livestock and Plan along with the 10 provincial governors recently met in the capital of Yaounde to officially approve the 1984 Agricultural Census and declare commitment to the implementation of annual surveys. The AMP will complete the processing and summarization of the 1985 through 1987 surveys by June 1989. This achievement will facilitate time series analysis for the CAPP and others to use in investment planning and policy recommendations.

3. **Conformance with the GRC Structural Adjustment Process and USAID's emerging strategy**

   a) The GRC/WB SAP:

   Because of the complex and politically sensitive nature of the structural reform process, it is essential that decision makers be better informed by timely, reliable and objective data and analysis for policy selection, planning, implementation and evaluation. The CAPP project will provide needed data and analysis for agriculture sector structural adjustment. It will also provide basic information required for future Mission program and project identification, design, implementation and evaluation. As such, it will be the centerpiece of the Mission's strategy.

   This increased emphasis by the Mission on structural reform is consistent with a similar change in emphasis by the Agency. We also note that concern is growing on the Hill and within the Agency regarding the impact of the reform process on the poor. We share that concern. The CAPP project would provide, through an agreement with Cornell University's Lower Income/Policy Reform project, important and reliable data on the impact of policy reform. Thus, the CAPP project should also provide the Agency with an important source of information on reform impact.

b) **USAID Project Linkage:**

The Ministry of Plan has requested AID to support the analysis at the consumer expenditure data compiled in 83-84. In response to this USAID has set aside $250,000 in the CAPP to effect a "buy-in" to the existing Cooperative Agreement between AID and Cornell. Cornell's purpose statement for the Project is:

- To provide quantitative estimates of the effects of specific policies in selected countries on poverty indicators;

- To develop improved methodologies and enhance current capacity in the analysis of the consequences of economic adjustment policies on incomes, consumption and nutritional status of the poor including examination, where possible, of differential impact dependent on gender; and

- To improve understanding of the relevant processes that bring about changes in living standards that result from structural adjustments and to enable policy makers to better predict the consequences of economic reforms.

Cornell will also be integrating the consumer expenditure data with the Agricultural Survey data to analyze price trends in consumption and production of stable foods and analyze policy issues from the perspective of consumption factors. Cornell's efforts will be integrated into the overall plan of work for the project so as not to duplicate efforts.

The comprehensive nature of the information that will be developed and published under the CAPP project (based on the ag census and the follow-up annual surveys) provides basic sector performance data which is useful in all Mission projects. The linkages are greatest between the CAPP project and the Agriculture Education Project (AEP). Each will benefit significantly from the other, particularly in the research and studies of agricultural economic factors.

The AEP is assisting the GRC in the establishment of an agriculture university at Dschang patterned after the U.S. land-grant college concept, which emphasizes practical education integrated with research and outreach. The CAPP data collection and policy analyses/planning activities will produce important information about agriculture sector constraints that the University can address (1) through its education component by shifting its curriculum to meet specific high-level skill needs identified; (2) through its research component by shifting research emphasis to address specific policy, institutional, technical, economic and cultural constraints identified; and (3) through its outreach components by changing emphasis, approaches, and activities

under the components which address crop- and location-specific needs that are identified.

The potential AEP contributions to the CAPP project objectives are also significant. Under Phase II of the AEP, the faculty of the Agriculture Economics Department will be upgraded to contribute to Cameroon's long-term policy analysis and planning needs and to conduct agriculture policy-related research that can be of important use in data and policy analysis. The participating ministries will be able to hire Dschang-trained statisticians and economists who will have carried out agriculture sector research and analysis and to engage existing university faculty in the policy analysis and planning activities they carry out.

The National Cereals Research and Extension project (NCRE) and the Roots and Tubers research project (ROTREP) can also benefit from the CAPP data collection/processing and policy analysis activities that identify the marketing, pricing, credit and other constraints that might limit adoption of improved agriculture technology and therefore could provide important guidance for research and extension activities. It might also identify research gaps. Such information will be important in setting research priorities and plans.

At the same time, the CAPP project will utilize the research results of these two projects in interpreting some of the production, marketing and income data produced by the data collection system as well as in conducting special studies developing future scenarios based upon improved technical factors.

As noted in section E, the **Fertilizer Sub-sector Reform Program (FSSRP)** plans close collaboration with CAPP in the collection and analysis of data related to fertilizer demand, usage patterns, and constraints to expanded use. Already discussions are underway to add questions to the annual agricultural survey. In addition, periodic provincial-level farm studies of fertilizer use and the economic factors affecting demand are being planned. The studies and analysis will include production and productivity by crop and crop prices and benefit/cost to various-sized farmers. Having access to reliable and timely data on these indicators will enable the GRC and USAID managers of the FSSRP to make timely adjustments to the FSSRP program.

The CAPP project will also benefit from this monitoring activity by improving its understanding of both the reform process and the nature of the agriculture input marketing system. The latter is particularly important because the GRC has declared its intention to liberalize the marketing of other agriculture inputs. The Credit Union Development Project (CUDP) will also benefit from and provide benefits to the CAPP project. In the current liquidity crisis facing the Cameroonian

banking system, there have been numerous difficulties experienced in providing small farmer credit. While relative success has been experienced under the informal Tontine system and formal credit union system, there is considerable GRC and donor interest in identifying the elements required for a viable system for providing rural credit, under the CAPP project. In conducting this analysis, the CAPP project will benefit significantly in terms of improved understanding of the subject from the experience recorded under the Credit Union Development Project. Perhaps most important, CUDP stands to profit greatly from policy reforms that might result from the analysis conducted under the CAPP project.

Finally, Mission health projects stand to gain from the information provided through the CAPP's comprehensive data system, which will provide important indicators of nutrition and health status. Such information as size family holdings, crops produced by type/quality and livestock ownership as examples, all contribute to an improved definition of health status and general well being.

In sum, the comprehensive analytical focus of the CAPP project will enhance the quality of nearly all the projects in the Mission portfolio. At the same time, the data provided and lessons learned under on-going projects will provide grist for the CAPP project's analytical mill. Finally, the policy studies conducted will provide USAID with important information needed to develop strategies and programs for supporting Cameroon's economic recovery.

II. **Summary of the 1988 WB/USAID Agriculture Sector Review and its complementarity to the USAID strategy:**

A. **Summary:** Past agricultural performance has been good with growth at about 4.4 percent per annum between 1966 and 1988. Growth in the food crops subsector has managed to surpass the population growth. The export crop subsector exhibited a mixed performance, in spite of significant public investments. The outputs of the traditional small holders, marketed by private traders with little government support, have been entirely responsible for the growth in the sector. Unfortunately the performance of the export crops dropped sharply in 1985 and in combination with other economic setbacks lead to a complete evaluation of the future role of the agricultural sector in Cameroon. The review leads to recommendations to improve the environment for private investment and diversification, to reform commodity pricing and marketing services, to institution building that supports cost-effective growth, and improvement in the linkages between planning, budgeting and operations. The strategy for future growth would be based upon three objectives; a) maximizing food production, b) improving the quality and diversification of marketing channels for traditional exports, and c)creating opportunities for increasing rural employment in the supporting services of small farmer commercial agriculture. The WB portfolio of assistance is briefly described with

emphasis on the importance of donor coordination in assisting the GRC to reestablish the traditional growth rate for the sector. End Summary.

The Review is a comprehensive analysis of the structure of the sector as well as the factors that have major influence on its performance. The document discusses in detail the current sector problems and puts forward recommendations for relieving these problems. The problems, recent actions and proposed actions are summarized in a matrix presentation as an annex.

One notes that the current program of USAID is well targeted in relation to the strategic recommendations of the Sector Review. The Review makes a strong case for the food crop marketing support tentatively identified by the Mission for future assistance. The broad scope of interests mentioned by the WB has numerous parallel elements to those of USAID and will require the donor coordination recommended at numerous places in the sector review.

B. **Discussion:** The Review states that the agriculture sector is the backbone of the economy with average annual growth rate of 4.4 percent during 1966 through 1988. While land, labor and technology resources exist for continued expansion of agriculture, the general policy environment, price and marketing policies and weak institutional support to farmers are shown to be increasingly critical constraints on sector performance. The report states that heavy government interventions in pricing and marketing of export crops, input subsidies, state monopoly in distribution, and support to parastatal plantation estates have had limited impact on the overall growth of the sector. The review develops the position that intensification of agriculture may be the only viable alternative for many farmers. The discussion of agricultural intensification includes the critical importance of land tenure issue.

C. The strategic issues for agricultural development are discussed at some length in the central chapters of the review. It is noted that as a price taker in the export commodities, the route to increased revenue lies in increased volume or increased production and marketing efficiency. Cameroon has a modest advantage in cocoa production because of the high fat yield and red color of the powder which needs to be more skillfully exploited. In coffee production, export revenues could be increased by expansion of Arabica and contraction of Robusta. Export revenues for timber could be increased by expansion of wood processing and marketing of semi-finished and finished products. It is noted that there are numerous possibilities for export diversification in fruits, vegetables, etc., however these are dependent on private sector participation and the necessary enabling environment has not been created. The review states that export diversification should be an additional objective rather than a substitute for traditional exports. The review also states that reform of pricing and marketing policies is unavoidable and that the World Bank is prepared to discuss a floor price with progressive incentives or taxes for maintaining production levels if agreement can be reached upon these basic principles.

D. The analysis of rubber and palm oil notes the deterioration in the competitiveness of these products, but concludes by recommending efficiency and economy measures to minimize losses and some subsidy to stabilize the well-being of these dependents on these enterprises. The equalization funds for rice, edible oil and sugar are accepted as conceptually appropriate, but the administrative feasibility is questioned. The review argues that reliable input supply and other non-price factors such as the availability of profitable investments, effective extension support and marketing opportunities are more important than subsidies in determining the demand for fertilizer. The key issues in the management of agricultural development are:

- Slow decision making processes,
- Lack of interagency coordination, and
- Overlapping responsibilities and functions.

E. The more far reaching question is the importance of institution building in promoting sustainable growth in agriculture, and determining the most cost-effective approach to achieve this objective given the financial constraints that the GRC will be facing in the medium term. Recommends for cooperation development center around the withdrawal of state intervention from cooperative administration, the reinforcing of technical support to cooperative management and reform of the legislative framework to permit autonomous cooperatives. Various studies of rural financing suggest that low prices, marketing difficulties and unreliable input supplies are more serious constraints than lack of credit. The review therefore recommends attention be directed to expansion of credit unions.

F. Despite the GRC stated emphasis on agricultural development the sector's share of financing has lagged in both budgets and expenditures. also, the investments have been in expensive parastatals and plantation estates which are now in serious financial difficulty rather than contributing to future growth. The financial crisis has resulted in across the board budget cuts which have in turn been taken in the operating accounts leaving the large administrative staff without the means to function. The review recommends that the first priority should be given to a system to collect information on budgets and expenditures for evaluation of programs and projects. From this prospective the review raises a number of questions about the EAMI program without a definitive judgment of the program.

G. The topic of food security has an important place in the review, because of the problems on the consumption side rather than uncertainties of food supply. Chronic food insecurity due to poverty and weaknesses in health and nutrition education are believed to affect as much as 30% of the population. Transitory food insecurity in the drought prone northern provinces is another aspect of some concern. The review discusses various strategy and policy components of food security without the formulation of precise recommendations. The body of the review demonstrates that

successful application of the growth recommendations will favorably affect food security, although the hard core of the poverty problem is not confined to the agriculture sector and is beyond the scope of the sector review.

H. The final chapter of the review presents the themes and strategy for sector growth with a brief description of interventions of interest to the World Bank. The objectives are:

- intensifying agricultural production,
- raising small holder's productivity,
- improving efficiency in exports, and
- rationalizing the exploitations of Cameroon's rich natural resources.

The strategy as outlined includes both policy and institutional reforms. To create a favorable environment for private investments to substitute for public intervention, the GRC is encouraging to;

- eliminate excessive administrative control;
- simplify import/export procedures,
- encourage financial intermediaries to make development loans to agriculture.

In line with this strategy, the new direction for Bank lending will, contain;

- National Agricultural Research Project.
- National Extension and Training Project.
- Livestock Sector Development Project.
- Structural Adjustment Loan (Policy reforms in pricing and marketing, input subsidies, cooperatives and forestry exploitation and conservation).
- Food Security and Poverty Alleviation project.
- Forestry Environment Project.
- Export Promotion and Diversification Project
- Agricultural Sector Management Program.

It is noted that this program, and the evolving needs of the GRC, require closer coordination among the donors than has been typical in the past. The statement recommends in addition that the GRC should take the lead in articulation of the strategy and investments. The Review projects that the proposed strategy will yield a sectoral growth rate of 3 percent (1989-90), 4.1 percent (1990-95) and 4.4 percent (the historical level) (1995-2000).

III. Possible new interventions/programming options to achieve long term economic growth:

A. There cannot be any conceptualization of new USAID interventions in the Agricultural Sector of Cameroon without blending in three emerging factors

and a process for addressing them: 1) the uncertainty of the GRC performance, and the timing of the performance under the structural adjustment process; 2) the need for USAID program and financial flexibility to possibly encourage the adjustment process and 3) the growing need to better coordinate the USAID program to make relevant the natural linkages of the fertilizer project, the policy component of the CAPP to all projects especially the NCRE research, education, extension, seed multiplication linkages with UCD, and the financial sector as it relates to the Credit Union project.

B. USAID/Cameroon entered one planned program (CP FY1990 page 79) initiative for the Congressional Presentation, FY 1990.

In addition to that narrative, USAID has continued its analysis of the sector and provides the following elements in bulletized format of how and what this intervention will mean in the area of increasing private sector involvement and increasing public sector efficiency.

1. Mode of Assistance: Non project assistance
2. LOP Funding: $32 million
3. Flexible financing a) Cash transfer
   b) Special Account and counterpart funds.

- A portion of the cash transfer program may be tied to SAP agreement and tranched to implementation of conditionality directly related to reforms that encourage private sector involvement or public management efficiencies in the marketing sector.

- Another portion of the cash transfer program tied to a special account and counterpart funds directly related to those implementation actions USAID sees as critical performance indicators for a successful food crop marketing or Agricultural input component of the project.

4. Some possible benchmarks or performance indicators for satisfaction of conditionality:

- Repeal of mercurial system
- Elimination of "permit to collect" and "authorization to export"

- Development and analysis of markets:

  i) For MINAGRI and CAPP assistance: more cost efficient and useful agricultural data gathered and analyzed.

ii) For MINPAT (Cornell and the World Bank Assistance): Improvement on the methodology and analysis of consumer price data. Commitment to do updated household expenditure survey.

- Reduce GRC oversight and management of cooperatives. A new cooperative legislation developed that encourages private cooperative growth.

- Reform of commercial banking regulations which encourage private productive lending with improved flexible loan instruments to informal rural credit entities.

5. It is envisioned that cash transfers could be automatically made once "movement" is accomplished on either side of a specific conditionality or reform. The action or performance could be a major one or a micro oriented one, however, both necessary and sufficient actions. The specific details would have to be worked out, but an example of the meaning of the "movement" follows:

Movement towards: Signature of the SAL with agreements to repeal the mercurial system at a given date. OR - definite commitment and mobilization of resources to develop a data gathering system in MINAGRI that is more cost efficient and useful to the needs of improving market conditions.

Movement of Implementation: Actual reform made such as elimination of the mercurial system or actual deployment of the cost efficient methodology for data collection.

Movement of Sustainability: Once a reform is in place, it is important to maintain and sustain it, especially so if the reform encourages broad based growth. Some limited maintenance assistance could be considered to maintain the motivation and encouragement of the new system.

6. Technical Assistance Elements: While USAID understands the nature and scope of non project assistance and its reduced management and administration implications, an intervention into the marketing subsector will require limited technical assistance. The major elements of technical assistance would include, at a minimum:

a. **Operations**

- Provision of technology transfer of marketing skills on a full range of marketing areas: management, handling, processing, storage, inventory management.

- Monitoring of AID disbursements and the measurement of impacts.

b. **Training**

- Long and short term training on full range of marketing

c. **Assessments and identification of possible areas** of U.S. private sector joint venture participation.

d. **Promotion and discussion of the existing policies** in need of reform and new reform policies in need of modification.

APPENDIX F

HEALTH SECTOR ANAYLSIS

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LIST OF ACRONYMS

CCCD	Combatting Childhood Communicable Diseases Program
CDC	Center for Disease Control
CDD	Control of Diarrheal Diseases Project
CHW	Community Health Worker
COP	Chief of Party
CSD	Centre de Sante Developé (Developed Health Center)
CSE	Centre de Sante Elementaire (Elementary Health Center)
CUSS	Centre Universitaire des Sciences de la Santé (University Center for Health Sciences)
DAI	Development Alternatives Inc.
DCMO	Divisional Chief Medical Officer
DCPRM	Divisional Chief Preventive and Rural Medicine
DHC	Developed Health Center
EHC	Elementary Health Center
EOP	End of Project
EOPS	End of Project Status
EPI	Expanded Program of Immunization
FCFA	Franc de la Communauté Financièr Africaine (Franc of the African Financial Community)
FPIA	Family Planning International Assistance
GRC	Government of the Republic of Cameroon
HIID	Harvard Institute for International Development
HIV	Human Immunodeficiency Virus
HSPH	Harvard School of Public Health
IB	Infirmier Brevête (assistant nurse)
IDE	Infirmier Diplomé de l'Etat (graduate nurse)
IEC	Information, Education, and Communications
IFFLP	International Federation for Family Life Promotion
IST	In-Service Training
IUD	Intrauterine Contraceptive Devices
JAV	Journées Africaines des Vaccinations (African Vaccination Days)
JHPIEGO	The Johns Hopkins Program for International Education in Gynecology and Obstetrics
JHU	Johns Hopkins University
KAP	Knowledge, Attitudes, and Practices
LOP	Life of Project

List of Acronyms, page 2

MCH	Maternal and Child Health
MCH/CS	Maternal and Child Health/Child Survival
MINASCOF	Ministère des Affaires Sociales et de la Condition Feminine (Ministry of Women's and Social Affairs)
MINPAT	Ministère de Plan et de l'Amenagement du Territoire (Ministry of Plan and Regional Development)
MIS	Management Information Systems
NACP	National AIDS Control Program
NFP	Natural Family Planning
NGO	Non-Governmental Organization
OCEAC	Organisation de Coördination pour la Lutte Contre les Endemies en Afrique Centrale (Coordinating Organisation for the Fight Against Endemic Diseases in Central Africa)
ONAPHARM	Office National Pharmaceutique de Cameroun
OR	Operations Research
ORS	Oral Rehydration Salts
ORT	Oral Rehydration Therapy
PC	Peace Corps
PCMO	Provincial Chief Medical Officer
PCPM	Provincial Chief of Preventive Medicine
PEV	Programme Elargi de Vaccination (Expanded Immunization Program)
PHC	Primary Health Care
PHD	Provincial Health Delegate
PID	Program Identification Document Pelvic Inflammatory Disease
PMI	Protection Maternalle et Infantile (Mother and Child Health Care)
PNUD	Programme des Nations Unies pour le Developpement (United Nations Development Program)
PRITECH	Primary Health Care Technologies Project
REACH	Resources for Child Health
SAL	Structural Adjustment Loan
SCF	Save the Children Federation
SDMPR	Section Departementale de la Médécine Preventive et Rurale (Divisional Service for Preventive and Rural Medicine)
SIDA	Syndrome Immunodeficitaire Acquis (AIDS)
SPMPHP	Section Provincial de la Médécine Preventive et Hygiène Publique (Provincial Service for Preventive Medicine and Public Hygiene)
SSP	Soins de Santé Primaire (Primary Health Care)
STD	Sexually Transmitted Disease
TA	Technical Assistance

List of Acronyms, page 3

UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USG	United States Government
WHO	World Health Organization

I. Executive Summary

The following review of the USAID's Health and Population Program has been carried out within the framework of the Government of the Republic of Cameroon's (GRC's) deepening economic crisis, and the preparations now underway within USAID of its Country Development Strategy Statement (CDSS) submission for Fiscal Years 1990 through 1994. It draws on the current analysis of the economy done by the Development Alternatives Inc (DAI) team and the USAID staff. The plans and suggestions for future activities have been analysed and future strategy developed within the framework of the guidelines set forth in Development Fund for Africa (DFA).[1]

A. Background

The GRC covers 465.402 km^2 offering an ecological range from desert in the far North to tropical forest in the South. Its population in 1989 is estimated at 10.927 million (based on the 1976 general census) and includes about 93 different ethnic groups. Population projections prognosticate 16.7 million inhabitants by the year 2000. Although the urban population accounts for an estimated 38% of the total population, this ratio is expected to rise steadily in the next years. Population growth rate in the urban areas is estimated at around 7.9% and in the rural areas 3.2%. Population densities vary widely from area to area (from 6.8 inhabitants/km^2 in Adamaoua and 8.6 in the South to 95.7 in the West).

The age structure of the population is steadily growing younger (55% under 20) due to an increase in fertility (6.5 total fertility rate in 1982) and a decrease in childhood mortality in recent years. While official statistics for the period since 1985 have not been released, informed sources indicate that during the 1985-87 period infant mortality rose with the most serious increases occurring in rural areas. This suggests that cutbacks in operating costs, inadequate vaccination programs, lack of essential pharmaceuticals and ORT supplies are eroding the gains of the past.

Morbidity and mortality patterns in both rural and urban areas show predominance of infectious and communicable childhood diseases. Major causes of mortality include measles, malaria, tetanus, and acute respiratory infections. The 1983/84 WHO survey reports that 50% of infant deaths were diarrheal-related, due in large part to rotavirus infection, socio-nutritional factors, poor sanitation and water supply.

B. Health Sector Analysis in Macro-Economic Context

Cameroon belongs to the group of lower middle income countries with a per capita income of $860, 1987 estimate. However, an infant mortality rate estimated at 105 per/1000 in 1985 (possibly as high as 115 per/1000 in 1989) in the rural areas and life expectancy of 52 years are still comparable to those of low income countries. GRC budgetary allocations for health have, in recent years, constituted as much as 6.3

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[1]AID/Washington, "U.S. Assistance for Africa, The Development Fund for Africa (DFA), An Action Plan", December, 1988, Washington D. C.

percent of the government services budget, compared with the WHO recommended average of 10% for low income countries. In 1988/89, however, the health budget has declined to 4.6 percent. With $12.60 per capita spending, Cameroon remains on a high level compared to other African countries.

The USAID believes that because of this very difficult economic/ budgetary situation described above, and within the context of the Structural Adjustment Program (SAP) being prepared by the World Bank, there are significant opportunities/possibilities to establish a system for 100 percent payment by the population of basic medicines needed for primary health care, and to make significant management/administrative changes and improvements including Health Information and Management Information (HIS & MIS) systems over the life of the CDSS (FY90 - 94).

C. Health Sector Strategy

The Health sector strategy has three major areas of concentration: Child Survival, Population, and HIV/AIDS. Over the period of the CDSS it will focus on more productive and efficient use of existing resources, development of self-help on the part of the population, and the encouragement of the private sector in order to help assure the sustainability of health sector programs. In carrying out this strategy, the USAID will utilize and build on existing technical assistance resources already in place to take advantage of the heightened interest of the government in better management of existing health programs, decentralization, and its willingness to consider full payment for pharmaceutical and health services by the population.

D. Child Survival

One of the serious problems in the Cameroon in providing primary health care (especially for women and children under five) at this time is the lack of essential pharmaceuticals and medical supplies in the GRC's 397 elementary health centers and 146 developed health centers, 57 MCH centers, and 64 dispensaries, not to mention the problem of supplying the country's 173 hospitals. The government, because of high recurrent cost imbalances, has not been able to assure provision of funds to cover these costs. As a result, where in the past a primary health care center might have had 50 to 100 patients a day, in absence of basic pharmaceuticals and medical supplies, only 5-10 may use the facility.

The USAID is convinced that if centers could be supplied regularly with 20 essential generic drugs and essential basic medical supplies, over 70% of the diseases could be treated effectively. If these basic curative drugs were available with the concurrent increase in use of the basic level health facilities by mothers and their children, it would make the government's work in preventive medicine (vaccinations, ORT, growth monitoring, child spacing) much more effective.

Experience to date in Cameroon and other sub Saharan countries demonstrates that the rural population will pay for essential medicines and go long distances to purchase them. One solution to this problem would be to develop a sustainable, self-financing system in the short term (next 2 to 3 years) which would provide essential generic drugs to the government's primary health care system at reasonable cost to cover 70% of primary health care illnesses. Such action would make more productive the PHC system for both curative and preventive services.

Therefore, the major thrust of the USAID's Child Survival Strategy will be to establish over the next two to three years, a nationwide renewable medical supply system for the country's primary health care network which would be self sustaining after the initial financing by donors (e.g. USAID, World Bank, UNICEF, and other bilateral donors). Non project assistance would be the mechanism used for the USAID contribution to the revolving fund with major health care policy changes by the GRC the justification for the non project assistance.

To sum up, in the near term (FY90-91) as part of the MCH project's current Child Survival mandate, and by using its resident staff and short term consultant element, a workable self financing medical supply system would be designed and tested in two provinces. The MCH team would then prepare the necessary manuals and training programs (TOT) so that the program could start in late FY 91-92. In FY 92-93, MCH would move nationwide and help with the installation of the system and assure that it was fully sustainable without further external assistance.

E. **Population**

The USAID is effectively using centrally funded resources and the Family Health Initiatives II Project. Family planning is also one of the components of the USAID's bilateral MCH/CS project. This assistance has been steadily preparing the government to move ahead in this important area. As the government nears the stage of a public policy statement, or credo on family planning, followed by increased IEC work and movement into national level delivery programs, it is vitally important that the Demographic Health Survey (DHS) requested by the USAID in late 1988 be fielded as soon as possible, hopefully, in fall of 1989, but no later than early 1990.

It is expected that by late 1991 or early 1992 the USAID will be ready to launch a major bilateral Population project.

F. **HIV/AIDS**

The government has strongly supported the HIV/AIDS program. The GRC has established a special unit in the MOH and encouraged the initiation of an important set of Information, Education and Communication (IEC) programs using radio, television and the written media. The HIV/AIDS activity is one in which a vertical program seems advisable, oriented toward prevention focusing on the high risk groups, and the education (IEC) of the rest of the sexually active population.

To sum up, for its Health Sector Program, in FY 90 and FY 91 the USAID will continue to draw on its bilateral and centrally funded programs (using buy-ins where appropriate) at about $3.5 million each year to assist the GRC to continue the development and implementation of its Child Survival/Population/ HIV/AIDS activities.

By late FY 91 or early FY 92, it is expected that the mission will be ready to implement its major "Self Sustaining Pharmaceuticals" non project grant of $10.0 million in cooperation with international and bilateral donors.

In addition, it is expected that by FY 92 the USAID will have obtained sufficient data and experience to launch a major Population bilateral project of $5.0 million over the remaining three years of the CDSS.

The total estimated amount of project and non project assistance required for the Health Sector from FY 90-94 is $28.5 million. Table 6 sets out the CDSS Health Sector Program by Fiscal Year and by project and non project activity.

II. Introduction/Background

The following review of the USAID's Health and Population Program has been carried out within the framework of the Government of the Republic of Cameroon's (GRC's)deepening economic crisis, and the preparations now underway within USAID of its Country Development Strategy Statement (CDSS) submission for Fiscal Years 1990 through 1994. It draws on the current analysis of the economy done by the Development Alternatives Inc (DAI) team and the USAID staff. The plans and suggestions for future activities have been analysed and future strategy developed within the framework of the guidelines set forth in Development Fund for Africa (DFA) and as amplified by Dr. Emmy Simmons (AFR/DP) and USAID discussions.

Since the beginning of the deepening economic crisis in 1987, it has become increasing clear that:

- GRC resource constraints are having serious adverse effects on the implementation and impact on many of AID's ongoing projects,

- The Cammeroonian economy cannot return to a sustained growth path without major structural reforms, and

- Existing distortions within the economy are already or will in the future prevent AID programs from achieving their planned objectives.

Petroleum earnings are expected to decline gradually until reserves are exhausted toward the end of the century, the agricultural export sector has stagnated during the past decade, and the modern industrial sector cannot survive without high and unsustainable rates of protection. Unless these problems are corrected, there is little chance that Cameroon will return to the sustained high rates of growth that were achieved between 1970 and 1985. these findings are consistent with thoses of the World Bank (WB), the International Monitary Fund (IMF) and the GRC and are the basis for a structural adjustment program currently being negotiated between the GRC and the World Bank.

The USAID Cameroon program in the health sector emphasizes child survival with focus on primary health care. The population program which includes both demographic and health aspects is a high priority. A young and vigorous program with the GRC on HIV/AIDS has started recently. All of these activities focus on self-help with participation of the recipients-community. Opportunities for the private sector participation are stressed as well.

The status of these programs, Health Sector strategy and specific recommendations for the future (FY 90-94) are included in sections III and IV below.

III. Current Health (CS/Population/HIV/AIDS) Portfolio: Its Relation to Sectorial Needs of Cameroon

A. Background.

The GRC covers 465,402 km^2 offering an ecological range from desert in the far North to tropical forest in the South. Its population in 1989 is estimated at 10.927 million (based on the 1976 general census) and includes about 93 different ethnic groups. Population projections prognosticate 16.7 million inhabitants by the year 2000. Of this population, one-fifth are officially Anglophones and the rest are Francophones. The official languages are at best, second languages and a major part of the population speaks only their ethnic dialect.

Although the urban population accounts for an estimated 38% of the total population, this ratio is expected to rise steadily in the next years. Population growth rate in the urban areas is estimated at around 7.9% and in the rural areas 3.2%. Population densities vary widely from area to area (from 6.8 inhabitants/km^2 in Adamaoua and 8.6 in the South to 95.7 in the West).

The age structure of the population is steadily growing younger (55% under 20) due to an increase in fertility (6.5 total fertility rate in 1982) and a decrease in childhood mortality in recent years. While official statistics for the period since 1985 have not been released, informed sources indicate that during the 1985-87 period infant mortality rose with the most serious increases occurring in rural areas. This suggests that cutbacks in operating costs, reduced vaccination programs, and inadequate pharmaceutical and ORT supplies are eroding the gains of the past.

Morbidity and mortality patterns in both rural and urban areas show predominance of infectious and communicable childhood diseases. Major causes of mortality include measles, malaria, tetanus, acute respiratory infections. The 1983/84 WHO survey reports that 50% of infant deaths were diarrheal-related, due to large part to rotavirus infection, socio-nutritional factors, poor sanitation and water supply..

Although the 1978 National Nutrition Survey shows a rate of 22.4% for chronic malnutrition (under 90% height for age) in the rural areas (this is compatible with figures in neighboring countries), acute malnutrition (under 80% weight for height) was found to be only 1.1% for children under five years of age. While malnutrition is still felt to be a problem (in particular in Adamaoua province), it is generally due to socio-cultural factors rather than to shortages of food.

The USAID's strategy is to use existing projects to address the nutrition problem. For example, the MCH/CS bilateral project will emphasize nutrition/gowth monitoring and improved weaning practices as one of the five child survival interventions. In addition under the centrally funded PRITECH project, nutrition is being looked at in connection with the Control of Diarrheal Diseases (CDD) program involving oral rehydration therapy (ORT).

1989 SOCIAL INDICATOR DATA

	1965	1975	Most Recent Estimate
POPULATION:			
Total Population (million)	5.8	7.4	10.9
Projection year 2000			16.7
Population growth rate (per 000)			
Total		25*	32*
Urban		73	79
Life expect. at birth (yrs)	46	52	56
Crude birth Rate (per 000)	40	47	48
Crude death rate (per 000)	20	17	16
Total fertility rate	5.2	6.3	6.9
Infant mortality (per 000)	143	114	115
Child death rate (per 000)	34	23	24
FOOD, HEALTH AND NUTRITION:			
Index of food production per capita (1979-81=100)	89	116	94
Per capita supply of calories (per day)	2,043	2,328	2,080
Malnutrition (1978, percent):			
Chronic (under 90% ht/age)		22.1	
Acute (under 80% wt/ht)		1.1	
Underweight (under 80% wt/age)		22.3	

*Note: Population growth rate data cannot be reconciled with crude birth and death rates. Problem lies with originally reported GRC data.

Source: DAI TEAM, Country Development Strategy Statement-Economic Analysis, Draft, Yaounde Feb/1989.

B. Health Sector Analysis in Context of Macro-Economic Situation of the GRC

GRC budgetary allocations for health have, in recent years, constituted as much as 6.3 percent of the government services budget, compared with the WHO recommended average of 10% for low income countries.[2] In 1988/89, however, the health budget has declined to 4.6 percent. With $12.60 per capita spending, Cameroon remains on a high level compared to other African countries.[3]

[2]Cameroon belongs to the group of lower middle income countries with a per capita income of $860, 1987 estimate. However, an infant mortality rate estimated at 105 per/1000 in 1985 (possibly as high as 115 per/1000 in 1989) in the rural areas and life expectancy of 52 years are still comparable to those of low income countries.

[3]Note: Health budget amounts do not necessarily represent the actual amount spent. While current expenditure figures are not available for the health budget, actual GRC expenditures overall (arrears) have exceeded budgeted amounts by

Nonetheless, budgetary imbalance is characteristic of the national health services due to overly ambitious investment programs skewed toward urban centers, and severe under-financing of non-personnel recurrent costs.

During the period 1981 to 1985, investments in health infrastructure and services totaled FCFA 2.6 billion, including the construction and rehabilitation of 1,441, hospitals, clinics, pharmacies, propharmacies, and mother and child care centers. In 1986/87 and 1987/88 public investment budgets in health grew markedly. However, only 14 percent of the 1986/87 investment budget was allocated for the construction of primary health centers, while 80 percent financed construction costs of hospitals. In 1987/88 funds for hospital construction grew to 92 percent of investments, the majority of which were earmarked for only two urban hospitals (Yaounde and Douala).

Recurrent costs in the health budget remain low relative to other sectors. However this includes a large allocation earmarked for administrative costs and personnel within the Ministry of Health, and a disproportionate share of personnel costs in rural and primary health care facilities (often as high as 98 percent of recurrent costs per facility).

Since 1986, economic austerity measures have further exacerbated this situation, as budgetary allocations for medications have been reduced by more than 50 percent. Field reports indicate a breakdown in central inventory and management operations, and chronic shortages of basic drugs and clinical supplies, especially in the rural areas.

Prospects for privatization of health services over the short-term are not promising, although new government commitments to cost-recovery (fee for services and medicines) are likely, over time, to improve the prospects for private practitioners. At the present time 40 percent of Cameroon's hospital beds and an undetermined proportion of health services are provided by missionary societies and non-Cameroonian private voluntary organizations, which operate on a fee-for-service basis. A uniform trend toward cost-recovery in health care is likely to transform public expectations regarding free health care that were instituted at independence.

The USAID believes that because of this very difficult economic/budgetary situation described above, and within the context of the Structural Adjustment Program (SAP) being prepared by the World Bank, there are significant opportunities/possibilities to establish a system for 100 percent payment by the population of basic medicines needed for primary health care, and to make significant management/administrative changes and improvements including Health Information and Management Information (HIS & MIS) systems over the life of the CDSS (FY90 - 94). (These are discussed in Chapter IV below.)

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significant amounts in recent years.

Table 2

Cameroon Health Budgets, 1986 - 1988/89
(Billion FCFA)

	1986/87	1987/88	1988/89
Investment	23.0	21.5	17.6
Hospitals	18.6	20.0	16.7
Internal Funds	(11.2)	(7.0)	(1.2)
External Funds	(7.4)	(13.0)	(15.5)
Primary Health Ctrs.	3.1	0.3	0.4
Internal Funds	(3.1)	(0.3)	(0.4)
External Funds	(--)	(--)	(--)
Other	1.3	1.2	0.5
Internal Funds	(0.7)	(0.6)	(0.5)
External Funds	(0.6)	(0.6)	(--)
Recurrent	29.8	25.6	24.0
Personnel	20.8	21.6	20.2
Medications	4.2	2.2	1.9
Other	3.8	2.2	1.9

Source: World Bank, 1988

C. USAID Cameroon Current Health Sector Program

The USAID feels that the program priorities in the social sector outlined below address the principal social development needs of Cameroon. The primary health care programs which stress child survival including child spacing, the programs to reduce uncontrolled population growth, and the initiatives to stop the spread of HIV/AIDS all have major economic implications for the economy over the long term, and should not be stopped because of the current economic crisis.

The deepening economic crisis offers some major opportunities to encourage and install major self-help measures by the population in the area of primary health care. It has enhanced the interest at senior government levels to carry out major population program, and encourage a more important role in the private sector.

As indicated above, the thrust of the Health sector program does not emphasize capital investments. On the contrary, its objective is to make more cost effective and productive use of existing facilities and services, to lighten the burden on the government through greater cost recovery, and to encourage private sector participation wherever possible.

The USAID's Health Sector program reflects Agency priorities for Child Survival, Population and HIV/AIDS. While in different stages of development, with relatively recent bilateral projects and low pipelines, plus significant use of centrally funded technical assistance, the current bilateral activities focus on DFA strategic objective

one: improving management of African economies by redefining and reducing the role of the public sector and making it more efficient. [underlining added][4]

Cameroon is in Category I of the DFA countries[5] which includes those with a demonstrated commitment to sound and/or improved economic policies, good potential for economic growth, relatively large populations (over seven million), and capability for managing serious debt or foreign exchange problem. The FY 90 - FY94 CDSS planning for health strongly supports one of the USAID's three CDSS strategy objectives: "Increasing the efficiency of the public sector" and sub sector iii "Increased Efficiency and Equity in Providing social services." In the coming months and years, the CDSS Health Sector strategy will emphasize top level policy reform and establishment of even more "performance oriented" targets and benchmarks.

Highlighting the USAID's health sector programs be they Child Survival, Population, or HIV/AIDS is the conviction that one of the foremost barriers to progress and effective use of scarce resources are the across the board lack of management skills in the public health field. This may be due to the almost exclusive attention to the technical (nursing, medical and pharmacy subjects) to the exclusion of public health management. In addition, Health Information Systems and Management Information Systems are less developed here than in a number of the West African countries.

One of the serious problems is lack of base line data in the health field which will enable the evaluators to measure the forward progress (or lack of it) in the joint GRC/USAID programs. In this context it is vitally important that the Demographic Health Survey (DHS) already requested by the GRC and USAID be carried out as soon as feasible. The base line data obtained from the DHS survey will provide a foundation for measuring progress, and carrying out meaningful mini survey's and other operational research needed to assess the progress of the program and plot future strategies for implementation.

Chapter IV below, "Proposed Health Sector Strategy FY90-94", suggests possible changes in focus, priority uses of modest resources already available or proposed for the future, using a mix of project and non project activities working with other donors to achieve important policy, management and operational changes.

The following paragraphs summarize the Health sector program as of January 1989:

1. **Child Survival**

The main thrusts of the USAID's Child Survival strategy are to:

a. Strengthen the delivery of basic health services with emphasis on child survival, instituting a cost recovery program, decentralization, and expanding the decision making authority of the provincial delegates for health.

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[4]"Development Fund for Africa -- An Action Plan" pp 8, 11.

[5]ibid., p. 8.

b. Assure that the rural population has access to health centers which provide an acceptable level of basic health services which include:

- immunization (EPI),
- oral rehydration therapy (ORT) as a first choice in controlling diarrheal disease (CDD),
- prenatal care through health centers and MCH centers,
- adoption of a standardized growth monitoring chart and a set of implementable food and nutrition policies,
- child spacing should be an integral part of the services offered through all health facilities

c. Find a solution to the lack of pharmaceuticals and basic equipment and supplies which keep the health centers from operating effectively and reduce dramatically their use by the rural population.

The integration of preventive and curative services at the health center levels means that the centers must have a dependable supply of pharmaceuticals and first aid supplies to treat minor accidents, infections and communicable diseases. As indicated above, the ministry of health's budget for drugs and medical supplies is totally inadequate to meet public demand, thus highlighting the urgent need for workable nationwide self-financing mechanism(s).

The status of the USAID/GRC Child Survival activities supported by bilateral and central funds as of January 1989 is as follows:

a. **The Maternal Child Health/Child Survival Project** has now been operational for nine months. The project has progressed well during this period with the four American team members working to strengthen the delivery of basic rural health services described above in two provinces, the South and Adamaoua. The project stresses improved management, self sustainability and all project activities are designed to minimize recurrent costs. The project is assisting the MOH to design and implement models for cost recovery which can be applied at national level once they have been introduced and tried out successfully in the two provinces. (see Figure 1 for the location of project areas)

The Chief of Party is located in Yaounde and has direct access to the Director of Preventive Medicine, and other MOH departments as necessary. (This latter point is especially important in terms of the CDSS strategy described in section IV below.)

The project (631-0056) is scheduled for five years (until August, 1992) with a funding level of $9,500,000. $4,500,000 have been set aside and an additional $1,500,000 is scheduled to be placed in the project in the second quarter of FY 1989 making a total obligation or $6,000,000.

In addition to the services of the resident team, some 27 months of short term Child Survival technical assistance; is available under the project. The

Cameroonian Project Director, Dr. Rene Owona, Deputy Director of Preventive Medicine, is very enthusiastic about the present and future help that this project can provide for help with both the Provincial and national programs.

b. **The Primary Technologies for Health Care (PRITECH) -- Controlling Diarrheal Diseases (CDD)**

This centrally funded project is designed to assist the MOH establish a national policy/strategy for control of diarrheal disease with emphasis on oral rehydration, and its implementation.

In the area of public policy, the sub-project has assisted the MOH to establish a national CDD policy which was issued in late January 1989. This makes the GRC one of the few African countries with a detailed strategy. In addition, other activities under the sub-project include:

- a study of the feasibility of local production of oral rehydration salts (ORS),
- an ongoing training of trainers (TOT), and funding for local trainers from national level to assist ORT training in the provinces.
- Knowledge, Attitude and Practices (KAP) studies and operational research; -- focus groups, managerial problems, etc.
- Information, Education and Communications (IEC) -- technical assistance and full funding of printing of Evaluation and Treatment posters including support for pretesting with the Maternal Child Health project.
- Assistance with the costs of supervisory visits from national level.
- Documentation and coordination with other donors.

The principal contact is Dr. Amida Ghogomu, Director of Preventive Medicine. Thus far, the project (936-5927.1 - $550,000) which began in 1986 and runs until September 1989 has been very productive and well received by the GRC. The program will be reviewed in March 1989 to determine future requirements for technical and financial assistance. It is anticipated that this activity will be extended and funded for at least four more years.

c. **Measles Vaccine Supply**

Since 1984 USAID has supplied the MOH with measles vaccine -- 1987, 900,000 doses valued at $138,000; 1988, 450,000 doses at $100,000; and this assistance using USAID funding (698-0421.31) is expected to continue at about $100,000 annually. This vaccine has been very effectively used in Cameroon and is part of the USAID's emphasis on Child Survival. Principal contact is Dr. Ghogomu.

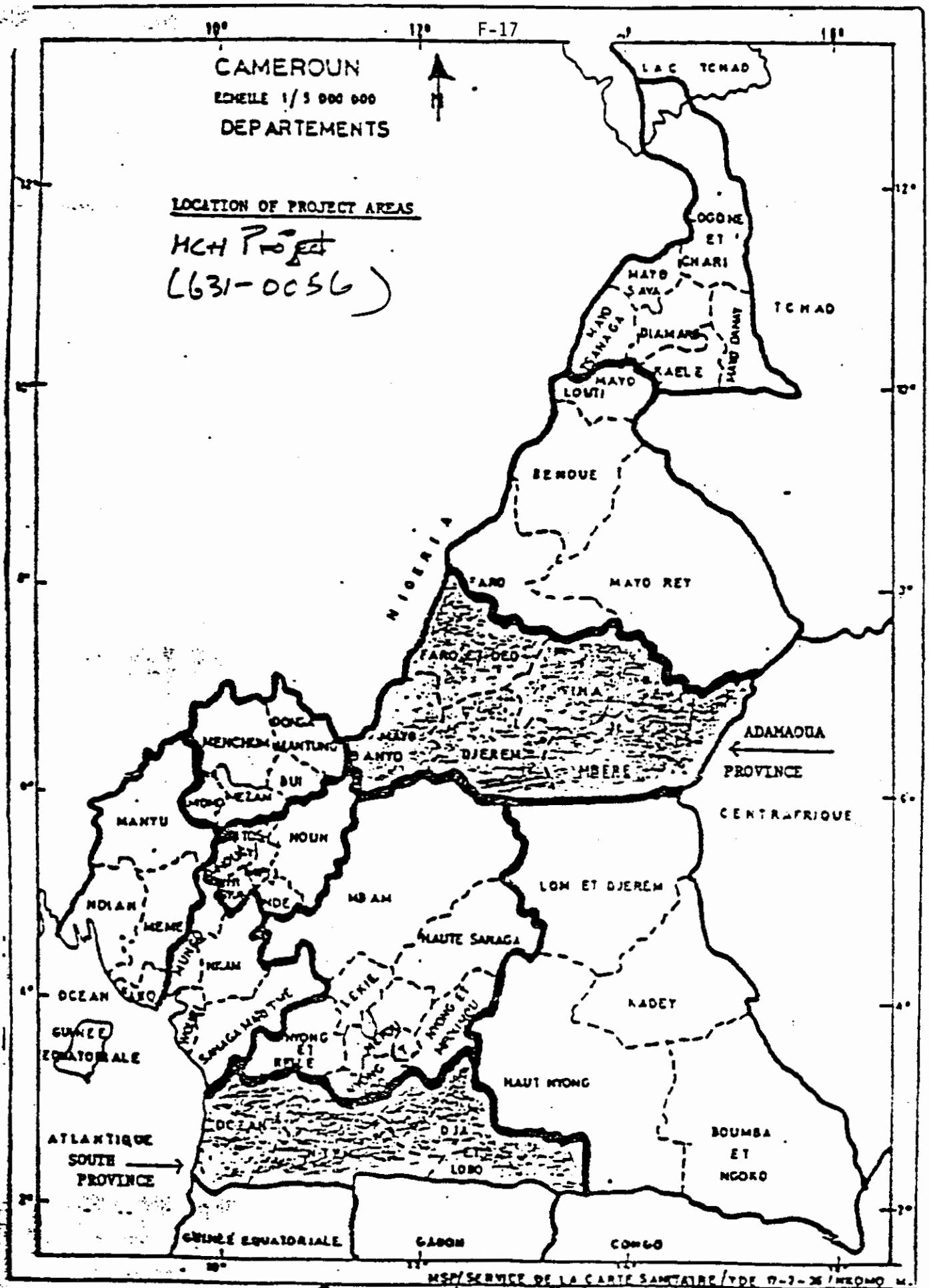
CAMEROUN
ECHELLE 1/5 000 000
DEPARTEMENTS
LOCATION OF PROJECT AREAS
MCH Project
(631-0056)
LAC TCHAD
TCHAD
NIGERIA
CENTRAFRIQUE
ADAMAOUA
PROVINCE
OCEAN
ATLANTIQUE
SUD
PROVINCE
GUINEE EQUATORIALE
GABON
CONGO
BENOUE
FARO
MAYO REY
DJEREM
MBERE
MANTU
NOUN
MBAM
LOM ET DJEREM
HAUTE SANAGA
NYONG ET KELLE
NYONG ET MFOUMOU
NADEY
HAUT NYONG
BOUMBA ET NGOKO
DJA ET LOBO
MSP/SERVICE DE LA CARTE SANITAIRE/YDE 17-7-86/NKOMO M.

Figure 1

It is expected that Child Survival activities will continued throughout the CDSS period moving to national level with a major non-project proposal to take advantage of self-financing opportunities based on the results of the provincial level activities in FY 90 and 91. (These are described in Section IV below.)

2. **Population**

The USAID strategy in Population is to assist the GRC in developing its population policy and developing appropriate service delivery programs. Over the long term, the action plan in Population will help the GRC provide safe and effective child-spacing services to greater numbers of Cameroonian couples. The sector purpose is to strengthen the GRC's policy-making capability and personnel base with which to develop family planning services.

Opportunities for the GRC population program only began in the last several years. The first major opening was by the President of the Republic, Paul Biya, who highlighted the need for "responsible parenthood" in his introductory note for the Sixth Five Year plan cited below:

> "We should therefore be more aware of the population phenomenon which is increasing its scope and is becoming more acute everyday in families and towns. This awareness must be concretized:
>
> > Firstly by striking the necessary balance between the population, resources and development, and ...
> >
> > I would like at this point to draw the attention of Cameroonians of both sexes to the economic and social consequences of an unplanned increase in birth rate. Procreation, albeit a basic human right, can and must be controlled. The purpose, therefore, is not to discard our beliefs, practices and customs in this regard, but rather to increasingly strive for the systematic promotion and institution of planned and responsible parenthood."[6]

Illustrative of the many difficult structural problems caused by Cameroon's 3 percent plus annual increase in population is "unemployment". The Sixth Five Year plan notes in section 23.1.6 (page 277) that:

> "The number of new jobs created annually meet only 40% of labour market needs (and only 20% are paid jobs). At present, about 250,000 people are estimated to be seeking employment for the first time, and to this figure should be added others who have worked before but are now jobless...."

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[6]VIth Five Year Economic Social and Cultural Development Plan, 1986-1991, Ministry of Plan and Regional Development, "Head of State's Message to the Extraordinary Session of National Assembly", page VIII, Yaounde, Cameroon, August 1986.

The economic crisis which began in 1987, has only made matters worse. Looking to the economic and social development of Cameroon in the future, assisting the GRC and its population reduce its birth rates is of highest priority. The USAID has recognized this need.

The GRC's population program is in its infancy. For example, use of contraception using modern methods is less than 3 percent.[7] Thus far the USAID has utilized four centrally funded population support activities:

a. **Training under the Johns Hopkins Program for International Education in Gynecology and Obstetrics (JHPIEGO)**

Through 1987, eighty-nine Cameroonians were trained under this project (936-3045) with a AID/W funding level of about $200,000 per year through 1990. USAID/Cameroon and the Chief of Service of External Relations of the Ministry of Health maintain lists of the persons trained. This pool of trained Cameroonians will become vital as the Population program service delivery programs become operational over the next several years.

b. **Family Planning International Assistance (FPIA)**

This project (932-0955) supports the family planning efforts of the Presbyterian Church hospitals in Cameroon and supplies contraceptives to the MOH for high risk maternity clinics. This project is moving well and demand for contraceptives is said to be increasing. AID/W has provided funding ($139,000 annually) until 1990.

c. **Family Planning International (FHI)**

This project (936-3041) supports biomedical research on low dose estrogen oral contraceptives and the copper T-380A, IUD. AID/W will provide funds to 1990 at $20,000 per year.

d. **Natural Family Planning (NFP)**

This project (936-3041) supports the efforts of the Catholic Health Services of Cameroon to promote NFP. In 1985 the project received grant funding of $62,000. The PACD was December 1988.

e. **Family Health Initiatives-II (FHI-II)**

In the fall of 1988, the USAID signed a "buy-in" to the Family Health Initiatives-II (FHI-II) project (698-0462.31) in the amount of $1,200,000 for four years. USAID Cameroon set aside $400,000 in 1988, and plans to set aside $400,000 in 1989 and 1990 respectively. This project has consolidated the mission's population activities. Its objectives are to:

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[7]Three percent is based on 1978 WFS (Cameroon study findings).

- strengthen the role of the Ministry of Plan in coordinating population efforts,

- assist the Ministry of Plan to develop an official population policy for Cameroon,

- provide for special studies and training in the field of population,

- provide for management training in areas of program design, monitoring, evaluation and information, and

- prepare the service mininstries (Health, Women's and Social Affairs, and Agriculture/Community Development) for inititating service delivery programs.

3. Support to Cameroon's HIV/AIDS Control Program

Using AID/Washington central funds, USAID/Cameroon has assisted the National AIDS Control Program in carrying out IEC, studies of high risk groups and supplying condoms. The program is managed by a group of dedicated young Cameroonian doctors and has moved well in a short time. For example, in late January the MOH sponsored a one hour prime time TV program on AIDS and how to prevent it. The program was very well thought out, and direct and explicit about the cause, prevention and fatal results for those contracting the disease. Numerous articles have been published in the daily newspapers and periodicals.

Support to date totals $200,000 pledged through the WHO/Global Program for AIDS (936-5963), $340,000 for technical assistance through the AIDSTECH project (936-5972) and $32,000 for supply of condoms. USAID will provide an additional $200,0000 for this important program in 1989. Support for this activity will continue through the CDSS period.

4. Health Constraints to Rural Production Project (Schistosomiasis research)

This is a seven year, Africa regional project, begun in 1983 and funded at $7,430,000. The project has surveyed the prevalence and transmission dynamics of all three forms of schistosomiasis in Cameroon. Pilot control studies have been planned.

Twelve Cameroonians are receiving doctoral degrees in the U. S. Eleven of the twelve are fully expected to complete successfully their doctoral work, with only one doubtful. In addition eleven non-Cameroonians are being trained at Tulane University at MPH level.

The national schistosomiasis laboratory provided for under the project has been completed and is operational, as well as the geographical mapping of schistosomiasis in the country. Operating manuals have been prepared.

The PACD for the project (631-0067) is December 31, 1990. It is expected that the project goals will have been 95% achieved by that time and no further funding or extension of time is planned for this project.

5. Nutrition

AID/W central funds in the amount of $147,000 have supported the Infant Weaning Practices project being implemented with CARE's primary health care program in the Extreme North Province. The project began in 1985 and will continue through 1989. As indicated above, nutrition is not a major priority of the Cameroonian health sector program except for the ORT work where recent research has stressed the strong relationship between adequate nutrition and the debilitating effects of diarrhea, and the nutrition/growth monitoring component of the MCH/CS project.

6. Related Health Activities

The USAID set aside $50,000 as a one time grant for a Health Management Seminar which was held in October 1988. Future management activities will be planned as part of the USAID's Child Survival, Population and HIV/AIDS programs.

Two AID/Science Research Grants were made to two Cameroonian researchers at CUSS, one of $56,000 for onchocerciasis, and another of $139,000 for malaria.

7. Save the Children Federation -- Child Survival Initiative

The Cameroon Field Office of the Save the Children Federation (SCF) plans to continue and expand a major Child Survival initiative in the Far North Province focusing on the following interventions:

- Immunizations
- Oral Rehydration Therapy
- Malaria Control
- Growth Monitoring
- Information System to Maximize Community Participation
- Vitamin A Supplements
- Community Water Supply.

In addition to the technical aspects the project will address the following issues:

- Management Systems
- Information System
- Health Care Financing
- Village Health Workers

The proposal, if approved, will continue these activities and involve $715,794 of AID funding from July 1989 to June 1992 and $238,650 of Save the Children Funds. The SCF project has been very successful and its emphasis on management and self financing as well as technical aspects of child survival is very much in line with A.I.D. priorities.

Recently Save the Children and Care have written a joint proposal to USAID for an operational program grant to extend child survival interventions and institute cost-recovery in the extreme North Province of Cameroon. The joint PVO proposal is presently under review at the mission.

D. Other Health Sector Donor Activities

The following information comes principally from information collected by the UNDP, and additional information obtained from the Ministries of Health, Plan, Social and Women's Affairs and USAID contacts with PVOs, bilateral and international donors (e.g. WHO, UNICEF, UNFPA, Save the Children, CARE, Germany, Belgium, and France). (See Annex E, for a listing of other donor activities in the Health and Population Sectors.[8]

In Health in 1986 France was the largest single donor of technical assistance with $42.2 million or 44.5 % of the total amount received from bilateral and international donors. The United States was second with $28.4 million or 30.0% of the total, with West Germany (FRG) third with $8.9 million or 8.4 %. According to UNDP records, in 1986 the Health sector received 12.3% of the total TA of $94.8 million, and Population 0.7%.

Most of France's help in the health sector is on the curative side with assistance for hospital care. Germany has concentrated on integrated primary health care in two provinces stressing community participation and self help. Belgium also has a rural primary health care project in one province. The German (GTZ) project is going well, and has developed some interesting work in designing and setting up non profit community based "propharmacyies" in the areas in which it is working. The USAID retains close contact with the German and Belgium technical assistance personnel working in the primary health care area.

The principal objective of WHO since the Alma Ata Conference (1978) has been to promote Health For All by the year 2000. This has been made more specific at the Bamako Conference in 1987. The strategy for this initiative involves primary health care as a focus on promoting decentralization and concentrating at the operational (district/arrondissement) level. The new element added at the Bamako conference was to involve the village health committee's, through their representatives at the district level in the self-financing of the operating costs of health facilities at the district level.

The FY 1988-89 WHO technical assistance program was $1.1 million with $1.2 proposed for FY 1989-90. It will provide assistance to the GRC in analyzing its health situation, help resolve management and organizational questions at the primary level, look into health information systems, health education, STD, and other issues of concern to the GRC.

The UNICEF continues to work with the GRC in child survival, especially in the Expanded Program of Immunization (EPI), Control of Diarrheal Diseases (CDC), and Child Spacing. UNICEF collaborates essentially with the Ministry of Social and Women's Affairs promoting income generating activities, use of ORT in the "Maisons Familiales" etc.; with the MOH supplying vaccines, operating funds, and packages of ORT, and with the Ministry of Agriculture (village water supply). Immunization

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[8]Health and Population Sector technical assistance and capital assistance lists in Annex E are taken from UNDP's Development Assistance- Cameroon Annual Report 1986. The annual report for 1987 is not yet issued.

continues to be a major UNICEF concern since the very successful national campaign in 1987. Since that time the fixed facilities have not been able to keep up and the level of vaccination coverage is slowly receding.

Table 3

External Technical Assistance - Cameroon

Category of Assistance	France	U.S.A	FED	DCU.K.	Begium	Neth-erland	Egypt	UNDP	Other	Total	
	%	%	%	%	%	%	%	%	%	%	
Political Affairs		0.1					0.5				
General Devel. Issues	17.6	.5		8.3					47.3	9.7	
Natural Resources	0.8							20.8		1.3	
Agriculture		36.2	21.0	35.1	89.3	92.9	15.8	31.9	12.0	20.6	
Industry			27.5					23.3		3.4	
Transport & Communication		5.1		13.2				28.6	15.8		4.2
Population		1.7					0.9		5.1	0.7	
Health	8.0	8.4	38.3	0.8	15.7		48.4		29.8	12.3	
Education	58.5	52.0		55.9		7.1				42.8	
Human. AID		1.1					5.9		0.9	0.3	
Social Conditions	9.9								5.2	0.2	
Science & Technology		0.1								4.5	
Total by donor	$42.2	28.4	8.4	0.9	0.8	2.2	0.5	3.8	3.1	94.8	
Percent	44.5	30.0	8.9	0.9	0.8	2.3	0.5	4.0	3.3	95.2%	

Source: UNDP Development Assistance-Cameroon Annual Report 1986 includes $4.5 million of other multilateral assistance.

In addition, UNICEF is working with the World Health Organization in assisting the GRC to implement the Bamako Declaration which calls for involving the population at district level in financing and management of health facilities.

In the population field, the USAID and UNFPA are the two major donors, although some help has been received from the World Bank, and Egypt. Population was only 0.7% of total external financing in 1986.

In HIV/AIDS in addition to assistance from the USAID and WHO, the French, EEC, and Germans have also made technical and financial assistance available in this important field.

Cameroon has been lucky. The National AIDS Control Program (NACP) is well staffed by competent, young Cameroonians and the National Program has been open to reporting of all cases of AIDS, to sharing information on seroprevalence of HIV, and to cooperating with all donors. The work accomplished in the first year of the NACP is impressive.

With continued support from USAID and other donors Cameroon will be able to ensure an HIV free supply of blood for transfusions, to monitor the prevalence of HIV in both the high-risk and general populations, develop/disseminate appropriate information/education messages, and begin commercial sales of N-9 condoms. Free supplies of condoms will be retained at the two GRC STD clinics and to the 225 prostitutes enrolled in a long-term prospective study in Yaounde.

While the various activities appear complementary in nature and are coordinated by the MOH, there is no MOH or Plan donor coordinating committee in health or population which meets regularly to facilitate exchange of information between donors and the government. However, recently the Deputy Chief of Preventive Medicine called together those PVOs and bilateral donors working in primary health care in the field to agree on procedures and timing for the launch of a program of selling health cards for 100 CFA to those using Health Center services. Of the 100 CFA the health center would keep 35 CFA, the intermediate level 15 CFA and the MOH would be reimbursed 50 CFA to cover the costs of producing the cards. This marks a breakthrough in allowing the local centers to keep a percentage of the income from sales.

As part of the Structural Adjustment Program exercise now underway the World Bank has fielded several technical assistance teams in the social sector concentrating on self-help programs involving community participation. Preliminary talks with the Bank about its interest in establishing a revolving fund for primary health care which would equip the rural health facilities with the generic pharmaceuticals and essential medical supplies was received very positively. This proposal is discussed in section IV below.

IV. Proposed Health Sector Strategy: FY 1990 - FY 1994

A. Health Sector Strategy Overview

The Health sector strategy has three major areas of concentration: Child Survival, Population, and HIV/AIDS. Over the period of the CDSS it will focus on more productive and efficient use of existing resources, development of self-help on

the part of the population, and the encouragement of the private sector in order to help assure the sustainability of health sector programs. In carrying out this strategy, the USAID will utilize and build on existing technical assistance resources already in place to take advantage of the heightened interest of the government in better management of existing health programs, decentralization, and its willingness to consider full payment for pharmaceutical and health services by the population.

The strategy over the five year CDSS period (FY90-94) is divided into two time periods:

1) **Near Term:** FY 90, 91 beginning on October 1, 1989 -- a transition period using existing resources already in place to prepare for longer term, new initiatives, and

2) **Longer Term:** FY 92, 93, 94 beginning FY 92 -- implementation of major self help initiatives nationwide in Child Survival and Population areas which were prepared and tested during FY90 and 91.

The USAID's health sector strategy, which has important long term development implications (e.g. reduction in population growth, and a healthier more productive work force), takes into account the Development Fund for Africa Action Plan, and its performance oriented criteria and potential program flexibility. In addition, the USAID has also developed this strategy within the context of the urgent resource requirements for the Structural Adjustment Program (SAP) now being prepared and negotiated by the World Bank with the GRC in consultation with principal bilateral donors including the USAID. The SAP when agreed and put into operation (perhaps as early as the summer 1989) will dominate resource allocations by the government and donors for the next 3 to 5 years.

While no one can predict for certain how events will unfold, the USAID sector plans which follow are based on the following scenario or assumptions. The economic crisis will continue to deepen for another year (FY 89/90) as the government organizes itself to implement the essential but difficult self-help measures worked out by the World Bank which will have to be met before significant amounts of resources are released. The government will not be able to implement all of these measures simultaneously but will muddle along making slow progress over the next two to three years (FY 91/92/93) until it is able to manage effectively the crisis (FY94). Return to the high growth rates of the period from 1975-85 will be difficult and may not be achieved during the timeframe of this CDSS.

This scenario makes all the more important the measures proposed in the Health Sector Strategy designed to obtain the policy changes necessary to increase the management efficiency of health sector, increase the self-help efforts of the population, and increase the role of the private sector in the priority areas, Child Survival, Population, and HIV/AIDS.

As indicated earlier in section III above, the USAID's Health Sector program already reflects Agency priorities for Child Survival, Population and HIV/AIDS. While the program is in different stages of development depending on the sphere of activity, it is characterized by its recently approved bilateral projects and low pipelines plus useful services provided by the selective use of centrally funded technical assistance.

These resources already in place will help the GRC accomplish DFA strategic objective one: "Improving management of African economies by redefining and reducing the role of the public sector and making it more efficient."[9]

In addition, the FY90 - FY94 CDSS planning for the health sector strongly supports one of the USAID's major CDSS strategy objectives: "Increasing the efficiency of the public sector" and its sub sector (iii) "Increased Efficiency and Equity in Providing Social Services". In both the near and longer term, action plans will be developed to implement the CDSS Health Sector Strategy. These plans will emphasize top level policy reform and establishment of "performance oriented" programs including appropriate time phased benchmarks. The following paragraphs outline in more specific terms the USAID's strategy by program elements.

Put in other terms, the USAID analytical approach started with macro level analysis, and proceeded to identify basic structural problems requiring resolution. Next there has been a careful sector level analysis with focus on subsectors where a flexible mix of project and non project level resources can be made available in conjunction with other donors to facilitate and make possible improved performance in child survival.

Essentially the USAID will be applying a judicious strategy of continuing a base of core sectorial activities of prime importance, while maintaining a flexible stance so that additional resources can be made available to help where performance so warrants.

B. CDSS Health Sector Program Elements

1. Child Survival

One of the serious problems in Cameroon in providing primary health care (especially for woman and children under five) at this time is the lack of essential pharmaceuticals and medical supplies in the GRC's 397 elementary health centers and 146 developed health centers, 57 MCH centers, and 64 dispensaries, not to mention the problem of supplying the country's 173 hospitals.

The government, because of high recurrent cost imbalances, has not been able to assure provision of funds to cover these costs. While the reference hospitals in Yaounde and Douala are reported to have received minimal but adequate medicines, the rural health facilities absorbed the majority of the cutbacks. Unfortunately, the outlook for future funds is worse given the GRC's general economic situation.

As a result, where in the past a primary health care center might have had 50 to 100 patients a day, in absence of basic pharmaceuticals and medical supplies, only 5-10 or so may use the facility. By and large prescriptions issued by these government health centers can be filled at the private religious health centers and rural hospitals, which do have the necessary medicines. Often the patient must travel long distances by bush taxi as well as pay cash for the medicines.

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[9]"Development Fund for Africa -- An Action Plan", pages 8, 11.

Table 4

GRC Health Care Facilities

Formation Sanitaires	Public	Private	Total
Hopitaux	173	218	391
Centre de Santé développé	146	35	281
Centre de Santé élémentaire	397	97	494
C D M P H P	51	51	
P M I maternité	57	15	72
Dispensaires	64	79	143
TOTAL	888	444	1332

Source: Ministère de la Santé Publique, Dec. 1988

Due to shortages of essential materials, and in spite of the government's continued heavy expenditure for salaries under its operating budget[10] (for some 12,000 doctors, pharmacists, dentists, nurses, nurses aides, health and technicians, and investment in the health centers and other service facilities), these facilities are highly unproductive due to lack of medicines and basic medical supplies.

Table 5

Public Health Personnel

	Public	Private	Total
Médecin	511	268	779
Pharmacien	82	136	218
Chirurgien-dentiste	25	16	41
Infirmeir	4667	--	4667
Aides-soignants	5445	--	5445
I S S	207	--	207
Techniciens de la santé	829	--	829
TOTAL	11766	420	12186

Source: Ministère de la Santé Publique, Direction des études de la Planification et des statistiques, December 1985.

Without any other improvement in management, the regular provision of adequate pharmaceuticals and medical supplies would improve dramatically the productivity of the

[10]As the amounts budgeted for the MOH continues to decrease, in 1989 an estimated 95-98% will go for salaries leaving only 5% of the government's current budget for supplies, maintenance, and other costs.

system and the amount of effective primary health care provided to the community, perhaps as much as doubling or tripling the number of visits to the center.

The USAID is convinced that if centers could be supplied regularly with 20 essential generic drugs and essential basic medical supplies, over 70% of the diseases could be treated effectively. If these basic curative drugs were available with the concurrent increase in use of the basic level health facilities by mothers and their children, it would make the government's work in preventive medicine (vaccinations, ORT, growth monitoring, child spacing) much more effective. (N.B. In the near term vaccinations would continue to be provided free for major illnesses, given their cost effectiveness from an epidemiological point of view (e.g. eliminating the necessity of treatment for measles, tuberculosis, whooping cough, diphtheria, tetanus, etc.)

Experience to date in Cameroon and other sub Saharan countries demonstrates that the rural population will pay for essential medicines and go long distances to purchase them. This demonstrates that a program which would solve the medical supply problem would be well received even if the population was asked to pay one hundred percent of the acquisition, plus transportation, and distribution costs.

One solution to this problem would be to develop a sustainable, self-financing system in the short term (next 2 to 3 years) which would provide essential generic drugs to the government's primary health care system at reasonable cost to cover 70% of primary health care illnesses. Such action would make more productive the PHC system for both curative and preventive services.

The major thrust of the USAID's Child Survival Strategy then will be to establish over the next two to three years, a nationwide renewable medical supply system for the country's primary health care network which would be self sustaining after the initial financing by donors (e.g. USAID, World Bank, UNICEF, and other bilateral donors). Non project assistance would be the mechanism used for the USAID contribution to the revolving fund with major health care policy changes by the GRC the justification for the non project assistance.

A restructured ONAPHARM with a capability to function as a wholesaler for the import of these essential generic drugs, would import the drugs and deliver them to its 10 provincial centers. The MOH's provincial health offices would pick up the medicines and supplies from ONAPHARM's provincial offices and pay for them at the time of delivery. The first quarterly or semestrial delivery would be provided free, but resupply would require payment to ONAPHARM at time of delivery using the funds collected by the primary health care facilities in selling the pharmaceutical and charging for medical supplies.

In order to obtain significant price savings and quality control, the 20 or so generic drugs and medical supplies would be purchased via UNICEF's supply center in Copenhagen. This source would also assure quality control. Given the large volume of purchase of these pharmaceuticals by UNICEF to meet worldwide needs, UNICEF prices are significantly below what might be obtained by ONAPHARM with relatively small orders, or from the private sector for quarterly/semestrial needs, and significantly below the cost of purchase by brand name. ONAPHARM is already mandated to act as a wholesaler in ordering for and selling medicines to the not-for-profit PVOs or NGOs.

This same ONAPHARM wholesale facility would also be made available to private pharmacies wishing to stock generic drugs, with no government imposed ceiling on the private sector markup. This latter point would encourage private sector pharmacies to stock generic drugs. It could be included in the policy dialogue with the GRC as one of the conditions precedent which must be met in order to qualify for the grant/soft loan for the purchase of generic medicines and medical supplies.

It is expected that as much as $25.0 to $30.0 million would be required to establish the revolving fund. For example, it might be divided between donors as follows:

-	USAID (non project grant)	$ 7.5 - 10.0 million
-	World Bank (social sector soft loan)	$10.0 - 12.5 million
-	Other Donors	$ 7.5 - 7.5 million
	Total Required	$25.0 - 30.0 million

The USAID considered the possibility of the non project grant directly to the private sector, as was done for the fertilizer import non project grant. The private pharmaceutical sector presently imports around 30% of the pharmaceutical and medical supplies used in Cameroon. However, individual private pharmacy imports would be significantly more expensive than ONAPHARM buying through the UNICEF facility. In addition, it might not be profitable to establish commercial pharmacies in some of the isolated areas where the government's primary health care facilities already exist.

To develop a feasible, pretested nationwide system and develop the training capability necessary for its installation, the GRC and USAID would use the bilateral Maternal Child Health project described in Section III above to develop self-help systems in the two provinces (South and Adamaou) with a view to being ready to go nationwide by late FY 91 or early FY 92. The USAID/GRC MCH project agreement already provides for developing systems in the two provinces which would require payment by the population for medicines and services.

This plan to assure the supply of essential generic medicines to the whole primary health care system and establish a self financing system for the continuous regular supply of these medicines and medical supplies has a very specific and precise objective which is limited to making the existing fixed primary health care system more productive. It is complementary and in no way replaces the broader, longer term "Bamako Initiative" programs now being organized under the WHO/UNICEF supported activities at district/ arrondissement level, i.e. by developing propharmacies and organizing the support of village and district level health committees for broader based health care support.

To sum up, in the near term (FY 90-91) as part of the MCH project's current Child Survival mandate, and by using its resident staff and short term consultant element, a workable self financing medical supply system would be designed and tested in two provinces. The MCH team would then prepare the necessary manuals and training programs (TOT) so that the program could start in late FY 91-92. In FY 92-93, MCH would move nationwide and help with the installation of the system and assure that it was fully sustainable without further external assistance.

Another aspect of the Child Survival sub sector strategy which addresses an important area of weakness is that of management, supervision, and administration, i.e better use of existing resources and reduction of waste. Most administrators in the health field are selected because of the technical skills and may never have had any training in management.

In other cases it is the administrative system in place which must be revamped before significant improvement is possible. Health Information Systems (HIS) and Management Information Systems (MIS) now being developed by the MCH team must be organized so that decision makers can respond promptly to epidemiological challenges, and make sounder operating decisions for vital immunization, ORT, and child spacing programs, the operation of which are made all the more difficult given the greatly reduced resources available.

Over the next two years (FY 90 and 91) the MCH team will continue its management oriented help at provincial level, and will use this experience to design and test programs which can be successfully applied at the national level. The project will be extended through FY 94 to provide help during the transition period from provincial to nationwide self-help programs.

2. **Population**

As indicated in section III above, the USAID is effectively using centrally funded resources and the Family Health Initiatives II Project. Both resources have been steadily preparing the government to move ahead in this important area. As the government nears the stage of a public policy statement or credo on family planning followed by increased IEC work and movement into national level delivery programs, it is vitally important that the Demographic Health Survey (DHS) requested by the USAID in late 1988 be fielded as soon as possible, hopefully, in fall of 1989, but no later than early 1990. An optimistic time schedule would be to have the results of the survey available, analysed and in the hands of the decision makers by the Summer or late Fall of 1990.

Not only is this information necessary to design realistic service delivery programs at a national level, the results of the DHS will provide essential base line data upon which benchmarks can be established and progress, or lack of it, can be measured.

Meanwhile, the MCH project will work at provincial level to determine the level of contraceptive demand, and the response if contraceptives to be made available. This foundational work will prepare the way for Information, Education and Communication programs, and contraceptive social marketing efforts involving contraceptive sales in cooperation with the private sector, once the results of the DHS are known and analysed.

By FY 91, the government's "performance", i.e. public policy population announcements, decentralization of family planning to the district level, field level training, identification of target groups, priority areas of concentration will have been made. The DHS analysis will be available and the stage set for the preparation of a major bilateral population project which would become operational in late FY 91 or early FY 92 and continue throughout the balance of the CDSS and beyond. While it is premature to make any firm estimate, based on cost of bilateral service delivery

oriented activities of this type at least $5.0 to 10.0 million over five years should be planned.

3. HIV/AIDS

USAID feels that over the CDSS period there is an unique opportunity in Cameroon to greatly reduce or stop the spread of the HIV and as a result the number of AIDS cases. However, it is necessary to continue the government's vigorous approach to this problem in spite of the serious monetary constraints, especially given Cameroon's relatively high rate of sexually transmitted diseases. Studies indicate urban adult rates of 12-15% positive for one more STD. The results of nine studies (two in the rural areas, and seven in urban areas) showed near zero prevalence in the rural areas and 0.5% and 0.8% HIV positivity in urban survey groups. However, in high risk groups such as "commercial sellers of sexual favors, "prostitutes", from 8% to 12% were HIV positive.

The government has strongly supported the program, encouraged the medical community to help, established a special unit in the MOH, and encouraged the initiation of an important Information, Education and Communication (IEC) programs using radio, television and the written media. The HIV/AIDS activity is one in which a vertical program seems advisable, oriented toward prevention with a focus on the high risk groups, and education (IEC) of the rest of the sexually active population. The USAID feels that the organization and implementation should be kept separate from family oriented population programs, and primary health care programs in the rural areas. For example, the Ministry of Health has set up a separate section to deal with HIV/AIDS.

A cost effective system for monitoring the progress or regression of HIV will be developed, and fine tuning the corrective health education messages will be continued and improved over the CDSS period. IEC message content stresses that AIDS is avoidable by the individual, through abstinence, single partners, reducing the numbers of sexual partners, and use of condoms. While studies show that over 90% of HIV transmission is sexually transmitted, measures are already being taken to test blood donated for transfusions, and to reduce and then eliminate HIV contamination from this source. Public education also covers the dangers from unsterile needles and skin piercing intruments.

Regarding the need to slow or stop the HIV transmission by high risk groups, an initial pilot program involving testing, education and supplying of condoms has been initiated. Some 225 prostitutes (who can act as trainers in informing others) from major hotels in Douala and Yaounde are enrolled in the program.

Table 6

CDSS HEALTH SECTOR PROGRAM (FY 90-94)
($000s)

Project Title	Oblig.to Date	1990	1991	1992	1993	1994	Total (FY 90-94)
I. Child Survival							
-Maternal Child Health (6310056)	6000	2000	1500				
-PRITECH (9365927.1)	550	300	250	200	150	100	
-Measles Vaccine (6980421.31)	240	100	100	100	100	100	
(Proposed Child Survival Bilateral Activities)							
-Maternal Child Health Phase II				1500	1500	1500	
-Self Sustaining Pharmaceuticals				10000			
(Non Project 1)							
SUB TOTAL (I)	6790	2400	1850	11800	1750	1700	19500
II. Population							
-Family Health Init-II (69850462.31)	800	400					
-Population Services and Policy Support (6310069)			1000	2000	1500	500	
(Continuing Population Activities -- Centrally Funded)							
-Training (JHPIEGO)2		200	200	200			
-Service Delivery (FPIA) (2)		130	130	130	130	130	
-Bio Med Research (FHI)2			20	20	20	20	20
-Demographic Health Survey (DHS) (3)	400						
SUB TOTAL (II)	1200	750	1350	2350	1650	650	6750

1. Non-Project grant in cooperation with international and bilateral donors-- e.g. World Bank, UNICEF, West Germany, etc. Their contribution $10-20 million.
2. Contingent on AID/W continued funding.
3. Plus $70,000 taken from USAID/Cameroon Family Health Initiative-II project (69850462.31)

CDSS HEALTH SECTOR PROGRAM (FY 90-94)
($000s)

Project Title	Oblig.to Date	1990	1991	1992	1993	1994	Total (FY 90-94)	
III. HIV/AIDS								
-Support to National AIDS Control Program Project (NACP) (4)	748	300	350	400	400	400		
SUB TOTAL (III)	748	300	350	400	400	400	1850	I V .
Other Related Health								
-Health Constraints Rural Prod.-Shisto- (6310067)	7483							
	(Continuing Centrally funded activities)							
-Infant Weaning Practices (9311010)	147							
-AID/Science (PSTC) (9365542)	225	80	80	80	80	80		
SUB TOTAL (IV)	7855	80	80	80	80	80	400	
GRAND TOTAL (I-IV)	16593	3530	3630	14630	3880	2830	28500	

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4. Total of $748,000 includes: WHO/GPA, $200,000; AID/W Central Funds, $348,000; and USAID/Cameroon 1989 OYB, $200,000.

To sum up, in FY 90 and FY 91 the USAID will continue to draw on its bilateral and centrally funded programs (using buy-ins where appropriate) at about $3.5 million each year to assist the GRC to continue the development and implementation of its Child Survival/Population/ HIV/AIDS activities. By late FY 91 or early FY 92, it is expected that the Mission will be ready to implement its major "Self Sustaining Pharmaceuticals" non project grant of $10.0 million in cooperation with international and bilateral donors. In addition, it is expected that by FY 92 the USAID will have obtained sufficient data and experience to launch a major Population bilateral project of $5.0 million over the remaining three years of the CDSS. The total estimated amount of project and non project assistance required for the Health Sector from FY 90-94 is $28.5 million.

C. Responsiveness to Cameroon's Development Needs

The USAID feels that the program priorities in the social sector outlined above address the principal social development needs of Cameroon. There are the primary health care programs which stress child survival and include child spacing, there are programs to reduce the uncontrolled population growth and to stop the spread of HIV to reduce AIDS; all of these have major economic implications for the economy over the long term, and should not be stopped because of the current economic crisis.

The SAP now under negotiation and deepening economic crisis offers some major opportunities to encourage and install major self-help measures by the population in the area of primary health care. They have enhanced the interest at senior government levels to improve management systems, carry out a major population program, and encourage a more important role in the private sector.

As indicated above, the thrust of the health sector program does not emphasize capital investments. On the contrary, its objective is to make more cost effective and productive use of existing facilities and services, to lighten the burden on the government through greater cost recovery, and to encourage private sector participation where ever possible.

D. Financing -- Including Self-Help/Sustainability

Table 6 laid out the expected financial needs by activity over the period FY 90-94. Essentially the priority projects (bilateral, buy-ins, and centrally funded) are already in place and financing needs are reasonably clear for FY 90, and FY 91. Projections for Fiscal Years FY 92,93, & 94 are more general in nature and are performance oriented, i.e. their implementation (described above) will depend on specific policy level, administrative, technical and financial actions taken by the GRC.

Financing of both technical assistance and non project assistance is planned over the CDSS period. The establishment of a $25.0 - 30.0 million multi-donor revolving fund (USAID contribution $7.5-10.0 million) to provide essential generic drugs for the government's fixed primary health care facilities will lead to a sustainable self-help system under which the population will pay for 100% of the cost of the replacement and recurrent costs for these essential medicines and supplies. The following table outlines the financial needs over the CDSS period by type of assistance, activity and fiscal year: Detailed justification and benchmarks for activities described above and listed in the table will be provided in the USAID's Action Plan(s) which will be prepared later in the year. (See Table 6)

V. USAID Health Sector Management and Administration

The USAID's current health sector portfolio contains three major health bilateral activities, one African Regional Population activity, three centrally funded population activities, AID/SCI research grants, PRITECH, the HIV/AIDS program (which is a mixture of funding from AID/W and USAID/Cameroon) as well as other elements. In addition the USAID is responsible for health programs in the Central African Republic (CAR) and Equatorial Guinea (E.G.).

The Office of Education and Human Resource Development through its Health, Population and Nutrition Division (HNP) is responsible for these activities. The HNP division is managed by a senior direct hire Health and Population Officer who has been in the Cameroon for five years and will leave during the summer of 1989. He is assisted by a Program Specialist, a very competent Cameroonian. In addition there is a secretary assigned to the Division.

At present the HNP office is very busy. The office is well managed and copes very well with its Child Survival, Population and HIV/AIDS activities including a major health research project in schistomiasis which will end in 1990. The work involves not only the Ministry of Health but also the Ministries of Social and Women's Affairs, Plan and Agriculture.

Close contact is also maintained with WHO, UNICEF, UNFPA, and the World Bank on health sector activities, as well as PVOs (Save the Children, and CARE), and major bilateral donors working in the USAID's field of action, Germany, Belgium, and the French. The government has no formal coordinating mechanism in the health sector (child survival, population, HIV/AIDS, etc.). This makes the informal coordination with other bilateral and international organizations particularly important, although time consuming.

The use of the full range of A.I.D. resources, centrally funded services (an estimated $550,000 annually), buy-ins, and bilateral funding, has been very effective in the health field, and enabled the mission to respond to critical GRC technical assistance needs. However, if there were not the careful orchestration and program planning by the USAID direct hire health officer, these multi disciplinary technical resources would be wasted. As it is they have been very effective in moving the government's thinking and programs along in the right direction in spite of the growing financial constraints.

Future health sector activities will involve decentralization, self-help, community participation, multi donor cooperation, IEC/CSM, multi disciplinary surveys, DHS, mini surveys, focus groups, operational research with a view to effecting public policy so that any policy and/or structural changes needed to increase the effectiveness of public health services can move ahead.

To carry out the CDSS plans described in Chapter IV above and manage or maintain the current portfolio, at minimum a senior level U. S. direct hire health/population officer will be required. Even then, the US direct hire (Gary Leinen's) replacement (he or she), may not be able to handle the program load in their initial year without some additional help. Given the expected expansion in population sub sector, there is an a priori need for a PSC population officer to provide additional technical, administrative and management help as this activity grows from regional testing to a major nationwide program.

To reiterate the problem in more program terms, the thrust of health sector program with innovative self help, management, programs, non project assistance promoting policy level decisions affecting policy structure will require more careful management by an experienced USAID direct hire health/population officer. Opportunities are great, put will require firm but sensitive direction.

For example, as the program moves into the service delivery phase the population program will require coordination between three ministries (Ministry of Health, Ministry of Social and Women's Affairs, and Ministry of Agriculture). As mentioned above a GRC coordinating mechanism in the Presidency or Plan for population will need to be created with senior level government support. Contraceptive social marketing drawing on the marketing strengths of the private sector offer opportunities for chloroquine tablets for malaria; ORS for CDD, and condoms for at risk groups to reduce the HIV/AIDS threat.

Lack of adequate USAID management will put at risk the substantial progress, and foundation building work already carried out.

To sum up, the present USAID direct hire health/population officer should be replaced this summer by a senior health/population officer with experience in Africa. Given the complexity of the Cameroonian program, there should be several weeks overlap, if at all possible. In addition, budget permitting a PSC should be hired to help carry on the growing work in the population field.

If it is not possible to maintain the direct hire health/population officer, the health sector program described above should be reduced significantly to allow for proper administration and management control.

VI. Monitoring and Evaluation

Highlighting the USAID's health sector programs be they Child Survival, Population, or HIV/AIDS is the conviction that one of the foremost barriers to progress and effective use of scarce resources are the across the board lack of management skills in the public health field. This may be due to the almost exclusive attention to the technical (nursing, medical and pharmacy subjects) to the exclusion of public health management. In addition, Health Information Systems and Management Information Systems are less developed here than in a number of the West African countries. This makes monitoring and evaluation of health sector activities of special importance.

One of the serious problems is lack of base line data in the health field which will enable the evaluators to measure the forward progress (or lack of it) in the joint GRC/USAID programs. In this context it is vitally important
that the Demographic Health Survey (DHS) already requested by the GRC and USAID be carried out as soon as feasible. The base line data obtained from the DHS survey will provide a foundation for measuring progress, and carrying out meaningful mini survey's and other operational research needed to assess the progress of the program and plot future strategies for implementation.

Each major health activity will have its own annual action plan with specific benchmarks by fiscal year, so that the USAID management can measure specific strengths and weakness of its CDSS program in the health sector and make the

necessary adjustments. In addition, apart from these regular annual, biennial or as-needed evaluations of the specific health sector activities, given the uncertainties around the results of the Stabilization Adjustment Program agreement expected to be signed in the Summer of 1989, the USAID will include an assessment the health sector in its overall review of the CDSS in January 1990.

Annex A

SCOPE OF WORK

The consultant is to prepare a report on the Mission's Health and Population Program in Cameroon. The report will be based on the review of: The Health Sector Assessment and Strategy, 1987; the Mission's Interim Population Strategy and the Population Sector overview, 1985; the Mission's portfolio of three health bilateral activiies, one Africa Regional Population Activity, three Centrally Funded Population Activities, AID/SCI Research Grants, Pritech, the HIV/AIDS program (which is a mixture of funding from AID/W and USAID/Cameroon), as well as other elements.

The consultant will interview the Chief of the Office of Education and Human Resources Development, the EHRD/HNP Division Chief and Staff, the Program Officer, and other Mission Staff as appropriate. He or she will meet with the Mission Director and the Deputy Director to get their prespectives before beginning other activities. The consultant will interview the two Chiefs of Party for the health bilateral projects located in Yaounde, and the Pritech Coordinator. In addition, the consultant will interview GRC/MOH and Ministry of Plan officials and other health and population donor agency respresentatives, to assess the appropriateness of the USAID Health and Population program at this time in Cameroon. The consultant will evaluate the pressures exerted by AID/W and other external agencies on the Mission as well as by the needs and demands within Cameroon to modify the existing portfolio and add new program elements.

The consultant will prepare a draft report for review and comment by Mission Staff. The first section of the report will be an overview of the USAID Health and Population portfolio, its role in Cameroon and the Management responsibilities for the present program. The second section of the report will be an updated strategy statement suitable for inclusion in the FY 90 CDSS. This section will project three scenarios for the next five years (CDSS period): A minimum response portfolio, assuming some reduction in the current situation; a level program, envisaging continuation of program and staffing at approximately present levels; a growing portfolio over the CDSS period, with increases in staff and funding. The report will be ready at least four working days before the consultant's scheduled departure. The consultant will meet together with selected USAID staff for a review of the draft, then incorporate recommended changes. The final report will be delivered to the Mission Director prior to the consultant's departure.

Annex B

List of Persons Contacted

I. Government of the Republic of Cameroon (GRC)

- Ministry of Plan (MPAT)

  Alphonse Tabi, Sub-Directorate of Human Resources
  Madame Fuller, Assistant Chief of Service for Health and Population
  Jean-Marie Fokam, Chief of Health and Population

- Ministry of Health (MOH)

  Dr. Amida Ghogomou, Director, Preventive Medicine
  Dr. Owona, Deputy Director, Preventive Medicine

- National Pharmacy Office (ONAPHARM)

  Dr. Dobo Beye Casimir, Pharmacist, Director

II. International Organizations and Other Donors

- World Bank (WB)

  Dr. Raymond Rabeharisoa, Resident Representative

- UNDP

  Lee Merores, Deputy Resident Representative

- World Health Organization (WHO)

  Dr. Molouba, Resident Representative

- UNICEF

  Dr. Sanoko, Senior Program Officer

- UNFPA

  Pierre Ongenue, Program Officer

III. Non Profit Organizations (NGOs)

- Save the Children

  Tim Manchester, Director

IV. USAID

Jay P. Johnson,	Director
Ellsworth Amundson,	Deputy Director
Robert W.Schmeding,	Office Director, Education, Human Resource Development Division
Gary Leinen,	Health/Nutrition/Population Officer
George Vishio,	HNP Project Officer
Norman Olsen,	Supervisory Program Officer
Robert Shoemaker,	Superviory Project Development and Evaluation Officer
Gerald Hensley,	Controler

V. AID/W

Emmy Simmons,	Senior Economist, AFR DP
Gary Merritt,	Chief, Population and Public Health Branch Africa TR
Abbe Fessenden,	Cameroon Desk Officer
Alan Getson,	Project Development Officer, AFR Bureau

VI. USAID Contractors

- Maternal Child Health/Child Survival Project
  Malcolm Bryant, MB, MPH Project Coordinator, HIID
  Cambridge, U. S. A.
  Dr. James C. Sonnemann, MD, MPH, Chief of Party
  Robert de Wolfe, Management Trainer

- Control of Diarheal Diseases Project
  Ms. Robbin Steinwand, PRITECH Representative, Cameroon

- Health Constraints to Rural Production

  Dr. Raoult Ratard, MD, MPH, Chief of Party (Tulane)

- Development Alternatives Inc. (Jan/Feb 1989)
  Dr. Roger Poulin, Chief of Party
  Dr. Nicolas Kulibaba, Anthropologist/Sociologist
  Dr. Eric R. Nelson, Economist

- The Futures Group (TFG), Washington D. C.
  Dr. Ken Yamashito, Population Research Director
  Maurice I. Middleberg, Deputy Director Options for
  Population Policy Project

Annex C

DOCUMENT CONSULTED

1. Cameroon, Republic of (1986). Sixth Five Year Economic Social and Cultural Development Plan, 1986-1991. Ministry of the Plan and Regional Development, Yaounde.

2. United Nations Development Programme (1987). Development Assistance Cameroon, Annual Report 1986.

3. Cameroon Health Sector Analysis, 1987.

4. USAID Cameroon, Country Development Strategy Statements 1986, and C 1987 (Update).

5. AID/W, Development Fund for Africa, Action Plan, Washington, D.C., 1988.

6. USAID Cameroon, Project Papers for:

   A. Maternal Child Health/Child Survival Project (631-0056)

   B. Primary Technologies for Health Care (Pritech) -- Controlling Diarrheal Diseases (CDD).

7. Save the Children/Yaounde. Project Proposal -- Child Survival Initiatives, 1988.

8. ONAPHARM. Consultant Report, plus statutes and balance sheet 1987/88.

10. Development Alternatives INC. DAI team's economic analysis-Cameroon (DRAFT), February 1989.

ANNEX D

OTHER DONOR ACTIVITIES IN HEALTH AND POPULATION

(Source: UNDP: "Development Assistance
Cameroon, Annual Report 1986, Table I & Table III

ANNEX D

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TABLE I

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986

(in thousands of US dollars)

Country Receiving Assistance CAMEROON ACC Sector 08 - Population

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19- .19-	(4) Total Donor Commitment to the Project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistanc
amily Health international 932-0537	USAID		85	16	Research on no-estroge and copper IUD.
ıternational Foundation ır family life promotion	USAID			38	Support for natural family planning.
rgaret Sanger Center 932-0651	USAID			57	training in New York fc nurse-midwives instruct
aily planning international ıistance 932-0955	USAID	4/81-5/87	320	210	to provide family plann commodities and service
ıearch for awareness of ıulation impact RAPID II	USAID	7/83-6/87	332	170	nationwide survey on fa size and family plannin transfer of technology.

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TABLE I

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986

(in thousands of US dollars)

Country Receiving Assistance CAMEROON ACC Sector 08 - Population

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19- .19-	(4) Total Donor Commitment to the Project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
:ation des populations : parenté responsable et lioration des conditions /ie familiale et commu- :aire /85/P01, Phase II	UNFPA/ILO	1985-1987	282	65	Education et recherches sur comportement démographique des populations. 1 CTP, 1 expert national en démographie, 1 expert natio en organisation, consultant
:é de planification de)opulation /80/P02	UNFPA/ILO	1984-1986	316	85	Mise en place d'une unité d planification de la populat au MINPAT. 1 Expert, équipement, bours
			TOTAL UNFPA....	150	

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TABLE 1

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986
(in thousands of US Dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 - Health

(1) :t/Activity : and Number)	(2) Source of Assistance	(3) Project Duration 19 19	(4) Total Donor Commitment to the project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
:r Project (PN 03) II)	CARE-CANADA CIDA	1986-1989	1,621	622 (7/86-6-87)	Materials, Equipment, Personnel, Training for Rural Wells Construction and Health Education in East Province.
Wells Project	CARE-CANADA USAID	1984-1987	1,386	578 (7/86-6/87)	Materials, Equipment, Personnel, Training for rural Wells construction and water sanitation education in three departments of Extreme-North Province.
Weaning Practices	CARE-USA/ MANOFF Int'l.	1985-1987	93	74	Materials, equipment, personn training in support of better weaning foods growth monitori health education in the Extre North Province.
			SECTOR TOTAL CARE	1,274	

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TABLE I

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986

(in thousands of US dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 - Health

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19- 19-	(4) Total Donor Commitment to the Project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
ion on public health itional medicine	IDRC	1986-1989	66	11	Expanding the services of a documentation centre on traditional and modern medicine.
er	CRS	1984-1986	18	4	financial support of a wells digging and prevention health programme in Yoko.
pply Mayabat	CRS	1984	35	14	Provide potable water to a leper village in the Central Province.
Water SA'A	CRS	1985	18	18	Financial support for the implementation of a workshop for pre-fabricated materials.
Health CARE	CRS	1984-1988	250	51	Support to coordinating Body of Catholic Health Services.
ater Supply	CRS	1984	62	11	Provide potable water to populations of Mullah in the North West Province.
nitation	CRS	1986-1989	578	220	Financial support to CeDAC for a program of wells and latrine digging in the South

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TABLE I

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986

(in thousands of US dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 - Health

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19- 19-	(4) Total Donor Commitment to the Project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
ɔn on public health cional medicine	IDRC	1986-1989	66	11	Expanding the services of a documentation centre on traditional and modern medicine.
c	CRS	1984-1986	18	4	financial support of a wells digging and prevention health programme in Yoko.
ɔly Mayabat	CRS	1984	35	14	Provide potable water to a leper village in the Central Province.
ıter SA'A	CRS	1985	18	18	Financial support for the implementation of a workshop for pre-fabricated materials.
ıalth CARE	CRS	1984-1988	250	51	Support to coordinating Body of Catholic Health Services.
cer Supply	CRS	1984	62	11	Provide potable water to populations of Mullah in the North West Province.
ıtation	CRS	1986-1989	578	220	Financial support to CeDAC for a program of wells and latrins digging in the South

F-46

TABLE I

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986

(in thousands of US dollars)

Country Receiving Assistance CAMEROON

ACC Sector 10 - Health

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19- 19-	(4) Total Donor Commitment to the Project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
ılle II 631-0051	USAID	8/84-6/87	820	-	To provide permanent potable water sources in Northern Cameroon and teach hygienic water usage and waste disposal practices to the user population
ıelopment and Support 631-0510	USAID	CONTINUOUS	-	400	Fund the design of the Child Survival statistics capability within the Ministry/ Maternal Child Health Project Short-term research.
ıtraints to rural develop- 698-0408.1	USAID	8/83-12/90	7,353	933	To develop a schistosomiasis research center in Cameroon.
ıpital at 4'Nongal and itals (Ebolowa) 938-1349	USAID	1986	-	350	Funds for construction and repair of facilities, supplie development and operations.
childhood communicable 698-0421	USAID	-12/88		108	Train senior management and supervisory health personnel to combat and provide simple treatment for childhood

TABLE 1

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986 (in thousands of US Dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 HEALTH

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19 19	(4) Total Donor Commitment to the project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
Rehydration Therapy	USAID	86-88	320	320	Support Save the Childre Federation program in ora dration therapy.
(IESD) Mother/Child Health (932-0604)	USAID			200	Training in obstetrics an gynacology for physicians family planning for midwi and nurses.
ant Feeding Study (931-1010)	USAID	6/81-9/87	147	61	Study cultural habits to breasts feeding in suppor better infant health and of malnutrition.
TECH (936-5927)	USAID	86-87	300		Child survival estimates.
			TOTAL USAID	2 372	
le health care in the th West and South West vinces	FRG		2 500	2 500	Advisers, material
le health care in the tral Province	FRG		700	700	
				3 200	

TABLE 1

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986
(in thousands of US Dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 HEALTH

(1) ect/Activity le and Number)	(2) Source of Assistance	(3) Project Duration 19 19	(4) Total Donor Commitment to the project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assistance
Sector Support	FRANCE			3 395	59 medical staff
water, Ekondo Titi	UK			7	Investigations visit prior to planning water supply for single village
studies for water for four towns	UK	12 months			Study and design prior to construction.
ers for hospitals	BELGIUM	1986		132	29 volonteers
for nurses	EGYPT	1986		5	
on immunization	UNDP/WHO	1986	13	13	Training for health staff
sector support:HH11	UNICEF	1986	479	479	Assistance for vaccination campaign and other MINSANTE programmes
of health on CAE/HST/001	WHO	1986		11	Scholarship for Documentation technology in France

TABLE 1

EXTERNALLY FINANCED TECHNICAL ASSISTANCE PROJECTS AND ACTIVITIES, 1986
(in thousands of US Dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 HEALTH

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Project Duration 19 19	(4) Total Donor Commitment to the project	(5) Disbursement or expenditures in 1986 or latest financial year	(6) Nature of Assi
ealth systems organization based on primary health care CAE/PHC/001	WHO	1986	45	22	Sundry activities
Training health personnel AF/CAE/HMD/001/RB/86	WHO	1986	360	310	Seminars other tra for MINSANTE Staff
Mother and Child Health CAE/MCH/001	WHO	1986	56	24	Purchase of 2 vehi MFOUNDI division
Developpement du bien-être familial	UNFPA/WHO	1986		10	Purchase of contra NGONGA training Ce
Expanded Programme of Immunization CAE/EPI/001/ RB/86	WHO	1986	71	53	Purchaseand transp equipment and trai
Fight organist disease vectors CAE/VBC/001	WHO	1986	14	14	Purchase of vehicl in yellow fever aff
Fight organist parasital diseases	WHO	1986	15	10	Local purchase of bi
Fight organist leprong CAE/LEP/001	WHO	1986	8	7	Purchase of leprosy (Lamprène)

Table 3

CAPITAL ASSISTANCE FINANCED BY EXTERNAL SOURCES, 1986
(in thousands of US dollars)

Country Receiving Assistance CAMEROON ACC Sector 10 - HEALTH

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Title or Project/Activity	External Source (s) of Capital Assistance and date Committed	PU/PR- If project is co-financed list each source separately under Column 2	Amount Committed (US $ Equiv.) Loans/ Credits	Grant	Equity	Amount disbursed in 1986 or the latest complete financial year	Comments (Grace pe interest rate, loc of project, etc...
alth component of uth-East Benoué oject:122/C/DPL/86/CAE	FRANCE	PU		29		29	3rd instalment
nding of Community ter Supplies	HELVETAS	PU		150		150	South West; West North West provi

Paix-Travail-Patrie

LISTE DES CENTRES DE SANTE

GRC Public Health Centers

PROVINCE DU CENTRE

CENTRES DE SANTE DEVELOPPES	CENTRES DE SANTE ELEMENTAIRES	
LEMBE	EBEVE	VOA
DEUK	NTOUEJSONG	MVOUA II
NGORO	SONG-MBONG	D'EBOUGUI
NGAMBE	MBENGUE	NGOEA
MARETIME	MATGAI	SONG-BADJOKE
DIBANG	NDONGO	MANGUEMGUES
NSELE	YEBE-YEBE	ENTOUMOSI
SIMBANE	MBALA	SIMBANE
BATCHENGA	EMVUDOU	GOULA
ABUNDA	AKOMAM	[illegible]
BALANE	MBOLGAC	BOUGNAT
NGOURA	EKOUMEDOU	MEKI
BIKOP	ATGAMEN	DOUMOUGOU AOUL
MVENG-ESA BOUTOU	EVALLI	YAMBEK
NDANGEN	EDJOK	ASSALA
MEMBE	OMOUMB-ASSANG	NGOMAKIS
LEMDOI	MBOMO	MITOULOU
BIDJOKA	METEP	BALLA
BOUMYEBEL	WAKA	EVANG NO
BOBDOMBO	MBOLOSSE	MANDEN
MENGUEME	EDEMDENG	LEMAN
OSSOUSSAN	YEMESSA	MOMBOU
OBALA	NKOL-MBOM	OMBANDI
NLONG	MBANG-OMANDENG	MEPOMO

PROVINCE DE L'EST

EST PROV. D.H.C		EST PROV. S.H.C.	
GARI-GOMBO	MBOLOMANE	BOULAKA	DIPA
NGOILA	MBENGOU	DJALPIMI	DOMBENDOU
NDIANG	NGULI	LIKA	NGOUMOU
NDANG-NDENG	GRIBI	MINDOUROU	DIMDEBA
MBETHOM	ATOK	MBONDOUA	AKAB
BOULAI	MAYOS	MADJOME	BATOURSI
MOUNDI	MESSOK	MILEL	KOUMASSI
BANG-PATOU		NGALLA-BADJIKA	
NGOUA		DJAPOSTEN	POMPACHE
TONGO-GAOMA		ATOKONG	MEOUAP
BADONGOUE		PETIT-POL	BIKA
NGUELEBOCK		MBANDAK	ATSIAK
BENGUE-TIKO		ZOULABOT	ASOMO-MBATO

E-53

SOUTH PROV. D.H.C

OLAMZE
BIWONG BANE
OVENG
MINTOM II
NGABESSAM
MEYO-CENTRE
KYE-OSSI
MEFO
BIWONG-BILU
AVEBE-ESSE
MVOMEKA'A
MESSOK
NGOASSE
MENGONG
NKOLOTOUTOU
MELLEN(DJOUM)
AKOK
BIPINDI
EBAMINA
MBALAM

SOUTH PROV. E.H.C

MEYOMEDJOM
OVENG-YEMVAK
MEKOMO
MENDJIMI
NKOLENYENG
NKOL-BANG
MPOULADJA
ZINGUI
EBENVOCK
ADJAP
NLONGKENG
ELOG-BATINDI
LONDJI
BANDEVOURI
ELONE
BIDJOUKA
NKOUAMPOVER
ATOG-BOGA
NSELANG
MENGALE

! MVIENG
! DEHANE
! MESSESSE ZANGMELIMA
! MESSANA
! MEMAS I
! MEYO-VILLE
! MELLANGUE I
! MEKOMENGONA

NORTH PROV. D.H.C

BEKA
BOULA IBILE
GASHIGA
HAMA-KOUSSOU
ADOUMRI
TCHOTCHI
HIKE
BIDZAR
DOURBEYE

NORTH PROV. E.H.C

LAMBO
BOUMA
EDUNOUGOU
TCHEBOA
PADARME
DEMBO
TOUROUA
KOSSSSI
BANTADJE

! MANDINGRING
! SOROMBEO
! BAIKWA
! BERE
! BATOURI
! DOULOUMI
! MOUSGOY
! MATAPAL
! DOUMO

! GODOLA
! DJOUROUM
! PAPATA
! GAWAL
! MANDANA
Sorawel

LITTORAL PROV. D.H.C

EBONE
BAREKOU
NJOMBE
SOUZA
NKONGSAMBA
NLONE
MAKONDO
LOGBADJECK
DIBOUM
MANOKA
NONO
EKANGTE
MBOUROUKOU
MOMBO
EBONKOA
SONG MBENGUE
BALONG
BAKEM
NDOKOU

LITTORAL PROV. EH.C

MANENGOUBA
BAREMOCK
BENGA
TONDE
SOLLE
NSOUNG
BABONG
BAKEM
SOHOCK
DIGOMBI
MATOMBE
MELONG II
OMENG
NDOKENG
EDONKOU
NDOM-BAKEM
MANGAMBA
KOUNDOU
MADOUA

! SOUE
! IBAIKAN
! MAMBELLIO.

WEST PROV. D.H.C.

KOUTABA
BAKOU
BAFANG
BAMENDJING
BABADJOU
FOTOUNI
BANWA-CENTRE
FONGO-TONGO
BAFOU-CHIEF DOM
NOLO DJITTISA
BAMENDJOU
BALESSING
BATE
BAMEKA
BADENKOP
BAHOUAN
TSELA II
HOUDJO
BATOUFAM
BANENA
BANGOURAIN
KOUPA-KAGNOU
KOUPA-MATAPIT
MAYAB
BANKOUOP
BAYANGAM
YOM
FOKOUE
BALENGOU
BAKOM
BABOUANTOU
BANGANG
NJIMON
MANGUIEPOUR

WEST PROV. E.H.C.

BALATCHI
BAMESSO
MAYO
TOUMKA
BAMEYAM
TOUMAKA
BABOATE
FOUDJ2HE
BATCHA
MBOEBO
FAMEPEA
FOTCHA
FFTO-SINGANG
BALEVENG
FOUTSA-LOULA
BALOUM
BONDERA
NGWATTA
BAMOUGOUM
BALENG FAMI
BAMIALA
BAPA
BANGAM
BANGOU CHIEF DOM
BATCHINGOU
BANTOUM
BASSAMBA
BANGAM-FOKAM
BANGOULAP
BALENGOU
BAKONG
BADOUNGA
BADIAMBOU
KOUTABA-MATAKET

ADAMAOUA PROV. DHC

KALADI
DOUALAYEL
SAMBOLABO
NYAMBAKA
KOBOSSI

ADAMOUA PROV.E.H.C

SOUMIE
BANDAM
NGANHA
GALIM-TIGNERE
BAGODO
LOKOTTI
YAMBANG
SANGO-LONG
MBANGBOUM
YAMBAKA
DIBI

! MAYAKOUET
! MALANDEN
! BALATCHI
! BANGWA
! NDIOUMOU
! BANDNEFAM
! DIPITA
! DANGOURE
! NJONG
! MANDA
! BAMBI
! NDOUNDE

! KOMDO-LAKA
! BEKA-BAYA
! DIR
! KONTCHA
! MBANG
! MARTAP
! NGAMBOUM
! NGAOUI
! MAYO BAINO
! NDI
! MBOULA

F-55

EXTREME-NORTH PROV. D.H.C.

MOUTOUROUA
MOULVOUDAYE
POTOKOL
KICE ALIPA
KALFOU
VIRI
HINA
16 BALDA
SALAX
DARGALA
TOULOUM
DATCHEKA
WINA
POUSS
MEME
KERAWA

EXTREME-NORTH PROV. E.H.C.

FADANE	! DANA
YALDEO	! AMTCHIDE
GODELA	! GAWAR
DZIGELAO	! TOUROU
DOUMOUROU	! MOGODE
MIDJIVIN	! ASSICHASSIA
KALALA	! BOBO
LOGONE	! AFADE
MAZERA	! GAREY
NGODEMI	! MALTAM
GUISSEUBUILD	! WOULDAINA
DJONG-DJONG	! TCHATIBALI
GUIRVIDIG	! KOSSA
VELE	! BOULOUKO
	! ROUA

NORTH-WEST PROV. D.H.C

BIANE
SANTA
BAMBUI
[illegible]
KEKEM-KEKU
MISAJE
MBOT
15 NDU
BELLEFANG
GOUKA
BAFMEN
GWEFON
NKOR
NJIMA
OSHIE

NORTH WEST PROV. EHC

NYAMKOU	! BINDA
TABEMEN	! EDSIMBI
KOUTA	! BAMBILI
BINKA	! BAMBALANG
LUH	! AWING
NTONG	! AKO
NGU	! PUMBU
FUANANTUI	! BAMESSO
NKAMBE	! NTUMBAM
BAMESSING	
MBANG	
MBIAME	
[illegible]	
ABONSHE	
NTOUMBANE	

SOUTH WEST PROV. D.H.C.

BUEA
LIMBE
KOMBONE
BEKUMU
THNEE CF.
KEMBONG
EYANG
LIPENJA
MBONGE
ATABONG
KUMBE BALOA
POUSUMOGO ?
MUTENGENE
17 BATOKE
BOUJONGO ?
BOA

SOUTH WEST PROV. D.H.C.

FOTABONG	! EBANUE
BAROMBI	! MUGA
NTALE	! BAKOGO
EKODO ITINDI	! KAJIPU
OBENIKANG	! ESSONATA
MUEA	! BOA
IKILIWINDI	! DOULAYEL
KONYE	! KONTCHA
KUME	! MAYO BAINO
MBAKWA SUPE	
WONE BAKUNDU	
OBEMI-BAKUNDU	
MASSAKA	
BOKOSSO	
MONGE	
EYANGOU-BAIOU	

APPENDIX G

EDUCATION SECTOR STATEMENT

Despite Cameroon's relatively better performance in the education sector through 1985 compared to other-sub-Saharan countries, over the past three years overall progress has slowed as the general economic situation has worsened.

The efficiency of primary education remains a serious problem, with approximately forty per cent of each entering cohort of pupils dropping out before completion of the full school term. Education of females still lags behind males, the gap progressively widening from 10 percentage points at the primary school level (where 55 per cent of pupils are boys, 45 per cent girls), to 24 points at the secondary level (38 per cent are female, 62 per cent male), to 72 points at the tertiary level (86 per cent of the student body is male). The process of curriculum reform and harmonization of the francophone and anglophone school systems, so important at the lower levels of Cameroon's education system, has been side-tracked. Budget reductions have seriously limited funding for maintenance of physical facilities and the purchase of textbooks, teaching supplies and materials. Major projects by USAID and the World Bank involving renovation of primary teacher training colleges at eight sites could not be completed. Recently, the IBRD in its discussions with the GRC about education sector investment policy criticized the GRC's plans to increase numbers of technical secondary schools and called attention to high per school costs and to the fact that a large proportion of external financing will come from loans with non-concessional rates. The Bank has taken the position that technical secondary education programs are too long and too theoretical and per student costs too high.

Perhaps the major continuing problem has been the absence of a clear consensus about national objectives in the development of human capital. This is fundamental to setting priorities, undertaking planning and marshalling the requisite resources to follow through. Moreover, setting these priorities requires that all ministries and agencies sharing in human resources development should participate in the dialogue: The Presidency, the Ministry of Higher Education, Information and Scientific Research, the Ministry of National Education, the Ministry of Labor, and the major educational institutions (e.g., the University of Yaounde, the University Center of Dschang, the Grandes Ecoles, the professional training institutions).

The IBRD has stated that until there has been a thorough examination of sectoral goals and policies, its own current Fourth Education sector project cannot be restarted. (Stalled for many months, this project focuses on improving the quality of primary and technical secondary education and the relevance of the vocational training system to the labor market.)

USAID endorses the IBRD's call for such priority-setting, because it requires inter-ministerial collaboration. Our recent experience with the Support to Primary Education project, in which the GRC's inability to coordinate internally its procedures to select candidates for long-term training and to permit orderly and timely completion of preliminary construction planning, was a major reason that USAID had to close out the project. Any further direct participation by USAID through a bilateral project in improving Basic Education (that is, in formal primary or secondary schooling) must await the results of the internal GRC examination of the total human resources development agenda.

USAID believes the GRC must give attention to the following key policy questions:

1. **How can Cameroon diversify its sources of financing for education?** Among possibilities that should be considered are increased user costs, particularly at the tertiary level, where private benefits outweigh social benefits and individuals might bear a larger share of the expenses of their education. Also to be considered: greater encouragement of private suppliers of educational services from nursery school through the university level, and encouraging local communities to provide greater support.

2. **What measures can be taken to lower unit costs?** This is of particular concern in technical secondary education and higher education, where savings can support the increases badly needed for primary education. Facilities are a high cost item for the upper educational levels. Standardizing construction offers one possibility for lowering overall costs, especially at the secondary level, as do improvements in utilizing staff. At the primary level, ways to reduce drop-outs and repetition must continue to receive attention.

3. **How can the quality of educational programs be improved?** At the primary level, this policy question focuses on the need to increase quantities of books and supplies, explore the use of radio to improve instruction in the classroom, set up in-service education of teachers in subject matter and strengthen systems of inspection and supervision. At all levels, enrollment and completion of greater numbers of females is a high priority. At the secondary level the curriculum's relevance to the economy must be evaluated, just as at the tertiary level institutions must consider how to reduce the output of so many unemployable graduates.

4. **What can be done to improve the way educational systems are organized and managed?** This relates to the structure and administration of education, including ways to devolve more responsibility for school operations to provinces, districts and ultimately to local communities. It also implies further improvements in planning, inspection, and supervision, and in the maintenance of physical facilities.

5. **How can training (or retraining) be provided for those who have dropped out of or completed the various levels of education so that they can find jobs?** Of immediate concern is finding ways to provide marketable skills for urban youth, most of whom are otherwise unemployable.

In the context of the foregoing questions, and utilizing projects in its core and base programs, USAID will support policy reform, priority-setting and formulation of a new development strategy for the education sector.

A. **The Agriculture Education Project (631-0031),** Authorized LOP Grant, $16.7 million. Authorized LOP Loan, $26.4 million; PACD, 12/30/89; Contractor, University of Florida. Site: University Center at Dschang (UCD).

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1. **Purpose:** To assist the GRC to create an agricultural university capable of training agricultural technicians who can effectively staff the government, parastatal and private sector agriculture support institutions of Cameroon in the role of managers, researchers, planners and teachers.

2. **The project is now in its seventh year.** Achievement of the first three outputs is well advanced (Revised academic and administrative structure is 75% complete; Revised curriculum is 85% complete; up-graded faculty and staff is 85% complete). Progress with remaining outputs has lagged, for a number of reasons, as follows:

a. Output 4. Create a strong interdisciplinary Research and Development capability (35% complete). Achievement of this output is linked to the realization of related objectives: providing faculty with the requisite advanced training in research methods and skills, improving university laboratory and farm facilities, obtaining the Government's official sanction of the practice of assigning faculty to research activities in addition to or in substitution of instructional duties.

b. **Output 5.** Develop linkages between UCD client agencies (25% complete). Although on schedule, further progress is dependent on UCD's ability to establish an appropriate supportive role vis-a-vis Cameroonian extension agencies, to produce subject matter specialists and materials and provide supervision of lower level agricultural schools.

c. **Output 6.** Develop demonstration farms (25% complete). The current project is intentionally focusing on the campus farm. The proposed follow-on project, however, may give attention to the properties at Bansoa and Djouttitsa.

d. **Output 7.** Assure construction of new facilities (Pre-construction activities, 98% complete; construction, 0% complete). Selection of a contractor (Senegalese firm) is complete; negotiation of the contract is expected to be finalized and construction underway by 1 July 1989.

e. **Output 8.** Establish building maintenance and motor pool units. (Building maintenance is 15% complete; motor pool, 75% complete). Achievement of the goal of creating a strong capability to maintain UCD's physical plant has been retarded due to lack of trained Cameroonian counterparts, and more recently, to lack of money. The motor pool unit is well established and functioning smoothly, although additional skills upgrading is needed for employees.

3. **Possibilities for modifications of the Agricultural Education project to improve its strategic relevance and impact.** Working with the UCD administration and the University of Florida, the Mission is supporting studies to enable us better to understand current and projected demand for UCD graduates on the one hand and faculty-provided services on the other. Given the inability of the GRC to guarantee jobs to all UCD graduates, employment prospects in the private sector must be identified.

Another dimension of demand is the role UCD may play in Africa as a regional training and research institution. As demand is studied and better understood, all aspects of university operations will be affected: instruction, research, consultant and advisory services, and UCD's management. Moreover, as the number of students on GRC scholarships decrease, adjustments in enrollment and student subsidy and support policies will become necessary. The curriculum must be practical and relevant so graduates can find employment. UCD has been looking closely at the Zamorano model, and it will send teams to other countries to observe the way their agricultural universities are responding to changes in demand for their products and services.

The recently completed study of UCD's recurrent costs problems, given a 25 per cent reduction in GRC funding over the past two years, has led the UCD administration to take steps to improve its systems of financial control and management.

Adjustments in the short-term. The Mission has decided to extend the current project 18 months past the PACD, to June 30, 1991. Over the next 27 months, the Mission will conclude the various analyses and, working closely with the UCD, make those adjustments in the project that are warranted. We foresee that changes in admissions policies to admit more non-scholarship students, more non-Cameroonians and more women will be reflected in curriculum and course of study changes that will highlight the role of women in agricultural development, the requirements of the smallholder farmer and opportunities for agribusiness careers.

We anticipate that some way must be found to deal with the fact that personnel costs take 85 per cent of UCD's operating funds, and critical needs -- like equipment purchase and repair, buildings and grounds maintenance, and instructional materials and supplies -- are going to be underfunded. USAID could capitalize a special institutional support fund (tied to policy changes) that would help meet these needs.

Adjustments in the longer term. As USAID and the GRC plan for a follow-on project at Dschang, we foresee that the following objectives, suitably linked to policy changes, would be prominent: (a) Require UCD students to meet a progressively larger share of the costs of their education, (b) maintain a staff and faculty in appropriate proportion to student enrollment, (c) aim for maximum efficiencies of operation, (d) provide courses of study responsive to the needs of both the private and public sectors, based on a system of continuing tracer and demand studies and other feedback channels, and (e) assure that UCD takes necessary steps to realize its potential in Cameroon and, more widely, as a regional agricultural training, research and services institution.

The first four of these objectives would have system-wide implications in Cameroon. In fact, changes of this type cannot be applied at UCD in isolation; all of higher education must eventually adopt similar policies affecting enrollment and student subsidies, affordable faculty-student ratios, cost-effective structure and operations, and curricula relevant to national development and priorities.

B. **Cameroon Opportunities Industrialization Center-Buea Vocational Training Project (938-0244),** Authorized LOP amount, $2.8 million; PACD, 9/90; Contractor, OICI, Philadelphia. Site: Buea, Southwestern Province.

1. **Purpose:** to institutionalize a non-formal vocational training program in Cameroon, based on the OIC models, and to alleviate the shortage of entry level skilled labor which has hampered local industrial development.

2. The project is completing its third year. The first seven outputs are at least sixty per cent completed (establishment of a comprehensive training center in Buea, training facilities renovated and equipped, OICI-Buea (COIC) institutionalized, COIC board of directors trained and participating in setting policy directors and tapping local support and resources, COIC local management and technical staff trained, COIC management control system developed and implemented, and financial audit conducted.

Three outputs, involving setting up advisory councils and mobilizing resources, are less than 40 per cent complete.

The project was evaluated in February 1989. A major conclusion was that due to officially perceived success of COIC's training methodology and employability of its graduates, USAID will be asked to replicate the Buea project in other locations in Cameroon. The evaluators recommended a period of consolidation of present operations before additional trials are attempted elsewhere.

3. **Possibilities for modifications of the project to improve its strategic relevance and impact.** As a result of the evaluation, a number of recommendations are being studied by the Mission with respect to adjustments in the short-term. It seems likely that the life of project will be extended by at least one year to reflect delays in obtaining land and facilities from the GRC. Due to changes in the exchange rate, additional funds will have to be provided to support local expenditures and provide technical assistance in management and administration. A review of personnel needs will be carried out to bring staffing patterns in line with project objectives; a key vacancy is that of the Cameroonian Executive Director. Filling this position is of highest priority.

Additional recommendations coming out of the evaluation will be scrutinized. Even partial adoption of these recommendations will probably require that time and funding be added to the project:

1. Because the Cameroon OIC has indicated an interest in becoming more involved in preparing its graduates for both employment and self-employment, the private sector business development component should review and revise its program accordingly. Providing trainees with the knowledge about working in a small business as well as information about becoming self-employed should be a major focus.

2. COIC graduates are finding jobs. A major reason as reported by employers is that they have "positive attitudes" This should receive even more attention in both the Feeder and Vocational Programs.

3. The COIC Board of Directors should increase the number of representatives of the private sector and decrease the number of public sector representatives.

4. The COIC should quickly institutionalize periodic tracer and labor market demand studies in order to stay responsive to employment opportunities.

5. OICI Philadelphia should review its technical assistance and prepare a detailed plan to meet COIC's long and short-term support needs. This may mean that the amount and type of TA will be increased, equipment like computers and vehicles purchased and in-service training of Cameroonian staff expanded.

Adjustments in the longer term. If the Buea project proves successful in providing marketable skills for urban youth of the Southwestern Province, there is high probability the GRC will request another program in a francophone region.

C. **The Human Resources Development Assistance Project (698-0463.31),** Buy-ins obligated to date: $400,000; FY 90 buy-in: $500,000; PACD, 9/30/95.

1. **Purpose:** to stimulate, facilitate and support national and regional training programs that will provide qualified technical, scientific and managerial personnel and policy planners to strengthen Cameroonian development institutions, enhance the growth of the private sector and increase the participation of women in development.

2. The Mission is completing its first year's experience with this regional training project, implementing the FY 89 Country Training Plan. Given that 50 per cent of trainees must be associated with private sector development and 35 per must be reserved for women, selection and processing of participants is more complicated with this project than with predecessor regional training projects. The following training activities are slated for HRDA funding in FY 89.

a. Computer Sciences Tuition Grants. To support the start-up of a new private sector computer training center, approximately 50 grants will be awarded to decision-makers, middle managers, computer technicians and office staff drawn from the public and private sectors.

b. Short-term Training in the United States and Third Countries. Approximately 16 training grants will support training in such subject areas as natural resources management, bio-diversity, energy, health, population and agriculture disciplines, public administration,

international trade and export promotion, private sector development, equipment repair and maintenance, and informal sector development.

c. Academic Training in the United States. Two master's degrees will be funded, one for a woman candidate from the mid-management level of the Ministry of Social and Women's Affairs, and one for a candidate from the Ministry of Commerce or the Chamber of Commerce working in private sector development.

3. **Possibilities for modification of the project to improve its strategic relevance and impact.** Adjustments for the short-term. To support the GRC's preparation of a comprehensive development strategy for the education sector, based on a set of key policy adjustments, USAID will establish a Basic Education sub-project under HRDA to pay for observation tours to the United States and other countries and short-term courses, whereby Cameroonian educators can familiarize themselves with ways in which other nations have confronted educational development problems at the primary and secondary school levels. Some longer term academic training (master's degrees) will also be funded in fields specifically geared to improving Basic Education in Cameroon.

Adjustments in the longer term. We foresee the possibility that at the point when Cameroon has completed its master development strategy for the education sector, the GRC and USAID may decide to undertake a new bilateral Basic Education project.

APPENDIX H

F.A.A. SECTION 118/119 ANALYSIS ON BIODIVERSITY AND TROPICAL FORESTS

This analysis has been prepared to evaluate issues in Cameroon relating to the conservation of natural resources, tropical forests and biodiversity. The 1987 Amendments of Sections 118 (Tropical Forests) and 119 (Biological Diversity) of the Foreign Assistance Act (FAA) require that the CDSS or other country development plan include an analysis of (A) the actions necessary in that country to conserve tropical forests and biological diversity and (B) the extent to which current or proposed A.I.D. actions, if any, meet those needs. In addition to addressing (A) and (B) above, this analysis has described USAID/Cameroon's major development projects and their impacts, if any, on tropical forests, biological diversity and natural resources.

The humid tropical forests of Cameroon represent some of the most biologically diverse ecosystems on the African continent. Cameroon still has the advantage of being able to implement rational management, protection, and development programs in tropical forested areas before degradation and environmental problems become severe as they have in other parts of Africa.

In general, the USAID/Cameroon project portfolio has no negative impact on tropical forests and biodiversity. Several Mission projects are in fact contributing to the preservation of forests, biodiversity and natural resources through either direct involvement or through agriculture research, management and education activities.

I. TROPICAL FORESTS

A. **The Resource:** The tropical forests of Cameroon represent an extremely valuable resource, not only in terms of the unique ecosystems and rich species diversity found in the forests, but also in timber production and exports.

This report focuses on the tropical forests south of $7^{o}30'N$ latitude and includes two major formations: humid evergreen forest and the semi-deciduous forest which is found at its margins. These two formations, located in the Littoral, South, South West, East, Center, North West, and West Provinces cover about 200,000 square kilometers or 42 percent of the national territory. Within this dense forest belt of 20 million hectares, 16 million is the dense, humid evergreen type and about 4 million hectares is semi-deciduous (Gartlan 1988). These forests are part of the Congolian unit of the Guinea-Congolian and the Afro-Alpine forests (Letouzey R. 1985), described below: (Gartlan 1988).

Coastal Atlantic (or Biafrican) forests: These forests extend from the Nigerian border south to Gabon and Equatorial Guinea. They extend inland no more than 150-200 kilometers where they merge with the Congolian forests. These forests possess the highest floral diversity in Africa and have a high conservation priority due to population pressure and timber exploitation. They cover 34,000 square kilometers or 27 percent of the dense forest formation.

Congolian Forests: These forests extend from the boundary with the coastal forests east and south towards the Congo basin and cover about 100,000 square kilometers or 50 percent of the dense forests of Cameroon. Floral diversity is lower than the costal forests, but due to less population pressure, contain a rich variety of large mammal species such as the forest elephant, forest buffalo, the bongo and the western gorilla.

Semi-deciduous Forest: This forest area covers about 4 million hectares and is very rich in commercial timber species. This forest borders the southern and eastern margins of the Congolian forest.

Afro-montane forest: This forest type is divided into submontane evergreen forest occurring on lower mountain slopes up to about 3000 meters elevation, and afro-subalpine above 3000 meters. At higher elevations in the submontane forests (1800-3000 meters) one finds high levels of endemism (especially birds). These forests are usually located on rich volcanic soils with high human population density. Thus, there is a definite immediate need for their conservation. The afro-subalpine forest, above 3000 meters, is not a forest but rather an alpine flora ecosystem. (See Table 1 below).

TABLE 1

THE FOREST COVER OF CAMEROON

Floral association	Area square kilometers	% national territory	% forest domain
Biairan forest	54,000	11	27
Mangrove	2,899	1	1
Congolian forest	100,000	21	50
Semi-deciduous	40,000	8	20
Afro-montane	4,500	1	2
Total (Rounded)	200,000	42	100

B. **Sources of Deforestation and Other impacts on Forests:** Over the past six years, the amount of forest and woodland in Cameroon has decreased from 210,000 square kilometers to 200,000 square kilometers due mostly from an increase in the amount of arable land: (Gartlan 1988). Annual deforestation for agricultural production is about 100,000 ha (World Bank 1988). This forest loss to agriculture represents an annual loss of 500,000 cubic meters to one million cubic meters of commercial timber, which is very significant when compared the annual timber production of over 2 million cubic meters.

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This 100,000 ha annual loss of wood represents a loss equivalent to three times the annual consumption of fuel wood. The result is an annual net loss of forest due to exceeding annual forest regeneration. While commercial logging does represent a significant factor in forest depletion, the impacts could be lessened greatly through increased forest management, policy reform, regeneration and conservation activities.

C. **Agriculture:** The greatest cause of dense forest destruction is slash and burn agriculture. Another important cause is the creation of permanent plantations for agro-industrial production. The amount of oil palm and rubber plantations has been increasing by about 8,000 ha annually. Palm oil production for export has not proven economically viable due to low productivity and high domestic vs. world prices. Rubber is a more stable crop economically. Other plantation crops such as tea and pepper are limited in impact. Areas in banana plantation are increasing, although with no significant ecological impact.

Cocoa and coffee are two other important crops which impact the forest. Cocoa is grown mostly by peasant farmers while coffee is grown both in plantations and by peasant farmers. Both coffee and coca are grown under shade trees. The forest canopy is usually left intact with the under growth cleared away.

D. **Development Activities:** The activities of various government ministries and large-scale development activities have direct impact on the dense forests of Cameroon. The Ministry of Mines and Power is responsible for issuing permits to explore for natural gas and oil. The Ministry of Works and Transport is responsible for the location and supervision of road construction, which may have a considerable effect on forests by opening up routes of transport for timber. The Ministry of Plan and Territorial Development has a large influence in the planning and location of many development projects. In the past, very few environmental impact studies have been carried out before projects begin. Also, there is very little coordination between agencies, ministries and parastatals regarding both human and environmental impact of development projects.

E. **Timber Production and Fuel wood:** Cameroon is the world's sixth most important exporter of tropical hardwoods and the third most important in Africa. The value of timber exports in 1985 was US $91.3 million. Timber is Cameroon's fourth most important export after petroleum, coffee and cocoa. Legal timber exploitation is currently taking place on 7 million hectares or about 45% of the 16 million acres of land classified as exploitable humid forest. (Gartlan 1988). The present rate of timber extraction is about ten times the rate of natural regeneration in the humid forest.

Fuel wood is the principal source of domestic energy for heating and cooking. Annual consumption of fuel wood is estimated at about 7 million cubic meters annually, and estimated to increase to 12.4 million cubic meters

by the year 2000. (World Bank 1988). Although fuel wood extraction causes a much greater impact in the drier savanna zones of the north, the dense humid forests of the south are effected nonetheless, especially around villages and urban centers.

The forest taxation system, regulations concerning wood processing and the present concession license system contribute directly to low profitability of wood processing and forest exploitation. Concession licenses must be renewed every five years via a cumbersome and lengthy process. This discourages investment in modern equipment to make maximum use of harvested resources. The capacity of timber processing plants is regulated according to the size of the concession, not the availability of wood on the concession, which doesn't relate to profitability given different timber species and density on parcels of land. The taxation system is lengthy and heavily bureaucratic. There are eight area taxes, stumpage feeds, and various other taxes at every step of the timber exportation process.

F. **Institutional Framework:** The Cameroon Ministry of Plan and Territorial Development has a Directorate of Territorial Development and Environmental Protection. This directorate is, in theory, responsible for major policy decisions and implementation activities which affect the environment.

The three principal agencies responsible for the forestry sector, all of which report to the Ministry of Agriculture, are: the Office National de Régeneration des Forêts (ONEREF), the Forestry Department (DF), and the Centre National de Développement Forestier (CENADEFOR). The Director General de Tourisme in the Ministry of Industrial and Commercial Development is responsible for national parks and reserves, hunting and wildlife protection.

ONAREF is responsible for reforestation on state forest preserves and more recently, environmental protection. The agency is financially autonomous and operates centrally and regionally where the need for its services exists. ONAREF operates through Chief Foresters who supervise regeneration work, development of plantations and soil conservation activities.

CENADEFOR is basically responsible for forest inventory and promotion of timber resources. CENADEFOR has already completed a resource inventory of about 11 million hectares in the East, South, Littoral and Central Provinces. Accompanying the inventory are management plans which are based more on timber production of hardwoods than natural forest management.

The Department of Forestry is in charge of the implementation of state resource management plans and also is responsible for marking and clearing of forest reserve boundaries. The department also grants forest exploitation licenses and monitors requirements under timber harvesting law.

The Cameroonian Law No. 81-13 of November 27, 1981 governs forestry, wildlife and fishing. Under this law, ONAREF is responsible for regeneration and reforestation. ONAREF is also in charge of the creation of plantations in the savanna/semi-arid zone as part of the struggle against desertification. It is important to note that only 1,000 hectares out of the 3,000 hectares of annually regenerated forest by ONAREF is in the dense forest zone, where regeneration practices are based on planting rather than on natural forest management and regeneration. (Gartlan 1988)

G. **Actions to conserve tropical forests:** There are certain major actions to take and strategies to follow in Cameroon that can increase conservation and protection of tropical forests while assuring the maintenance of employment and revenue generation from timber production. These are outlined below along with a discussion on possible USAID/Cameroon measures to address them.

1) An immediate priority in Cameroon is to accelerate the inventorying of forested areas. Inventories cover about 11 million hectares of state forest lands presently. A realistic short term goal is 100 million hectares, covering some of the more important dense forest zones.

2) There is a need to develop a single, integrated and rational forest management policy, and complete overhaul of concession license, taxation and application procedures. Such a policy needs to bring together the numerous ministries and agencies involved in the forestry sector and coordinate national activities in forest exploitation, management, protection and development. In addition, the creation of a Ministry of Forestry which would bring together the major functions of ONAREF, the Department of Forestry, and CENADEFOR should be considered. This was a recommendation of the 1988 FAO Tropical Forest Action Plan.

3) Evaluate and possibly redirect forest regeneration activities of ONAREF in some areas. The regeneration practices of ONAREF are plantation-based, and results are usually dense plantings of valuable timber species in the forest. These plantings are difficult to maintain and end in a relatively biologically poor state. Alternative methods such as leaving some commercially valuable saplings and poles <u>in situ</u> and reducing competition may increase the economic and biological value of the replanted area. (Gartlan 1988).

4) Another measure in the near term is to begin to reduce and/or stop logging operations in and near forest areas of considerable biological importance and conservation potential. There is ongoing Cameroonian and donor effort in this effort. However, given Cameroon's unique situation of still possessing vast and biologically rich forest zones, the level of effort is insufficient.

5) There is an urgent need to increase the efficiency of timber exploitation which would in turn reduce the demand for opening up new logging areas. The average conversion rate of logs to sawed timber is very low. Three cubic meters of logs are required to produce one cubic meter of sawed timber. (World Bank 1988). This has resulted in the increased competition of Asian hardwood due to the high price of Cameroonian wood. As already mentioned, a change to a longer concession licensing period would also encourage timber producers to invest in more sophisticated equipment.

6) Increased agricultural output per unit area of farmland would lessen the pressure of farmers to move on to new land and reduce deforestation. More specifically, agricultural actions which would positively affect conservation of tropical forests and reduce deforestation include (1) incorporation of agroforestry techniques, leguminous species production and soil conservation methods; (2) increased use of fertilizers and selected, appropriate pesticides; (3) use of improved and higher yielding food crop varieties (4) general improvement of agricultural research and extension activities for major food crops and (5) improved farmer access to agricultural inputs, credit and supplies.

Given mission priorities, budgetary constraints, and staffing levels, direct USAID involvement in actions (1) through (5) above, (other than through our Korup biodiversity project), will probably not be an integral part of the mission's development strategy. USAID is, however, directly involved in activities under action (6) through our National Cereals Research and Extension and Tropical Root and Tuber Research Projects. These two research projects are described under section III of this analysis.

There are indirect activities USAID can initiate under actions (1) through (5). The Mission has already funded several short term participant training courses in forestry and natural resource management through our African Manpower Development Project, and will continue to consider further requests from the Cameroonian government based on funding availability and appropriateness of training in meeting specific natural resource/forestry objectives.

The Mission could also investigate means of securing technical assistance in support of the above actions through the Africa Bureau's National Resource Management and Support Project (NRMS) and other centrally funded projects. Both Cameroonian and U.S. based NGOs are represented here. With assistance from NRMS, USAID could investigate means of indirect support of forestry and biodiversity activities to these NGOs. The NRMS project and NGO activity is discussed further in sections III of this report.

II. Biological Diversity

A. **Biological Resources:** Cameroon possesses an impressive array of flora and fauna in habitats ranging from tropical rain forests in the south to semi-desert in the north. Almost all of the genera of mammals in West and Central Africa are represented in Cameroon. Elephants, antelopes, warthogs and wild cats are found in the northern savanna, a situation resembling East africa but with smaller numbers and more limited ranges. In the coastal and lowland tropical rain forests, mammal, bird and plant genera are well represented with numbers of rare and endangered species along with local endemism (see Table 2). The large areas where the different biogeographical zones interface with each other contribute greatly to this endemism.

For example, with regard to the Congolian forests in Cameroon, where some areas are located in regions with a low human population density, a very rich mammal representation exists. Species such as the forest buffalo (Syncerus caffer nanus), the forest elephant (Loxodanta africana) and the western gorilla (Gorilla gorilla) may be found.

B. **National Parks and Forest Reserves:** The government of Cameroon has given priority to the establishment of national parks and forest reserves in

D. **Actions to Conserve Biological Diversity:** There are numerous actions that may be undertaken to prevent the degradation of biological diversity in Cameroon. As already stated many of these actions are either the same as, or directly related to, the conservation of tropical forests. A brief outline of actions needed conserve biodiversity and how USAID is contributing or may contribute, is presented below:

1) An ongoing effort is needed in the mapping and inventory of animal and plant species in Cameroon. Inventories of critical habitat and species distribution are extremely important. Information does exist, but is minimal and scattered through several government organizations and ministries, and publications. USAID is supporting biological inventory activities in Korup National Park although a national effort is needed. U.S. assistance in biological inventory could be implemented by U.S. Peace Corp Volunteers. Also, USAID's Agriculture Policy and Planning Project may, in the future, be able to assist in mapping activities that could provide baseline information on ecosystem distribution. In addition, the Cameroonian wildlife scientist trained under the Agriculture Education project has expressed interest in wildlife inventories in Cameroon. USAID may wish to investigate methods of support to this scientist through our project assistance at the University of Dschang.

2) Develop national land use and livestock production schemes in semi-arid areas of Cameroon to slow down range and ecosystem degradation. The Ministry of Livestock, Fisheries and Animal Industries (MINEPIA) is responsible for planning and implementing livestock development activities. The USAID Agriculture Policy and Planning project is currently assisting the Directorate of Studies, Projects and Training (DEPF) within MINEPIA to improve its economic planning, data collection and policy analysis capability. It may be feasible for USAID to consider short-term assistance in land-use policy and range science to this area of the project.

3) Protection of tropical rain forests and undisturbed areas of transitional forest, savanna and semi-arid zones are a priority, especially in areas that are currently undisturbed. Forest preservation is dealt with further under the tropical forestry section of this report.

4) Short term technical assistance from various donors would be an effective method of initiating activities in the conservation of ecosystems and biological diversity. Given limited USAID funding availability, this technical assistance would need to be effected through already existing projects or central AID/W activities such as NRMS. Important priority areas are:

   a) conservation education

   b) assistance in conservation to local, non-governmental institutions

3) technical assistance to the Ministries of Tourism, and Agriculture, Office of Forest Regeneration and Institute for Agronomic Research (under which falls forestry/ecosystem research).

III. The USAID/Cameroon Mission Portfolio

In FY 1989, the U.S. economic assistance program in Cameroon reached a total of US $18.5 million which includes the assistance levels to Equatorial Guinea and the Central African Republic. The major assistance activities in Cameroon are described below and evaluated in terms of the type (direct vs indirect) and magnitude of impact that they are expected to have on biological diversity conservation and preservation and tropical forests in Cameroon.

A. **Agriculture Education (631-0031).** This project has been designed to assist the GRC to create an agriculture university capable of training agricultural and natural resource technicians who can effectively staff the government, parastatal and private sector agricultural support institutions of Cameroon in the role of managers, researchers planners and teachers. To date, one participant in wildlife Biology has returned to Cameroon with an M.S. degree and is now teaching and coordinating wildlife activities in Cameroon. Also, there are currently three participants in forestry management in the U.S. who will return to Cameroon with advanced degrees. Significant indirect impact will occur through higher level training in forestry and wildlife sciences (impact on tropical forest and wildlife management, and improved agricultural practices, farming methods and soil conservation).

B. **Maternal Child Health Care/Child Survival: (631-0056).** This activity is designed to improve the management of existing health services systems in two provinces principally by providing in-service training directed at all rural health service providers in the target areas. No direct positive or adverse impact on biological diversity or tropical forests are expected to result from the project. However, since reduced mortality rates may result in a higher national population there may be a minimal indirect negative impact on tropical forests.

C. **Fertilizer Sub Sector Reform: (631-0063).** This activity will support the GRC's effort to (1) liberalize progressively fertilizer importation and distribution; (2) eliminate fertilizer subsidies in phases and (3) expand the role of the private sector in financing the importation and distribution of fertilizers. Although some indirect negative impacts on tropical forests and biodiversity may result in increased fertilizer use (i.e. . pollution/ contamination), these potential negative impacts would be offset by increasing farmer production on existing cultivated land and slowing down the clearing of forests due to decreased soil fertility of exhausted land.

D. **Credit Union Development (631-0075).** This activity is designed to strengthen Cameroon's national and regional credit union structures and expand the credit union network served by the Cameroonian Cooperative

Development League. This project is not expected to directly impact biodiversity conservation or tropical forests.

E. **North Cameroon Seed Multiplication (631-0023).** The purpose of this activity is to create an institution which will multiply adequate quantities of improved peanut, corn, sorghum, cow pea and millet seed for distribution to farmers. This activity will have no direct impacts on tropical forests and biodiversity conservation. An indirect positive impact on biodiversity may result from the ensuring of a supply of different plant varieties and scientific observation of growth on multiplication farms of different crop varieties and genetic material.

F. **Agriculture Policy and Planning (631-0059).** This project will strengthen and institutionalize the GRC capacity to develop economic and agricultural policy and improve the planning processes in the agricultural and livestock sectors. Although no direct impacts on biodiversity and tropical forests should occur, an indirect positive impact should occur through an increased GRC capacity for higher quality decision making and national planning in the agricultural and livestock sectors. Increases in agricultural and livestock production may decrease reliance on bush meat for example, and better sector planning should result in more rational uses of fertilizers and pesticides. In addition, the project strategy includes investigation into the resources necessary to develop a land-use planning capacity in Cameroon in order to assess the most rational use of resource allocation and investment policy. The future use of soil and geological mapping for Cameroon will also be investigated as an analysis tool.

G. **Tropical Root and Tuber Research (631-0058).** This activity is designed to improve the socio-economic welfare of farmers in Cameroon by increasing, through on-station and adaptive research, the productivity of cassava, yam, cocoyam and sweet potato production. This project has a direct positive effect on biodiversity conservation. The project has made a national germ plasm collection with over 200 varieties from all provinces in Cameroon, planted in the field and replicated on the Ekona research station. The interest of food crop researchers in the biological resources and requirements for farming enterprises should increase farmer productivity and yield.

H. **National Cereals Research and Extension Phase II (631-0052).** This project is providing assistance to the Cameroonian Institution for Agronomic Research (IRA) with the goal of increasing Cameroonian capacity to conduct quality research on maize, rice, sorghum and millet, and to continue to facilitate utilization of research results by farmers. This project has a direct positive effect on biodiversity conservation and tropical forests. Research staff are now incorporating natural resource management factors into their technological packages to be tested on farmers fields. Soil conservation and management, agro-forestry, and organic matter supply are now recognized by crop researchers and economists as important key to farmer productivity. Research trials on leguminous tree species growth and nitrogen fixing and

soil organic matter preservation are being carried out especially in the North-West, where the combination of rainfall and hilly terrain results in severe soil erosion and degradation. In the South-west, project scientists are working with farmers whose cultivation is encroaching upon lowland, transitional and montane tropical rain forests. Increased soil productivity, varietal improvement and crop yield will reduce the need to secure increased amounts of land for cultivation and lessen the stress on adjacent natural forest areas containing endangered flora and fauna.

I. **Natural Resources Management: Biological Inventory and Training in Korup National Park (698-0467.31):** This project represents a major step by USAID/Cameroon to assist the GRC in the management and preservation of one of the most biologically diverse lowland tropical rain forests in Africa. The Korup forest is located in Southwestern Cameroon, and is part of the congo rain forest biogeographical provinces of Africa. Korup contains more than 400 species of trees, of which at least 5% are locally endemic. The forest also provides critical habitat for one-fourth of all African primate species and more than 250 bird species. Because of its pristine condition and established richness of species, Korup is considered to provide a great potential for the discovery of new species of flora and fauna. The International Union for the Conservation of Nature (IUCN) has listed Korup forest as a priority for protection. The project is a buy-in to the Africa Bureau's Natural Resource Management Support Project (698-0467) (NRMS), and is being implemented by the PVO World Conservation International, a sub-unit of the New York Zoological Society. The project will be carried out in coordination with the U.S. Peace Corp, the World Wildlife Fund (WWF) and the British Overseas Development Administration (ODA). The project components are:

1. assistance in establishing a base camp within the park;

2. coordination of biological inventory activities;

3. ecosystem research and conservation education activities and

4. training of Cameroonian researchers and park personnel and advisory services to the GRC on research infrastructure and equipment.

The above project will have a significant positive impact on tropical forests and biodiversity in Cameroon.

In summary, the USAID/Cameroon mission portfolio contains no activities which will directly impact biodiversity conservation or tropical forests in a negative manner. The Maternal Child Health Care/Survival and the Fertilizer Sub Sector projects may have indirect negative effects, but these are not considered critical. The Agriculture Education, Agriculture Policy and Planning, National Cereals Research and Extension, Tropical Root and Tubers and the Korup National Park NRMS projects have apparent positive direct and indirect effects.

IV. The Natural Resources Management and Support Project (NRMS)

A. **PVO/NGO Assistance:** NRMS assistance to U.S. based PVOs and Cameroonian NGOs may be an effective indirect method for increased USAID/Cameroon involvement in biodiversity and tropical forest conservation. CARE/Cameroon is involved in water management, agroforestry and primary health care in two project areas. CARE would benefit from technical assistance in soil science, animal control and watershed management. Save the Children Federation (SCF) has several projects that would benefit from NRMS support. SCF does have a project in Yokadouma in the dense tropical forest area of the southeast and natural resources management has become an important issue. World Wildlife Fund (U.S.) is assisting in the Mount Oku conservation project, while WWF-UK has taken the lead in the Korup National Park Project. The Experiment in International Living (EIL) is involved in a community organization training effort and is incorporating natural resources management into its project. The Pan-African Institute for Development (PAID) is a regional African organization working in rural development. This NGO is finalizing a Cameroon survey of local NGOs in cooperation with UNDP. USAID/ Cameroon has reviewed the draft list of NGOs and believes there may be several rural-development-based organizations worthy of further investigation into their role in natural resources management. For more detailed information on the above refer to the June 1988 PVO/NGO Survey for West Africa compiled by IIED under the IIED/USAID NRMS Project.

B. **USAID/Cameroon Requirements:** This FAA 118-119 analysis was prepared by the USAID/Cameroon Environmental Officer. It was compiled 'from existing publications and studies. No reconnaissance level or field studies were specifically undertaken to complete this analysis although the author has relied on his experience with mission projects and travel within Cameroon. The Mission is aware of the importance of Cameroon's diverse biological resources and tropical forests, and of Cameroon's designation as a Group II priority country under Africa Bureau's Natural Resource Management strategy. It is suggested that two alternatives be considered in terms of future activity:

1. The amplification of this FAA 118-119 tropical forest and biodiversity analysis, which would include more in-depth study of the issues and intensive field reconnaissance. This study could be completed by an AID/W team and/or a PVO with experience in this type of work. This alternative would be done under the auspices of the NRMS project.

2. The completion of a NRMS category II country assessment for Cameroon, as outlined in State 028015 (paragraph F) of January 29, 1988. The assessment would be implemented as a NRMS activity with external technical assistance.

Table 2

Federally-Listed Threatened and Endangered Species of Cameroon, Central African Republic and Equatorial Guinea

Species	Cameroon	C.A.R.	E.G.
Mammals			
Cheetah (Acinonyx jubatus)	X	X	
Chimpanzee (Pan troglodytes)	X	X	X
Dog, African Wild (Lycaon pictus)	X	X	
Drill (Papio leucophaeus)	X		
Elephant (Loxodonta africana)	X	X	X
Gorilla (Gorilla gorilla)	X	?	X
Leopard (Panthera pardus)	X	X	X
Manatee, West African (Trichechus senegalensis)	X		X
Mandrill (Papio sphinx)	X		X
Mangabey, White-Collared (Cercocebus torquatus)	X		X
Monkey, Black Colobus (Colobus satanas)	X		X
Monkey, L'Hoest's (Cercopithecus lhoesti)	X		X
Monkey, Preuss' Red Colobus (Colobus badius preussi)	?	?	X
Monkey, Red-eared, Mose-spotted (Cercopithecus crythrotis)	X		X
Otter, Cameroon Clawless (Aonyx congica microdon)	X	X	X
Pangolin (Manis ssp.)	X	X	X
Rhinoceros, Black (Diceros bicornis)	X	X	
Rhinoceros, Northern White (Ceratotherium simum cottoni)		X	
Whale, Blue (Balaenoptera musculus)	X		X
Whale, Finback (Balaenoptera physalus)	X		X
Whale, Humpback (Megaptera novaengliae)	X		X
Whale, Right (Balaena glacialis)	X		X
Whale, Sei (Balaenoptera borealis)	X		X
Whale, Sperm (Physeter catodon)	X		X
Birds			
Falcon, Eurasian Peregrine (Falco peregrinus peregrinus)	X	X	X
Rockfowl, Grey-necked (Picathartes oreas)	X		?
Reptiles			
Crocodile, African Dwarf (Osteolaemus tetraspis tetraspis)	?	?	?
Crocodile, Congo Dwarf (Osteolaemus tetraspis Osborni)	?	?	?
Crocodile, Nile (Crocodyius niloticus)	X	X	X
Crocodile, Slender-snouted (Crocodylus cataphractus)	?	?	.
Turtle, Green Sea (Chelonia mydas)	X		X
Turtle, Hawksbill Sea (Eretmochelys imbricata)	X		X
Turtle, Kemp's Ridley Sea (Lepidochelys kempii)	X		X
Turtle, Leatherback Sea (Dermochelys coriacea)	X		X
Turtle, Loggerhead Sea (Caretta caretta)	X		X
Toad, African Viviparous (Nectophrynoides spp.)	?	?	?
Toad, Cameroon (Bufo superciliaris)	X	?	?

Table 3

National Parks and Reserves by Province

Province	Area (Ha) Parks and Reserves	Percent area Total National Park	Province as % national territory
Far North	179,000	7.7	7.3
North	730,000	31.4	14.4
Adamoua	0	0	13.3
Northwest	5,970	0.3	3.7
West	0	0	3
Centre	0	0	3
East	843,000	35.9	23.3
Southwest	126,000	5.4	5.3
Littoral	164,000	7.0	4.6
South	300,000	12.8	10.1
Total	2,348,870	= 4.95% national territory	

APPENDIX I

WID ACTION PLAN

I. WID Objectives in the Country Program:

Cameroon's economic crisis threatens to erode many of the gains that women have made during the past decade. The security of personal and household income is threatened by the illiquidity of the nation's financial institutions, while the slowdown in business activity has diminished opportunities for women in the formal sector. Public sector inefficiency and the absence of government recurrent cost financing has led to cutbacks in essential social services, which has a negative impact on the well-being and security of women. The burden of cutbacks in government hiring and eventual reductions in the civil service are expected to fall heavily on women. However, women continue to predominate in the fully private sector food distribution and trade subsectors, which will not be touched by the economic retrenchment.

The Mission's strategic objectives--liberalizing conditions in the marketplace, increasing public sector efficiency, and restoring equity and rationalization of resources in the social services-- will have direct and quantifiable benefits for women. This approach will bolster commitments to successful programs while addressing systemic issues at the technical and policy level, and will have an impact over the medium- to long-term. The strategy of increasing economic and social opportunities complements the direct approaches to enhancing the benefits of development to women that the Mission has found successful.

In adding policy focus to its existing technical programs as a complement to other bilateral and multilateral efforts, the Mission hopes to influence the direction of the structural adjustment process in a manner that is sensitive to the potential and aspirations of Cameroon's women.

II. WID Activities

A. Health and Population

1. **Maternal Child Health/Child Survival Project (MCH; No. 631-0056. LOP funding $9.5 million).** Begun in early 1988, the project is addressing the health concerns of mothers and children by improving key services available to them. Based in two provinces (Adamaoua and South), the project is improving immunization programs, introducing and promoting oral rehydration therapy for infant diarrhoea (a leading cause of infant mortality), controlling malaria, and making available child spacing services. Because this project stresses self-sustainability and minimization of costs, it may be expected to provide a model for national-level services whose principal constituency is women. This project is scheduled for a period of five years, until August 1992.

2. **Primary Technologies for Health Care (PRITECH; No. 936-5927.1).** The Cameroonian subproject is working with the Ministry of Health to establish a national policy for the control or diarrheal disease,

with emphasis on oral rehydration. The project is seeking cost-effective and efficient interventions in response to one of the principal health concerns of women in Cameroon. It is expected that this activity, which began in 1986 with funding of $ 550,000, will be extended and funded until September 1990.

3. **Infant Weaning Practices Project (No. 931-1010).** Centrally funded at $147,000, this effort supports the infant weaning practices project being implemented in the Extreme North Province by CARE. The program began in 1985 and will continue through 1989.

4. **HIV/AIDS Control No. 936-5972 (AIDSTECH) and No. 936-5965 (WHO/GPA).** Using central funds, the Mission assists the National AIDS Control Program in carrying out studies and preventative education to high risk groups. Support to date has included $200,000 through the WHO/Global Program for AIDS, $340,000 for technical assistance through the AIDSTECH project, and $32,500 for supply of condoms. Additional funding of $200,000 will be made available to this program in 1989.

5. **Population Support.** The issue of population control has been identified as a priority of the GRC, which is concerned with the accelerating pace of demographic growth in Cameroon. The GRC is expected to announce a national population policy in early 1989. Child-spacing and family planning are issues of vital concern to Cameroon's women, where socio-cultural pressures for large family size may conflict with the need of women to contribute to household income. USAID/Cameroon is addressing this issue on a variety of fronts:

   a. **Training under the Johns Hopkins Program for International Education in Gynecology and Obstetrics (No. 936-3045).** Centrally-funded by Washington through 1990, this program has trained eighty-nine Cameroonian professionals since 1987. Funding has been maintained at approximately $200,000 per year.

   b. **Family Planning International Assistance (FPIA No. 932-0955).** USAID supports the family planning efforts of the Presbyterian Church hospitals in Cameroon and supplies contraceptives to the Ministry of Health for high risk maternity clinics. Washington has provided annual funding of $130,000 annually until 1989.

   c. **Family Health International (FHI No. 936-30421).** Centrally funded until 1990 at $20,000 per year, this program supports biomedical research on low-dose estrogen oral contraceptives and the copper T-380A.

   d. **Natural Family Planning (NFP No. 936-3040).** Centrally funded at $62,000 between 1985 and the end of 1989, the program

supported the efforts of Catholic Health Services of Cameroon to promote natural family planning.

e. **Family Health Initiatives-II (FHI-II; No. 698-0462.31 LOP funding $1.2 million).** This four-year project (1988-1992), consolidates the efforts of four centrally-funded population activities. Its purpose is to assist the GRC ministries of Health and Plan in coordinating population efforts and in formulating a national population policy.

B. Rural Credit and Finance

Cameroonian Cooperative Credit Union League (CAMCCUL)(Project Nol 631-0057; LOP funding $3.15 million). USAID continues to maintain its longstanding support for the Cameroonian credit union movement, which seeks to mobilize savings and provide affordable personal and investment credit in rural and urban areas. The movement has been particularly successful in integrating women as savers and in management positions. Approximately one-third of the nation's 68,000 credit union members are women.

A 1989 impact evaluation of USAID assistance to CamCCul determined that "the impact of the movement on women is, without qualification, a positive one. Credit unions not only enhance economic opportunity for women but contribute to their efforts at obtaining social and political mobility."

C. Agriculture

Efforts to address gender concerns in agriculture have been aimed at improving the situation of women as food crop producers, within the framework of the National Cereals Research and Extension Project (No. 631-0052 LOP funding $35.4 million (G) $3.6 million (L) and the North Cameroon Seed Multiplication Project (631-0023 LOP funding $11.18 million (G), .56 million (L). Both projects focus on food production constraints of small farmers through the development of improved seed varieties. Under these projects, between a quarter and a third of all cooperating farmers are women.

The objective of collecting sex-disaggregated data has not been adequately achieved as anticipated under the Agriculture Management and Planning Project (631-0008) and will be pursued under its successor, the Agricultural Policy Project (631-0059 LOP funding $12 million) and other existing projects.

D. Education and Training

In this sector, efforts have been directed at increasing the number of female participants in education project activities and at expanding female

enrollment in USAID sponsored training programs. Assistance was sought in FY 1988 from PPC/WID to identify training opportunities for women in Cameroon so as better to focus the Mission's training programs and resources on areas where they are the most needed.

Under the HRDA Project (No. 698-0463.31) in FY 1988 the Mission has financed a series of in-country management seminars, including one for women managers, co-sponsored by the Ministry for Women's Affairs. 58 women participated in the program. USAID plans to sponsor similar training sessions over the next two years and anticipates that by the end of FY 1990, about 30 percent of HRDA participants will be women, compared to an estimated 20 percent in FY 1988.

Efforts are also underway to expand female student enrollment at UCD (Dschang), under the Agriculture Education project (631-0031, LOP funding $16.6 million) from the current figure of six percent to ten percent by the end of FY 1990.

Under the OIC project (938-0244, LOP funding $2.76 million) the Mission is providing vocational training to young men and women to increase their chances of finding employment in the private sector. Currently, 20 percent of the students enrolled in the program are women.

MISSION STRATEGY FOR IMPLEMENTING AND MONITORING PERFORMANCE UNDER WID

During the next few years Mission strategy will concentrate on three areas:

A. **Developing a data base for monitoring and evaluating impact of projects on women, through the use of dissaggregated gender data;**

The Mission will conduct three project-related research exercises in order to enhance its ability to track project impact on women: 1) Improving Statistics and Indicators on the Situation of Women in Agriculture (Agricultural Policy and Planning Project/ 631-0059); 2) Assessing Gender differences in Savings Behavior (Credit Union Development/ 631-0057); and 3) Gender Roles in Processing and Marketing of Maize and Cassava (National Cereals Research and Extension/631-0052).

B. **Planning and developing the means of increasing employment and income-generation for women in Cameroon;**

The Mission's Country Development Strategy provides a strong orientation in this area, combining policy dialogue, projects, and non-project assistance to promote a growth-oriented economic environment. During the coming year the Mission will continue to fund its OICI Vocational Training Project and the Agricultural Education Project, both of which are seeking to enhance the technical qualifications and employability of students in the private as well as the public sector.

C. **Ensuring that women's issues are incorporated into policy, strategy and the Mission's overall program.**

The Mission does not intend to relegate responsibility for WID strategy implementation to one part of its operations. Monitoring and evaluation of projects and non-project assistance through establishment of a gender data base will permit adequate assessment of impacts on women without isolating responsibility for WID within an administrative enclave.

APPENDIX J

DONOR STRATEGIES

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I. Introduction

Up to 1986, development assistance donors considered Cameroon's economic and financial situation to be satisfactory, while other subsaharan African countries were in the midst of an economic crisis.

Yet, despite its relatively high rate of growth, moderate inflation and low external debt service, Cameroon was already beginning to show early warning of the economic crisis it faces today. Over the years, public enterprises required increasingly high government subsidies, a situation which could not be maintained in the long run, particularly in light of declining oil revenues. This problem became a crisis with the drastic drop in the prices of major export commodities and by the monetary disorder caused by the fluctuations in value of the U.S. dollar.

The economic crisis has led to an accumulation of arrears on internal debt payments estimated at 142 billion CFAF francs as of October 31, 1987. [1] It has required more austerity in the elaboration of government budgets, and a revision of the investment program outlined in the Sixth Five Year Plan. More so than in the past, the GRC will need more external financing to restore economic growth.

In reviewing donor assistance strategies and programs, and in assessing their role(s) in and potential contribution to Cameroonian economic development, one needs to take account of GRC's financial and economic difficulties which may limit its capacity for investment and its ability to absorb aid.

This report will provide an overview of the total development assistance package received by Cameroon with an emphasis on cumulative levels, sectoral distribution and major trends; a description of selected donor assistance programs, an analysis of their relevance to the GRC's development priorities and finally a discussion of the issue of donor coordination. It excludes Food Aid (for which comparable donor data are unavailable), Military Assistance, private investment and aid provided through commercial channels.

II. Overview of Development Assistance to Cameroon.

Although the share of international aid in the Gross National Product of African countries has been generally increasing since 1980, its share in Cameroon's GNP has decreased from 3.3 percent in 1980-1981 to 2.6 percent in 1985-1986. [13] Absolute levels of assistance declined from 1979 to 1987, as shown in Table 1. This has been accentuated over the past few years (1985-1987), as shown on Table 2. It reflects in part Cameroon's economic and financial difficulties which make it difficult for the GRC to fulfill all the necessary conditions for getting loans. This decrease is also due to a reduction in Cameroon's capacity to absorb new projects, to bureaucratic bottlenecks and delays in the preparation of large projects and finally to the fact that industralized countries' programs have financial difficulties. The subsectoral interests of major donors are given on Table 3.

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III. Bilateral Programs

In this section, we shall briefly describe each donor's approach to bilateral assistance to Africa, its assistance strategy in Cameroon, the assistance instruments used (i.e. how the assistance is provided), the amount and type(s) of assistance being provided, and-as appropriate-the areas of concentration and/or comparative advantage. It should be noted that the report does not cover all donors, but only the largest and those of strategic importance to the United States assistance strategy.

A. France

1. Assistance Policy to Africa.

Since 1986, France's aid or cooperation policy has been based on a new orientation which considers Africa as its primary target of development assistance. As a result in 1986, 87 percent of total French bilateral aid to developing countries went to Africa. [11]

French bilateral aid to Africa stresses training and human resources development as "the priority of priorities". In this context, efforts are primarily directed to "training of trainers" as well as to the expanded use of French as the "development language" ("francophonie"). [38] An effort is also being made to encourage the participation of NGOs, private sector and other associations in the cooperation effort, the ultimate objective being the development of a productive partnership ("partenariat industriel") between French institutions and their counterparts in Africa. [9]

In addition to human resources development, French bilateral cooperation emphasizes the following sectors:

- Agriculture and rural development : support to micro-projects which can be managed by farmer beneficiaries to increase their productivity; assistance to African agricultural research institutions in the design and monitoring of the implementation of agricultural policies.

- industrial development: greater investment in the industrial sector in Africa and promotion of partnerships between French enterprises and their African counterparts;

- health: improvement in the management of African hospitals; development of medical infrastructure.

- Finally the new French Minister of Cooperation, Jacques Pelletier, while admitting that the process of structural adjustement is inevitable in Africa, contends that donor assistance programs must be geared to helping African countries overcome their financial difficulties without compromising their socio-political stability. [39]

2. Evolution of French Bilateral Assistance to Cameroon.

French cooperation with Cameroon is very important. In fact, France is the largest bilateral donor in Cameroon and the second largest donor overall. It provided a third of all aid received by Cameroon in 1987. French bilateral aid to Cameroon from 1960 to 1987 totalled CFAF 322.2 billion, 58 percent of which was in the form of grants from the Fonds d'Aide et de Coopération (FAC) and the remaining as loans from the Caisse Centrale de Coopération Economique (CCCE). [1]

French aid to Cameroon has declined since 1984 (Table 4), as part of the general decrease in the volume of development aid flowing to Cameroon. French bilateral cooperation with Cameroon since 1960 has focussed on education/training, rural development and the development of the transport infrastructure. Since 1986, support is being provided to Cameroon's structural adjustment effort through loans from the CCCE. The structure of the aid has not changed substantially over the years. As indicated on Table 6, the largest share (over 50 percent) constitutes financial assistance, whereas about 35 percent of the resources have been allocated to technical assistance.

The sectoral distribution of French total commitments from 1985 to 1987 reveals a high concentration of resources in the education/training sector, (about 34 percent) in line with the French cooperation policy. [38] (see Table 5).

The instruments of French bilateral aid include:

a. Financial Aid

Financial aid constitutes, more than half of the total bilateral aid and comprises grants from the Fonds d'Aide et de Coopération (FAC) and loans from both the Caisse Centrale de Coopération Economique (CCCE) and the French Treasury.

The FAC provides grant funding to finance specific projects. Cameroon, Senegal, Zaire, the Congo and Madagascar were the principal beneficiaries of FAC grants in Africa, not taking into account the least advanced African countries. Committments of FAC to Cameroon for the period 1985 through 1987 totalled CFAF 35,488,379, representing 42.8 percent of France's commitments to Cameroon for the period [42] (Table 18).

The areas of intervention of the FAC in Cameroon include rural development (the largest beneficiary in 1985 and 1987), transportation infrastructure development, training and health. Table 7 outlines the projects financed by FAC in 1985 and 1987.

The CCCE provides for rapid disbursement of funds. It provides assistance to the implementation of structural adjustment as well as investment programs in Cameroon. CCCE interventions in Africa give priority to rural development, mining and energy. [12] In Cameroon, its interventions are concentrated in these sectors as well as in the industrial and agro-industrial sector and in the development of transport and telecommunication infrastructure. [1] The largest share of CCCE loans to Cameroon goes for agriculture and agro-industries. CCCE's development aid budget ("aide publique au development") to Cameroon has varied slightly over the past seven years, with a general decline. However it almost doubled in 1988, due to structural adjustment loans (Table 8).

b. **Technical Assistance:**

Technical assistance comprises "direct" and "indirect" assistance. The number of technical assistants (both "direct" and "indirect") has decreased substantially in Cameroon over the past several years.

Direct technical assistance is administered by the French Cooperation Mission in Cameroon. It comprises teachers (which represent the majority), health personnel and technicians. The number of health personnel has declined from 61 in 1984 to 53 in 1987, teachers from 437 to 341 and technicians from 78 to 60 (Table 9).

Indirect technical assistance is provided to Cameroon by various French non-governmental organisations under agreements signed between them and the French ministries of Cooperation and External Relations. It includes volunteers ("Volontaires du Progrès"), research scientists, and transport technical specialists. Their number has declined from 201 in 1985 to 175 in 1987, distributed among various sectors of activity (Table 10).

c. **Scholarships**

In 1986, 321 Cameroonian received French government scholarships evaluated at CFAF 715.25 million, compared to 323 scholarships in 1985 (CFAF 594.3 million) and 369 in 1984 (CFAF 598.5 million). [32, 33]

d. **Financial Support to small projects and to PVOs/NGOs**

The French government provides grants to small projects and programs sponsored by French PVOs as well as to various local and regional training institutions (such as IFORD and Ecole des Coopératives in Ebolowa). This support was evaluated at CFAF 65.7 million in 1984, CFAF 148.56 million in 1985, CFAF 83.5 million in 1986 and CFAF 114.00 million in 1987. [33, 1]

B. The Federal Republic of Germany (FRG)

1. Assistance policy to Africa

The ultimate goal of West German bilateral cooperation with Africa is to transform African countries into economic partners of industrialised nations through an improvement of their living conditions and an increase of their purchasing power. [27]

Since the early 1960's, two major criteria determine the allocation of West German development aid to Africa:

a. the adoption of economic reforms reflecting the beneficiary country's acceptance of economic liberalism; and

b. the undertaking of efforts to institute or strengthen democratic systems of government.

These criteria, in combination with country specific factors, generally define the volume and nature of the bilateral assistance program. [27]

The development priorities of the FRG's bilateral cooperation with Africa are:

a. agriculture and rural development: "the priority of priorities," because of its positive effects on employment and revenues generation, and its contribution to food security;

b. energy: i.e. improvement of conventional energy sources (such as water or natural gas), conservation of traditional sources (wood) and development of renewable energy sources (such as wind or solar power); and

c. natural resources development. [27]

FRG bilateral aid is not tied to the procurement of goods and services from West Germany. However, while not formally tied, projects undertaken tend to be those in which German producers have a comparative advantage due to the quality or appropriateness of the technology. Thus in 1988, 88.9 percent of the assistance funds were "returned" to West German enterprises. [1]

2. Evolution of Assistance to Cameroon.

The cumulative bilateral aid to Cameroon was evaluated at DM 857.5 million (CFAF 144 billion) as of 31 March 1987, making the FRG the second bilateral aid donor in Cameroon, after France. [4, 14] Cameroon is ninth in Africa among receivers of bilateral aid from the FRG from 1950 to 1985 (Table 11).

Bilateral cooperation between the FRG and the Republic of Cameroon has increased significantly over the past few years, including visits of President Biya to Bonn in 1986 and of Chancellor Helmut Kohl to Yaounde in 1987.

Cooperation has been directed primarily to the improvement of the transport and telecommunication infrastructure, agriculture and rural development, the promotion of small enterprises and the development of conventional energy sources. [2, 26] Transport infrastructure is responsible for more than half the program [41] (Table 12).

West German Cooperation with Cameroon takes on the following forms:.

a. **Financial Aid**

Financial aid, both loans and grants, has been concentrated on transport and communication infrastructure, the exploitation of energy resources, and rural development. It is implemented through public financial institutions such as the Kreditanstalt fur Wiederaufbau (KfW= Credit Institution for Reconstruction) and the Deutsche Finanzierungsgesellschaft für Beteilingungen in Entwicklungsländern (DEG = West German Financial Corporation for Investment in Developing Countries).

The KfW plays the role of both the French CCCE and that of the French Bank for External Trade. KfW's commitments to Cameroon represent almost 3 percent of its total commitments to Africa. Its cumulative commitments to Cameroon totalled DM 539 million by 1987, and increased substantially from DM 8 million in 1986 to DM 81 million in 1987 (Table 13).

DEG's participation in Cameroon includes important parastatals such as (CAMSHIP) Cameroon Shipping Lines, the textile industry (CICAM and SYNTECAM) and the exploitation of forestry resources (SCEF).

b. **Technical Assistance**

Technical assistance includes grant-funded personnel, services in kind in the field of training and research as well as limited funding to finance preparatory activities (e.g. studies) related to the design of large projects. This type of cooperation is provided to Cameroon through public institutions such as the Deutsche Gesellschaft für Zusammenarbeit (GTZ), and the Deutsche Entwicklungsdienst (DED= West German Development Service, the equivalent of the American Peace Corps or the French "Volontaires du Progrès").

GTZ is the largest provider of German technical assistance. It focusses on the provision of T.A to FONADER, assistance to the Wild Life Conservation School in Garoua, the eradication of the Tse-Tse fly

in the Adamaoua plateau, assistance to CENEEMA, the introduction of oxen farming in the North West province, agricultural development of the Benoué valley in the North Province, primary health care in the North West, South West and Littoral Provinces, support the Karewa experimental farm in the North Province and training of specialists in the field of television.

The DED provides Cameroon with qualified personnel to work in specific development programs or projects. In 1987, 28 professional and 37 volunteers of the DED were working in Cameroon. [4]

The objective of the German-Cameroonian office for industrial cooperation in Douala is to identify German partners for joint ventures with Cameroonians to promote the use of German equipment and to identify German importers interested in buying Cameroonian products. Projects have been identified in the service, agro industrial and industrial sectors. In the industrial sectors, a dozen projects have been set up, in collaboration with the Cameroonian Chamber of Commerce. [11]

c. **Scholarships**

The FRG sponsored 787 Cameroonian scholarships in 1987. [1]

d. **Assistance through PVOs/NGOs.**

The government of the FRG provides grants to German NGOs to combine with their own resources to undertake development activities in Cameroon. Political foundations are eligible for assistance. The Hanns Siebel Stiftung, the Konrad Adenauer Stiftung and more recently, the Friedrich Ebert Stiftung (FES) have programs in Cameroon. The FES is coordinating an economic research program in Cameroon, and the Hanns Siebel Stiftung (HSS) signed in 1986 an agreement with the Cameroon's workers syndicate (OSTC) to finance a CFAF 120 million training program for OSTC affiliated workers. [12]

C. Canada

1. Assistance Policy to Africa

Canadian cooperation policy with developing countries is based on two fundamental principles:

a) the economic growth of developing countries has a positive multiplier effect on the Canadian economy; and

b) all segments of Canadian society (including the private sector) must participate in the cooperation effort. Accordingly in 1985, 11 percent of the Canadian development assistance funds ("Aide publique

au developpement") were channelled through NGOs, whereas in France, that has never exceeded 1 percent.

From 1985 to 1988, Canada made an in-depth review of its cooperation policy which resulted in substantial changes in its orientation. The revised policy as presented in 1988 focusses on human resources development, rural development, support to small farmers, integration of women in development programs, primary education, primary health care, environmental protection, and other grassroot development initiatives aimed at bringing about sustained development of local communities.

The new strategy also aims at alleviating the debt burden of the least advanced countries, most of which are in subsaharan Africa. Accordingly in 1987 the Federal Government proposed the cancellation of all debts incurred by developing countries as part of the development assistance package and the rescheduling of commercial debts. Since April 1986 all bilateral aid provided by Canada is in the form of grants. The policy is also geared towards an intensification of industrial partnerships between Canadian enterprises and the counterparts in developing countries. [51]

2. Evolution of Assistance to Cameroon

Initially focussed on the education sector, bilateral cooperation between Canada and Cameroon has become very diversified, covering a wide range of activities in the field of health, human resources development, energy, transport and telecommunication infrastructure. [1] Sectoral distribution of commitments made during the three year period (1985-1987) is diverse, with the highest percentage in the "other" category, followed by education/training (Table 14).

a. Financial Aid

Bilateral aid provided by Canada from 1962 to 1985 amounted to CAN $ 150 million, over two thirds of which were provided between 1976 and 1981. [1]

Bilateral aid provided during the period 1985-1987 was all grant funded, but declined considerably (by 45.2 percent) during the period, going from CFAF 42.6 billion in the 1983-1985 period to CFAF 23.6 billion in the period 1985-1987, due to Cameroon's economic crisis. No loans were granted during the latter period. [41]

The Canadian Agency for International Development (CIDA) major interventions in Cameroon include:

i) infrastructure and transport: strengthening of road maintenance capacity; participation to the Transcameroonian railroad project; up-grading of the National railway; and modernisation of the Douala Port.

ii) forestry: institutional development of CENADEFOR's capacity to manage national forestry resources and of the local private sector's capacity to produce wood through technical support to small enterprises engaged in forestry.

iii) rural development: financing of rural electrification in the Centre and South Province; and promotion of small scale fishing.

iv) education/training: assistance to various technical training institutions, Institut Supérieur de Management Public (ISMP), Ecole Supérieure d'Economie et de Comptabilité (ESSEC) as well as the PAET (Programme d'aide à l'enseignement Technique) sponsored by MESIRES and MINEDUC. [1]

v) small enterprises: in September 1988 an agreement was signed with the GRC under which the CIDA will provide CFAF 2.5 billion to promote the creation of SME's in the Centre and South Provinces, as a way of stimulating the local industrial sector and generating employment. [39]

b) **Technical Assistance** [52]

Canadian technical assistance is provided in the context of bilateral projects funded by CIDA as well as to respond to one-time GRC requests for experts in specific areas. There are currently two Canadian "experts" - a forestry specialist and an education specialist - working in an advisory and training capacity. There are 44 technical assistants working in specific projects covering the sectors of forestry (12), energy (17) and human resources development (25).

c) **Scholarships** [52]

Canada offers long-term and short term training opportunities to Cameroonian to study locally or in Canada. Long term training comprises fully-funded scholarships ("bourses complètes") and partial (tuition - only) scholarships. On the average, 50 new fully-funded scholarships are provided each year, estimated at CAN $1.25 million and 165 new partial scholarships, estimated at CAN $990 thousand. Between 75 and 100 participants are enrolled in short courses each year, costing between CAN $900 and CAN $1,200.

d) **Support to NGOs** [52]

CIDA provides partial funding to the Organization Canadienne Solidarité et Developpement (O.C.S.D) to undertake grassroot development projects in Cameroon. OCSD interventions in Cameroon are in agriculture, community development, women in development, water resources development and practical skills training. There are presently 12 OCSD volunteers in Cameroon working in various projects.

IV. Multilateral Assistance

A. The World Bank

1. Bank Assistance policy to Africa

The fundamental goal of the World Bank is to provide financial resources to developing countries. The World Bank development assistance consists of IBRD loans, IDA credits and IFC investments. In Africa, the two credit institutions generally finance projects based on their productive characteristics and on their potential contribution to the beneficiary country's economic growth. [32]

The economic and financial crisis in Africa has resulted in delays in the preparation and implementation of projects and in the revision of its investment priorities. As a result, since 1980 the World Bank has had to modify its strategy and is increasingly focussing on sectoral and macro-economic structural adjustment lending to help these countries to implement economic recovery and structural adjustment programs over the medium term. [17]

2. Evolution of Assistance to Cameroon.

The World Bank has been providing assistance to Cameroon since 1967 and is the largest donor in Cameroon, representing 26.6 percent of total development aid received by Cameroon during the period 1985-1987. [41] Its assistance levels in Cameroon have been relatively stable over the past few years, ranging from 104.1 billion CFAF during the 1983-1985 period to 101.8 billion in 1985-1987. During the period 1985-1987, 56.7 percent of the loans were for infrastructure, 33 percent for rural development and 10.3 percent for education. [41] The World Bank is currently negotiating the terms of a SAP loan with Cameroon.

Its assistance to Cameroon to date is valued at U.S. $1.3 billion, covering over 50 projects in a variety of sectors excluding health, industry, and energy.

Major areas of concentration of the Bank in Cameroon, by order of importance, are: infrastructure development, agriculture and rural development, and education. Its interventions in road infrastructure include the Douala-Yaounde road project, and seven other road projects, and have covered other infrastructure development as well.

In urban development, the Bank has provided financing for a project which comprises infrastructure improvements in the major cities of Douala and Yaounde as well as reforms in land tenure and financial management.

The IDA is participating in the rehabilitation of the public and the parapublic sectors by providing technical assistance for the redefinition of GRC's investment policies and the reform of public enterprises.

In agriculture the Bank has contributed significantly to the rehabilitation and modernisation of cocoa, rubber and oil palm plantations to increase productivity in the cash crop sub sector. The Bank has also provided assistance to the development of new policies and for investments in physical infrastructure in the livestock sector, to improve its performance. [1]

B. The African Development Bank Group (ADB)

1. Assistance policy to member countries

The ADB assistance policy to regional member countries is to assist these countries in a addressing à wide range of development constraints to their economic development, in line with the priorities set under the framework of the African Priority Program for Economic Recovery (APPER) and the UN Program of Action for Africa's Economic Recovery and Development (U.N.P.A.A.E.R.D).

The problems identified include inadequate food supply, the lack of economic diversification, under utilization of productive capacity, the deterioration in the quality of physical assets and the level of social services, the decline in savings and investment the lack of skilled manpower, the deterioration in the African external debt situation, the inadequate intitutional framework for formulating development strategies and for identifying, evaluation and implementing development programes and finally problems related to the environment and to the distribution of the benefits of development to vulnerable groups, particularly women. [50]

To assist African countries in dealing with these problems, the Bank's lending has focussed on the following areas:

a. agriculture development, with emphasis on food production, food marketing, distribution and storage, and support to the expansion of agricultural exports as a major source of foreign earnings;

b. support to economic diversification efforts through increased line of credit operations to small and medium scale enterprises;

c. support to interventions in the productive sector as well as to structural adjustment programs aimed at combating the economic crisis and creating favorable conditions for sustained economic growth. Thus in June 1987, the ADB increased its capital from UA 5.4 billion to UA 16 billion so as to enable it to provide more resources for structural adjustment lending. [17]

d. social development: increase in the share of the Bank's total loan portfolio going to the social sector.

e. the Bank's response to institutional concerns has included targeted assistance to institution - building development projects and programs, particularly to development research institutions. Furthermore in order to alleviate planning weaknesses, the Bank has just begun to do country programming so as to develop lending strategies that are consistent with the development priorities of individual member countries. [50]

f. the Bank has also been exploring alternative solutions to the African debt problem and has developed a debt alleviation scheme which involves "the securitisation of debt in which short and long-term claim instruments will be exchanged for longer-term bonds of the same face value but carrying a lower interest rate, agreed upon by both a given debtor and its creditors. [50] The proposal applies to all external debt, except concessional and multilateral debts. Fifteen African countries have expressed interest in the scheme.

g. the Bank group strategy with respect to environmental concerns has included the creation of a division dealing with social and environmental policy issues, the organization of seminars on the subject and the preparation and monitoring of environmental policy guidelines.

h. the Bank is increasingly concerned with the issue of coordination among donors and has taken several initiatives to strengthen coordination of its interventions with those of the EEC, IBRD, UN agencies through cooperation agreements and periodic consultative meetings to review the status of implementation of their joint programs, examine areas of further cooperation and ways of strengthening existing linkages. As of July 1987 the World Bank and the ADB had cofinanced 12 projects in Africa and identified 29 additional joint operations. [17]

2. Assistance to Cameroon

As of 31 December 1986, ADB loans to Cameroon amounted to U.S. $250 million (CFAF 90 billion) and were used to finance 14 projects and 4 feasibility studies in the agriculture, social infrastructure and transport sectors. [8] During 1985-1987, ADB loans represented 11.6 percent of the total development assistance received by Cameroon, thus making her the 3rd largest donor, after the World Bank and France. These loans were allocated fairly equally to infrastructure (44.4 percent) and rural development (42.4 percent). [41]

C. EEC (European Economic Community)

1. EEC Assistance Policy to Africa.

EEC programs its contributions on a five year plan known since 1971 as the Lomé conventions. Its priorities are agricultural and rural development, basic infrastructure, and the development of industry and mining, with an emphasis on the promotion of small and medium-size enterprises for the local transformation of primary products. Its two executing agencies, the European Development Fund (EDF or FED) and the European Investment Bank (BEI) follow these guidelines, although with varying emphases. The FED stresses rural development whereas the BEI is interested in industry and agro-industry and in small and medium size projects. [17]

2. Evolution of Assistance to Cameroon.

Current EEC assistance to Cameroon covers the transition from the FED V program (Lomé II, 1985-1989) to the FED VI (Lomé III, 1990-1994). EEC assistance to Cameroon is concentrated in agriculture and rural development, in line with the EEC global policy. In 1985-1987, this sector absorbed 97.3 percent of all EEC contributions. [41]

EEC interventions are heavily concentrated in the Northern region and are aimed at increasing agriculture production through the provision of agricultural inputs (fertilizers), the extension of the land available for cultivation, the development of fishing, and basic social infrastructure. The EEC budget for the FED VI program is estimated at CFAF 33 billion distributed as: 69 percent grant and 31 percent loans.

Like other donors, and possibly to a worse degree, the EEC is experiencing difficulties in implementing its program. Thirty months after the signing of the sixty month Lome III Convention, only 2.5 percent of the committed funds have been disbursed. [44] One loan has been awarded by the BEI during the period 1985-1987 in the amount of CFAF 7.4 billion (to finance the construction of a dam). These delays in disbursement are due partly to administrative inefficiencies and in part to the inherent complexity of the projects.

Given the delays in obligating funds, the EEC has had to revise the program and reprogram resources to other activities such as the fertilizer reform program and the construction of the road Yaounde - Ayos.

D. United Nations Organizations.

1. U.N.D.P. (United Nations Development Program)

The UNDP provides technical assistance to various UN agencies. Its assistance to Cameroon has been very modest, given the fact that Cameroon is considered a "medium income" country. Priorities worldwide

are determined by the sectoral emphasis outlined in the UNDP fourth cycle country program covering the period 1987-1991. [50]

The current UNDP assistance program to Cameroon, covering a five year period (1987-1991), is U.S. $16 million, distributed as follows: rural development, with a concentration on the promotion of medium size farms (U.S. $9.6 million); and industry (U.S. $7.2 million. UNDP first priority in Cameroon is agriculture, which received 31.9 percent of total UNDP technical assistance in 1986. The second priority is the industrial sector (23.3 percent) followed by national resources (20.8 percent) and transport and communications (15.8 percent).

The UNDP recently participated in the development of Cameroon's Industrial Master Plan (PDI 1988) and provides technical support to the newly created Department of Assistance to SME's within the Ministry of Commerce and Industrial Development, and has provided financial support for the conduct of studies and training. [1]

2. **UNIDO (UN Industrial Development Organization).**

UNIDO provides financial, technical or logistical assistance to public institutions, parastatal organizations and upon approval of the host government, to the private sector. Its assistance has been very diversified ranging from the conduct of studies and training to the provision of material and equipment.

In Cameroon, its most recent contribution has been to assist the Ministry of Plan with the elaboration of the Industrial Master Plan (PDI, 1988), in collaboration with UNDP. UNIDO provides technical and material assistance to the CAPME (Centre National d'Assistance aux Petites et Moyennes Entreprises). The proposed program for the next two years will focus on some of the recommendations contained in the PDI. (such as development of SME's, promotion of local materials in the construction sector, standardization and quality control and direct support to private sector enterprises etc). The industrial sector appears to be a growing focus of the UNIDO assistance program in Cameroon.

V. **Additional Donors.**

Table 15 lists the first 12 major donors in Cameroon, and reveals that the first five described in the report (the World Bank, France, ADB, FRG and Canada) provided almost 75 percent of total development aid for the period 1985-1987, leaving only only quarter for the remaining donors. USAID's assistance to Cameroon is modest representing only 6 percent of development aid for the same period.

VI. Private Voluntary Organisations

A. CARE/Cameroon. [53, 54]

CARE was established in Cameroon in 1978 following an agreement signed with the government of Cameroon (Ministry of Agriculture) to provide support to the national GRC's community development program. CARE/Cameroon project activities are concentrated in the Extreme North and Eastern provinces. They are designed to help the rural populations improve their living conditions through self-help projects in which communities are expected to contribute in in kind and as appropriate in cash, to the realisation of objectives they have identified in collaboration with CARE. The interventions are in water resource and natural resource development, and primary health care including nutrition education.

CARE/Cameroon project budget amounted to 2.2 million in FY 1988 distributed as follows:- Eastern Wells Project $ 700,000; Northern Wells Project $ 700,000; Community Health Care (Extreme North) $400,000; Village Agroforestry (Extreme North) $400,000. These programs are financed by CARE/Canada, CIDA, CARE/USA, USAID and the government of Cameroon (Ministry of Agriculture and Ministry of Health). In addition, in-kind support in the form of volunteers is provided by the Peace Corps the Dutch Volunteer Organisation. These volunteer technicians are assigned to CARE-sponsored projects where they work side by side with CARE international and local personnel.

B. Save the Children (SCF) [55, 56]

Save the Children signed its first protocol agreement with Cameroon in 1978, to assist the Department of Community Development in extending the community development approach to the francophone regions of Cameroon where the CD concept was practically unknown. Accordingly, SCF in collaboration with the Community Development Department, launched a pilot community based rural development program in Kar-Hay, in the Extreme North province, with the understanding that the program will be extended to other regions should the experience prove to be successful. The program was funded by USAID. Three years later, SCF opened programs in two additional impact areas - Ntui (Center Province) and Yokadouma (Eastern Province), with funding from PACT (Private Agencies Collaborating Together).

SCF is committed to helping "the poorest of the poor", a very difficult goal to achieve given the fact that this constituency is the most difficult to reach, and given the highly complex nature of the constraints to their development and SCF limited means. SCF current interventions in the three "impact areas" cover the sectors of education, social infrastructure developmenent (construction of primary schools, feeder roads and primary health posts) child survival, agriculture and water resource development. The program is financed by SCF own resources (45.5 percent), USAID (21.6 percent), the GRC (26.2 percent) and other sources - Rotary, Hewlett, Public Welfare Fund, Canadian Embassy etc - (6.8 percent).

C. Catholic Relief Services (CRS) [57]

CRS is an aid and development agency of the United States Catholic Conference. It represents the American Catholic Bishops, Clergy, Religious and Laity. Its main purpose is to draw upon financial and material resources from the American community to support local social welfare agencies in developing countries and to implement programs designed to help disadvantaged people. CRS derives its main financial support from its annual nationwide fund-raising campaign conducted in the catholic churches in the U.S. Other funding souces include USAID, interested individuals and groups, foundations and donor agencies abroad.

CRS has been working in Cameroon since 1960. It has implemented projects in collaboration with the GRC Ministries of Health, and Plan. Its activities have been concentrated in the area of community health care with an emphasis on growth monitoring infant and child nutrition and child survival. From 1975 to 1982, CRS implemented a Rural Health Training Project financed by USAID (LOP $469,000). The program was designed to train health personnel and extension agents in rural northern Cameroon so as to promote health education in rural areas served by the fourteen Catholic Mission dispensaries in the two northern dioceses. Other CRS activities in Cameroon have included the provision of medicines and related supplies to various public and private health institutions, wells construction or repairs, literacy training, assistance to the center for the handicapped and to women's training centers and support to youth activities.

The CRS program in Cameroon was evaluated at FCFA 133,334,000 in 1987 distributed as follows: socio economic development projects (FCFA 70,000,000 or 52.5 percent), Emergency Assistance (FCFA 334,000 or 0.2 percent) and in-kind commodity donations (FCFA 63,000,000 or 47.2 percent).

D. The Pan African Institute for Development (PAID) [58, 59, 60]

PAID is a private, not for profit international organization, extablished in 1964, under Swiss law. Its general Secretariat is located in Geneva, and its training institutions are based in Cameroon, Zambia and Burkina-Faso. PAID objectives are to train middle level African development workers in methods of working effectively with the rural populations and in linking the programs to regional and national development plans. The institutions also provides training programs in the design and management of development programs for senior-level African staff. PAID current training program comprises:

1. long term training of middle level field personnel offered in all four regional training centers-PAID/Douala for Francophone Central Africa, PAID/Buea for Anglophone Central and West Africa, PAID/Ouagadougou for Sahelian West African countries and PAID/Kabwe (Zambia) for Anglophone Eastern and Southern African countries;

2. short term courses and refresher seminars to meet specific needs;

3. applied research linked to development projects and

4. technical assistance to development agencies based on their specific needs.

The training programs cover three major areas: 1) food self-sufficiency and agricultural production, 2) issues related to African women participation in development, 3) the informal sector and the management of small and medium size enterprises and 4) the development research linkage. Over the past few years PAID has also taken majors to integrate health concerns and approaches into its training and development research programs. PAID interventions which as specific to Cameroon in Fiscal year 1985-86 are listed on table 19.

PAID receives funding from various sources. Its major contributors have included the Swiss Technical Cooperation (DDA), USAID, the Netherlands, CIDA, KAF (Bonn) and WHO/Brazzaville.

VII. Relevance of Donor Assistance to Cameroonian Development Priorities

Despite the revised plan called for by the PDI and the draft SAP Development Strategy Statement, the Sixth Five Year Plan (1986-1991) remains the document of reference used by the GRC to implement its development objectives. These three documents are analysed in section III A of the CDSS.

The strategy of the PDI comprises two major objectives:

- to encourage the private sector, particularly SMEs to react to market opportunities; and

- to create in the medium term interlinked industrial activities using local primary products.

The Sixth Five Year Plan gives the highest priority to the development of the rural sector: food self sufficiency, promote the nutritional status of the populations, promote cash crops stimulate as the development of small and medium size farms and provide appropriate incentries to farmers.

In the industrial sector, the plan emphasizes the development of an endogenous industrial sector based on the development of small and medium size enterprises and on the transformation of local primary products.

In the transport and communication sector, priority will be given to the development and modernisation of infrastructures (road, airway and port infrastructures) to disenclose rural areas and promote national integration.

In the mines and energy sector, greater attention will be paid to the rational exploitation of national resources and the promotion of partnerships between foreign

private firms and Cameroonian enterprises. Activities in the health sector will emphasize preventive medicine and primary health care.

It is evident, from the analysis of the major donors' assistance programs, that each is geared to helping the GRC achieve these same objectives. The programs reviewed give the highest priority to agriculture and rural development. The differences observed among donors lie in their different approaches to assistance, different assistance instruments used and the different sectoral emphases.

All the bilateral assistance donors reviewed use financial assistance, technical assistance, scholarships and support to NGOs UNDP provides technical assistance, while UNIDO uses a combination of T.A, and material (in-kind) assistance. The World Bank uses essentially financial assistance, to procure goods and services including technical assistance.

As for the sectoral emphases, Table 3 schematises the areas of concentration of major donors. Table 17 outlines major funding sources in Cameroon by sector for the period 1985-1987. We can see from Table 3 that agriculture and rural development is in all programs, though its share of the assistance package varies among donors.

France, the FRG, and the World Bank give high priority to the transport and infrastructure sector in which European contractors and supplies are heavily represented. The Canadians and the French allocate a large share of their assistance to education and human resources development. In fact the Canadians seem to have a comparative advantage in the area of technical training. France's assistance to the industry and telecommunications sector constitutes 91 percent of the total resources allocated to this sector from 1985 to 1987.

The productive sectors (which comprise agriculture and rural development, transport and infrastructure, energy/natural resources, industry and telecommunications) receive the greatest share of the assistance compared to health and human resources development. However, two productive sectors, industry and energy have been accorded relatively little assistance, until recently. In fact the World Bank and the EEC/FED do not intervene in these sectors, while the FRG and Canada have begun to intervene as demonstrated by the agreements signed in 1987 and 1988 respectively. The FRG has allocated to Cameroon, DM 87 million for FY 1988-1989,to be used to finance projects which promote the investment by private West German investors in SMEs in Cameroon. The Canadian resources will be used to create SMEs in the Centre and South Provinces.

So far only the French, the ADB and the World Bank and to a lesser extent the Canadians and Italy seem to be involved in the structural and sectoral adjustment process. Once the conditions of the SAP are agreed upon between the World Bank and the GRC, increased bilateral donor resources will be solicited for segments of the SAP. Industry will also gain importance, as the GRC seeks assistance for the private sector as a way to fight unemployment and create new jobs.

VIII. Coordination of External Assistance

A consultative group does not yet formally exist for Cameroon. There is greater awareness among GRC officials and donors of the need for greater in-country coordination of donor assistance, in view of the current economic crisis. The UNDP representative who is normally responsible for in-country coordination, has begun monthly coordination/consultative meetings of all U.N. agencies (UNICEF, WHO, WFP, FAO, UNFPA. etc.).

NGOs/PVOs engaged in rural development in Cameroon have been coordinating their efforts over the past nine years through the Coordinating Committee for Community Development (CCCD). This committee was formed in 1979, for the purpose of coordinating assistance programs of international PVOs working in the field of rural/community development. This committee was very active in the first four years of its existence (1979-1982) thanks to the financial support from PACT (Private Agencies Collaborating Together) and the Ministry of Agriculture. Its quarterly meetings focussed on program reporting by PVOs, key implementation issues of concern to PVOs and possible areas of collaboration under joint programs or projects. Due to funding constraints, the committee drastically curtailed its activities and has lost its effectiveness.

Presently only the PVOs and UN agencies do such coordination. The GRC officials in charge of administering bilateral and multilateral assistance unanimously support the establishment of a coordination structure including all donors, but not to replace the conventional one-to-one negotiations/relations Cameroon prefers with its bilateral partners. This would complement them, to ensure coherence in donors' overall assistance strategies and to avoid unnecessary duplication of efforts in the field. GRC officials interviewed indicate that the GRC was looking forward to a CG type mechanism to support the upcoming structural adjustment process, but that this group would be led by the GRC rather than the IBRD or other donors.

In the framework of the structural adjustment program, the IBRD met in 1988 with the representatives of U.N. agencies to enlist their support as well as the support of various international NGOs in setting up a consultative type group which would assess the social implications of the austerity measures which are being/will be taken, and provide recommendations to minimize the negative social impact of these measures. The UNDP and the Pan African Institute for Development (PAID) have responded by contacting several NGOs to solicit their views. Although many NGOs contacted are receptive to the idea, some believe their activities would be constrained by this framework.

At the grassroot level coordination of donor interventions is more effective than at the Central (Yaounde) level. Because of the relatively small geographical area in which donors' field representatives work, they tend to know each other personally, meet informally among themselves on a periodic basis, and meet with their respective sectoral Government Delegate on a periodic basis to review their programs and resolve major implementation problems. [48]

The process currently underway will result in the formation, over the next few years, of a broader consultative/coordination type structure that would include representation of the GRC.

Given the economic crisis which does not spare any country including industrialized nations, the donors are under greater pressure from their constituencies to better account for the use of their assistance funds. This by necessity would require greater rigor in the allocation and management of resources (both internal and external to Cameroon) available for development.

A sectoral analysis of the development assistance provided during the period 1985-1987 (as indicated on Table 16) reveals the highest concentration of development aid in the infrastructure/transport (31.1 percent) and rural development (30.2 percent) followed by education/training (16.6 percent). Industry/telecommunications has the smallest share, followed by natural resources and health/social development. As stated earlier, small and medium scale industry offers a great potential over the medium term for redynamizing the Cameroonian economy and stimulating growth. Multilateral donors (The World Bank and the ADB), by the very nature of their assistance approaches, and the financial resources they can mobilize, are better equipped than AID to rehabilitate SOEs. The transport and infrastructure sector is already adequately served by the FRG, ADB and the IBRD, as presented on Table 17.

Given the modest size of USAID bilateral assistance (it represented 6 percent of the total development assistance for 1985-1987) USAID will critically evaluate its current portfolio to determine areas where it would make the most of its investment.

Despite significant progress made by the GRC in strengthening the planning and management capacity of the units responsible for administering and coordinating external assistance, deficiencies remain in the areas of coordination and strategic planning at the sectoral level.

Projects and programs undertaken with the assistance of donors are not evaluated in terms of their aggregate impact on the government budget, but rather in terms of their individual effects on Cameroon's development. There is therefore a growing need to assist the GRC in strengthening the management, planning and analytical capacities of the GRC planning and implementing institutions, and in supporting all activities geared to improving the formulation of sectoral strategies. USAID/Cameroon's involvement in this area should be pursued and integrated with its policy dialogue efforts.

IX TABLES

Table 1: Total Aid Disbursements to Cameroon from all sources: 1979-1987 (in $ millions)

1979	1980	1981	1982	1986	1987
274.0	264.1	202.0	209.6	225	213

Sources: Refs 16, 28 & 1

Table 2: Total Commitments to Cameroon 1985-1987 (in million CFAF)

	1985	1986	1987	TOTAL
AMOUNT	161.123	121.582	99.273	381.979

Source: Ref. 44

Table 3: Sectors of concentration of donors' assistance to Cameroon

DONORS	AGRICULTURE/RURAL DEVPT	TRANSPORT INFRASTRUCTURE	ENERGY NAT. RESOURCES	INDUSTRY TELECOM.	HEALTH SOCIAL INFR.	EDUCATION HRD	OTHER
WORLD -BANK	X	X					
FRANCE	X	X	X	X		X	
ADB	X	X					
FRG	X	X		X	X		
EEC/FED	X	X					
CANADA						X	X
UNDP/ -UNIDO	X			X			
USA	X				X	X	

Source: Synthesis of various references listed.

Table 4: Evolution of French bilateral aid to Cameroon (Commitments) (in CFAF million)

1984	1985	1986	1987
36,500	33,667	30,102	35,625

Source: Refs. 1, 32 & 33

Table 5: Distribution of France's cumulative commitments by Sector and Funding category 1985 - 1987 (in CFAF million)

SECTOR / FUNDING CATEGORY	ENERGY NAT. RE -SOURCE	INDUSTRY TELECOM	RURAL DEVPT	TRANS. INFRAS-TRUCTURE	EDUCAT- ION TRAI NING	HEALTH	OTHER	TOTAL
CCCE	8850	19005	17270	2250	-	-	-	47375
FAC	200	275	1645	1165	28043	3707	452	35487
TOTAL	9050	19280	18915	3415	28043	3707	452	82862
% of To-tal Aid	10.9	23.3	22.9	4.2	33.8	4.4	0.5	100

Source: Ref. 41

Table 6: Distribution of French bilateral aid to Cameroon 1984 - 1987 (in CFAF million)

	1984 AMOUNT	%	1985 AMOUNT	%	1986 AMOUNT	%	1987 AMOUNT	%
Financial Aid	24,147	66.0	21,205	63.0	15,155	50.3	21,911	61.5
Direct T.A.	7,895	21.6	7,900	23.5	10,291	34.2	9,137	25.6
Indirect T.A.	3,834	10.5	3,800	11.3	3,840	12.8	3,800	10.6
Support to TA	16	-	20	-	17	-	18	0.1
Scholarships	599	1.6	594	1.8	715	2.4	645	1.8
Micro-projects -Support to PVOs	66	0.2	149	0.5	84	0.3	114	0.4
TOTAL	36,558	100	33,668	100	30,102	100	35,625	100

Source: Refs. 1 & 32
N.B: Figures rounded up
- = Less than 0.1

Table 7: France's FAC Financed Projects in Cameroon
1985 - 1987 (in FF million)

1985 PROJECTS	AMOUNT	1987 PROJECTS	AMOUNT
RURAL DEVELOPMENT		RURAL DEVELOPMENT	
- SEMRY PROJECT (8th Disbursement)	350	- Support to Agronomic Research	100
- Upper Noun Development Project (UNDVA) (7th Disbment.)	165	- SEMRY	150
- Seed Project MIDEVIV (1st Disbment)	100	- National Soybean Project	50
INFRASTRUCTURES		- Poultry Project	50
- Transcameroonian Railroad/Eséka--Maloumé section (2nd Disbment)	300	INFRASTRUCTURES	
TRAINING		- Transcameroonian Railroad	200
- Support to ISPEA	30	TRAINING	
HEALTH		- Book Support	71
- Health component of South-East Benoué development project	10	- Training of paramedical and medical personnel	200
		HEALTH	0
		OTHER	
		Electrification studies & of technical support to various services	40
TOTAL	955		1300

Source: Ref. 31 & 1

Table 8: Caisse Centrale commitments to Cameroon
1982 - 1988 (in FF million)

	1982	1983	1984	1985	1986	1987	1988
Agriculture/Agroindustry	256.6	75.2	92.5	142	29.4	213	146
Industry	-	-	16	-	68.1	8.2	4
Water - Energy	60	180	238	265	-	-	-
Transport/Telecommunication	60	65	-	-	115	150	-
Structural Adjustment Loan	-	-	-	-	-	-	508
Special Loans	-	-	-	-	-	-	130
Other Contributions	100	-	95	-	-	45	-
TOTAL	476.6	320.2	441.5	407	239.1	389.6	788

Source: Refs. 1 & 40

Table 9: Direct French Technical Assistance
1984 - 1987

	1984	1985	1986	1987
- Teachers	437	406	393	341
- Health Personnel	61	67	59	53
- Technicians	78	70	59	60
TOTAL	576	453	511	454

Source: Ref. 1 & 33

Table 10: Indirect French Technical Assistance
(Persons 1985 - 1987)

Indirect Technical Assistance	1985	1987
- "Volontaires du Progrès"	70	80
- Scientific Research		
- ORSTOM	20	19
- CIRAD	47	40
- BRGM	2	
- OFERMAT Experts (REGIFERCAM & TRANSCAM	16	32
- SOF-REAVIA Experts (ASECNA)	6	13
- OTHERS *	10	17
TOTAL	175	201

Source: Ref. 32 & 1

*Includes long-term T.A. financed by the FAC, the cost of which is accounted for under the financial cooperation.

Table 11: Major Recipients of West Germany bilateral Aid to Africa
1950 - 1985 (in DM million)

Beneficiaries	Total	Financial Aid	Technical Cooperation
1. Egypt	4.305.5	3.496.6	808.9
2. Sudan	1.907.4	1.182.9	724.5
3. Tunisia	1.803.4	1.405.9	397.4
4. Morocco	1.734.5	1.398.4	336.0
5. Tanzania	1.658.1	762.3	895.7
6. Kenya	1.483.0	798.7	684.3
7. Ghana	1.027.2	599.6	427.6
8. Zaire	996.3	537.7	458.5
9. Cameroon	954.0	559.3	394.6
10. Mali	932.2	480.3	451.8

Source: Ref. 20
*exclusive of Sahelian countries

Table 12: Distribution of the FRG's cumulative commitments 1985 - 1987 (in CFAF million)

SECTOR FUNDING CATEGORY	ENERGY NAT. RE -SOURCE	INDUSTRY TELECOM	RURAL DEVEPT	TRANS. INFRAS- TRUCTURE	EDUCAT- ION TRAI NING	HEALTH	OTHER	TOTAL
Grants	-	300	3423	1458	3487	2290	-	10958
Loans	-	-	2008	18177	-	-	1660	21845
TOTAL	-	300	5431	19638	3487	2290	1660	32803
% of To- tal Aid	0	0.9	16.6	59.8	10.7	6.9	5.0	100

Source: Ref. 41

Table 13: KfW's commitments to Cameroon (in DM million)

	Cumulative Commitments	Commitments 1984	1985	1986	1987
Cameroon	539	13	-	8	81
Total Africa	17988	1280	1126	1039	1046

Source: Refs 18 & 29.

Table 14: Sectoral distribution of Canada's cumulative commitments 1985 - 1987 (in CFAF million)

SECTOR FUNDING CATEGORY	ENERGY NAT. RE -SOURCE	INDUSTRY TELECOM	RURAL DEVEPT	TRANS. INFRAS- TRUCTURE	EDUCAT- ION TRAI NING	HEALTH	OTHER	TOTAL
TOTAL AID (ALL GRANTS)	-	288	842	2121	10045	266	10049	23611
% TOTAL	-	1.3	3.6	8.9	42.5	1.1	42.6	100

Source: Ref. 41

Table 15: Ranking of the major donors in Cameroon for the period 1985-1987 (in CFAF million and as percentage of total development assistance)

Funding source & Category	TOTAL 1985-1987	% OF TOTAL DEVELOPMENT AID
World Bank	101,802	26.65
FRANCE	82,863	21.69
ADB	44,366	11.62
FRG	32,805	8.59
CANADA	23,614	6.18
USAID	23,015	6.02
ITALY	18,896	4.95
EEC/EDF	14,736	3.86
BELGIUM	8,620	2.26
EIB	7,458	1.95
CHINA	6,516	1.71
SWITZERLAND	5,199	1.36
TOTAL	369,890	96.84
OTHER DONORS	12,069	3.16
TOTAL BILATERAL AND MULTILATERAL AID	381,979	100.00

Source: Ref. 41

Table 16: Sectoral distribution of donors commitments 1985-1987 (in CFAF)

SECTOR	AMOUNT	% OF TOTAL AID
Infrastructure and Transport	118 638 717	31.1
Rural Development	115 431 609	30.2
Training/Education	63 347 238	16.6
Energy National Resources	23 786 271	6.2
Health/Social Infrastructure	23 466 929	6.2
Industry & Telecommunications	21 167 850	5.5
Miscellaneous	16 140 762	4.2
TOTAL	381,979,376	100.0

Source: Ref. 41

Table 17: Major Funding Sources in Cameroon by Sector
1985-1987

SECTORS	FUNDING SOURCES	% OF TOTAL RESOURCES ALLOCATED TO SECTOR
Infrastructure/Transport	World Bank	48.6
	ADB	16.6
	FRG	16.5
Rural Development	World Bank	29.1
	ADB	16.3
	FRANCE	16.3
Training/Education	FRANCE	44.2
	World Bank	16.5
	CANADA	15.8
Energy National Resources	FRANCE	38.0
	BEI	31.3
	ADB	21.0
Health/Social Infrastructure	ITALY	30.2
	SWITZERLAND	17.1
	FRANCE	15.7
Industry & Telecommunications	FRANCE	91.0
Miscellaneous	CANADA	62.2

Source: Ref. 41

Table 18: French Bilateral aid to Cameroon: Cumulative commitments
1985 - 1987 (in CFAF)

	1985	1986	1987	Total 1985-1987 Amount	%
Grants (FAC)	12,867,829	11,036,800	11,583,750	35,488,379	42.8
Loans (CCCE)	15,950,000	11,942,500	19,483,000	47,375,500	57.2
TOTAL	28,817,829	22,979,300	31,066,750	82,863,879	100

Source: Ref. 41

Table 19: Interventions of PAID in Cameroon
(1985 - 1986)

INSTITUTE ACTIVITIES	PAID/FRANCOPHONE CENTRAL AFRICA	PAID/ANGLOPHONE CENTRAL & WEST AFRICA
LONG-TERM TRAINING*	24 Cameroonian Trainees	9 Cameroonian Trainees
A. SHORT TERM TRAINING	- Family Planning Training Seminars with FPIA/OSTC; 1 week; Trade Union Officers; 46 Trainees, including 22 women (48%). - Training Seminar on rural leadership; 4 month; female fieldworkers; 60 participants (all women).	- Training Seminars, methods for the integration of PHC into rural development; 1 week; Health department heads & training officers; 20 participants including 4 women (20%). - Training in the implementation of income generating activities; Managers and leaders of women's cooperatives; 33 participants including 26 women 33 participants including (79%) (Peace Corps funding)
B. SUPPORT	- Support to the Ministry of women's Affairs: study on women's participation in social development and health activities; 3 staff members. - Support to the Ministry of Agriculture: preparation of management training project for agricultural project officers (IBRD funding). - Support to the Ministry of Agriculture: preparation of training project on project management for agricultural project officers (IBRD funding).	

Table 19, cont.

STUDIES AND RESEARCH	- Potential for and constraints to the implementation of health for all by the year 2000; Dibombari subdivision. (Littoral Province). - Women's participation in development: the Fang-Biloun pilot project. - Motivation and entrepreneurship; case study in Cameroon (EDI-MacNamara fellowship). - Research project on the popularization of agricultural research results in Cameroon.	- Potential for and constraints to the implementation of health for all by the year 2000; Muyuka subdivision. (South-West Province).

*Long Term training covers the period 1985 through 1988.
Source: Ref. 59

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