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INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

AND MULTILATERAL INVESTMENT GUARANTEE AGENCY

COUNTRY PARTNERSHIP FRAMEWORK

FOR

THE REPUBLIC OF CAMEROON

FOR THE PERIOD FY17-FY21

February 28, 2017

Africa Region, Central Africa Department 1
The International Finance Corporation
Multilateral Investment Guarantee Agency

The date of the last Country Partnership Strategy was February 23, 2010

CURRENCY EQUIVALENTS

(Exchange Rate as of February 22, 2017)
Currency Unit = CFA franc (FCFA)
US$1 = 622 FCFA

GOVERNMENT FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

ACE	Army Corps of Engineers
AF	Additional Financing
AFD	French Development Agency *(Agence Française de Développement)*
AfDB	African Development Bank
AIMDP	Agriculture Investment and Market Development Project
ASA	Advisory Services and Analytics
BEAC	Regional Central Bank *(Banque des Etats d'Afrique Centrale)*
CAR	Central African Republic
CAS	Country Assistance Strategy
CEMAC	Central Africa Economic and Monetary Union *(Communauté Economique et Monétaire des Etats d'Afrique Centrale)*
CEU	Cameroon Economic Update
CLR	Completion and Learning Review
COMIFAC	Central African Forests Commission
CPIA	Country Policy and Institutional Assessment
CPF	Country Partnership Framework
CRW	Crisis Response Window
CSO	Civil Society Organization
DBI	Doing Business Index
DeMPA	Debt Management Performance Assessment
DHS	Demographic and Health Survey
DP	Development Partner
DPO	Development Policy Operation
DSCE	Cameroon's Development Strategy *(Document de Stratégie pour la Croissance et pour l'Emploi)*
EIB	European Investment Bank
EU	European Union
EQILP	Equity and Quality for Improved Learning Project
FCFA	Common Currency of the CEMAC *(Franc Communauté Financière Africaine)*
FDI	Foreign Direct Investment
FM	Financial Management

GDP	Gross Domestic Product
GEF	Global Environment Facility
GFF	Global Financing Fund
GHG	Greenhouse Gas
GoC	Government of Cameroon
GPF	Governance Partnership Framework
HIPC	Highly Indebted Poor Country
IBRD	International Bank for Reconstruction and Development
ICR	Implementation and Completion Report
ICT	Information and Communication Technology
IDA	International Development Association
IDF	Institutional Development Fund
IDP	Internally Displaced Person
IFC	International Finance Corporation
IMF	International Monetary Fund
IPF	Investment Project Financing
IPP	Independent Power Producer
JIP	Joint Implementation Plan
KPDC	Kribi Power Development Company
LDP	Local Development Plan
Mbps	Megabits per second
MICS	Multiple Indicators Cluster Survey
MIGA	Multilateral Investment Guarantee Agency
MINEPAT	Ministry of Economy, Planning and Regional Development (Bank Governor)
MSME	Medium and Small Scale Enterprise
MW	Megawatt
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OHADA	Business Law Harmonization Organization *(Organisation pour l'harmonisation en Afrique du droit des affaires)*
PASEC	Standardized Math and French language testing system of the francophone zone
PBA	Performance-based allocation (IDA)
PBF	Performance-based Financing
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance Management
PIP	Public Investment Program
PforR	Program for Results
PLR	Performance and Learning Review
PPP	Public-Private Partnership
PSW	Private Sector Window
RPBA	Recovery and Peace Building Assessment
REDD	Reducing Emissions from Deforestation and Forest Degradation
RIW	Regional Integration Window (IDA)
RW	Refugee Window (IDA)

SCD	Systematic Country Diagnostic
SDG	Sustainable Development Goal
SESA	Strategic Environmental and Social Assessment
SIL	Specific Investment Loan
SLM	Sustainable Land Management
SME	Small and Medium Enterprise
SOE	State Owned Enterprise
SSA	Sub-Saharan Africa
TA	Technical Assistance
TF	Trust Fund
TFP	Total Factor Productivity
TVET	Technical and Vocational Education and Training
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
WB	World Bank
WBG	World Bank Group

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TABLE OF CONTENTS

I. INTRODUCTION

1. This Country Partnership Framework (CPF) covers the period FY17-FY21. It sets out the World Bank Group's (WBG) proposals for supporting the Government of Cameroon's (GoC) objectives for inclusive growth and poverty reduction, its commitment to the Sustainable Development Goals (SDGs) and its responsibilities and priorities in the area of climate change mitigation and adaptation. The GoC's long-term vision, 'Cameroon Vision 2035', is of 'an emerging, democratic and united country in diversity'.[1] To operationalize this Vision, the Government adopted a Growth and Employment Strategy ('DSCE', *'Document de Stratégie pour la Croissance et l'Emploi'*) in 2009 and defined specific objectives to be achieved by 2020. The GoC has further adopted the United Nations 2030 Agenda for Sustainable Development. It also endorsed the Paris Agreement under the United Nations Framework Convention on Climate Change and published Cameroon's Nationally Determined Contributions (NDC) setting out its contribution to climate change mitigation and priorities for adaptation.

2. The FY17-FY21 CPF will succeed the Cameroon Country Partnership Strategy (FY10-FY13, report number - 52997), which was extended until FY14 by the Progress and Learning Report considered by the Executive Directors in October 2012. The CPF draws on a comprehensive Systematic Country Diagnostic (SCD, report 103098-CM), completed during FY16, which identified constraints to achieving the World Bank's Twin Goals of eliminating poverty and fostering shared prosperity in a socially and environmentally sustainable way. The CPF also benefited from other pieces of analytical work, including a gender assessment and a fragility assessment carried out in 2015.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

A. Socio-political and institutional factors

3. Cameroon, a central African country of about 24 million people, occupies an area of 475,000 square kilometers, and is strategically located on the gulf of Guinea. It is naturally well placed to play the role of a regional hub, with its 600 kilometer coastline; borders with six Central Africa countries[2] which, with the exception of Nigeria, are members of the Economic and Monetary Community of Central Africa (CEMAC by its French acronym[3]), and its regional port of Douala serving as an entry point to two strategic road corridors to Bangui and Ndjamena. Cameroon's Far North region[4] shares with Chad, Niger and Nigeria access to Lake Chad, a basin traditionally important for livelihood in the region, but also an area of competition for scarce

[1] Published in June 2009.
[2] Nigeria, Gabon, Equatorial Guinea, Republic of Congo, and landlocked Chad and Central African Republic (CAR).
[3] Cameroon's economy is the largest of CEMAC, with about 40 percent of the Community's GDP.
[4] Cameroon is administratively divided into 10 regions: Far North, North, Adamawa, West, North-West, Littoral, South-West, South, Center and East. The Far North, North, North-West and Adamawa regions are the poorest ones and referred to in this document as 'the northern regions'.

resources including between farmers and pastoralists. Cameroon is endowed with ample arable land, water, energy, and oil and mineral resources.

4. Cameroon is also part of the Congo Basin forest ecosystem, the world's second largest contiguous block of tropical forest on the planet. The Congo Basin harbors extraordinary biodiversity and a high level of endemism.[5] It forms an integrated ecological unit encompassing highly forested territories of the Congo Basin countries.[6] The Congo Basin forest performs valuable ecological services, such as flood control and climate regulation at the local and regional level. With the vast amount of carbon stored in its abundant vegetation, it further serves as a buffer against global climate change.

5. Cameroon is one of the most diverse countries in Africa. The country stretches from the Sudano-Sahelian region in northern Cameroon, through the High Guinea savannah and Western Highlands in the center and west, to the dense, humid tropical rainforest of the south. Five distinct agro-ecological zones shape, and are in turn conditioned by, the social and economic activities of a wide range of communities, diverse by language, religion and ethnicity. With 250 ethnic groups, Cameroon is one of the most ethnically diverse countries in Africa. Two out of ten regions, bordering Nigeria on the west, are Anglophone, representing about 14 percent of the population, while the remainder of the country is Francophone. The locally dominant ethnic group in northern regions, the Fulani, are Muslim. However, the population in the north as a whole is fairly evenly balanced between Muslims, Christians and Animists. Muslims represent a significant share of the population in other regions. The two Anglophone regions are mainly Protestant while the remaining regions are largely Catholic. Traditional indigenous religions are practiced in rural areas throughout the country.

6. Until recently, Cameroon has avoided the instability and violence that have characterized some other countries in the region, yet it is increasingly vulnerable. A low intensity civil war that had its roots in anti-colonial resistance lasted about 10 years after independence in 1960. After that, and until recently, the country has experienced relatively few episodes of violence or instability: a failed coup attempt in 1984, conflict with Nigeria over the Bakassi Peninsula in 1981 and again in the 1990s, pro-democracy social unrest in 1990-1991 and urban-based food riots in 2008. Cameroon therefore scores well compared to neighboring countries such as the Central African Republic (CAR) and Chad in terms of violence and the Global Competitiveness Index (2013-2014) places government instability last among factors that hinder its competitiveness. In recent years, however, Cameroon has experienced destabilizing developments in its northern and eastern areas, with recurrent Boko Haram attacks in the Far North region, and large inflows of refugees from Nigeria and from the CAR. Tensions between Anglophone and Francophone Cameroon have also resurfaced in late 2016, including violent demonstrations in the Anglophone North-West and South-West regions to protest the lack of respect for the Anglophone education and justice system.

[5] I.e., the fact for a species to be unique to a specific geographic location.

[6] "Congo Basin countries" refers to the Republic of Congo, the Democratic Republic of Congo, the Republic of Equatorial Guinea, the Gabonese Republic, the Central African Republic and the Republic of Cameroon, all Parties to the COMIFAC (Central African Forests Commission) Treaty.

7. Several of Cameroon's regions suffer from chronic fragility. This is the case of the East region, long affected by CAR's instability, and of the four northern regions (the Far North, the North, the North-West and the Adamawa). The northern regions exhibit by far the highest poverty rates in Cameroon, and poverty and inequality levels have steadily increased over time relative to the rest of the country where poverty and inequality have declined. They are subject to multiple poverty traps, which are documented extensively in the SCD, including low agriculture productivity, increasing vulnerability to climate change, poor infrastructure, and limited access to health and education services. The presence of Boko Haram on Cameroon's borders with both Nigeria and Chad has resulted in high levels of insecurity and violence, involving 2,276 fatalities in 2014-2015 alone, loss of livestock, and risks associated with normal economic activities such as farming. The Far North region has been fertile ground for Boko Haram infiltration and violence, which has in turn caused displacement and severe social and economic disruption. As a result, Cameroon's northern regions and the East region are facing a humanitarian and economic challenge: as of August 2016, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimated that Cameroon was hosting 325,000 refugees from Nigeria and CAR, and was counting 157,000 internally displaced persons (IDPs), due to conflict-related insecurity. Insecurity has also started to take a toll on economic activity and has led to a deterioration in the humanitarian situation, as bilateral trade with Nigeria and price stability in northern regions have been seriously affected. OCHA estimated the number of food insecure people in the northern regions to have increased from one million in 2014 to 2.4 million in August 2016, including 253,000 children suffering from severe or moderate acute malnutrition. About 200,000 children have seen their schooling interrupted or disrupted. In some cases, tensions have developed between communities, and between refugees and IDPs and their host communities.

8. Political stability has come at a high price in terms of the development of political institutions, and of checks and balances. The SCD argues that the country's political and administrative system is an example of a 'limited access order', in which careful balance between multiple competing interests and factions, and personal allegiances, are the reality which holds the country together, rather than formal institutions. Such a system is also dependent on a powerful presidency, the powers of which are far-reaching. They include making civil and military appointments; dissolving the national assembly; appointing and terminating the prime minister; nominating 30 out of the 100 members of Parliament as well as all judges; and appointing all ten regional governors. Informally, the President is recognized to wield even greater influence.

9. Unaccountable institutions have increasingly resulted in a politically and economically disenfranchised youth. The median age in Cameroon was 18.3 years in 2014 and youth is projected to continue growing as a proportion of the population. This is an economic asset for society as a whole provided that education and employment are available. Lack of employment opportunities, however, and a sense of disempowerment, have negatively affected perceptions of authority, especially of political parties, the police, and the law (Afrobarometer 2014/2015). The rate of youth unemployment in Cameroon is about twice that of general unemployment and particularly marked among young people with higher levels of education. Under-employment is also largely concentrated among young people, especially those with less education.

10. Mounting internal political, social and economic pressures suggest that Cameroon is relatively fragile as a whole. Societal tensions have been increasing in the recent years and have the potential to destabilize the country in the event of a difficult political transition after the long tenure of President Biya.[7] Regional inequalities have been growing and they overlap with other stresses such as inflows of refugees, the increasing violence perpetrated by Boko Haram in the Far North region, and the flare-up of tension with Anglophone Cameroon. The concentration of wealth and influence in few hands, increasing conflicts around land tenure, social fragmentation and a weakening of conflict resolution mechanisms are placing increasing pressure on a system that is failing to deliver adequate services and opportunities for a majority of the population. Presidential elections, as well as legislative elections, are scheduled for 2018, for the first time in the same year.

B. Recent Economic Developments and Outlook

11. Growth has resumed since the mid-90s, after a severe recession, and accelerated during the last decade. Cameroon achieved middle-income status in the mid-80s, in large part thanks to oil discoveries, but experienced a deep recession during the following decade, due to large declines in the terms of trade and appreciation of the real exchange rate. Growth resumed after the 1994 devaluation of the FCFA[8], but accelerated only after Cameroon reached the Highly Indebted Poor Countries (HIPC) completion point in 2006. Spurred by large public investment in infrastructure during the last few years, particularly in energy and transport, growth accelerated steadily to about 6 percent in 2014-2015, in spite of the slowing world economy, the decline in oil prices, and insecurity in the Far North region. Although growth subsided to 4.8 percent in 2016, this performance compares favorably to that of the CEMAC members, whose real gross domestic product (GDP) growth dropped to 1.5 percent in 2016, from 4-5 percent before the oil price shock. Relative to other CEMAC members, Cameroon's growth relies less on oil production and exports, and more on public investment, which averaged 7.5 percent of GDP during 2014-16.

12. The accelerated pace of public debt accumulation in the context of lower oil prices and high fiscal deficits have increased Cameroon's risk of debt distress. Lower oil prices have reduced revenues by about 2 percent of GDP between 2014 and 2016, which was only partly offset by a reduction of fuel subsidies. High public investment levels have kept fiscal deficits in the range of 4-5 percent of GDP in 2014-16. The sharp decline in the price of oil has also resulted in a widening of the external current account deficit to over 5 percent of GDP in 2016. Cameroon's public debt-to-GDP ratio, which had declined from 52 percent before the completion of the HIPC process to 10 percent in 2008, rose to 28 percent of GDP at the end of 2015, and is projected to reach 36 percent of GDP by 2020 under a baseline scenario described below. Combined with lower oil exports, higher debt levels have led to a deterioration of the present value of debt to exports ratio[9], causing the downgrading of Cameroon's risk of debt distress to 'high' in the latest joint International Monetary Fund (IMF)-World Bank Debt Sustainability Assessment (November

[7] President Biya succeeded President Ahidjo, the first post-independence president, on November 6, 1982.
[8] The common currency of the CEMAC zone ('Franc Communauté Financière Africaine').
[9] The present value of debt-to-exports ratio is projected to increase from 34 to 90 percent by 2021, close to the sustainability threshold of 100 percent.

2015). The cost of debt has also been rising, as Cameroon is increasingly relying on non-concessional sources of financing and from international markets.[10]

13. Cameroon's growth pattern reflects an economy that is not attractive to private sector investment, is not competitive, and is therefore little diversified, leaving considerable potential untapped. Notwithstanding Cameroon's abundance of natural assets, and tremendous climatic and land potential, the primary sector's contribution to growth is very limited, about one percentage point of GDP p.a., and is dominated by food crops grown by smallholder farmers. Agriculture productivity is below its potential because of low use of mechanization, inputs and irrigation.[11] The secondary sector's contribution to GDP growth is of a similar magnitude, and relies mostly on extractives and light manufacturing. The largest contributor to GDP growth is the tertiary sector, at about 3 percentage points of GDP p.a. Tertiary sector performance, however, has been driven in part by high public investment levels, and by relatively unsophisticated retail trade and food services activities. Relative to comparator countries such as Cote d'Ivoire, Tanzania or Kenya, dynamic sectors such as information and communication technology (ICT) or financial services remain underdeveloped. Export performance reflects the lack of economic dynamism and diversification, with the top export products in 2013 being crude oil (43 percent of total), unprocessed food products (17 percent) and wood (13 percent). Cameroon's economic institutions, as reflected in the World Bank's 'Country Policy and Institutional Assessment' (CPIA) of 3.1, a 2015 Global Competitiveness Ranking of 132 out of 144, and a 2017 Doing Business Ranking of 166 out of 190, need an overhaul to allow the private sector to play a leading role in economic growth.

14. For the medium term (2016-2020), a baseline and a reform scenario have been prepared (Table 1). The baseline scenario foresees some reduction in current imbalances, under which a deceleration of capital expenditure, by 0.5 percent of GDP by 2020, and a similar reduction in current expenditure, combined with stable revenue, would reduce the fiscal deficit by 1 percent of GDP. The fiscal stimulus would remain sizeable enough to sustain, in combination with increased oil production, robust GDP growth of 4.5 percent over the period 2016-2020, with inflation remaining well below 3 percent. The current account deficit would remain approximately 4 percent of GDP but would be easily financed by external borrowing linked to large infrastructure projects. Under this scenario, the debt-to-GDP ratio would further rise to 36 percent. The alternative 'reform' scenario shows comparable GDP growth rates and substantially improved fiscal and current account deficits (1.7 percent and 3.5 percent of GDP, respectively), leading to a debt-to-GDP ratio of 29.4 percent in 2020, 6 percentage points lower than the baseline. Such a scenario is predicated on: (i) an upward adjustment on gasoline taxes and the elimination of customs duty exemptions; (ii) a streamlining of the incentive system for private investment; (iii) some reduction in the amount of public investment spending, especially investments not benefiting from concessional financing; and (iv) greater use of private financing for bankable investment projects.

[10] Including a US$750 million Eurobond issue in the Fall of 2015, at an interest rate of 9.5 percent p.a.

[11] Less than a tractor per Ha, 0.1 tons of fertilizer used per Ha. Only 29% of arable land is cultivated and 0.5 percent of agricultural land is equipped for irrigation.

Table 1: Selected macroeconomic projections

	2015	2016	2018	2020	2016	2018	2020
	reform scenario				*baseline*		
Economic Growth and prices 1/							
Real GDP	5.8	4.8	4.0	4.6	4.8	4.5	4.3
Non-oil real GDP	4.9	5	4.3	5	5	4.8	4.6
Consumer prices (period average)	2.8	2.2	2.2	2.2	2.2	2.2	2.2
Fiscal aggregates 2/							
Total revenue	17.8	16.1	17.1	17.2	16.2	16.5	16.2
of which oil	3.3	2.3	2.6	2.2	2.4	2.6	2.2
non-oil 3/	14.6	13.8	14.5	15	13.8	13.9	13.9
Total expenditure	20.6	21	19.1	18.9	21.0	20.3	20.2
of which non-interest current	13.5	12.5	12.4	12.5	12.5	12.4	12.4
of which capital	6.5	7.2	5.8	5.5	7.2	7.0	6.7
Overall budget balance	-2.8	-4.6	-2.0	-1.5	-4.6	-3.7	-3.9
Non-oil primary balance 3/	-5.9	-6	-3.7	-3.0	-6.0	-5.6	-5.3
Total public debt	28.0	32.6	30.8	29.4	32.6	33.8	36.0
Current account (incl. grants)	-4.1	-5.1	-3.4	-3.5	-5.1	-4.1	-4.0

Source: IMF and Bank Staff estimates
1/ Percentage change
2/Percentage of GDP (unless otherwise stated)
3/Percent of non-oil GDP

15. Cameroon has overall lagged behind in bringing about the reforms that would lead to accelerated and inclusive private sector-led growth. Yet in a few selected areas it has demonstrated its ability to carry out successful reforms, when there is strong political support and high quality technical assistance. In the electricity sector, a combination of regulatory reforms, capacity building and an early concession to the private sector in the 90s has strengthened the international credibility of the sector. If reforms are sustained, there are considerable prospects for a major, private sector-led, expansion of capacity in the next decade. In the health sector, the introduction of performance-based financing (PBF) at the decentralized level is showing promising results. It has attracted support from the Global Financing Facility (GFF) and is now being scaled up nationally (Box 1). Other examples include the railways sector, with a successful private sector concession of operation; and the customs reform including the introduction of performance-based contracts, greater transparency of collection and exemption data, and the creation of a one-stop shop in the port of Douala. Cameroon can build on these experiences to introduce critically needed reforms in other areas such as water supply, ICT, road transport, education and social protection.

16. Medium term risks to the economy include the persistence of insecurity in the Far North region and lower commodity prices. The fiscal cost of the war against Boko Haram, which has been estimated to range between one and two percent of GDP, tends to crowd out other expenditures. Although Cameroon is less dependent on oil than other African oil-exporting countries, oil accounts for about 20 percent of fiscal revenues and about 45 percent of goods exports, implying that lower prices place substantial downward pressures on the country's revenues. Fiscal adjustment, budget consolidation and an improvement of the quality of public

expenditure management will be required, as well as significant adjustments in the amounts and terms of both external and domestic borrowing.

Box 1: Successful reform in the energy and health sectors with support from the WBG

Multifaceted reform in the energy sector has brought about important results. In the energy sector the WBG has a long track record of working in partnership with the Government and has become a trusted advisor and investment partner. The World Bank has undertaken analytical work on least cost energy sector planning, including rural electrification, and on the strengthening of regulatory capacity. This partnership is resulting in transformational change illustrated by the following:

- Institutional reforms, including: (i) the creation of a regulator and a rural electrification agency in 1999; (ii) the concession of the historical utility to a private operator in 2001; (iii) the opening of the sector to independent power producers (IPPs); and (iv) under the 2011 Electricity Law, further unbundling of the sector through transfer of the transmission network from the private utility to a separate state-owned entity.
- Entry of several IPPs including two with WBG financial support, resulting in actual and potential increases in the availability of least cost, cleaner, electricity. The Kribi Power Development Company developed a 216 Megawatt (MW) gas power plant in 2012. The Electricity Development Corporation developed inter alia the Lom Pangar Hydropower Plant (LPHP) with WBG support, together with the African Development Bank (AfDB), the European Investment Bank (EIB) and the French Development Agency (AFD). This regulating dam, which was fully impounded in September 2016, has increased all-season hydropower capacity on the Sanaga River by 120 MW, and the potential for additional hydropower plants from 1,750 to 3,000 MW. A powerhouse at the foot of the dam will also generate 30 MW and help provide first time access to electricity to over 2,400 rural households and improve supply to about 22,000 households.
- A major expansion and modernization of the transmission network (a US$1.2bn program) coordinated and partly financed by the World Bank will increase the attractiveness for IPPs. A case in point is the new Nachtigal hydro plant on the Sanaga River, which will increase capacity by 420 MW.
- Finally, the electrification of some 200 rural villages is expected to be completed by mid-2017.
- Support to Cameroon's energy sector is a good practice of synergies within the WBG, and collaboration with other development partners such as EIB, AfDB and AFD. For instance, the Kribi plant benefits from an equity investment by IFC, an IDA risk guarantee and a MIGA guarantee. IFC intends to become a key shareholder of the IPP developing the Nachtigal hydropower plant, which could also benefit from IBRD and/or MIGA guarantees. WBG collaboration is set out in a JIP.

In the **health sector,** the World Bank has worked with the GoC to transform outcomes in maternal and child health through the introduction of Performance-based Financing (PBF) at the service delivery level. In 2011, Cameroon spent about US$61 per capita per year on health yet the epidemiological profile of Cameroon corresponds to a country that spends about US$15. With World Bank support, the GoC is now implementing PBF in public, private and faith-based organization facilities across 44 districts in the Littoral, North-West, South-West, East, North, Far North and Adamawa regions of Cameroon. The program covers a population of approximately 6 million. PBF has shifted health financing from a centralized and input-based approach to financing based on facility performance. As a result, service delivery outcomes have improved dramatically. The number of participating health facilities achieving an average score of 75 percent of the quality index of services has increased by almost eight times, from 9.3 percent in 2012 to 71.6 percent in 2015. The number of children completely vaccinated has more than doubled, and the number of children who received one dose of vitamin A by their first birthday has more than tripled. Key maternal health indicators have substantially improved. PBF enjoys strong support the Ministry of Public Health and health professionals. Based on this success the GFF has agreed to establish a US$27 million trust facility linked to a new IDA operation (US$100 million). This joint effort will support the national scale-up of PBF and the implementation of high-impact interventions prioritized in the GFF Investment Case. The new operation will also introduce internal performance contracts for central departments at the Ministry of Public Health, with a view to enhance governance and stewardship at the top levels of the Ministry. UNICEF and UNFPA are now piloting the PBF application to medical services going beyond the current focus on maternal and child health.

17. In the short term, however, the key source of vulnerability for Cameroon lies in the weakness of the economies and institutions of the CEMAC area. The IMF's 2016 regional consultation with the CEMAC and a round of individual consultations with CEMAC member countries point to insufficient fiscal adjustment in the CEMAC area as a whole, to high external imbalances, and to a level of foreign exchange reserves which, at about 2 months of exports in December 2016, is becoming dangerously low. Inflation remains below the 3 percent regional convergence criteria but the accommodating monetary policy of the regional Central Bank (BEAC)[12] could either threaten the peg of the FCFA to the euro, or require a sharp fiscal adjustment. On December 23, 2016, President Biya summoned an extraordinary summit of CEMAC Heads of States, which opted for the adjustment route, and agreed that all member countries would work with the IMF to implement macroeconomic and fiscal adjustment programs.

C. Poverty and Shared Prosperity

18. Despite more than a decade of economic growth, national poverty incidence has remained almost unchanged, and the absolute number of poor has increased. Poverty decreased slowly as a percentage of population, from 40.2 percent in 2001 to 37.5 percent in 2014. Its incidence declined in urban areas from 17.9 percent to an estimated 8.9 percent during the same period. In rural areas, on the other hand, the percentage of poor increased from 52.1 percent to 56.8 percent. Even though urban poverty declined significantly in relative terms, the absolute number of urban poor declined only slightly, by 300,000, because the urban population increased by approximately 4.1 million since 2001. In rural areas, higher poverty incidence resulted in 1.1 million additional poor people. Overall, the absolute number of poor in Cameroon increased by approximately 800,000 since 2001.

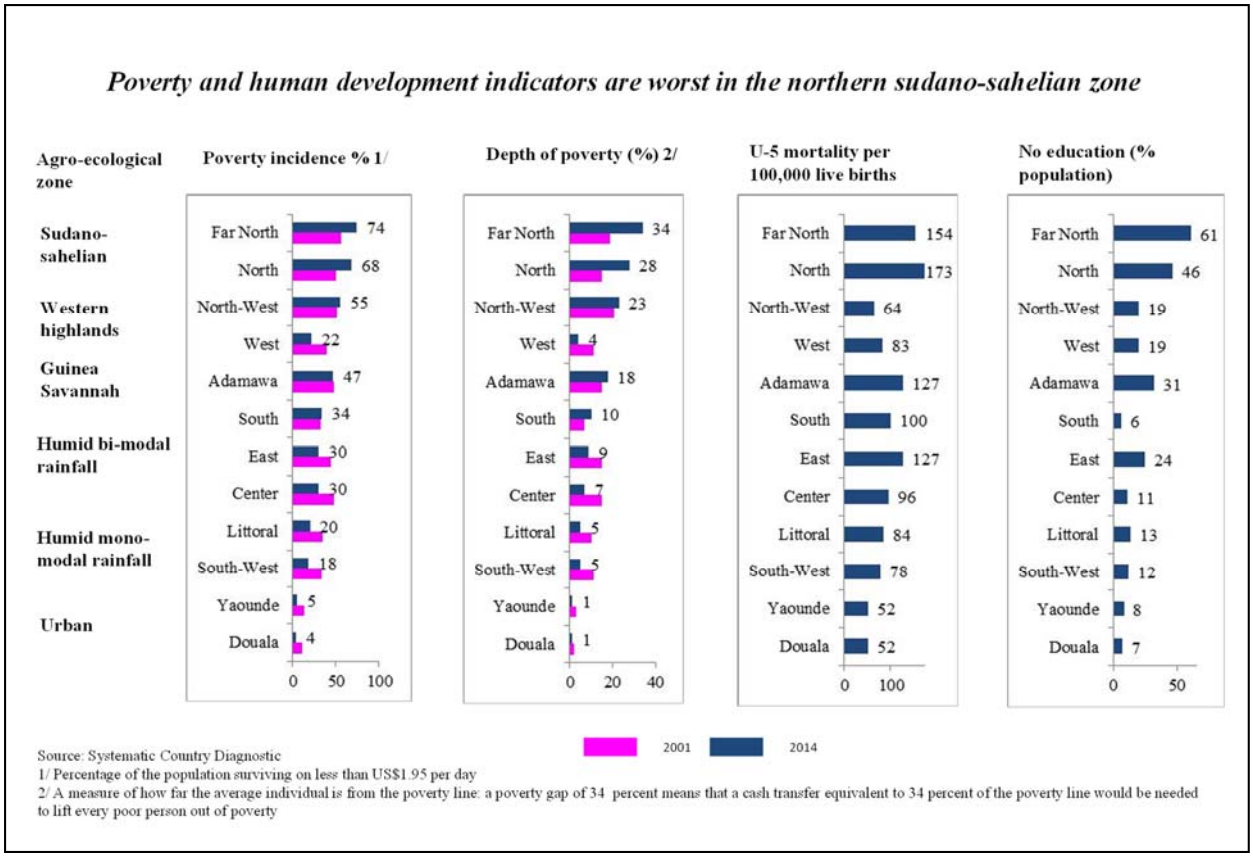
19. Poverty is increasingly concentrated in the northern parts of the country. The poverty rate in five regions worsened between 2001 and 2014. In the Far North region, the incidence of poverty increased from 56 percent in 2001 to 74 percent in 2014. Poverty also worsened in the North and North-West regions and, to a lesser extent, in the Adamawa and South regions. The regions that were the poorest in 2001 have become even poorer while those that were relatively well off have progressed the furthest. The poorest regions have also experienced an increase in the depth of poverty. In the Far North region, for example, the depth of poverty increased from 19 percent to 34 percent and in the North region from 15 percent to 28 percent.

20. Poverty incidence is correlated with agro-ecological zones. The northern regions of Cameroon, i.e., the four poorest regions (the Far-North, the North, the North-West and the Adamawa, see Figure 1), belong to three agro-ecological zones, the Sudano-Sahelian, the Western Highlands, and the Guinea Savannah zones which, together, account for 80 percent of all poor (Figure 2). In the largely arid Sudano-Sahelian zone, comprising the Far North and North regions,

[12] In the face of increasing budget pressures, the BEAC reversed its previous policy of gradual elimination of statutory advances (i.e., central bank lending to member states) in August 2015, and reinstituted standard country-specific ceilings—this resulted in a CEMAC-wide 52 percent increase in statutory advances. Currently, four countries are above their statutory ceilings. This significant expansion in monetary financing has delayed fiscal consolidation and undermines BEAC's efforts to pursue market-based monetary policy. The IMF relates the disappointing performance and policy response of the CEMAC to serious capacity constraints, weak governance and insufficient resources.

agricultural output (millet, maize, peanuts, and cotton) depends heavily on rainfall. Animal production is also vulnerable to drought. In this zone 72 percent of the population (56 percent of all poor), live below the poverty threshold. In the Western Highlands, comprising the North-West and West regions, there is a cattle and coffee based system with corn, (coco) yams, potatoes, and peanuts as the main food crops. Thirty-nine percent of the population in this agro-ecological zone (but as much as 55 percent in the North-West region) live below the poverty threshold representing 18 percent of all poor. Twenty percent of the poor live in the remaining two agro-ecological zones.

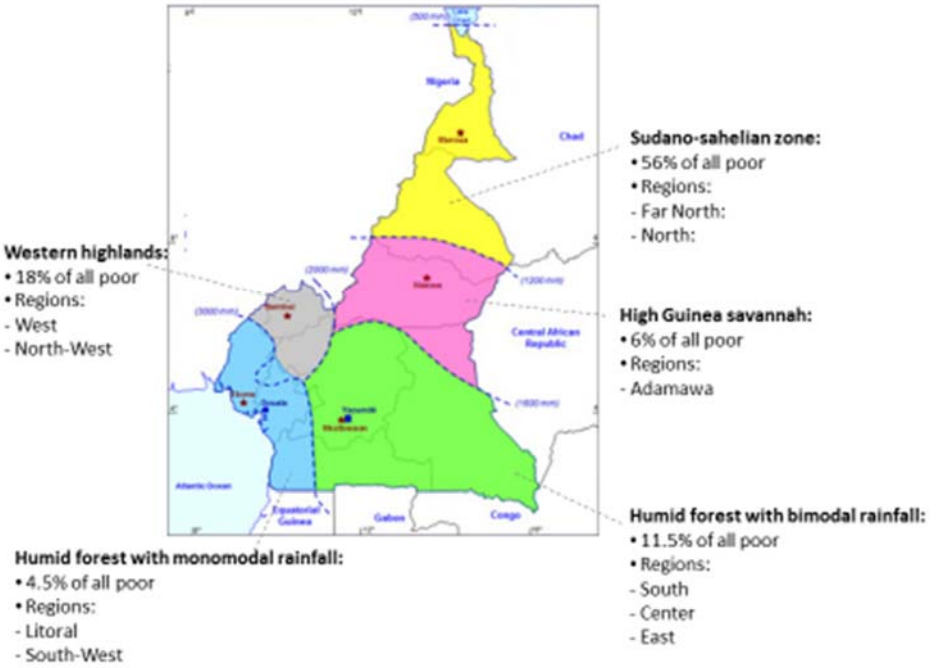
Figure 1: Poverty and human development indicators in Cameroon



21. The level of human development across regions broadly mirrors poverty levels. Basic measures of health and education are significantly worse in regions where poverty is widespread (Figure 1). Under-five mortality rates, for example, are 173 per 100,000 live births in the North region and 154 in the Far North region, compared with 84 in the Littoral and 78 in the South-West regions. A similar pattern holds in education where the share of the population with no education at all is highest in the North and Far North regions and lowest in southern regions and urban areas. Among women, markedly low levels of literacy in the North (30.5 percent) and Far North (22.5 percent) regions are also associated with marriage at an early age (15.9 years compared with over 20 years in the South). Low levels of female education contribute in turn to high rates of child mortality and fertility, which increases pressure on land.

Figure 2: Location of poor people by agro-ecological zone

80 percent of poor people in Cameroon live in three agro-ecological zones: the Sudano-sahelian zone, the Western Highlands and the High Guinea Savannah.



22. Social and economic gaps between regions are likely to worsen as a result of climate change. The Sudano-Sahelian area is the most environmentally fragile zone in Cameroon. It is particularly exposed to drought and increased temperatures with serious implications for the majority of inhabitants who depend on agriculture and livestock for their livelihoods. Regional climate change projections suggest that an overall decrease in the quantity of the water available could exacerbate water shortages in many rural areas of northern Cameroon. The quality of water will also be affected. An increase in temperatures, and greater dryness, are likely to result in net capillary movement and the salinization of both water and soils.

23. Intra-regional and other measures of inequality are also pronounced. Inequality in Cameroon is pronounced along a number of dimensions. The wealthiest 20 percent of society account for 49 percent of consumption whereas the poorest 20 percent account for less than 5 percent. These differences widened between 2001 and 2014, as measured by an increase in the Gini coefficient from 0.40 to 0.44. The Littoral region and the Douala and Yaoundé urban areas, with relatively higher levels of consumption, are characterized by relatively less intra-regional inequality. The reverse holds for the northern regions. Even in Douala and Yaounde, however, growth has been regressive for the poorest. Between 2007 and 2014, the bottom quintile actually experienced negative overall growth in their consumption, while the top quintile enjoyed 5 to 12 percent growth.

24. Women and girls are more likely than men and boys to live in poverty. The reasons for this include the lower value that traditional segments of society attach to the education of girls;

the custom of marrying girls young (prevalent in northern regions); customs that prevent women from inheriting property upon the death of their husband; and expectations that women should cultivate food crops while men cultivate cash crops, which enables men to invest earnings in future productive capacity. Women in the agriculture sector tend to possess fewer agricultural assets such as farm tools and equipment. They also have to split their time between farming and household chores. Thus, even when men and women grow the same crops, yields from male-managed plots tend to be higher than those of female-managed plots.

25. In addition to the dynamics of generalized poverty described above, acute poverty is prevalent in the four northern regions. It is estimated that more than 40 percent (3 million people) of the population in these regions (the Adamawa, the North, the North-West and the Far North) are chronically malnourished, and less than 30 percent of households are food secure. In the Far North region, an estimated 12 percent of children were acutely malnourished in 2011. In Cameroon, as is the case elsewhere, the very poorest households - those that the World Bank aims to limit to no more than 3 percent of the population - are subject to multiple poverty traps. Poverty traps include: possessing too few productive assets (human and physical capital); exposure to uninsured shocks (including displacement) resulting, for example, in downward spirals of poor nutrition, lower productivity, lower earnings, and even poorer nutrition; high rates of fertility resulting in large family sizes to help provide for old age at the cost of near term poverty; declining soil quality resulting in lower productivity and fewer resources for future soil enrichment; clustering of poverty; and inter-generational poverty traps.

D. Development Agenda

26. Cameroon's vision of becoming an upper middle-income country, and of reducing poverty to less than 10 percent by 2035 (29 percent by 2020), is highly ambitious. It would imply an annual real GDP growth of 5.5 percent *per capita* during the period, which would represent a marked increase from historical patterns, *and* strong sector, social and spatial policies that can reverse the inequalities observed over the past two decades. The SCD points to three main areas of constraints - and opportunities - to achieving these objectives: (i) low rural productivity, particularly in northern regions; (ii) a non-conducive business environment for the formal and informal private sector; and (iii) fragility and poor governance of the private and public sectors.

Constraint #1: Low productivity in rural areas, particularly in the northern regions

27. In the short-term, the largest opportunity for increasing shared prosperity and reducing acute poverty in Cameroon is an improvement in rural livelihoods. Eighty-five percent of all poor people live in the countryside. Of these a majority live in the Sudano-Sahelian areas of the North and the Far North regions, with another large proportion in the North-West region in the Western Highlands. By 2030, the number of people living in the northern regions of Cameroon may increase between 50 and 80 percent, depending on fertility and migration patterns, and increased demographic pressure will further intensify competition for resources.

28. Cameroon has a strong potential to increase agriculture productivity. It has a comparative advantage in primary products based on a relative abundance of natural resources and

unskilled and semi-skilled labor. There is also significant unmet internal demand for cereals, meat and animal products. The development of labor-intensive agro-industry could offer a path towards more diversified, complex and higher value forms of manufacturing. Key issues include low agricultural yields, limited infrastructure for transportation, delivery, and storage, as well as the need for improved irrigation and water harvesting to improve farm production in some areas.

29. Lags in human development are an integral part of low productivity in rural areas. Health is critically important for households already living near or below the poverty line. Yet nationwide health outcomes are similar to those of lower income countries and, in the North and Far North regions, are among the lowest in Sub-Saharan Africa (SSA). Other human capital indicators such as vaccination, malnutrition, access to safe water and sanitation are also low. In education, which is key to worker productivity and long-term economic growth, Cameroon has achieved significant progress in expanding access to basic education, but less so in terms of completion rates and learning outcomes.[13] Also, investment in vocational and higher education is not geared towards labor market needs.[14] Levels of education are particularly deficient among women in the northern regions, for whom the median number of years of education is zero. Higher and more efficient spending on social sectors is necessary to improve people's ability to be productive, but also to reap the demographic dividend.

30. Women and girls in Cameroon, particularly in rural areas, face additional barriers relative to male counterparts. In rural areas, women are almost as likely to engage in the labor market as men, but tend to work between 1.5 and 3 times longer. In agriculture, they typically have responsibility for food crops rather than cash crops. While half of women have access to land, few have control over it. Women have less access to modern agricultural inputs than men. Women's access to education, while broadly equal to that of men in large parts of the country, is severely constrained in the North, the Far North and the Adamawa regions. Women in these regions also tend to marry younger and have more children than their peers in the south, thus curtailing opportunities for education and income earning.

31. Rural areas, more particularly the northern regions, are exposed to the risk of environmental degradation and of climate change, including increased exposure to extreme events such as droughts and floods. Secular trends indicate decreasing rainfall and mounting annual temperatures leading to a higher risk of droughts. Since the 1960s, average annual precipitation has decreased by 2.9 mm[15] per decade, and mean temperatures have increased by 0.7° C. Drier and hotter conditions are exacerbating the desertification observed in parts of northern Cameroon. Going forward, mean annual temperatures are projected to increase further, between 1.0-2.9° C by 2060 and 1.5-4.7° C by 2090, with a higher risk of heat waves particularly in the semi-arid north. Rainfall projections indicate a more variable pattern, with the wetter months tending to get wetter and the drier ones more dry, which would increase the risks of floods,

[13] Cameroon's results on the standard PASEC test (Program for the Analysis of Education Systems), a student achievement test directed by the Conference of the Ministers of Education of French speaking countries, declined between 1998 and 2014, although they are still higher than in many other Francophone countries in Africa.
[14] Excluding teacher training, engineering for instance represented only five percent of total enrolments in 2010, a share at odds with Cameroon's plan to invest in a number of large projects in energy and transport (Country Economic Update # 3)
[15] Annual precipitation ranges between 1,200 mm in northern regions to 4,800 mm in the wettest regions.

droughts, and landslides. There is a ten percent probability of life-threatening river floods throughout the country during the next decade. Sea level could also rise by as much as 0.4 meter to 0.7 meter by the end of the century depending on the level of world emissions of greenhouse gas (GHG), increasing the risk of coastal flooding and affecting cities such as Douala. In parallel, water scarcity will also be threatening, with droughts likely to occur on average every 5 years, the northern regions being the most exposed.

32. Climate change could thus have serious developmental impacts, requiring adaptation efforts. Higher frequency of droughts would detrimentally affect agriculture, water supply and the livelihood and food availability for much of the poorest populations. Coastal regions have the highest risk of flood mortality especially the city of Douala. Sea level rise as well as degradation of mangrove ecosystems could cause saltwater intrusion into coastal aquifers affecting the use of this water resource on dry season agricultural production both now and in the future. As 70 percent of Cameroonians are employed in the agricultural sector, early warning systems and advanced climate information as well as improved agricultural techniques can help minimize losses in production and ensure food security while reducing risks to health.

Constraint #2: A non-conducive business environment for the formal and informal private sector

33. Attaining higher middle-income status by 2035 requires a fundamental transformation of the economy and broad-based, private sector led growth. The SCD and the Country Economic Memorandum (CEM) estimate that achieving Vision 2035's growth objectives will require a substantial increase in the level of investment from 20 to 33 percent of GDP, as well as an ambitious combination of increased savings and faster total factor productivity (TFP) growth.[16] For such a structural transformation strategy to succeed the pace of structural reforms needs to be accelerated with a view to improving considerably the business environment and the investment climate. A high cost of doing business and a continued reliance on a state-led model of economic growth, create an unattractive investment climate for private entrepreneurs – domestic as well as foreign.

34. The business environment is not conducive to private sector growth, as suggested by Cameroon's ranking (166th out of 190 countries) in the 2017 Doing Business Index (DBI). Among the many hurdles faced by businesses, obstacles to cross-border trading emerge as the main issue (DBI ranking: 186th/190). Not only does Cameroon have one of the highest average trade tariff rates in the world,[17] but cross-border trade is also impeded by complex regulatory provisions, poor logistics at the Douala port in spite of progress with customs procedures, and the formal and informal costs of bureaucracy, all of which prevent Cameroon from taking full advantage of its natural position as a regional hub. Private sector development is further hampered by a host of issues including the complexity and cost of 'paying taxes' (DBI ranking: 180th/190)

[16] It was estimated that, with higher investment but unchanged TFP levels, by 2035 Cameroon would only achieve half of the increase in GDP per capita needed to reach middle income status (based on a per capita GNI of US$1,290 in 2013, and a upper middle income threshold of US$4,125). With moderate productivity growth (1 percent per year) it would reach Vision 2035 targets four years late. Only with fast (1.5 percent per year) productivity growth, achieved by only 10 percent of countries over 1985-2010, would the Vision 2035 goal be achieved on time.

[17] According to the 2014-2015 Global Competitiveness Report, Cameroon was ranking 132 out of 144 countries.

or registering property (DBI ranking: 177th/190), an opaque legal environment for competition, an inefficient and slow judiciary, and a plethora of direct state interventions in the economy varying from import tax exemptions, to price caps, to loss making State-owned enterprises (SOEs). As a result of poor governance the cost of economic services remains higher than necessary. Transport costs are high because of cartels, weak enforcement of axel weight regulations, poor maintenance, and corruption. Electricity remains unreliable and costly, in spite of progress on the generation side, because of issues with distribution and the tariff structure.[18] Access to broadband telecom services remains low due to high costs and limited competition on that market segment.

35. Limited access to finance is another important constraint to private sector development. Domestic credit is financially unattractive with spreads of 10 percentage points, reflecting a high degree of concentration in the banking system.[19] As a result, credit represents only about 15 percent of GDP, and less than a third of firms have access to a line of credit or a loan. These constraints are particularly acute for small and medium-size enterprises (SMEs). In the 2009 Enterprise Census, access to credit was listed as a critical constraint to growth, irrespective of the sector of operation of the firm: 70 percent of investment was internally financed, vs 13 percent by banks.

Constraint #3: Fragility and poor governance of the private and public sectors.

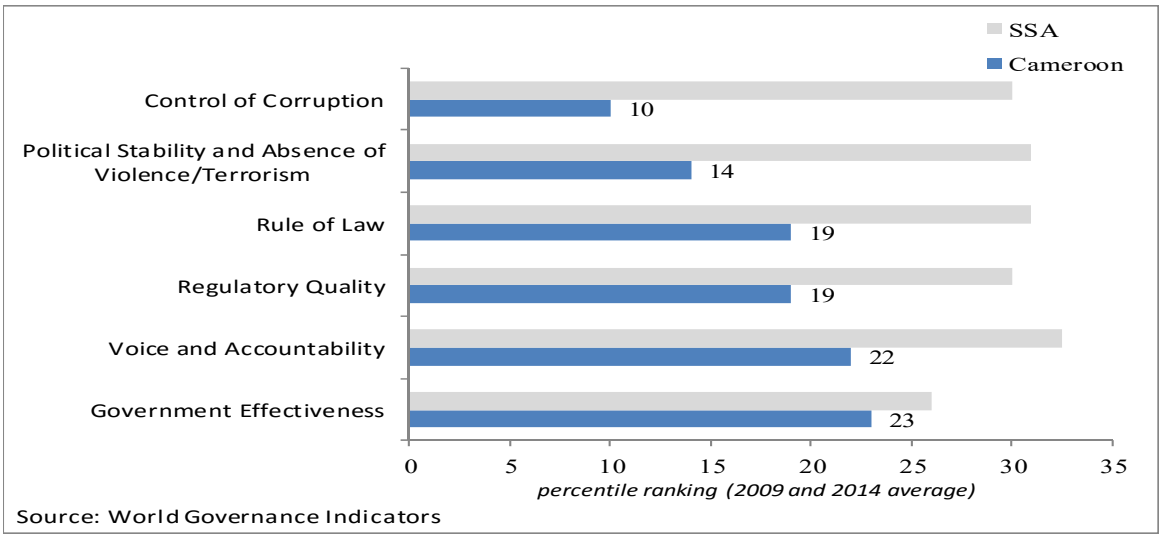
36. There is a two-way relationship between peace and stability, and development. The current situation is precarious in large parts of the country. Northern and eastern areas are clearly fragile and restive youth in urban areas may also pose a risk. Avoiding future instability and restoring security in areas already affected by instability is critical for any successful development effort. A critical first step is to find ways to engineer a rapid economic revival that can increase employment and economic opportunities. It requires improved collaboration between security, humanitarian and development actors and a greater focus on decentralized approaches. By involving local communities more actively and more directly, such approaches can play a key role by supporting poverty-reducing investments, avoiding elite capture and strengthening resilience.

37. The SCD cites governance as a critical constraint to eliminating poverty and boosting shared prosperity. Governance also emerged as one of the core obstacles to development and poverty reduction in the 2016 World Bank Client Survey. Cameroon continues to adhere to a centralized, state-led approach to economic development, including a large State-Owned Enterprise (SOE) sector, which stifles rather than stimulates private sector development. At the same time, the country fails to deliver core public services such as health, education, water and sanitation in an efficient and equitable manner. Basic economic security services such as land tenure and justice are weak or offered in a non-transparent way. This results in increased conflicts between pastoralists and sedentary farmers, unsustainable exploitation of Cameroon's unique tropical forests, and operation of artisanal mines in a legal vacuum.

[18] In the 2009 Enterprise Census (carried out by the National Institute of Statistics) 60 percent of firms stated that access to electricity was a major constraint.

[19] The three largest banks hold 70 percent of the banking system's assets.

Figure 3: Governance Indicators: Cameroon and Sub-Saharan Africa compared



38. State-owned enterprises account for about one sixth of public sector employment, and represent a drain rather than a boost for the economy. SOEs are important in the agriculture sector (e.g. sugar, palm oil, cotton) where they benefit from regulated prices and import restrictions. They also hold monopolistic positions in key cross-cutting economic services (e.g., ICT, transport, primary energy) where they contribute to keep factor prices well above regional averages. In addition to impeding domestic or international competition, SOEs have a detrimental impact on public finances: their overall profitability is negative, implying budget subsidies in the order of one percent of GDP; they have amassed significant contingent liabilities (about 15 percent of GDP) in the form of debt and arrears; and some of them contribute to financing the Treasury in a non-transparent way.

39. There is room for considerable efficiency gains in the management of public finances. Cameroon has made great strides in terms of the transparency of its budget process, as evidenced by its progression on the 'open budget index',[20] from a score of 2 in 2010 (on a maximum of 100, one of the lowest among the 100-odd countries surveyed), to 44 in 2015, the international average. However, in spite of attempts at reforms such as program budgeting in the 2000s, the budget process still lacks credibility. Public investment projects in Cameroon do not always benefit from rigorous economic evaluation, from appropriate prioritization, nor from adequate funding for maintenance. The financial viability of key services is compromised by the selection of projects that are oversized or introduce technologies ill adapted to local conditions, often financed by loans with onerous terms. The execution of public investment presents weaknesses throughout the implementation chain, leading to considerable delay and under-consumption of budget allocations and, recently, an increase in sole-source procurement. Investments are often poorly planned, leading them to remain idle, such as the Kribi port, even as the expensive loans associated with

[20] Measured by 'International Budget Partnership', an internationally recognized and funded NGO.

them are being reimbursed. One of Cameroon's key development challenges is thus to improve the prioritization, preparation and implementation of the public investment program, to stay vigilant on the terms of financing of public debt, and to leverage private sector financing.

40. Poor service delivery, public finance management, and stewardship of the economy point to inefficiencies in public administration and the civil service. The SCD cites: (i) an unusual fragmentation of the administration, with a large number of line ministries and committees whose responsibilities overlap, and lacking coordination due to a decision-making process which is highly centralized and slow; (ii) a patronage-based promotion system, reflecting the 'limited access order' nature of the political system, and the need to accommodate Cameroon's diversity; and (iii) a remuneration system which combines low wages – sharply reduced following the recession and devaluation of the 90s – and salary complements based on attendance and inputs rather than on performance and results. However, given that the intrinsic quality of the civil service is relatively high, a reform of incentives can bring about dramatic change, as suggested by the excellent results achieved through performance-based management in the Douala customs, or in the health sector.

41. Governance weaknesses are reflected in a CPIA which has gradually deteriorated, and now stands below the average of the SSA region (3.1 vs 3.2 in 2015). The gap is even higher when Cameroon is compared to its peers, the group of non-fragile SSA countries, which scored 3.5 in 2016. While Cameroon is above the general SSA average on the 'Economic Management' cluster of the CPIA (3.5 vs 3.2) and at par for the 'Structural Policies' cluster (3.2), it lags seriously on most dimensions of the 'Policies for Social Inclusion and Equity cluster (3 vs 3.2)[21], and on the 'Public Sector Management and Institutions' cluster (2.9 vs 3).[22] Going forward, Cameroon needs to implement second-generation structural reforms to reap the full benefits of the expanded infrastructure and to create a conducive environment for private-sector led growth. Such reforms will be difficult to implement since they will meet the resistance of vested interests and touch on the carefully constructed political equilibrium, but are key to unleash Cameroon's potential.

III. WORLD BANK GROUP PARTNERSHIP STRATEGY

A. Government Program and Medium-term Strategy

42. The 2009 DSCE is the strategic document that translates Vision 2035 into specific objectives to be achieved by 2020: achieving a 5.5 percent annual average rate of growth of GDP during 2010-2020; lowering the rate of under-employment from 75.8 percent to less than 50 percent by 2020; and reducing the rate of poverty from 39.9 percent in 2007 to 28.7 percent in 2020. The DSCE includes: (i) a growth scenario built on the development of infrastructure; the modernization of productive sectors (including rural, mining, social enterprise and industrial sectors); human development; regional integration and commercial trade; and financing (including development of the banking and microfinance sectors); (ii) an employment strategy including

[21] Particularly for 'Gender Equality', 'Equity of Public Resource Use', and 'Building of Human Resources'.
[22] Particularly for 'Property Rights and Rules-Based Governance', and 'Transparency, Accountability and Corruption in the Public Sector'.

investment in training to enhance the quality of labor; and improvement in the functioning of the labor market; and (iii) a set of measures to strengthen governance and public sector management including in the areas of rule of law and strategic reform of the state.

43. The DSCE has not been updated for slippages on its quantitative objectives, notably with respect to poverty reduction and employment objectives, but Government priorities have evolved on three accounts. First, the authorities are now placing much greater emphasis on the development of the northern regions. They prepared their own emergency plan in 2014, focusing on infrastructure, water management and local communities, and have requested all development partners to also realign their priorities. For instance, the third Community Development Program Support Project approved in FY16 earmarks 40 percent of its resources to the northern regions. Similarly, the FY14 additional finance (AF) to the Health Sector Investment Project supports scaling up PBF in the northern regions, and the FY13 Social Safety Nets Project targets mostly the same regions. Second, while the focus on infrastructure remains an important priority for the Government, there has also been a much greater interest for projects with more immediate impact on the people, such as the agriculture sector, or the social safety nets and health sector interventions. Third, climate change related policies have been developed to represent a new component of the Government medium-term strategy. Cameroon's NDC[23] pledges to reduce 2035 emissions by at least 32 percent of the 'business-as-usual' levels. The target would be achieved primarily through mitigation actions in the agriculture, forestry and energy sectors, such as better land management and planning to limit deforestation, use of better quality seeds for productivity, and promotion of environment friendly agricultural practices. In the energy sector, actions include increasing hydropower production and renewable energy, boosting energy efficiency and reducing losses through improved transmission and distribution. In parallel, adaptation measures are targeting sustainable forest, land and soil, and water resource management, as well as climate smart agriculture. Cameroon also recently endorsed the World Bank Global Gas Flaring Initiative, aimed at achieving zero routine flaring by 2030. In addition, the Government is finalizing the REDD+ strategy for reduction of emissions from deforestation and forest degradation, and has adopted the National Plan for Adaptation to Climate Change.

B. Lessons from Completion and Learning Report and Consultations

B1. Completion and Learning Report

44. The Completion and Learning Report drew the following lessons from the experience of the FY10-14 Country Assistance Strategy (CAS):

- **Centralized approaches to strengthening governance need to be complemented with decentralized and sector-based approaches.** Several decentralized and sector-based approaches have been quite successful. Under the Second Community Development Support Project (FY09) participating municipalities prepared Local Development Plans (LDPs) to reflect the needs of their populations. LDPs were among the main instruments that guided preparation of the Government's public investment program for recent fiscal years. In the health sector, PBF has shifted health financing from a centralized and input-based approach to financing based on performance at the service delivery level. At the Port of Douala

[23] Cameroon's Intended Nationally Determined Contribution (INDC) to the COP21 became a NDC upon ratification of the Paris Agreement by Cameroon on July 29, 2016.

performance contracts were introduced which resulted in significant reductions in delays and fraud, improved revenue collection, and improved ethics in the work of customs agents. The 'Banking on Change Governance' Program (P121448, FY12) provided small grants to civil society organizations to support innovative governance solutions in the education, health and forestry sectors. This has increased citizens' access to information and budget awareness. Similar approaches will inform the CPF including the design of a new public financial management project.

- **The impact of investment lending is much higher when it is accompanied by sector policy, regulatory, and institutional reform which is possible only when Government ownership is strong**. Reforms have often been supported by strong analytical work and technical assistance. In health, for example, based on the success of the performance-based pilot and subsequent adoption of the PBF approach by the Government, the World Bank was able to scale up its support, culminating in a FY16 US$100 Health Sector Performance Reinforcement Project (P156679) co-financed by the Global Financing Facility (GFF, US$27 million). In the energy sector the long-term combination of investment lending and technical advice for policy and institutional reform established the World Bank as a trusted advisor on sector issues. As a result, the Government requested World Bank support in coordinating a multi-financier, US$1.2 billion investment program to resolve congestion in the electricity transmission system. In the railways sector, the concession of operations to a private sector operator also yielded good results in terms of quality and price of service. In contrast, implementation of the Education Development Capacity Building Project (P075964, FY05) was hindered by weak Government ownership of the reform program. Project activities were scattered across Ministries and not actively managed, neither within each Ministry nor across Ministries. In this CPF, support will be targeted to those sectors where the likelihood of reform, and hence impact, is high; and projects will be designed to support both sector-wide reform, and geographically targeted investments. The World Bank may also consider supporting reform through Development Policy Operations.

- **To focus more directly on poverty reduction and spatial inequality, the World Bank needs to step up its support in those geographic areas where poverty is most pronounced.** This can be achieved by supporting activities that are of particular relevance to livelihoods in the northern regions such as the development of climate smart agriculture and livestock practices in semi-arid and arid zones. It can also be pursued in the context of support to national sector programs, by rolling out reforms and investments in the poorest regions first, such as is being planned for future World Bank-supported health, education, and access to electricity programs. Lastly, this can be achieved by focusing on particularly vulnerable groups such as girls, or refugees and IDPs.

- **In the Far North region, program design, implementation and supervision needs to be tailored to the presence of active conflict.** Project design will need to consider: (i) adopting decentralized vs large footprint approaches; (ii) including community based activities that can strengthen resilience and facilitate a more inclusive social contract; (iii) targeting particularly vulnerable groups such as IDPs and refugees; and (iv) mitigating social risks emanating from the presence of active conflict and armed forces, including by providing for multiple citizen

and beneficiary feedback mechanisms. Implementation may need to rely on flexible procurement approaches as private contractors are shunning conflict-affected areas. For example, the World Bank-financed rehabilitation of the Mora-Kousseri road, which travels through areas frequently attacked by Boko Haram, will rely on a collaboration with the Army Corps of Engineers. Implementation may also rely on third party agencies with a strong presence on the ground, such as some United Nation (UN) agencies or non-Government organizations (NGOs). For supervision, the World Bank will introduce third party monitoring, and conduct 'reverse' supervision missions, whereby government officials who work on projects in insecure areas are invited to travel to safer areas in order to report on project progress. Supervision is already making greater use of technology, such as geo-localized video/photography and satellite imagery. Finally, missions to insecure areas will need to benefit from additional security arrangements, which will have to be factored into the allocation of supervision budgets.

- **Smooth portfolio implementation requires intensive follow-up on procurement, financial management (FM) and safeguards, and close collaboration with counterpart ministries.** Project implementation in Cameroon has typically been affected by lengthy procurement processes, recently compounded by the creation of the Ministry of Public Procurement; by long delays to finalize compensation under safeguard policies, due to a very centralized procedure; and by inefficiencies in the chain of public financial management. The successful turnaround in disbursement ratios during the latter years of the CAS period reflected systematic monthly reviews of implementation prospects for each project, involving sector ministries along with the Ministry of Finance and the Ministry of Economy, Planning, and Regional Development, and covering procurement, financial management and safeguards aspects. This strengthened dialogue is now turning to more systemic measures to improve the efficiency and speed of Cameroon's procurement and compensation procedures.

- **The quality of the results framework needs to be strong and it needs to be used as a tool for monitoring progress against the program.** The results framework should be updated in a Performance and Learning Review (PLR) to reflect progress of the program and the PLR should be scheduled sufficiently early in the CPF period. The FY10-FY14 CAS results framework was too extensive and lacked indicators that were specific and measurable. It did not take sufficient account of the risks to delivery or information requirements for adequate monitoring. It was not used as a tool for regular engagement with the Country Team.

- **Effective collaboration within the WBG and with development partners (DPs) has helped maximize impact.** WBG collaboration has been excellent in the energy sector, supported by a Joint Implementation Plan (JIP). Support to the Government's energy sector reform agenda has also included EIB, AfDB, and AFD. A similar WBG collaboration is emerging in the agriculture and ICT sectors.

B2. Client Survey and in-Country Consultations

45. The 2016 Opinion Survey indicates that views about the WBG are positive and have improved since the previous survey in 2013, but there remains room for improvement. Ratings about effectiveness, relevance, and staff preparedness are in a range of 6-7 on a scale of 10. Noteworthy is the perception of the World Bank's comparative advantage on analytical work, discipline in project implementation, and capacity building. Areas for improvement mentioned include World Bank (WB)-IFC collaboration, flexibility and speed, and collaboration with the civil society and the private sector.

Box 2: Perceptions of the WBG in the 2016 Opinion Survey

From May to June 2016, 607 stakeholders were invited to provide their opinions on the WBG's work in the country. About 66 percent responded, a level of participation comparable to the 2013 survey. Responses came from a diverse spectrum of stakeholders including: (i) civil society organizations (29 percent); (ii) officials down to the Project Implementation Unit (PIU) level (22 percent); (iii) academia (15 percent); (iv) media (10 percent); (v) private sector (6 percent); and development partners (5 percent). The key findings of the survey are as follows:

- Only 38 percent of respondents say the country is moving in the right direction (46 percent in 2013). Governance is what concerns stakeholders most (53 percent of respondents), followed by jobs/private sector development (44 percent), corruption (25 percent) and agricultural and rural development (24 percent). Climate change is regarded as a serious problem by more than three quarters of respondents, and so is the gap between the rich and poor.
- The perception of 'what would contribute most to poverty reduction' is in line with the SCD findings, with agriculture and rural development accounting for 71 percent of the total, followed by governance/corruption (57 percent) and employment (28 percent). All other sector policies fall below the 20 percent bar. Fifty-one percent of respondents feel that the World Bank does not do enough to reduce poverty.
- Ratings for overall WBG effectiveness, staff preparedness, and relevance have all improved since the 2013 survey, but they are still in the lower 6s on a scale of 10. Ratings are significantly higher from the subgroup of stakeholders with whom the World Bank engages regularly. Lowest ratings about how the World Bank Group works in Cameroon relate to how flexible the organization is, its responsiveness, speed, access to those who are making important decisions at the World Bank, and how it collaborates with civil society and the private sector.
- Half of respondents noted that the most serious obstacle to World Bank supported reform in Cameroon is inefficient Government, followed by inadequate citizen participation (37 percent). A notable 29 percent feels that the World Bank is not sensitive enough to political/social realities on the ground.
- The comparative advantage of the World Bank is perceived to be in analytical work, in the discipline imposed on implementation of investment projects, and in capacity-building. The 2013 Opinion Survey highlighted World Bank financing as its comparative advantage. It is worth noting that a majority of respondents working on projects involving both the World Bank and IFC finds that the way the two institutions work together needs improvement.

46. Consultations on the CPF strategic directions took place during the last week of October 2016 (Annex 6). They followed the same format as the SCD consultations earlier in the year and included, in addition to Government officials, representatives from the civil society, the private sector, decentralized entities, and DPs. The consultations generally confirmed the

orientations of the CPF. Civil society representatives welcomed the focus on northern regions, emphasized the issue of education and suggested to pay attention to project design and implementation, and to engage actively with populations and beneficiaries. Private sector representatives welcomed the fact that consultations were held and expressed appreciation for WBG work, particularly in the energy sector. In terms of future priorities, they cited particularly the transport sector, the business environment, and support to SMEs.

C. Overview of World Bank Strategy

47. The proposed CPF has been developed jointly with International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), and its approach derives from three selectivity filters. These filters are: (i) the priorities identified by the SCD to help Cameroon reduce poverty and boost shared prosperity; (ii) the WBG's comparative advantage, as understood from the lessons of our past experience and from client feedback (i.e., the Completion and Learning Review (CLR) and the Country Opinion Survey); and (iii) effective alignment with the Government's own development program and requests for WGB support.

48. Applying the first selectivity filter, the proposed FY17-FY21 CPF is fully aligned with the priority areas identified by the SCD, although the intensity and modality of our engagement within each area will vary depending on the two other selectivity filters. The WBG will support reforms and investment in three broad focus areas. The first focus area is *addressing multiple poverty traps in rural areas, with a focus on northern regions.* Here, the WBG will focus on increasing rural productivity, particularly in the northern regions, through a multi-sector approach. The CPF proposes to address low agriculture and livestock productivity, gaps in health and education outcomes, deficits in local infrastructure, and insufficient social protection. While most interventions in this focus area will address systemic reform issues on a national scale, concrete investments will be sequenced to prioritize the poorest, northern regions. Some interventions will focus exclusively on the poorest regions. Vulnerable populations such as people displaced by violence, girls, and youth will be targeted specifically. Results in this focus area will be critical to building resilience in the face of fragility, conflict, and changing climate conditions. The second focus area is *fostering infrastructure and private sector development.* The WBG will focus on improving the business environment for the formal and informal private sector. This will entail support for reform in the business environment and investment climate; reforms and investment focused on energy, ICT, mining, and transport; and reforms and investment in developing skills to match labor market demands. The third focus area is *improving governance.* Here the World Bank will support reforms in public expenditure management at a national and local level. It will support the expansion of the PBF approach in the health sector and the introduction of the PBF approach in the primary education sector. The WBG will bring assistance to policy, regulatory and institutional reform in key sectors. In addition, it will support increased citizen participation at the local level, building on past success with such approaches.

49. The second selectivity filter is the WBG's comparative advantage as derived from the lessons identified in the CLR, and from issues highlighted in the 2016 Country Opinion Survey. The World Bank can make the greatest difference, including at transformational scale,

when it applies the following three principles: *to support policy, regulatory, and institutional reforms*; *to provide support at scale leveraging the strengths of the entire WBG and collaborations with other development partners;* and *to provide integrated multi-sector solutions to multiple poverty traps in the poorest regions.*

50. The third selectivity filter is alignment with the Government's own development program and requests for WBG support to date. The proposed areas of intervention are all consistent with government priorities. The DSCE focuses heavily on infrastructure – particularly energy and transport - and agriculture. The Government's more recent emphasis on the development of the northern regions and on human development policies supports a strong alignment between the SCD and the Government's program. Finally, there is a growing interest on the part of Government in the WBG's support to structural reform as expressed in requests for policy notes on procurement, involuntary resettlement, ICT, energy, water supply, and textbooks.

51. The WBG will work toward cascading its interventions. This will entail: (i) promoting private sector-minded regulatory reforms; (ii) engaging upstream; (iii) providing targeted advisory, blended finance, and public-private partnership (PPP) solutions; and (iv) fostering joint sectoral interventions in selected sectors. Thus, World Bank engagements will accompany IFC's interventions to build momentum for private sector minded reforms, address the main impediments to private sector development, and raise domestic private sector capacities. Based on these principles, during the FY17-FY21 CPF the WBG will scale up its engagement in those sectors where there is a strong regulatory and institutional framework, or where there is a clear commitment to developing such a framework. For example, the WBG will considerably expand its support to the energy sector where reform has been steady albeit uneven. It will step up its support to ICT if planned reforms materialize. The WBG could increase its support to railways if the current PPP were consolidated[24] and its regulatory framework strengthened. Further support to the roads sector would be contingent on improved road maintenance, enforcement of axel weight regulations, and transport competition policies. The water sector is important to reducing poverty and shared prosperity, but the lack of clarity in the current and future institutional framework[25], precludes further financial investment by the WBG at this time. Box 3 lays out in more detail how WBG synergies will be developed.

52. Building on successful past experiences, IFC intends to deepen its commitment to market creation in Cameroon. Scaling up best practices using JIPs, guarantees, blended finance, and local currency financing, as well as using advisory services as a wedge to build regulatory and corporate capacity and clear investment bottlenecks, IFC will: (i) pursue value chain and approaches that create synergies; (ii) propose new products and solutions; and (iii) further leverage internal and external stakeholders. This will allow the WBG adopt a systematic and sequenced approach to scale up private sector solutions and catalyze private capital.

[24] The existing concession comes to an end in 2019.

[25] In 2007, Cameroon created a public asset company (CAMWATER) and conceded the operation to a private operator (Camerounaise des Eaux, CDE) for 10 years. Contractual disputes over tariff adjustments and responsibility for investment have adversely affected the sector development. The concession contract will not be extended when it expires in 2017, and the future organization of the water sector remains uncertain.

Figure 4: Reflection of SCD policy priorities in the CPF

1= ranked first … 4 = ranked last

= central = prominent = moderate = small = absent

Action	Summary of intervention proposed in SCD	Contribution to Twin Goals	Feasibility	Reflection in CPF
Low rural productivity especially in the northern regions				
• **Climate smart farming and live- stock management systems**	• Climate smart farming technology and livestock management; value chains and farmer groups	1	1=	
• **Improved human capital especially women**	• Increased provision of social services especially for women	2	1=	
• **Improved market access**	• Improve roads , strengthen farmer groups; improve north south links and to Nigeria	3	3	
• **Productive safety nets**	• Social safety net/ conditional cash transfer scheme	4	4	
	Pre-condition for successful development efforts (not ranked):			
• **Insecurity in north, east and urban areas**	• Sufficient allocation of public expenditure for military and stabilization efforts; decentralized approaches for resilience and empowerment; better coordination between development and humanitarian efforts			
Non-conducive business environment				
• **Reforming higher education to give more attention to skills training**	• Reform of secondary and higher education with focus on vocational skills and capacity to innovate	1	2	
• **Reducing the cost of transport**	• Better prioritization of investments; more efficient ports; improved maintenance and fewer road blocks	2	3	
• **Reforming the financial sector**	• Improved PPP framework; development of rural finance, capital markets, mobile banking	3	5	
• **Improving energy supply**	• Increase supply, reform tariffs, attract private investment, develop off-grid power	4	1	
• **Investing in sustainable cities**	• Better land use planning; economic development; urban connectivity	5	4	
• **Improving telecoms**	• Develop more open and competitive regulatory framework for private telecoms investment	6	7	
• **Improving the urban water sector**	• Develop more open and competitive regulatory framework for private water investment	7	6	
Fragility and poor governance				
• **Improve public financial management**	• Reform public financial management and refocus public expenditure on priorities	1	2	
• **Strengthen the business environment**	• Improve independence and reduce cost of regulation; improve SOE performance; enable private provision of services	2	4	
• **Reform public sector incentives**	• Streamline public administration; modernize human resource management; extend RBF where possible	3	7	
• **Improve security of land tenure**	• Strengthen legislative framework for sustainable land use and reduced conflict in urban and rural areas	4	5	
• **Improve transparency and accountability**	• Increase availability of information by investing in statistics, e-government, and oversight institutions including locally	5	3	
• **Increase analytical capacity to identify and argue for reform**	• Increase capacity to analyse performance and undertake regular public expenditure reviews	6	1	
• **Improve the legal system**	• Take steps to strengthen administration of justice and management of law courts	7	6	

Box 3 - World Bank Group Synergies in Cameroon

The WBG will deploy its synergies to seek transformational outcomes. This is already happening in the electricity sector, and is starting to happen in the agriculture and livestock sectors. Joint approaches will be pursued in the ICT and the business environment areas. IDA18's new Private Sector Window will allow the WBG to promote private sector solutions in Cameroon's fragile and conflict-affected areas.

Electricity:

- While IDA advised on sector reforms in the early 2000s through its sector dialogue and investment portfolio, IFC facilitated the concession of the utility (SONEL) to the United States energy conglomerate AES in 2001 by advisory services, and financing (a euro 70m 'A' loan and a euro 250m syndicated loan); the purchase of AES-SONEL (now ENEO) by ACTIS in 2014 was facilitated by a MIGA guarantee. IFC is considering financing ENEO's investment plan.
- All three WBG entities have been supporting IPP-based generation in complementary ways: AES' Dibamba thermal plant project received a US$15 million loan from IFC in 2010, and its purchase by ACTIS in 2014 benefited from a MIGA guarantee. In the early 2010s, the Kribi Gas Power plant project received a US$86million loan from IFC and a US$82million IDA partial risk guarantee; its acquisition by ACTIS in 2014 was supported by a MIGA guarantee. IDA's Lom Pangar Hydropower Project (P114077) (US$132million, FY12) increased the hydropower potential on the Sanaga River, which paved the way for the Nachtigal hydropower plant project, which will be supported by an equity and a loan investment from IFC, and by IBRD, and possibly MIGA, risk guarantees. Financial closure is expected in 2017. Further opportunities for generation will be identified under IDA's Hydropower Development on the Sanaga River Project (P157733) (US$30million, FY17).
- Progress on the generation side has been complemented by IDA/IBRD support to transmission and access: IDA's Energy Sector Development Project (P104456) (US$50 million, FY08) helped advance sector reforms and rural electrification. IBRD's Electricity Transmission and Reform Project (P152755) (US$325 million, December 9, 2016) will help catalyze the Nachtigal project. Their combination opens the way for major strides towards increasing access, as envisaged under the Access to Electricity in Northern Regions Project (US$150 million, FY19).

Agriculture: A new generation of projects, namely the Agriculture Investment and Market Development Project (P143417), and the Livestock Development Project (P154908), have been developed jointly between IDA and IFC, and build on their complementarities. They rely on a commercially-oriented value chain approach, whereby market access is guaranteed to producers' cooperatives through contracts with agro-industries. In this context, IDA is financing farm-level productivity investments (capacity building, inputs, and basic infrastructure) while IFC catalyzes commercial financing through a risk-sharing facility.

ICT. Cameroon's ICT sector presents great opportunities for growth and employment, particularly in the broadband internet subsector, but its development has been hampered by lack of competition and inefficiencies within the historical operator, CAMTEL. As discussed under Objective 7 of this CPF, the IDA/IBRD and IFC would combine their comparative advantages in order to support sector reforms on the one hand, possibly through DPOs, and to help improve the competitiveness of the incumbent operator, including through privatization.

Business environment. IFC and IDA/IBRD will strengthen their coordination to achieve reforms conducive to private sector development. The Cameroon Business Forum co-chaired by IFC and by the Government has identified reforms, the effective implementation of which the WBG will support through its policy dialogue, and possibly DPOs. Several IDA/IBRD investment projects, for example in the transport sector, could generate much higher returns if complemented by 'soft' reforms, for example, competition in the road transport sector or competitiveness of the Douala port. Under this CPF, IFC will focus on such areas in order to help achieve transformational impact.

IDA18's Private Sector Window. Cameroon's fragile and conflict-affected regions (Far North, North, Adamawa and East) are eligible for IDA's new private sector window. Tentatively, the following sectors have been identified in which the new de-risking mechanisms might help catalyze private sector investment: (i) agro-finance and medium and small scale enterprises (MSME) finance, using the blended finance and/or local currency facilities; (ii) grid and off-grid access to electricity, including renewable resources such as solar energy, using the Risk Mitigation Facility; (iii) support to the cotton value chain, using the blended finance and/or local currency facilities through locally based financial institutions; and (iv) selected value chains in the agriculture and the forestry/wood sectors, using the blended finance and/or local currency facilities.

D. Objectives Supported by the WBG Program.

53. The FY17-FY21 CPF comprises 12 objectives, clustered around three focus areas and aligning with the main constraints identified by the SCD. The objectives incorporate the proposals that were ranked highest in the SCD in terms of contribution to poverty reduction and feasibility while also taking into account the DSCE, the WBG's comparative advantage, and the existing portfolio. Because of the adjustments introduced in the context of the 2012 PLR and of the FY15-FY16 work program, the existing portfolio is fairly well aligned with the framework laid out in the FY17-21 CPF. Full alignment, however, will only be achieved over time as new operations and analytical work move forward.

Figure 5: Architecture of FY17-FY21 focus areas and objectives

Addressing Multiple Poverty Traps in Rural Areas (with focus on northern regions)	Fostering Infrastructure and Private Sector Development	Improving Governance
1. Increased productivity and access to markets in the agriculture and livestock sectors 2. Improved maternal and child health, and nutrition 3. Enhanced quality of, and more equitable access to, education 4. Expanded social safety nets 5. Improved access to local infrastructure	6. Increased national availability of electricity 7. Improved transport and ICT services 8. Improved business environment and access to financial services 9. Increased supply of skills demanded by the labor market	10. Improved efficiency of public expenditure and service delivery 11. Improved regulatory and institutional framework for key sectors 12. Increased citizen engagement at local level

Focus Area One: Addressing multiple poverty traps in rural areas (focus on northern regions)

54. The first Focus Area, 'Addressing multiple poverty traps in rural areas' (with a focus on northern regions), comprises five objectives that attempt to address simultaneously several dimensions of the 'multiple poverty traps' diagnosed by the SCD: increased yields and output in the agriculture and livestock sectors; improved health and nutrition; better education; expanded social safety nets; and improved access to local infrastructure. This set of outcomes contributes to addressing the deficit in human development that affects northern regions in particular, weakening the resilience of communities in the face of economic, environmental and conflict-related shocks.

Objective 1: Increased productivity and access to markets in the agriculture and livestock sectors

SDG2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Expected Outcomes:

- *Increase in the yield of key crops in target areas*
- *Increase in the productivity of target livestock species*
- *Increase in access to agriculture assets or services*
- *Increased access to markets as measured by price premia and higher sales in target value chains*

55. The first objective of this Focus Area is to increase productivity and access to markets in the agriculture and the livestock sectors in an environmentally sustainable way. The agriculture sector is one area of competitive advantage of Cameroon. It is performing well below capacity and has the potential to contribute not only to the country's economic diversification, growth and exports, but also to poverty reduction, job creation and women empowerment, particularly in the northern regions. It is at the same time the sector most vulnerable to climate change and the main contributor to Cameroon's GHG emissions, with 75 percent of the total. In Cameroon's NDC, agriculture alone accounts for about 70 percent of the reduction of emissions targeted by 2035[26], through measures such as mixed cropping, introduction of drought tolerant varieties, staggered planting dates and soil water conservation techniques. Appropriate investments in agriculture – climate smart, gender sensitive and nutrition informed – can strengthen competitiveness and growth and increase incomes for the poorest people (mostly in rural areas), for whom revenues from agriculture are essential for subsistence and also serve as the main source of cash.

56. A new generation of joint World Bank-IFC operations has identified the transformation of low-productivity, subsistence-oriented subsectors, into commercially-oriented and competitive value chains across Cameroon as one efficient and relatively low-cost pathway out of poverty for a large number of poor households. The Agriculture Investment and Market Development Project (AIMDP, P143417, FY14) is supporting selected crops (sorghum, maize and cassava) through a value chain approach whereby market access is guaranteed to producers' cooperatives through contracts with agro-industries, while farm-level productivity investments (e.g., improved seeds and fertilizers), extension and basic infrastructure will be financed by International Development Association (IDA), and commercial bank financing will be catalyzed by a risk-sharing facility set up by IFC. A similar integrated approach, as well as WBG complementarity, will be pursued under the Livestock Development Project (P154908, FY17), which will support improved productivity, market access and livelihoods of small livestock farmers in target agro-ecological zones.

57. By design, the AIMDP and the Livestock Development Project place emphasis on northern regions, and on women. Three of the four value chains selected under these two projects, livestock, maize and sorghum, are particularly important in the northern regions, resulting in about one third of the combined project amount benefiting these regions. Women are expected to be important beneficiaries as they represent about 70 percent of cooperative members in the project-targeted zones. In addition to financing women's investments in cassava, maize, and sorghum value chains for production, processing, and marketing, the World Bank will also invest in specific activities geared towards women's groups, such as production of fortified food and labor-saving devices to reduce women's workload. The World Bank will support communication strategies that target behavioral changes on issues related to access to land, new technologies, maternal care, and child feeding practices.

58. Going forward, the World Bank plans to deepen its support to the agriculture sector through new lending interventions and it will underpin them by expanding its advisory services and analytics (ASA), to shed light on specific issues relating to poverty in the

[26] 23 MtCO2 equivalent for a reference scenario of 104 MtCO2 equivalent and an NDC target of 71 MtCO2 equivalent.

agriculture and livestock sectors. The World Bank will first consider expanding the scope of the AIMDP and of the Livestock Development Project through AF, once they have demonstrated results. The impact of these two projects could be leveraged by better connecting Cameroon to the wealth of knowledge on agriculture technologies, innovations and practices being developed at the regional level: this CPF will support Cameroon in joining the Eastern and Central African Agricultural Transformation Project (P162416, Regional Integration Window) for which it has already expressed interest. The CPF will also pursue a deepening of the World Bank's knowledge base in the agriculture sector. A review of Climate Smart Agriculture and Livestock Production in the Northern Regions is under preparation to help better understand the ways in which productivity and rural livelihoods could be enhanced, e.g., by promoting climate resilient varieties and practices, sustainable use of water, or post-harvest technologies. The review is expected to inform the Regional Lake Chad Recovery and Development Project (P161706) and the Building Climate Resilience in the Niger Basin Project. Resources permitting, the World Bank also intends to undertake ASA on: (i) the contribution of rural-urban migration to poverty reduction; (ii) rural community-based land tenure models; and (iii) a review of SOEs with focus on the agriculture sector, which play an important role in the production or the commercialization of a number of commodities, such as sugar, palm oil, cotton and rice. The review of SOEs is also expected to help the WBG better understand how to support private sector development in agriculture, including in the northern regions.

59. In line with this and building on its current portfolio, IFC plans to step up support to the private agriculture sector, including tools such as rural finance, crop insurance, and warehouse receipts. In close cooperation with the World Bank, IFC will build on the ongoing joint projects as well as on future ASA to support private investment in agriculture including, in the case of the northern regions, by tapping IDA 18's new private sector window (PSW). IFC will continue supporting agriculture finance, in particular through its investments in BICEC and SFC Agri RSF[27], which have been financing credit lines to farmers while strengthening value chains and competitiveness. Going forward, opportunities with agriculture insurance within the global insurance facility will be pursued. Trade and commodity finance also have the potential to support agriculture-related SMEs, with particular attention to women.

Objective 2: Improved maternal and child health, and nutrition

SDG3: Ensure healthy lives and promote well-being for all at all ages

Expected Outcomes:

- *Reduction in maternal mortality rates, with a particular focus on northern regions*
- *Reduction in under-five mortality rates, with a particular focus on northern regions*
- *Reduction in the rate of child malnutrition among children under-five*

60. Health outcomes in Cameroon are similar to those of lower income countries despite high levels of spending. Key challenges in the health sector include: significantly poorer access to health services in rural compared to urban areas and in the northern regions; poorly functioning regulatory bodies; high and increasing out-of-pocket spending alongside insufficient and

[27] Risk Sharing Facility established by BICEC (Banque Internationale du Cameroun pour l'Epargne et le Crédit).

inefficient public spending; centralized financial planning systems; ineffective targeting of subsidies to those most in need; and limited control of resources and decision-making autonomy at the point of service delivery.

61. A central feature of the Government's approach to these challenges has been the introduction of PBF supported by the World Bank and other development partners. Implementation was initially slow, due to the innovative and complex nature of the performance purchasing mechanism, but it picked up from 2011 on. The quality and utilization of maternal and child health services has increased substantially in targeted areas since the launching of PBF, supported by the Health Sector Support Investment Project (FY08), as documented in Box 1.

62. During this CPF the World Bank will support the expansion of PBF to the northern regions, through the Health Sector Support Investment Project Additional Finance (P146795, FY14); and its country-wide scale up through the new Health System Performance Reinforcement Project (P156679, FY16). The Government has expressed a clear commitment to a national scale-up of PBF, and Cameroon's successful approach is recognized internationally, opening the way to co-financing by the Global Financing Facility (GFF). The latter will support both PBF and a multi-sector high impact human development agenda, including nutrition interventions to decrease stunting. Scaling up PBF will require the mobilization of domestic resources, in order to ensure sustainability, and the rolling-out at the national level of the implementation mechanisms already in place in the regions currently covered. The United Nations Children Fund (UNICEF), the United Nations Population Fund (UNFPA) and the World Bank will assist Cameroon in establishing sustainable financing mechanisms, and are in the final stages of preparing a joint financing strategy for PBF. Cameroon is also part of the first wave of "Investing in the Early Years" countries, and will thus have a particular focus on improving the health, nutrition, education and developmental outcomes of young children.

Objective 3: Enhanced quality of, and more equitable access to, education

SDG 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all

Expected Outcomes:

- *Improvement in primary completion rate: overall, by education priority zone, and by gender*
- *Improvement in pupil textbook ratios for grades 1-5*
- *Improvement in pupil teacher ratio for grades 1-5 in northern regions*

63. Education is key to reducing poverty and inequality by fostering the productivity and diversification of Cameroon's economy, and to improve health outcomes. This is particularly true for rural areas, and for the northern regions where gross secondary enrolment rates are in the 20-30 percent range, compared to 66 percent nationally. Girls continue to experience discrimination, particularly those from the most socioeconomically disadvantaged groups and from the northern regions. Net primary attendance for rural girls is only about 65 percent, compared with 79 percent for rural boys and 94 percent for urban boys. Lack of basic education among women significantly influences maternal and child rates of morbidity and mortality. The

quality of education is also a serious overall issue, with declining learning outcomes since 2005 and primary completion rates still below 75 percent.

64. Uneven education outcomes are largely due to regional disparities in pupil-teacher and pupil-textbook ratios, but can also be explained by poor incentives. Student-teacher ratios range from a low of 32 in the Littoral region to a high of 82 in the Far North Region. Pupil-textbook ratios which overall are high at 12 to 1, reach up to 30 to 1 in northern regions. Unsurprisingly, adult illiteracy is very high in rural areas (57 percent), in the Far North (76 percent) and the North (66 percent). Incentives can also play an important role, as out of pocket costs can deter the poorest families from sending their children to school; they can also perceive education as conflicting with the need for children to perform chores, and schools may not have the flexibility to adjust to families' needs. Incentives are also important at the school level where poor management practices constrain student retention and learning.

65. The World Bank has been addressing these issues through the Global Partnership for Education-financed Equity and Quality for Improved Learning Project (EQILP, P133338, FY14). The project focuses on improving completion rates, equity and quality of primary education, in particular by recruiting teachers (currently paid by communities) through the Contract Teacher Program and by providing textbooks and other teaching and learning materials especially in the most disadvantaged regions of the country. These measures will have the dual effect of improving the supply of education as well as the demand for it, through a reduction of out-of-pocket costs.

66. Over the CPF period, the World Bank will continue to support expanded access to education, with focus on disadvantaged areas, and improved quality and equity. Beyond the ongoing EQILP, the World Bank will prepare a new Education Reform Support Project (FY18) that will: (i) build on the ongoing project and scale it up; (ii) support systemic improvements in textbook provision and teacher management to address key structural bottlenecks; and (iii) pilot a PBF approach in at least 400 schools in the northern regions, based on the results of a trust-funded pre-pilot PBF scheme already under implementation. The PBF scheme is expected to encourage better management at the school level, behavioral changes among staff and a greater focus on results, including girls' education. Improved school management and broader sector reforms will complement each other to achieve transformational results.

Objective 4: Expanded social safety nets

SDG 1: End poverty in all its forms everywhere
SDG 13: Take urgent action to combat climate change and its impacts

Expected Outcomes:

- *Increase in the number of direct beneficiaries from the public works program*
- *Increase in the number of households benefiting from cash transfers in the northern regions*

67. In complement to improving rural incomes, safety nets offer another pathway to rapid poverty reduction. Financing such a scheme need not be excessively expensive. Yet there is currently no social protection strategy in Cameroon. Nor are there any coordinated mechanisms

for providing targeted support to the poor. Targeted programs (excluding universal subsidies) cover only one percent of the population. As the coverage of existing programs is low and their targeting of the most disadvantaged groups ineffective, these programs have had only a very limited impact in terms of reducing household vulnerability and overall poverty.

68. Social safety nets could also help vulnerable populations adjust to shocks, including the effects of climate change, or conflict-related inflows of refugees and IDPs. Considering the expected effects on agriculture, the poorest people will be the most vulnerable to climate change. In the northern regions of Cameroon, increased temperatures and prolonged drought have already resulted in the migration of local populations in search of water and arable land. A more immediate source of vulnerability lies in conflict-related displacement which puts pressure on host communities. Social protection schemes could help the poorest populations build resilience and better cope with climate-related and other shocks.

69. Over the CPF period, the World Bank will continue support to safety nets, including cash transfer programs as well as public works programs. The World Bank's Social Safety Nets Project (P128534, FY13) includes a cash transfer program to boost human capital and productive investments of poor households and a pilot public works program which provides support to the most vulnerable households during the lean season. This project will reach 56,000 poor and vulnerable households in the Far North, the North, the Adamawa, the North-West, and the East regions (i.e. the poorest regions in Cameroon), and 5,000 urban households in Yaoundé and Douala. The program was recently restructured to target 6,000 families in communities hosting refugees and IDPs. Cash transfer programs will be closely coordinated with the health and education sector operations to ensure a comprehensive support to human development, and with the planned ICT sector operation to leverage mobile banking technologies for service delivery. In addition, safety nets will also provide access to productive activities such as agricultural development.

70. Going forward, the World Bank intends to support the expansion of social protection in Cameroon. First, it will consider scaling up the Social Safety Nets Project upon its closing scheduled in early FY19, if it performs satisfactorily. Second, populations living in the Far North region are expected to benefit, along with those of the other riparian countries, from the Regional Lake Chad Recovery and Development Project (P161706) currently being developed, which will focus on populations displaced by conflict as well as their host communities.

Objective 5: Improved access to local infrastructure

SDG6: Ensure availability and sustainable management of water and sanitation for all
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Expected Outcomes:

- *Increase in access to drainage*
- *Increase in the number of people with access to improved sanitation facilities*
- *Increase in kilometers of urban and rural roads rehabilitated*
- *Increase in access to electricity particularly in rural areas and in the northern regions*

71. Local infrastructure is an enabler, possibly a prerequisite, for poverty reduction and for a number of this CPF's objectives. The secondary and local road network, which is key to access markets, or education and health facilities, is little developed and in poor condition. For example, only 27 percent of the rural population has access to an all-season road within two kilometers of their home.[28] Access to water supply is insufficient and uneven: 75 percent of the population has access to improved water sources, but this is predominantly through standpipes and private wells as household connections are concentrated in cities, mostly Yaoundé and Douala. Besides, as a result of climate change and population growth, 25 percent of the population of Cameroon could face water shortages or water stress by 2050. Limited access to adequate sanitation is a serious health issue. In 2012, only 45 percent of the population had access to adequate sanitation facilities. In urban areas, sewerage systems and wastewater treatment from municipal and industrial activities are quasi inexistent, and on-site sanitation is the norm. Health impacts as well as environmental degradation, extreme flooding and groundwater pollution pose serious health risks in densely populated areas. Finally, access to electricity, an important driver of productivity, is only 55 percent country-wide, and less than 15 percent in rural areas.

72. The World Bank will continue to support increased access to local infrastructure through a range of ongoing and new operations that focus on reaching poor and under-served communities, with positive knock-on effects on access to health and education. The Third Community Development Program Support Project (P144637), approved in FY16, is a central tool as it has nationwide coverage and can flexibly support small-scale investment tailored to community needs, from road sections to water access, but also small scale health or education facilities. It also has an important local governance dimension, as discussed below. Several other ongoing projects finance local roads through some of their components, including the AIMDP, the Livestock Development Project, the Multimodal Transport Project (P143801, FY14), the CEMAC Transport and Transit Facilitation Project (P079736, FY07) and the Transport Sector Development Project (P150999, FY17). The World Bank is also preparing an Inclusive Cities Project (P156210, FY18) that would inter alia support local infrastructure in medium-sized cities, particularly in the northern regions (roads, access to water and sanitation). In terms of access to electricity, the World Bank will support improved access both in urban and rural areas under a dedicated project, which is discussed under Objective #6.

Focus Area Two: Fostering Infrastructure and Private Sector Development

73. As discussed in the SCD, a vibrant and more diversified private sector is central to Cameroon's achieving its development objectives, to achieve inclusive growth, economic diversification and macroeconomic stability. This is a multi-faceted endeavor to which the two other focus areas of this CPF are also expected to contribute. For instance, World Bank support to agriculture (objective #1) is not only important for rural development and poverty reduction, but is expected to help diversify production and exports. Similarly, reforms in the ICT sector, captured under objective #11 (improved sector governance) can unleash considerable private sector growth, both in the ICT sector itself and economy-wide through better and cheaper connectivity.

[28] Africa Infrastructure Country Diagnostic (World Bank, 2010).

74. This focus area targets key infrastructure services (energy and transport), the business climate including financial services, and the quality of the workforce as cross-cutting building blocks of private sector development. Cameroon ranks low on the 2015 Global Competitiveness index for the indicators related to economic infrastructure: 115th out of 140 countries on transport infrastructure, 124th on electricity and telephone infrastructure, 127th on ICT use and 98th on financial market development. Lack of access to energy and transport, the poor business environment, the limited availability and cost of finance, and inadequate workforce skills are consistently cited by the private sector as main obstacles to growth**.**

Objective 6: Increased national availability of electricity

SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all

Expected Outcomes:

- *Additional MW of electricity generated, with a focus on renewable energy and public private partnership arrangements*
- *Reduction in annual power outages*

75. The availability, reliability and cost of power supply remain important constraints to economic growth in Cameroon.[29] Installed generation capacity of about 1,200 MW is insufficient to meet a demand growing at 7 percent per annum, and continues to outstrip supply (especially during the dry season) by 80 - 100 MW. As a result, power outages are quite frequent at 160 hours annually. Although about 60 percent of generation is hydro-based, the cost of electricity remains relatively high: between US$0.15/kWh and US$0.18/kWh, slightly above the regional average of US$0.14/kWh, and well above the average of US$0.10/kWh for countries with hydro-based power systems. Availability and cost issues are compounded by high losses, in large part attributable to an outdated transmission and distribution system.

76. Cameroon's vast hydropower potential offers an important opportunity – as much as 12 GW of clean and relatively cheap energy - and could become the basis for a regional power pool. As a result of the reforms described earlier (Box 1), the sector is attracting private investors ready to finance important investments as IPPs, thus alleviating the burden of investment for public finances. Particularly noteworthy is the Nachtigal hydropower plant, under development by a private sector-led consortium, which will bring an additional 420 MW of installed capacity to the network.

77. In view of the Government's strong commitment to reform of the electricity sector, the WBG will continue and deepen its support to the sector. Energy is one of the sectors where the WBG can fully deploy its synergies as detailed in the 2014 JIP. The overarching objective of the JIP is to enhance energy access and reliability in Cameroon, with a focus on clean and renewable energy, and to support private sector provision and financing when possible. The WBG will also help the Government design and implement the next phases of regulatory reforms, which is discussed further under Objective #11.

[29] According to the World Bank's 2007 Investment Climate Assessment, two thirds of manufacturing firms cite power deficiencies as a constraint to doing business, leading to losses as high as 4.3 percent of annual sales.

78. Going forward, the WBG will help increase the availability of electricity through a mix of advisory services, financing of public investment, and support to private sector investment in the sector. The World Bank will help the Government coordinate the preparation of a US$1.2 billion extension and upgrade of the transmission network and its financing plan, of which IBRD's Electricity Transmission and Reform Project (P152755), approved on December 7, 2016, will provide US$325 million. This investment is essential to: (i) reduce losses; (ii) allow the evacuation of additional generation sites, failing which the private sector would not invest; (iii) permit further investment in transmission by the private sector itself; and (iv) pave the way for further progress in access to electricity. The World Bank will also finance an Electricity Access Project with a focus on northern regions, building on the achievements of the ongoing Energy Sector Development Project (P104456) (FY08), and of the new transmission project. On the generation side, the WBG is preparing the Nachtigal Hydropower Project (P114077, FY18), supporting a new 420 MW IPP on the Sanaga River through a combination of IFC investment including equity participation, and IBRD/MIGA guarantees. In parallel, the Hydropower Development on the Sanaga River Technical Assistance Project (P157733) (IDA, FY17) will improve the institutional capacity of the GoC for the sustainable development of hydroelectric resources on the Sanaga River, and identify additional hydropower sites and prioritize them on a least cost generation basis.

Objective 7: Improved transport and ICT services

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Expected Outcomes:

- *Reduction in the costs of road transport between Douala and N'Djamena*
- *Increase in rail freight volumes between Douala and Ngaoundere*
- *Further reduction in the average dwell time in Douala port*
- *Increased access to broadband internet services*

79. An efficient transport sector could enhance Cameroon's competitiveness and strengthen its role as a regional hub. However, unlike the energy sector, the transport sector is not operating in the context of a robust regulatory and institutional framework. An exception is the railway subsector, which has been operated by a reputable international concessionaire since 1999.

80. Road transport remains an important bottleneck to growth. Forty-eight percent of the paved, and 85 percent of the unpaved, road network in Cameroon is in poor condition, despite heavy investments. Funding mechanisms for maintenance are not adequate, particularly due to the lack of autonomy of the Road Fund. The lack of enforcement of axel weight regulations causes faster than necessary infrastructure deterioration. The poor state of the Douala-Ndjamena and of the Douala-Bangui road corridors exacerbates the relative isolation of the northern and East regions and negatively affects Cameroon's potential as a transport hub providing Chad and the

CAR with maritime access. In addition, high road transport prices[30] reflect monopolistic practices allowed by inadequate regulations.

81. By contrast railway services perform relatively well. The railway service plays a critical role in serving northern Cameroon, Chad, and the CAR. The private concessionaire CAMRAIL competes directly with road operators in both domestic and international freight. In 2013, tariffs per ton-km and per container were approximately 20 percent lower by rail than by road. Competition with road transport helps contain road transport costs and curb excess loads on the main road corridors. Rolling stock and the rail track infrastructure are gradually being renewed. Rail transport also has a positive impact on overall transport security, and helps mitigate GHG emissions.

82. An efficient Port of Douala could be a key source of growth, lowering the price of imports including intermediate goods for domestic production and making exports more competitive on foreign markets. It would also enable Cameroon to develop its natural comparative advantage as a regional hub. However, the port's general infrastructure is publicly operated and ranks amongst the worst in Africa in terms of efficiency. The cost of importing a container through Douala is high and overall dwell times are long (17 days vs 4-5 days for efficient ports), causing congestion partly because the port is used as a cheap place of storage.

83. ICT services remain unaffordable and inaccessible to a large portion of the population, limiting inclusive growth and resiliency to shocks. The broadband internet sector in particular is still in its infancy and lags behind the rest of the region. While mobile technologies are allowing many African countries to experience an explosive growth of internet penetration, the ownership of smartphones remains the exception in Cameroon, and mobile internet networks (3G/4G) exhibit low penetration rates, especially among low-income and rural populations. Sector development is penalized by high retail market prices[31] resulting from the quasi-monopoly of the historical operator, CAMTEL, on access to the international broadband network landing stations and to the national backbone.

84. The World Bank will stay present in the transport sector through the implementation of the existing portfolio, but will not increase its engagement, at least initially. The large CEMAC Transport and Transit Facilitation Project (P079736) (FY07, US$650 million to rehabilitate the Douala-Bangui and the Douala-N'Djamena road corridors) is intended to foster regional trade and integration in the sub-region, but it will also benefit in-Cameroon connectivity particularly with the northern regions. The Multimodal Transport Project (P143801) (FY14) complements the previous project while adding elements of internal connectivity such as intermodal platforms, selected improvements to the rail network, and road security. Finally, the recently approved Cameroon Transport Sector Development Project (P150999) (October 2016) will focus on rehabilitating the Yaoundé-Bamenda road linking Cameroon and Nigeria, and will contribute to improving maintenance practices through output-based contracts.

[30] In the order of US$0.13 per ton-kilometer, well above the US$ 0.04 to 0.05 per ton-kilometer in southern Africa or the rest of the developing world.

[31] The cost of broadband internet access is the second highest in all of Africa and ten times higher than the average cost for coastal countries in SSA.

85. The World Bank will scale up its engagement if regulatory and institutional reforms are undertaken. A first area of engagement considered by the World Bank is the ICT sector, where the authorities are keen to reposition the historical operator and to liberalize access to the international broadband network and to the national backbone. The World Bank would support progress in these directions through the ICT Sector Reform Project (FY18). A second area could be the railways sector, should the sector continue to be operated under a satisfactory PPP arrangement. Investment options could include: (i) linking the new Kribi deep sea port to the existing rail network; (ii) modernizing the Yaoundé-Douala connection; or (iii) renovating the northbound connection to Ngaoundere (in the Adamawa region), which is seriously deteriorated. As rail infrastructure involves very large costs, any World Bank involvement would be triggered only by: (i) agreement on a comprehensive, economically grounded and carefully sequenced, multi-year plan; and (ii) a review of the current concession arrangements, from the point of view of the contractual obligations, duration, geographic coverage and regulation.

86. In the roads sector, further World Bank engagement is unlikely at this point. However, it could be triggered by reforms to promote competition among transporters and freight-forwarders to reduce transport costs; by better enforcement of axel weight regulations; and by a reform of the Road Fund to secure adequate financing of road maintenance and to protect its managerial autonomy. In the ports sector, the World Bank has had limited engagement so far, with the exception of customs procedures where it helped create a successful one-stop shop. The World Bank could engage in a policy dialogue and technical assistance should the authorities be ready to review the current institutional arrangements, including the role and resources of the Port Authority and the existing concessionaires, with a view to increasing` efficiency, and reduce dwell times and costs.

Objective 8: Improved business environment and access to financial services

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Expected Outcomes:

- *Reduction in the number of days to register an enterprise and to start a business*
- *Reduction in the number of payments of taxes per year*
- *Establishment of a credit bureau, and its coverage in terms of number of firms*

87. In addition to the constraints associated with inadequate infrastructure services, doing business is negatively affected by regulatory constraints; by insufficient access to finance; by uncertainties associated with land acquisition which are a deterrent for strategic investors; and by the scarcity of adequate skills on the labor market. Regulatory constraints are documented in the 2017 DBI, which places Cameroon 166th out of 190 countries, and by Transparency International's Corruption Perception Index, which ranked Cameroon 136th out of 175 economies in 2014. Lack of finance for both the acquisition of equipment and working capital is a key constraint in the development of manufacturing industries. Finally, while Cameroon has a dynamic entrepreneurial class and a workforce with relatively good basic education, there is a skills mismatch which could be alleviated by training and skills development activities (see

objective #9 below). These inefficiencies are reflected in low productivity of the economy (as measured by the contribution of TFP to growth) and in low levels of FDI (a net outflow).

88. During the CPF period, the WBG will build on the strong cooperation established with the Government, particularly by IFC, to further help design and implement reforms that will improve the investment climate and competitiveness, including trade facilitation. IFC has been co-chairing with the Government the Cameroon Business Forum which adopted a comprehensive action plan in March 2016. An important measure, the reduction to 100,000 FCFA of the minimum capital required to create a limited responsibility company, was already adopted. The WBG will further assist with the implementation of key actions adopted, including: (i) submitting land title procedures (transfer, division) to mandatory deadlines; and (ii) full implementation of the reforms concerning real estate transactions. The World Bank will also support the trade facilitation agenda, particularly the improvement of the one-stop shop for customs transactions in Douala; and, through its large transport portfolio, the effective implementation of the uniform transit regime[32] adopted in principle by CEMAC. At the regional level, the WBG will also continue to work with the African Organization to Harmonize Business Law (OHADA) to implement the revised Uniform Act on Commercial Companies, adopted in 2014[33], and will prepare a successor to the current Improved Investment Climate within OHADA Project, under IDA's Regional Integration Window.

89. The WBG will also support improved access to finance. At the regional level, the WBG has been working with BEAC and other CEMAC institutions under the CEMAC Institutions Capacity Building Project, now closed (P099833), inter alia to help establish a credit bureau, as well as collateral registry to enable the use of movable property as collateral. The credit bureau initiative is expected to have an important impact on financial inclusion and access through greater availability of credit history of SMEs, individuals and individual enterprises. In addition, the WBG has also been working to develop microfinance by helping the BEAC prepare a Financial Consumer Protection and Financial Education Program. Beyond these ongoing activities, the World Bank will prepare a successor (P161368, FY18) to the CEMAC Institutions Capacity Building Project, which closed in February 2016. This project is expected to support regional statistics, payments systems, oversight of banking institutions, financial inclusion, mobile banking, as well as strengthened governance of the BEAC.

90. Going forward, IFC will look into providing support to banks to expand their SME programs, including through financial instruments and leasing, and with particular attention to women. SMEs are at the core of a vibrant private sector and IFC has been supporting key banking players in Cameroon while promoting SME capacity building, with tools such as Business Edge and SME Toolkit. Women's limited access to credit restricts their economic opportunities and confines them to insecure livelihoods. About 23 percent of women are self-employed in the informal sector where access to credit is one of the top constraints facing businesses[34]. Cameroon's legislation does not discriminate directly against women, but indirect

[32] Whereby customs formalities completed at one point in the CEMAC area are valid throughout the whole area.
[33] The Uniform Act on companies is designed to simplify the incorporation of companies, to facilitate their access to market finance, and to improve their governance.
[34] In the 2017 Doing Business report Cameroon ranked 133rd on access to credit.

factors – such as women's restricted capacity to offer guarantees - make it difficult for them to gain access to bank loans. As a result, streets and market places are increasingly dominated by women, while modern shops, industries and offices are almost exclusively in male hands.

91. IFC will also continue to promote leasing finance. IFC's current leasing program represents a flagship advisory project given its strong SME franchise component. Deepening the leasing program will extend the range of funding options available to SMEs. It will also help strengthen the resilience of the financial sector. In addition to considering dedicated IFC investment in the domestic leasing sector support will be provided through three key activities:

- Technical assistance to leasing practitioners; to engage and dialogue with the insurance sector to address the challenges of non-payment of the insurance premium for leasing transactions.
- Investors' forum to bring together potential investors across the region, development finance institutions, leasing practitioners and government agencies to create additional interest to fund and scale up leasing activities; followed by supporting specific business to business opportunities in leasing.
- Business development support to leasing practitioners to identify potential investment pipeline opportunities in the leasing sector.

Objective 9: Increased supply of skills demanded by the labor market

SDG 4: Ensure inclusive and equitable quality education; promote lifelong learning opportunities
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Expected Outcome:

- *Increase in TVET student enrollment in priority sectors, overall and by gender*

92. There is a mismatch between the technical skills required by the growth of priority sectors and those available among graduates of secondary and higher education institutions. For instance, engineering programs represented only 5 percent of tertiary enrollment in 2010. Less than 0.4 percent of students study agriculture despite agriculture being a main source of growth and livelihood in the country. By contrast, about 70 percent of total tertiary enrollment is in economics, management, law, and social sciences, which train students for a public rather than a private sector career. Girls are not only less enrolled in technical and vocational education training programs than boys but represent less than 25 percent of the enrollees of industrial programs. Consequently, graduates of tertiary education face unemployment rates of about 25 percent. Those with the right qualifications tend to enjoy a high rate of return, pointing to scarcity of such qualifications. Youth unemployment, which results from skills mismatches, is an important source of social and political fragility.

93. The World Bank will support the development and implementation of a more coherent strategy for addressing technical and vocational skills gaps. Currently, the World Bank is present only through the Centers of Excellence Project (P126974) (FY14), financed under IDA's Regional Integration Window. The project supports a number of centers of excellence in

the Africa region including, in the case of Cameroon, the ICT department of the Yaoundé 1 University. The World Bank will prepare a new Skills Development Project (FY19), which would improve sector governance through the introduction of a performance-based approach, and support increased employer participation in skills centers and in the development of curricula for both short and longer-term programs and with special attention to female participation. The project would focus on offering skills that better match future job opportunities and it is envisaged that it would not only target the flow of students but also the current stock of out of school youth, including women.

Focus Area Three: Improving Governance

94. The proposed approach to governance reforms is pragmatic. As pointed out by the SCD, weak governance considerably affects efforts to promote shared prosperity and reduce poverty. However, fundamental improvements, especially at central government levels, are unlikely to materialize on a broad front. Deep-seated political and institutional rigidities cannot be undone quickly. Moreover, the CPF will span the run-up to the 2018 presidential elections, a period during which the political will to implement reforms which may affect vested interests will be limited. The success of the FY17-FY21 CPF will depend, therefore, on its ability to achieve progress in governance in the face of significant political challenges. WBG and DPs will need to work with the political and institutional grain rather than attempting to support an ex-ante defined program of wholesale reform. Taking into account the lessons from past experience in the area of governance reforms, it will also be important to maintain flexibility and identify additional opportunities for reforms as they arise.

95. The governance focus area has three objectives: more efficient public expenditure and service delivery; improved regulation in key sectors; increased citizen engagement in service delivery.

Objective 10: Improved efficiency of public expenditure and service delivery

SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Expected Outcomes:

- *Increase in the share of central public investment derived from Local Development Plans*
- *Increase in the number of local councils publishing annual accounts*
- *Increase in execution rates of local councils' investment budgets*
- *Improved performance in health PBF districts*
- *Improved performance in PBF schools*

96. Major deficiencies exist along the public finance chain, from the identification of public expenditures to their execution. Upstream, a first issue is the selection, sequencing and economic evaluation of the public investment program (PIP). Considering the DSCE's heavy emphasis on infrastructure investment, and the mounting public debt, it is critical that any publicly financed infrastructure be selected based on high return and rapid contribution to GDP growth, including complementarity with existing infrastructure. Also, sustainability of investment

spending requires that maintenance costs be adequately provided for. In the past, some investment decisions may have been made on the basis of financing opportunities, or political considerations as opposed to informed strategic planning and economic assessment. Important investments have also sometimes been undertaken without being integrated in the regular budget preparation process.

97. Public expenditure allocation, particularly but not only from a spatial perspective, is inequitable. The wide disparities in human development outcomes between northern regions and the rest of the country identified by the SCD are correlated with spatially biased social and investment public expenditure. In recent years, northern regions have benefited from increased policy and budget focus, including World Bank-financed programs such as social safety nets, performance-based health financing, and an emergency program against floods, but these efforts need to be sustained and become part of a coherent medium-term plan.

98. Despite the adoption of a number of legal measures in recent years, the core problems identified in the 2007 Public Expenditure and Financial Accountability (PEFA) assessment remain unsolved. Program budgeting, introduced in 2013, is not yet fully put in practice. Implementation of the PIP suffers from inconsistencies between initial allocations, effective availability of funds, and procurement plans. Procurement is also an issue. To address efficiency and corruption, a 2012 reform assigned most of procurement decisions to a new dedicated ministry. Yet, inconsistencies in, and fragmentation of the legal and institutional framework, as well as weak capacity have resulted in confusion, overlapping mandates, inefficiencies and implementation delays.

99. By contrast, progress has been made at the local and decentralized levels, albeit still on a small scale. Under a 10 year old 'participatory development program' supported by the World Bank and other DPs, municipalities have learnt to formulate development plans and their priorities are either financed out of their own budgets or, increasingly, are reflected into the national budget. The program has also developed feedback mechanisms from beneficiaries. PBF in the health sector has considerably improved service delivery at the basic level, as reflected by impressive increases in satisfaction rates for participating facilities.

100. Public finance reform is an area where the Government has explicitly requested assistance and is committed to progress with a focus on its ambitious infrastructure program. In this context, the CPF program proposes first to update our analytical base. The World Bank will undertake a public expenditure review (PER) as a high priority (FY18) to underpin our dialogue on macro-economic risks, public investment management, and efficiency and equity in public expenditure allocation. A PEFA assessment will be financed by the EU in the same period, which will help assess PFM processes.

101. Building on the PER and the PEFA assessment, the World Bank will support the Government in its efforts to strengthen public financial management. It will support a Public Finance Management for Service Delivery Reform Project (P151155) (FY18), which will help the Government improve general budgeting, strengthen the PIP preparation process and streamline procurement. The project will also support scaling up PBF in the health sector and its extension to

the education sector. At the local level, through the ongoing Third Community Development Program Support Project (P144637) (FY16), the World Bank will help strengthen PFM for communes, including efforts to ground local investment projects financed by the national budget in local development plans so that they reflect local needs. It will also help finance the installation of a local public finance accounting system and encourage better alignment between budgets and executed expenditure.

Objective 11. Improved regulatory and institutional framework for key sectors

SDG7: Ensure access to affordable, reliable, sustainable and modern energy for all
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
SDG 13: Take urgent action to combat climate change and its impacts

Expected Outcomes:

- *Establishment of an operational National Electricity Transmission Operator*
- *Increased use of the Road Fund*
- *Improved transparency in mining sector management*
- *Improved urban management, planning and support to decentralization*
- *Strengthened capacity in REDD+ issues*

102. Conducive regulatory and institutional frameworks are central to a strategy of economic growth and diversification, and can also alleviate public finance constraints. They are key to implementing a cascading approach, attracting private investors and accelerating investment in cross-cutting services such as transport, energy, water and ICT, resulting in direct sector growth and economy-wide benefits. Finally, they are essential to maximize and sustain the economic and social returns of infrastructure investment. A case in point is the roads sector where an inadequate regulatory framework, weak enforcement of axel weight control, and the poor functioning and resourcing of the Road Fund all contribute to very high transport costs relative to the rest of SSA. While these sectors are key for private sector competitiveness, and for citizens' welfare in the poorest regions, they require considerable investment. The expansion and upgrading of the electricity transmission network (Objective #6) will cost US$1.2 billion, or about 4 percent of GDP. The total cost of all railway projects envisaged by the Government – over the lifetime of Vision 2035 – has been estimated in the order of US$25 billion, or about one year of GDP. PPPs can help accelerate the realization of projects in a fiscally responsible way, but they require a conducive regulatory and institutional framework, including competition and a level playing field, credibility of public sector authorities, transparency of the rules of the game, and independent and competent regulatory authorities.

103. The WBG will support the Government in pursuing regulatory reform in key sectors but will tailor its approach to the appetite for reforms and the presence of champions for change. Cognizant of the significant barriers to reform, including resistance by core elites, the WBG will focus efforts on sectors where there is clearly potential for progress. One important such sector is energy, in which the large portfolio under implementation, the recently approved Electricity Transmission Reform Project (P152755) (FY17), and the upcoming Hydropower

Development on the Sanaga River Project (P157773) (FY17), and possible Development Policy Operations (DPO) will all support further sector reforms. Issues to be addressed are the adherence to least cost development planning, the implications of the unbundling of transmission for the tariff structure, the full and timely compensation by the budget for tariff increases approved by the regulatory authority but not accepted by the Government, and the implicit subsidy to the aluminum sector resulting from a preferential tariff well below market costs. Support to resolving these issues will contribute to de-risking the sector and will reinforce the cascade approach between the World Bank and IFC by creating further opportunities for private sector investment.

104. In the transport sector, the World Bank will pursue reforms through the existing portfolio. In particular, the Multimodal Transport Project (P143801) (FY14) will support increased use and autonomy of the Road Fund, possibly by reintroducing some of the key features of a 'second generation' Fund, which once were in place but were discarded for budget constraint reasons. It will also support the introduction of output-based maintenance contracts with private sector operators. The railways concession has been functioning reasonably well, leading to significant improvements in the quality and reliability of freight and passenger service between Yaoundé and Douala. However, the concession's contractual provisions and the quality of sector regulation leave room for improvement, particularly if further investment is to be undertaken and supported by the World Bank.

105. Mining is another area where there is already a track record. The Mining Sector Technical Assistance Project (P122153) (FY12) has financed an airborne geophysical survey, a prerequisite to a modernized management of mining titles; a far-reaching Strategic Environmental and Social Assessment (SESA); and a website developing social accountability in the sector. The World Bank will extend this support through an AF (P160917) (FY17) which will deepen these achievements and bring an additional focus on land use planning and artisanal mining.

106. In the urban sector, the World Bank will help support improved urban management and planning through a new Inclusive Cities Project (P156210) (FY18), and further down the line a Competitive Cities Project (FY20). These projects will inter alia support the preparation of city development contracts that will include asset management plans.

107. The World Bank will provide support in the area of conservation, management of natural resources, and climate change. It will help strengthen the Government's capacity to mitigate (through REDD+) and adapt to climate change, across multiple sectors. One such area could be support to the wood value chain in the East Region, which the Government aims to develop in a sustainable manner. Under IDA17, Cameroon was one of the 25 countries which the World Bank helped to develop multi-sectoral plans and investments for managing climate and disaster risk in development. Work is now underway to identify: (i) key disaster and climate risks of concern in each sector; (ii) options for vulnerability reduction for each sector and from a crosscutting perspective; (iii) comparative advantages of different partners to support actions; and (iv) a proposed strategy and road map for inclusion of climate change adaptation and disaster risk management priorities as part of the WB portfolio through pipeline and future projects.

Objective 12: Increased citizen engagement at local level

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Expected Outcomes:

- *Increase in the use of users' surveys at local council level*
- *Increase in satisfaction rates of beneficiaries for local investment*

108. Access to information in Cameroon is insufficient to enable effective oversight of the Government. This reduces the accountability of politicians and policymakers. Grievance redress mechanisms and space for constructive political contestation are limited. The incentive to respond to citizens is undermined by a narrow tax base. Service delivery is consequently often unsatisfactory. A dynamic process of improving services to justify governance and a broader tax base is therefore lacking.

109. Cameroon has introduced a number of initiatives to promote greater budget transparency, particularly at local and municipality level. For example, the Government has introduced an innovative procedure to enable citizen oversight of the capital budget. Since 2006, multi-stakeholder committees have existed at local levels in which citizens, mayors and parliamentarians are invited to review the physical and financial execution of the Public Investment Budget on a quarterly basis. The quality of information on physical execution, both at local and national levels, has improved greatly as a result. This has helped increase the efficiency of audits and reduced the number of 'ghost projects'. It has also contributed to improvements in the investment execution rate. Finally, in districts where civil society organizations (CSOs) have been actively engaged in monitoring, not only the execution rate, but also the quality of execution has improved.

110. The WBG will support the Government to extend its efforts in this area. Through the ongoing Health Sector Support Investment Project (P146795) (FY08 and FY14 AF), the Health System Performance Reinforcement Project (P156679) (FY16) and the Third Community Development Program Support Project (P156679) (FY16), the World Bank will support local councils' efforts to undertake user surveys and hence promote greater local accountability. It will also build in beneficiary feedback systems, and track them, more systematically in programs funded by the World Bank.

E. Implementing the FY17-FY21 Country Partnership Framework

E 1. Instruments and Financial Envelope

111. While the proposed CPF lays out principles of engagement for the coming five years, it does not define specific instruments beyond the initial two-three years. The main reason for this is the degree of uncertainty as the country approaches the presidential elections of 2018, and as the security situation in the northern regions evolves. This may impact development policies. It is thus proposed that a Progress and Learning Report (PLR) be prepared two years into

implementation of this CPF (FY19), to take stock of political and security developments, as well as early results.

112. The WBG will use the full range of instruments available in such a way as to make the best use of its comparative advantage. As discussed in the selectivity filters section, the WBG can make the greatest difference when it: *(i) supports policy, regulatory, and institutional reforms*; *(ii) provides support at scale leveraging the strengths of the entire WBG and collaborations with other DPs;* and (iii) *provides integrated multi-sector solutions to multiple poverty traps in the poorest regions.* Depending on the relative importance of these three objectives in specific situations, the WBG will use development policy financing; results-based instruments such as PBF or Program for Results (PforR); or financing solutions combining Investment Policy Financing (IPF), and risk, credit or other guarantees from all WBG entities, as well as IFC equity and lending finance. For instance, under the current macroeconomic circumstances, the World Bank may consider preparing a DPO or a DPO series to support a strong package of fiscal and sector reforms addressing binding constraints to growth and poverty reduction. Tentatively, a DPO series could focus on increasing competitiveness by supporting critical reforms in energy, ICT, transport and/or trade facilitation. In social sectors, the World Bank has started with success to support reforms through PBF, and is proposing to use that instrument and/or PforR beyond the health sector, e.g. for the Education Reform Support Project and for the Skills Development Project. The CPF also envisages using IPFs, preferably as part of comprehensive financing solutions. That instrument has been effective to support policy and institutional reforms when used at scale and as part of financing solutions involving the WBG and DPs. This is expected to be the case for instance in the electricity and the agriculture sector, and possibly in other areas where the Government would be ready to develop PPP solutions such as ICT.

113. The WBG will use the various windows available to Cameroon under IDA18, with a view not only to maximize, but also to optimize and to integrate the use of those resources. Under IDA18, five different windows are relevant for Cameroon: the national performance-based allocation (PBA), the Regional Integration Window (RIW), the Refugees Window (RW), the PSW, and the Crisis Response Window (CRW). [35] The CPF plans to use all available facilities as follows. First, it would draw on the RIW in two fashions: (i) on a stand-alone basis for specific capacity building projects with regional organizations, the AF for the Improved Investment Climate in OHADA Project and the Strengthening CEMAC Institutions and Financial Intermediation in the CEMAC Region Project (P161368); and (ii) blended with PBA for the ID for Development Project, and the Building Resilience in the Niger River Basin Project. The RW would be tapped to support the Regional Lake Chad Recovery and Development Project (P161706), which will support livelihoods for refugees, IDPs and their host communities, but will be blended with PBA and/or the RIW as IDPs, who should not be excluded from the project, are not eligible under the RW. The local currency, blended finance, and risk mitigation facilities of the PSW, tentatively, would be considered to finance agribusiness and MSMEs through local banks, and to support private sector solutions to electricity access in Cameroon's fragile and conflict affected areas, i.e. the Far North, North, Adamawa, and East regions. This coordinated approach would build on the Building Resilience in the Niger River Basin Project, in which case it would be blended with the RI and possibly the PBA windows; through the Access to Electricity

[35] The Scale Up Facility will not be available to Cameroon as long as it remains in high risk of debt distress.

in Northern Regions Project; and through AF to the ongoing Livestock Development and AIMDP Projects.

Table 2 – FY17-21 Indicative IDA and IBRD Lending

	IDA 17	IDA 18		
US$ million	FY17	FY18	FY19	FY20
IDA 17 (FY17 balance)	**150**			
Livestock Development Project	100			
Mining Sector TA Project (AF)	27			
Hydropower Development on the Sanaga River Project (TA)	23			
IDA 18 - Indicative Amount * (includes national contribution to regional integration projects listed below)		**250**	**300**	**125**
Inclusive Cities Project		160		
PFM for Service Delivery Reform Project		30		
Education Reform Support Project			100	
Skills Development Project				50
Access to Electricity in Northern Regions			150	
ICT Sector Reform Project		40		
IBRD (indicative beyond FY17)	**517**	**500**	**400**	**500**
Transport Sector Development Project	192			
Electricity Transmission and Reform Project	325			
Nachtigal Hydropower Project (guarantee)		300		
Climate Smart Agriculture/Livestock Development Project			200	
Competitive Cities Project				300
Development Policy Operation		200	200	200
IDA 18 Regional Integration Window Projects		**20**	**50**	**75**
With National IDA contribution				
Regional Lake Chad Recovery and Development Project			50	
Building Climate Resilience in the Niger Basin Project				75
ID for Development Project		20		
Without National IDA contribution				
Strengthening CEMAC Institutions and Financial Intermediation in the CEMAC Region Project				
Improved Investment Climate within OHADA Project (AF)				

** US$ amounts are indicative as IDA18 country level allocations have not been finalized; also, IDA allocations are expressed in SDRs (Special Drawing Rights), whose exchange rate to the dollar may fluctuate.*

114. The level of resources available to Cameroon during the CPF period is expected to remain at least comparable to, if not higher, than during the last few years. Cameroon regained eligibility to borrow from IBRD in April 2014, and is expected to retain access to IDA at least during IDA18. IDA18 replenishment discussions indicate that Cameroon's envelope might be higher than during IDA17. IBRD's FY17-FY18 pipeline is reasonably firm and is estimated at

over US$1 billion (see Table 2 for a detailed breakdown). Areas of engagement and actual IBRD lending volumes over the course of the CPF will depend on country demand, overall performance and global economic and financial developments, which affect IBRD's financial capacity and demand by other WBG borrowers.

115. The World Bank's ASA program in Cameroon will be using a combination of hands-on technical assistance, impact evaluations, policy notes and broader reports to support the ongoing program and dialogue, and prepare future operations where knowledge gaps exist. The SCD has been recognized by stakeholders as a work of reference which has largely informed this CPF. Policy notes on textbooks, energy, water supply, ICT reforms, procurement, and involuntary resettlement have recently been prepared, and helped advance dialogue on reforms as well as improve portfolio implementation. The proposed ASA program going forward follows the same principles, and is presented in Table 3 below.

Table 3 - Tentative ASA program

Completed
SCD; Policy Notes on reforms on Textbooks Policy, ICT, Procurement, and Involuntary Resettlement and Land Acquisition.
Ongoing in FY17
Country Economic Memorandum
Impact Evaluation for Health Sector PBF
Skills Policy Note
Building Productive Safety Nets
Rural Community Based Land Tenure Models
Policy Note on Reforms in the Electricity Sector
FY18
Public Expenditure Review
Recovery and Peace Building Assessment
Social Protection PER
Climate Smart Agriculture and Livestock Production in the Northern Regions
Civil Service Assessment
Increasing the Competitiveness of the Transport Sector
Urban Sector Review and Poverty Assessment
Feasibility Assessment for PBF in Basic Education
FY19
Enhanced Impact Evaluation for Health Sector PBF
Agriculture Index Insurance Feasibility Study
Secured Transactions Feasibility Study
Assessment of State Owned Enterprises with a Focus on the Agriculture Sector
Land Administration and Land Use Planning

116. IFC could substantially increase its committed portfolio provided that market conditions are conducive. As of January 2016, IFC had a US$104 million committed portfolio in Cameroon, mostly concentrated in the energy sector and financial intermediation. IFC's investments are highly complementary to the World Bank's portfolio, particularly in the energy sector through a JIP, but also concerning support to financial intermediation. For instance, IFC is integral part of the agriculture sector value chain approach supported by the World Bank, as it finances credit lines through local banks. IFC's support to the energy sector is slated to increase further as part of the integrated WBG approach, particularly as the Nachtigal hydropower project materializes. IFC will continue to support the development and implementation of reforms that improve the investment climate and support the private sector. IFC and the World Bank will work particularly closely to unlock IDA18 PSW resources for private sector solutions in Cameroon's fragile and conflict-affected regions.

E 2. Procurement and Financial Management Arrangements

117. Public sector management in Cameroon still suffers from a lack of transparency and accountability, corruption and weak budgetary and financial management. Successful delivery of the FY17-FY21 program will depend on a combination of approaches by the WBG: (i) greater reliance upon results-based interventions, as described earlier for the health, education and possibly skills sectors; (ii) directly addressing the root causes of shortcomings in procurement and PFM through a new Public Finance Management for Service Delivery Reform Project, which intends to introduce PBF approaches in the procurement and PFM areas; and (iii) deepening the dialogue over implementation issues developed over the last few years, which allowed not only to improve significantly disbursement rates, but to identify and start addressing structural issues in procurement and compensation under safeguard policies.

E 3. Operating in Fragile and Insecure Environment

118. There is a strong, two-way relationship between insecurity and development outcomes. Only by securing development can the cycle of fragility and violence be stopped. The WBG, in coordination with the Government of Cameroon and other development partners, has a central role to play in bringing the security, humanitarian, and development responses together to smooth the transition from conflict to peace and to embed stability, so development can take hold. The CPF proposes bold and innovative approaches that meet the specific circumstances of engaging in insecure areas. These will include changes in the way we allocate our program and approach the project cycle from design to evaluation, as well as in the way we coordinate not only with our "traditional" development partners, but also with the humanitarian community.

119. The World Bank already has a large engagement in Cameroon's fragile and insecure areas, and will expand it further under this CPF. The World Bank has long worked in the northern regions, but over the last two to three years it has stepped up its engagement in response to the authorities' request to DPs for further support. As of December 2016, 14 out 22 projects in the portfolio included interventions in northern regions, with net commitments representing about 40 percent of total portfolio. While a few of the World Bank interventions are large footprint projects such as the CEMAC Transport and Transit Facilitation Project, or the Emergency Flood Project, most of them focus on working at the community level and building resilience (e.g., the Social Safety Net Project, the Third Community Program Development Support Project, the

Health Sector Support Project, the Agriculture Investment and Market Development Project or the Livestock Development Project). The FY17-FY21 CPF proposes to expand this support further, with the Access to Electricity in Northern Regions Project, the Basic Education Support Project, the Building Climate Resilience in the Niger Basin Project, and the Regional Lake Chad Recovery and Development Project.

120. Analytical work will identify root causes of insecurity and propose concrete strategies to address fragility and displacement, and improve stability and livelihoods through better access to services and economic opportunities. The World Bank will undertake the analysis in full coordination with development and humanitarian partners, and in particular with UN agencies who are active in providing immediate humanitarian support in fragile and insecure areas. Analysis will build on the SCD, which highlighted that Cameroon's most fragile areas are also its poorest and most vulnerable, and which incorporated the results of a fragility assessment prepared jointly by the World Bank and the AFD. It will further build on the recently completed Regional Forced Displacement Assessment. The World Bank has launched a Recovery and Peace Building Assessment (RPBA), in cooperation with the UN and EU. The RPBA will focus not only on the physical reconstruction needs, but also on the peace building objectives that can be achieved through understanding the social fabric of communities, as well as factors of fragility and resilience. The World Bank will also selectively target relevant trust funds, such as the State and Peacebuilding Fund (SPF), with the aim to fill gaps and increase synergies in our program.

121. Project design will begin with effective and extensive engagement at the local level. Engaging more with marginalized groups will be a key part of building inclusive governance in the longer run. Important groups to engage with include local administrations, traditional leaders and community-level institutions. Key stakeholders also include women and youth, agricultural and pastoralist communities, IDPs, host communities, refugees and community land representatives. Pragmatic, simple citizen engagement mechanisms will be established to cover the entire portfolio. Additionally, adopting an opportunistic approach to design in a difficult environment such as northern Cameroon will be particularly important. New projects will build upon successful experiences with decentralization approaches and PBF. For example, the new Inclusive Cities Project will build on results from the Third Community Development Program Support Project, and from the Health System Performance Reinforcement Project. All projects active in areas with populations displaced by the conflict will seek to target IDPs and their host communities as beneficiaries. To the extent possible, the WBG is retrofitting the existing portfolio through restructurings or additional financings to bring rapid emergency responses to immediate needs of populations.

122. Project implementation arrangements will be adjusted to the security context. The need to act now will require the World Bank and its partners to be less risk averse and accept pragmatic approaches that are "good enough" and fit for purpose, while at the same time designing appropriate risk management mechanisms. The World Bank will extend its approach of operating through partners that already have a presence on the ground. These include UN agencies that are already on the ground with offices and staff; NGOs with proven delivery capacity and a local presence; and those communities and community-based organizations which can ensure better delivery as well as better social accountability. The World Bank will also continue to seek

synergies by extending already tested implementation arrangements throughout the portfolio, e.g. the implementation platform of the Third Community Development Program Support Project. Appropriate procurement approaches will include dividing larger lots into smaller ones; relaxing qualifications and eligibility constraints; increasing the ceiling for National Shopping / National Competitive Bidding (NCB); sole sourcing or direct contracting in certain cases; clarifying security constraints in the bidding documents; and including additional security costs upfront. Effective cooperation with local police and gendarmes will be critical, along with the *comités de vigilance* at the village level, the army and the *Bataillon d'Intervention Rapide* (BIR). In specific situations such as large footprint infrastructure projects, an agreement between the ministry in charge and the Ministry of Defense may be needed to ensure army protection of the sites, and sometimes project implementation. In the Far North Region the World Bank has developed a new and innovative 'Output Based Designated Force Account' arrangement, under which the Cameroon 'Army Corps of Engineers' (ACE) will carry out the rehabilitation of the Mora-Kousseri road, under the CEMAC Transport and Transit Facilitation Project. In addition to allowing the Ministry of Public Works to procure the services of ACE through a Force Account method for civil works, the proposed arrangements will include involvement of regular military forces during the rehabilitation works to protect the Project staff and sites from insurgent (Boko Haram) attacks. These implementation arrangements present specific reputational, implementation, fiduciary and social risks, for which a comprehensive risk mitigation framework has been developed.

123. Supervision, monitoring and evaluation will be tailored to the likelihood that the Far North region will remain an insecure region throughout the next few years. Building on experience with project supervision in other insecure areas throughout the world, the WBG will extend its menu of supervision options in a number of ways including: remote implementation support and reverse missions; use of third party monitoring agents; and engaging local Government structures, traditional leaders, community-based organizations and local civil society. Building on the successful experience of the Flood Emergency Project, which is using a combination of satellite imagery and social media monitoring, the WGB will explore expanding the use of ICT-based technologies, including geotagging, use of drones and unmanned aircrafts, satellite imagery, and portfolio-wide feedback and grievance redress mechanisms relying on handheld communication devices such as mobile phones, smartphones and tablets. Third-party monitoring and fiduciary monitoring agents, as well as the additional costs of using ICT, will place significant additional pressure on implementation support budgets.

E 4. Managing Risks to the CPF Program

Political and governance risks

124. Cameroon has for a long time enjoyed relative stability, but insecurity has increased sharply in recent years, with terrorist threats from Boko Haram in the Far North, and spill-over from the CAR conflict in the East and Adamawa. Underlying societal tensions, such as regional disparities, a disenfranchised youth, and tensions between the Anglophone and Francophone language communities further underscore fragility. Risks to WBG engagement – and hence program outcomes, including the safety of Government, project and WBG personnel, will

be subject to close monitoring. Overall the potential rewards of engaging in Cameroon's conflict affected regions outweigh the risks of taking no action. However, continued Government commitment to implementing programs with support from national and international non-Governmental partners will be essential. The WBG will discuss with the Government how to proceed should security conditions deteriorate.

125. The lead up to, and the aftermath of the 2018 presidential election might be met with slower project implementation and adjustments to the program. The WBG will closely monitor the situation and use the Progress and Learning Report to adjust the assistance strategy as necessary.

Figure 6: Revised Systematic Operations Risk-Rating Tool (SORT)

	Risk Rating	Rating (H, S, M, L)
1	Political & governance	S
2	Macro-economic	S
3	Sector strategies and policies	S
4	Technical design of project/program	M
5	Institutional capacity for implementation and sustainability	S
6	Fiduciary	S
7	Environmental & social	M
8	Stakeholders	M
9	Other	-
	Overall	S

Macroeconomic risks

126. The medium-term outlook is threatened by the deteriorating global and regional economic environment, and more particularly the situation in the CEMAC zone. High external and fiscal imbalances in the CEMAC zone and an accommodating monetary policy have led to depletion of exchange reserves which, at about 2 months of exports in December 2016, have become inadequate. A strong fiscal adjustment coordinated across CEMAC countries is required. The WBG is monitoring the situation closely in coordination with the IMF and will support fiscal consolidation and structural reforms with development policy lending. The preparation of the BEAC Institutional Development Project will also provide a platform not only to build capacity in the medium-term but also to keep an active dialogue on the immediate macroeconomic challenges.

127. Fiscal adjustment could put pressure on the Government to reduce spending on key programs such as health and education. Security operations in the Far North region have already started to constrain the fiscal environment and will continue to do so in the coming years. Under the baseline scenario, new infrastructure projects to accelerate development and revitalize the Far North region would keep capital spending at about 7 percent of GDP in the coming years. The current reform scenario foresees their reduction by about 1.5 percent of GDP by 2020, but an

adjustment in the CEMAC zone would require more drastic reductions. As far as its projects are concerned, the World Bank will mitigate these risks by minimizing the use of counterpart funding.

128. The Government's ability to borrow further from the World Bank and others could be compromised if rising debt levels become unsustainable. With current large borrowing plans and lower oil exports, Cameroon's risk of external debt distress is now "high". Public debt is projected to reach more than 36 percent of GDP by 2020 under the baseline scenario, twice its level at end-2013, while debt service is also expected to double in the medium term. The World Bank will help Cameroon mitigate that risk through macroeconomic monitoring and dialogue and also by helping Cameroon maximize access to concessional finance from DPs and from IDA.

Sector strategies and policies

129. Cameroon has a poor track record of implementing reforms that have a direct impact on poverty reduction. While the Government is often clear in its intention to undertake reforms (for example related to governance and anti-corruption), the experience of the FY12-FY15 CPS shows that not all reforms have been implemented to their fullest extent. There is a real risk that this pattern will be repeated in the new CPF, compromising program outcomes. Mitigating this risk calls for developing projects where there is strong political will, and continuing to strengthen the World Bank policy dialogue at all levels of Government.

Institutional Risks

130. Weak public institutions pose significant threats to the implementation of World Bank-supported programs in most sectors in Cameroon. As shown in the country's latest CPIA ratings, public sector management in Cameroon suffers from a lack of transparency and accountability in general. Inefficiencies in procurement and in compensation associated with involuntary resettlement, in particular, have been the main obstacles to implementation of World Bank-supported programs. They result from burdensome and sometimes unclear institutional arrangements, as well as poor incentives for efficiency in the public administration. In the short-term the World Bank will mitigate this risk by continuing the close monitoring process established for procurement and compensations for involuntary resettlement, which has succeeded in increasing disbursement rates in the recent years. The new Public Finance Management Project will then focus on these issues at a more structural level, including by introducing results-based approaches. In parallel, the CPF program will support a PER and a Civil Service Assessment which the World Bank will use to engage an in-depth dialogues on these issues.

Fiduciary Risks

131. Cameroon is a high-risk fiduciary environment. To mitigate this, the World Bank will continue and deepen its aggressive, practical interventions to ensure fiduciary integrity of IDA and IBRD operations; will help strengthen the Government's fiduciary risk management; will design operations that reduce opportunities for corruption; and will seek to change the incentives facing Government counterparts by emphasizing the importance of results and the World Bank's zero tolerance for corruption.

ANNEX 1: RESULTS MONITORING MATRIX

CPF Indicators	Milestones	World Bank Engagement
CPF FOCUS AREA ONE: ADDRESSING MULTIPLE POVERTY TRAPS IN RURAL AREAS (WITH FOCUS ON NORTHERN REGIONS)		
Cameroon Vision 2035 objectives: • an agricultural revolution whose main objective is the creation of a middle class through the promotion of mid-sized enterprises • improving primary education and strengthening vocational skills • improving the provision of health care services • promoting mutual assistance and cooperative societies among communities • gradually expanding the coverage of social security in a financially sustainable way • supporting women's empowerment including financial inclusion • supporting jobs creation programs including through the promotion of apprenticeships **Growth and Employment Strategy goals (2020) supported:** • human development: health, education and TVET, gender, social security, national welfare • access to water and sanitation infrastructure		
Issues addressed (with particular focus on northern regions): • short cropping season; soil degradation • physical and economic isolation/distance of rural producers from markets • health and education outcomes low in relation to income status (particularly maternal health) • lower health and education outcomes in northern regions and for the poorest households • women's education and health outcomes lower in northern regions and for the poorest households • decreasing learning outcomes • insufficient vocational skills and innovation • income insecurity/ multiple poverty traps		
CPF Objective 1: Increased productivity and access to markets in the agriculture and livestock sectors *SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture* *Expected Outcomes:* • *Increase in the yield of key crops in target areas* • *Increase in the productivity of target livestock species* • *Increase in access to agriculture assets or services* • *Increased access to markets as measured by price premia and higher sales in target value chains*		
Indicator 1.1: **Increased yields (maize, sorghum, cassava) in target areas** Baseline (2015): Cassava: 8t/ha ; Maize: 1.5 t/ha ; Sorghum : 1t/ha Target by 2021 Cassava: 24t/ha ; Maize: 4 t/ha ; Sorghum : 3t/ha	Milestone 1.1: Cooperatives' Sub-Projects implemented by 2019	**Ongoing:** *Financing*

CPF Indicators	Milestones	World Bank Engagement
o/w in northern regions Baseline (2015): Maize: 1.5 t/ha ; Sorghum : 1t/ha Target by 2021: Maize: 4 t/ha; Sorghum: 2t/ha Source: Agriculture Investment and Market Development Project **Indicator 1.2:** **Increased productivity of targeted livestock species by farmers and pastoralists beneficiaries in target areas** Ruminants (mortality rate): Baseline (2016): 20% Target by 2019: 12% Broiler (Kg of live weight per m2 per year): Baseline (2016): 60 Target by 2019: 90 Source: Livestock Development Project **Indicator 1.3:** **Farmers reached with agriculture assets or services** Baseline AIMDB (2015): 0 Target by 2020: 120,000 o/w women: 70 percent Baseline Livestock Development Project: 0 Target by 2022: 140,000 o/w female: 20,000 o/w youth: 20,000 Source: Agriculture Investment and Market Development Project; Livestock Development Project **Indicator 1.4:** **Price premium of produce sold by beneficiary farmers in targeted value chains (increase in percentage relative to the 2015 price baseline)** Sorghum: +20 percent	Milestone 1.2.1: Livestock business plans implemented by 2019 Milestone 1.2.2: New technologies adopted by farmers by 2019	• Agriculture Investment and Market Development Project (AIMDP, P143417) FY15 • Livestock Development Project (P154908) FY17 *IFC* • SG Cameroon Agriculture Risk Sharing Facility (34916) FY15 • BICEC SFC Agri (34915) • Cargill Telcar (601329) • Nosa Sarl (28659) FY10 *Knowledge* • Rural Community-Based Land Tenure Models **Pipeline:** *Financing* • Climate Smart Agriculture/Livestock Development Project (FY19) • Regional Lake Chad Recovery and Development Project (P161706) FY19 • Building Climate Resilience in the Niger Basin Project (Regional, FY20) • AF to the AIMDP and to the Livestock Development Projects • Easter and Central African Agriculture Transformation Project (P162416, regional) *Knowledge* • Climate Smart Agriculture and Livestock Production in Northern Regions (FY18) • Agriculture Index Insurance Feasibility Study (FY19) • Assessment of SOEs with a focus on the Agricultural sector (FY19)

CPF Indicators	Milestones	World Bank Engagement
Maize: +15 percent Source: Agriculture Investment and Market Development Project **Indicator 1.5** **Incremental sales in targeted value chains (average of all value chains)** Baseline (2016): value of sales Target by 2021: +20 percent in value of sales Source: Livestock Development Project		• Land Administration and Land Use Planning (FY20)
CPF Objective 2: Improved maternal and child health, and nutrition *SDG 3: Ensure healthy lives and promote well-being for all at all ages* *Expected Outcomes:* • *Reduction in maternal mortality rates, with a particular focus on northern regions* • *Reduction in under-five mortality rates, with a particular focus on northern regions* • *Reduction in the rate of child malnutrition among children under-five*		
Indicator 2.1: **Maternal mortality during birth** Baseline (2011): 782 per 100,000 births Target by 2021: 590 Source: MICS/DHS for target year **Indicator 2.2:** **Under-5 deaths** Baseline (2014): 103 per 1000 live births Target by 2021: 85 per 1000 live births Source: MICS 2014, MICS or DHS (for target year) **o/w in northern regions** Baseline (2014): 173 per 1000 live births Target by 2021: 115 per 1000 live births Source: MICS/DHS for target year. **Indicator 2.3:** **Rate of chronic malnutrition among children under 5** Baseline (2014): 32%	Milestone 2.1: Assisted births in the northern and East regions: 55 percent by 2021 – up from 34.5 percent in 2014. Milestone 2.2.1: Vaccinations in the northern regions (under-2 children fully vaccinated): 80 percent by 2021 – up from 65.7 percent in 2014. Milestone 2.2.2: Health Service Delivery Indicators (SDI) survey implemented by 2018 Milestone 2.3: Children under 24 months being weighed for growth monitoring in the 3	**On-Going:** *Financing* • Health Sector Support Project (P104525) FY08, AF FY14 (P146795) • Health System Performance Reinforcement Project (P156679) FY16 *Knowledge* • Impact Evaluation for Health Sector PBF (P151315) **Pipeline:** *Knowledge* • Health financing notes • Public Expenditure Review (FY18) • Enhanced Impact Evaluation for Health Sector PBF (FY19)

CPF Indicators	Milestones	World Bank Engagement
Target by 2019: 25% Source: MICS 2014, MICS or DHS (for target year)	northern regions and East (Number): 989,834 by 2019	
CPF Objective 3: Enhanced quality of, and more equitable access to, education *SDG 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all* *Expected Outcomes:* • *Improvement in primary completion rate: overall, by education priority zone, and by gender* • *Improvement in pupil textbook ratios for grades 1-5* • *Improvement in pupil teacher ratio for grades 1-5 in northern regions*		
Indicator 3.1: **Primary completion rate, overall and by ZEP and gender** Overall: Baseline (2014): 74% Target by 2021: 77% Education Priority Zones (ZEPs (*), including northern regions): Baseline (2014): 64% Target by 2021: 70% Girls: Baseline (2014): 70% Target by 2021: 75% Source: Administrative Data (*) Include the Far North, North, Adamawa, East, certain "pockets of low levels of school participation in the largest cities", and their border regions. **Indicator 3.2:** **Pupil textbook ratio Grade 1-5** Baseline (2014): 1:12 Target by 2021: 1:2 Source: Administrative Data **Indicator 3.3: Pupil teacher ratio (excluding "parent teachers") at grades 1 to 5 in the northern regions (North, North-West, Far North and Adamawa)** Baseline (2013/14): 120 Target by 2021: 70 Source: Administrative data	Milestone 3.1.1: Regular administration of large-scale student assessments in selective grades by 2018 Milestone 3.1.2: Decision to implement RBF in selected schools/districts in the northern regions by 2019 Milestone 3.2: New textbook policy approved by 2017 Milestone 3.3: Education SDI survey implemented by 2018	**On-Going:** *Financing* • Equity and Quality for Improved Learning (P133338) FY14 • Africa higher Education Centers of Excellence (P126974), Regional, FY14 *Knowledge* • Textbooks policy note (completed) • Feasibility Study for PBF in Basic Education (trust-funded, FY18) **Pipeline:** *Financing* • Pre-Pilot Results-based Education Project (trust-funded) • Education Reform Support Project (FY19)

CPF Indicators	Milestones	World Bank Engagement
CPF Objective 4: Expanded social safety nets *SDG 1: End poverty in all its forms everywhere* *Expected Outcomes:* • *Increase in the number of direct beneficiaries from the public works program* • *Increase in the number of households benefiting from cash transfers in the northern regions*		
Indicator 4.1: **Direct public works projects beneficiaries (number)** Baseline (2015): 0 Target by 2018: 30,000 (45 percent females) Source: Safety net project administrative data **Indicator 4.2:** **Number of households benefitting from cash transfer program in northern regions (North, Far North)** Baseline (2015): 4,000 Target by 2018 : 26,000 (20 percent female-headed households) Source: Safety net project administrative data	Milestone 4.1: Direct public works beneficiaries (number): 8,000 in 2016 13,000 in 2017 9,000 in 2018 Milestone 4.2.1: Development and implementation of an effective targeting mechanism for cash transfer programs by 2017 Milestone 4.2.2: Agreement with Government on scaling up by 2018	**On-Going:** *Financing* • Social Safety Nets Project (P128534) FY13 *Knowledge* • Building Productive Safety Nets (P149564) **Pipeline:** *Financing* • AF to the Social Safety Nets Project • Regional Lake Chad Recovery and Development Project (P161706) FY19 *Knowledge* • Social Protection PER (regional study)
CPF Objective 5: Improved access to local infrastructure *SDG6: Ensure availability and sustainable management of water and sanitation for all* *SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation* *Expected Outcomes:* • *Increase in access to drainage* • *Increase in the number of people with access to improved sanitation facilities* • *Increase in kilometers of urban and rural roads rehabilitated* • *Increase in access to electricity in rural areas, particularly in the northern regions*		
Indicator 5.1: **Additional people provided with access to drainage** Baseline (2016): 0 Target by 2021: 500,000 Source: Inclusive Cities Project	Milestone 5.1: Contracts implemented for 31 km of drains by 2019.	**On-Going:** *Financing* • Community Development Program Support Project Phase III (P144637) FY16

CPF Indicators	Milestones	World Bank Engagement
Indicator 5.2: **People provided with access to improved sanitation facilities** a) in target rural areas: Baseline (2011): 0 Target by 2017: 25,000 Source: Sanitation Project b) in target urban areas: Baseline (2011): 0 Target by 2017: 85,500 Source: Sanitation Project		• Agriculture Investment and Market Development Project (P143417) FY15 • Sanitation Project (P117102) FY11 • Multimodal Transport Project (P143801) FY14 • CEMAC Transport and Transit Facilitation Project (P079736) FY07 • Transport Sector Development Project (P150999) FY17 • Livestock Development Project (P154908) FY17
Indicator 5.3: **Roads rehabilitated** a) Km of roads rehabilitated in rural areas Baseline (2014): 0 Target by 2022: 1,270 Source: Agriculture Investment and Market Development Project, Community Development Program Support Project Phase III b) Additional people provided with access to all-season roads Baseline (2017): 0 Target by 2022: 660,000 Source: Inclusive Cities Project c) Additional km of national roads rehabilitated Baseline (2016): 0 Target by 2022: 330 km Source: CEMAC Transit and Transport Facilitation Project, Multimodal Transport Project, Transport Sector Development Project	Milestone 5.3: contracts implemented for 16 km of urban roads by 2019.	**Pipeline:** *Financing* • Inclusive Cities Project (P156210) FY18 • Access to Electricity in Northern Regions Project (FY19) • Competitive Cities Project (FY20) *Knowledge* • Urban Sector Review and Poverty Assessment (FY18)
Indicator 5.4: **Access to electricity** Baseline (2016): 69 percent (o/w northern regions: 47 percent) Target by 2021: 88 percent (o/w northern regions: 75 percent) Source: Access to Electricity in Northern Regions Project	Milestone 5.4: strengthening of the three national transmission networks completed by 2019	

CPF Indicators	Milestones	World Bank Engagement
CPF FOCUS AREA TWO: FOSTERING INFRASTRUCTURE AND PRIVATE SECTOR DEVELOPMENT		
Cameroon Vision 2035 objectives: • development of the extractives industries sector • increasing the competitiveness of fast growing, employment-intensive sectors • improving the business climate • developing research, innovation and technology **Growth and Employment Strategy (2020) goals supported:** • infrastructure development: energy, transport, urban development • private sector development: Rural sector, increasing agricultural production, livestock, fisheries and agri-business, forestry, agricultural information		
Issues addressed: • insufficient, costly, poorly distributed power • high cost and poor quality of transport		
CPF Objective 6: Increased national availability of electricity *SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all* *Expected Outcomes:* • *Additional MW of electricity generated, with a focus on renewable energy and public private partnership arrangements* • *Reduction in annual power outages*		
Indicator 6.1: **Additional MWs of electricity generated**: Baseline (2015): 0 MW Target by 2021: 820 MW Source: Lom Pangar Hydropower Project; Nachtigal Hydropower Project; Hydropower Development on the Sanaga River Project of which: renewable: Baseline (2015): 0 MW Target by 2021: 820 MW under PPP Baseline (2015): 0 MW Target by 2021: 420 MW	Milestone 6.1.1: Completion of Lom Pangar Hydropower Dam by March 2017 Milestone 6.1.2: Completion of Lom Pangar Power Station (30 MW) by December 2018.	**Ongoing:** *Financing* • Lom Pangar Hydropower Project (P114077) FY12 • Kribi Gas Power Project (P110177) FY12 • Energy Sector Development Project SIL (P104456) FY08 • IBRD: Electricity Transmission and Reform Project (P152755) FY17 *IFC:* • Kribi Power Development Company SA (25978) FY10 • Dibamba power development company (28529) FY10 • AES Sonel (11579) FY06 *MIGA:* • Kribi Gas Power Project

CPF Indicators	Milestones	World Bank Engagement
Indicator 6.2: **Total annual power outages per customer** Duration as measured by System Average Interruption Duration Index (SAIDI) due to the Transmission Network Baseline (2015): 49 hours Target by 2021: 10 hours Source: ENEO/ARSEL Duration as measured by System Average Interruption Duration Index (SAIDI) – TOTAL Value Chain Baseline (2015): 160 hours Target by 2021: 35 hours Source: ENEO/ARSEL	Milestone 6.2.1: Short term electricity transmission investment program completed by 2021 Milestone 6.2.2: Financial closing completed for Nachtigal by 2017 Milestone 6.2.3: Nachtigal Hydropower Project commissioned by 2021	*Knowledge* • Within the ESDP project • Policy note on reforms in the electricity sector (FY17) **Pipeline:** *Financing* • IBRD Nachtigal Hydropower Project (P157734, FY17) • Hydropower Development on the Sanaga River Project (P157733, FY17) • Access to Electricity in Northern Regions Project (FY19) *IFC* • IFC (CAPEX ENEO) • Nachtigal Hydropower Project (Equity and loan, FY17) *MIGA:* • Nachtigal Hydropower Project (Equity cover, FY17)
CPF Objective 7: Improved transport and ICT services *SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation* *Expected Outcomes:* • *Reduction in the costs of road transport between Douala and N'Djamena* • *Increase in rail freight volumes between Douala and Ngaoundere* • *Further reduction in the average dwell time in Douala port* • *Increased access to broadband internet services*		
Indicator 7.1: **Road transport prices per container between Douala and N'Djamena and per ton-km in USD** Baseline (2014): 6,000 Target by 2021: 5,600 Source: Multimodal Transport Project	Milestone 7.1.1: 1,600 kms of roads in good condition by 2019 Milestone 7.1.2: number of roadblocks/checks reduced to 3 per 100 kms by 2019	**Ongoing:** *Financing* • CEMAC Transport and Transit Facilitation Project (P079736) FY07 • Multimodal Transport Project (P143801) FY14 • Transport Sector Development Project (P150999) FY17

CPF Indicators	Milestones	World Bank Engagement
Indicator 7.2: **Rail freight volumes transported along the Douala-Ngaoundere corridor by train per year (in million tons/year)** Baseline (2014): 1.90 Target by 2021: 2.30 Source: CEMAC Transport and Transit Facilitation Project **Indicator 7.3:** **Transaction dwell time in Douala port in days** Baseline (2007): 11 Target by 2019: 6 Source: CEMAC Transport and Transit Facilitation Project **Indicator 7.4:** Access to broadband Internet services (fixed and mobile) Baseline (2016): 13 percent of population Target by 2022: 40 percent of population Source: ICT Sector Reform Project	Milestone 7.2: 500 kms of railways rehabilitated/extended by 2019	**Pipeline:** *Financing* • ICT Sector Reform Project (P161219. FY18) *Knowledge* • Analytical work financed under the ongoing portfolio, e.g.: (i) integrated intermodal Transport Sector Strategy; (ii) trucking industry survey ; and (iii) environmental and social strategic assessment for the transport sector. • Increasing the Competitiveness of the Transport Sector (FY18)
CPF Objective 8: Improved business environment and access to financial services *SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all* *Expected Outcomes:* • *Reduction in the number of days to register an enterprise and to start a business* • *Reduction in the number of payments of taxes per year* • *Establishment of a credit bureau, and its coverage in terms of number of firms*		
Indicator 8.1: **Reduction of the number of days to register an enterprise for starting a business** Baseline (2016): 15 days Target by 2022: 3 days Source: Doing Business Index **Indicator 8.2:** **Reduction of the number of payments of taxes per year** Baseline (2016): 44 payments Target by 2022: 12 payments Source: Doing Business Index	Milestone 8.1: One-stop-shop for business entry and e-registration for enterprises fully implemented across Cameroon by2020 Milestone 8.2: E-declaration and e-payment for paying taxes by 2020	**Ongoing:** • Improved Investment Climate within OHADA (Regional IDA, P126663) FY12 • (IFC) Banque Internationale du Cameroun pour l'Epargne et le Crédit (34915) FY15 • (IFC) Activa Finances ltd (31215) FY13 • (IFC) Société Civile Immobilière Sigs (27923) FY12 • (IFC) EB ACCION Microfinance SA (27966) FY09 • (IFC) Advans Cameroun (25392) FY07 • (IFC) Afriland First Bank Cameroon (600986)

CPF Indicators	Milestones	World Bank Engagement
Indicator 8.3: **Establishment of a Credit Bureau-Number of firms cover by this credit Bureau** Baseline (2016): 0 Target by 2022: 10,000 firms and 30,000 individuals Source: Doing Business Index **Indicator 8.4** **Direct compliance cost savings (US$) (from simplifying registration, licensing and inspection systems for SMEs)** Baseline (2014): 0 Target by 2018: 8,000,000 - (Source: ASOP IFC) **Indicator 8.5** **Number of SMEs that have received loans secured with movable property (#)** Baseline (2016): 0 Target by 2022: 1,800 Source: BCEAC	Milestone 8.3: Platform for credit information by 2021 Milestone 8.4: Monitoring of women covered by Credit Bureau in place 2021	*Knowledge* • Doing Business Index TA with IFC • Cameroon IC Project (594287) and Doing Business Advisory Service TA **Pipeline:** *Financing* • CEMAC Institutions Capacity Building Project II (P161368) • Improved Investment Climate within OHADA Project II *Knowledge* • Secured Transactions Feasibility Study • Land Administration and Land Use Planning (FY20)
CPF Objective 9: Increased supply of skills demanded by the labor market *SDG 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all* *SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all* *Expected Outcome:* • *Increase in TVET student enrollment in priority sectors, overall and by gender*		
Indicator 9: **Percent of TVET students (secondary and tertiary levels) enrolled in priority sectors/subject areas (*)** Baseline (2015): 60 percent Target by 2021: 70 percent (with at least 35 percent of girls) Source: Administrative data (*) For instance: agriculture, secondary and construction sectors	Milestone 9: Framework for PPPs in TVET established 2019.	**Ongoing:** *Financing:* • Africa Higher Education Centers of Excellence Project (P126974), Regional, FY14 **Pipeline:** *Financing* • Skills Development Project (FY20) *Knowledge* • Cameroon Skills Policy Note (P152086)

CPF Indicators	Milestones	World Bank Engagement
CPF FOCUS AREA THREE: IMPROVING GOVERNANCE		
Cameroon Vision 2035 objectives: • intensification of the drive against corruption including through the introduction of performance based management mechanisms including the promotion of meritocracy, results and accountability • improving the judicial system by increasing staffing, improving facilities and strengthening processes • consolidating a democratic culture including encouraging participation through institutional and regulatory reform • implementing the move towards decentralization set out in the 1996 Constitution and building capacity at local levels to optimize the results of this process • strengthening the operational capacities of the State including strategic management, tools, processes, human resource management and public finance management and introducing the principle of results based management • reviewing corporate governance of enterprises to support combat against corruption through the promotion of transparency and the publication of accounts **Growth and Employment Strategy goals (2020) supported:** • strengthening the campaign against corruption • improving citizen access to information • decentralization • public sector reform • results based management • production of annual statistics **Cross-cutting sustainable development goals (SDGs) supported:** • *SDG 1: End poverty in all its forms everywhere* • *SDG 5: Achieve gender equality and empower all women and girls* • *SDG 10: Reduce inequality within and among countries*		
Issues addressed: • poor allocation and weak execution of public expenditure • weak business regulatory environment • inefficient and ineffective public administration • lack of transparency and accountability • weak demand for accountability		
CPF Objective 10: Improved efficiency of public expenditure and service delivery *SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development* *Expected Outcomes:* • *Increase in the share of central public investment derived from Local Development Plans* • *Increase in the number of local councils publishing annual accounts* • *Increase in execution rates of local councils' investment budgets* • *Improved performance in health PBF districts* • *Improved performance in PBF schools*		

CPF Indicators	Milestones	World Bank Engagement
Indicator 10.1: **Local plans** **Share of decentralized Public Investment Budget projects derived from Local Development Plans (percentage)** Baseline (2016): 65 percent Target by March 2020: 77 percent Source: Community Development Program Support Project Phase III **Indicator 10.2:** **Local accounts** Percent of local councils producing annual accounts on SIM_BA software Baseline (2014): 8 percent Target by March 2020: 50 percent Source: Community Development Program Support Project Phase III **Indicator 10.3:** **Execution rates** Share of public investment budgets executed ('*ordonnancé*') in selected sectors by year end (December 31st) Baseline (2015): 50% Target by FY21: 80% Source: Budget Department, Ministry of Finance	Milestone 10.2: SIM_BA system deployed in all communes by 2017. Milestone 10.3: List of implementation-ready projects established, and performance contract piloted.	**Ongoing:** *Financing* • Community Development Program Support Project Phase III (P144637) FY16 • Health System Performance Reinforcement Project (P156679) FY16 **Pipeline:** *Financing* • Public Finance Management for Service Delivery Reform Project (P151155) FY18 • Education Reform Support Project, FY19
Indicator 10.4 **Improved performance in health RBF districts** Average RBF district score for quality of care Baseline (2014): 30 percent Target by 2021: 50 percent Source: MOH checklist report from PBF statistics **Indicator 10.5** **Improved performance in schools** Number of schools funded through results-based contracts in target areas Baseline (2015): 0 Target by 2020: 400 Source: MOE	Milestone 10.4.1: Percentage of facilities with 100% tracer drugs available in targeted health facilities on the day of the visit: 40 percent by 2021 Milestone 10.4.2: Number of health districts covered by RBF: 100 by 2018 Milestone 10.5.1: Number of schools with a functioning management committee led by a community member: 400 by 2020	*Knowledge* • Public Expenditure Review (FY18) • Civil Service Assessment (FY18)

CPF Indicators	Milestones	World Bank Engagement
	Milestone 10.5.2: Share of RBF schools with required learning facilities and inputs (infrastructures, textbooks for each student, 1 desk for 2, toilets): 50 percent by 2020	
CPF Objective 11: Improved regulatory and institutional framework for key sectors *SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all* *SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation* *SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable* *SDG: Take urgent action to combat climate change and its impacts* *Expected Outcomes:* • *Establishment of an operational National Electricity Transmission Operator* • *Increased use of the Road Fund* • *Improved transparency in mining sector management* • *Improved urban management, planning and support to decentralization* • *Strengthened capacity in REDD+ issues*		
Indicator 11.1: **Energy** National Electricity Transmission System Operator fully operational Baseline (2015): Integrated power sector Target by September 2017: Power sector fully unbundled Source: Lom Pangar Hydropower Project FY12; Hydropower Development on the Sanaga River Project **Indicator 11.2:** **Increased use of Road Fund** Share of annual Road Fund resources spent on road maintenance Baseline (2015): 55 percent Target by 2019: 70 percent Source: Transport Sector Development Project	Milestone 11.1.1: SONATREL's organizational and ownership structure in place by 2017 Milestone 11.1.2: Detailed operationalization road map/action plan completed and approved by 2017 Milestone 11.1.3: Power sector fully unbundled and operational under new model by 2017 Milestone 11.2: Road Fund rules revised by 2019	**Ongoing:** *Financing* • Lom Pangar Hydropower Project (P114077) FY12 • Kribi Gas Power Project (P110177) FY12 • Multimodal Transport Project (P143801) FY14 • CEMAC Transport and Transit Facilitation Project (P079736) FY07 • Agriculture Investment and Market Development Project (P143147) FY15 • Flood Emergency Project (P143940) FY13 • Ngoyla Mintom Project (P118018) FY12 • Electricity Transmission and Reform Project (P152755) FY17

CPF Indicators	Milestones	World Bank Engagement
Indicator 11.3: **Improved transparency in mining sector management** Public online access to historic and newly acquired geo-data information Baseline: No (2012) Target by 2018: Yes Source: Mining Sector TA Project	Milestone 11.3: Set-up of geo-data platform complete by 2017	• Transport Sector Development Project (P150999) FY17 *IFC:* • Kribi Power Development Company SA (25978) FY10 • Dibamba Power Development Company (28529) FY10
Indicator 11.4: **Improved urban management, planning and support to decentralization** Local Governments that implement asset management plans as specified in the city development contracts Baseline: 0 (2017) Target by 2022: 7 Source: Inclusive Cities Project	Milestone 11.4: Number of city contracts with municipal management programs signed by 2019	*Knowledge* • Doing Business Index TA with IFC • Mining Sector TA Project (P122153) FY12 • Enhancing Institutional Capacities on REDD+ Issues for Sustainable Forest Management in the Congo Basin Project FY12
Indicator 11.5: **Strengthened capacity in REDD+ issues** GOC contribution to joint Congo Basin submission to UNFCCC Baseline: 0 (2014) Target by 2017: Submitted Source: Enhancing Institutional Capacities on REDD+ Issues for Sustainable Forest Management in the Congo Basin Project	Milestone 11.5: Number of local development and spatial plans in place by FY20.	**Pipeline:** *Financing* • Nachtigal Hydropower Project (P157734 GU) FY18 • Inclusive Cities Project (P156210) FY18 • Mining Sector Technical Assistance Project, AF (P160917) FY17 • Competitive Cities Project (FY20) *Knowledge* • Hydropower Development on the Sanaga River Project (P157773) FY17 – TA component • Urban Sector Review and Poverty Assessment (FY18) • Land Administration and Land Use Planning (FY20)

CPF Indicators	Milestones	World Bank Engagement
CPF Objective 12: Increased citizen engagement at local level *SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels* *Expected Outcomes:* • *Increase in the use of users' surveys at local council level* • *Increase in satisfaction rates of beneficiaries for local investment*		
Indicator 12.1: **Local facilities** **Local councils with at least one user survey over previous 2 years (basic education, local councils services, water, health)** Baseline (2015): 10 Target by Feb 2020: 160 Source: to Community Development Program Support Project Phase III **Indicator 12.2:** **Multisector user feedback** **Share of beneficiaries that feel project investments reflected their needs.** Baseline (2015): 0 Target by 2021: 70 percent average Source: Community Development Program Support Project Phase III, Inclusive Cities Project, AIMDP, Livestock Development Project, Safety Nets Project, Health System Performance Project, Education Reform Support Project	Milestone 12.1: Simplified citizen scorecard at local council level piloted (by September 2017). Milestone 12.2: generalization of consultative groups at village level Milestone 12.2: modification of the simplified budget template used for citizen consultation.	**Ongoing:** *Financing* • Health Sector Support Project (P146795) FY08, AF FY14 • Community Development Program Support Project Phase III (P144637) FY16 • Health System Performance Reinforcement Project (P156679) FY16 • Livestock Development Project (P154908) FY17 • Safety Net Project (P128534) FY13 *Knowledge* • Impact evaluation for health sector PBF **Pipeline:** *Financing* • Inclusive Cities Project (P156210) FY18 • AF to Community Development Program Support Project Phase III • Education Reform Support Project FY19

ANNEX 2 : CAMEROON COUNTRY ASSISTANCE STRATEGY FY10-FY14 COMPLETION AND LEARNING REPORT

Introduction

1. **This Completion and Learning Review (CLR) assesses the performance of the World Bank Group's (WBG) Program in the Republic of Cameroon during FY10-14.** The Review covers both Country Assistance Strategy (CAS) implementation and World Bank performance. The CLR also provides information on progress since the formal end of the CAS period, i.e. during FY15-FY16, although the basis for evaluation of the CAS is restricted to progress achieved during FY10-FY14. The delay in preparing this CLR was caused by the intention to submit it at the same time as this Country Partnership Framework (CPF), following the completion of a Systematic Country Diagnostic (SCD). The preparation of the SCD took much longer than expected and was finalized in June 2016. In retrospect, it might have been more efficient to delink preparation of the CLR from that of the CPF.

2. **Overall performance of the CAS program (FY10-FY14) is rated as moderately unsatisfactory**. The CAS comprised a foundation theme and two strategic themes. While performance under the foundation theme, Governance, was unsatisfactory, performance under the first strategic theme, Improving Cameroon's Competitiveness, and under the second strategic theme, Improving Service Delivery, was moderately satisfactory. Overall, a majority of the CAS' nine outcomes were either mostly or fully achieved.

3. **World Bank performance in designing and managing the implementation of the CAS program is rated as fair.** New International Development Association (IDA) commitments during the CAS period amounted to US$581.7 million[36] with an additional US$279.9 million from regional programs and US$56.5 million from Trust Fund (TF) resources. The World Bank's program was relevant and aligned with the Government's strategy. It incorporated sufficient flexibility in providing space for adaptation and innovation in response to the country's emerging challenges. The combination of investment lending operations, technical assistance and knowledge activities were appropriate instruments to support the country's reform agenda. Portfolio management improved considerably over the CAS period with the aggregate disbursement rate improving from 7.5 percent in FY10 to an average of 20 percent in FY13-FY14. On the other hand, only programs in the energy, health and railways sectors supported systemic, transformational change. Moreover, of the projects exiting the portfolio over the CAS period, about 60 percent were rated unsatisfactory or moderately unsatisfactory by both the Implementation and Completion Review (ICR) and the Independent Evaluation Group evaluation. In FY14, about half of the projects in the portfolio continued to be rated unsatisfactory or moderately unsatisfactory.

4. **The CLR points to a number of ways in which the World Bank could have greater impact going forward.** These include: (i) complementing centralized approaches to governance reform with sector-based approaches including those relying on performance based financing; (ii)

[36] Including the face value of the US$82-million guarantee for the Kribi Gas Power Guarantee Project (P110177), 25 percent of which counts against the national IDA allocation.

seeking transformational changes in sector outcomes by combining investments with policy, regulatory, and institutional reform; (iii) focusing more directly on poverty reduction; (iv) taking into account the presence of active conflict in the Far North region by tailoring project design, implementation, and supervision; (v) further improving the quality and smooth implementation of the portfolio; and (vi) ensuring that the results framework provides a measurable roadmap for monitoring progress towards the CAS program.

I. Progress Towards Achieving Country-Level Goals

5. **The Government's overall development goals are set out in its long-term strategy, the 2035 Vision.** They comprise reducing poverty to a socially acceptable level; becoming a middle-income country; and strengthening national unity and consolidating democracy by promoting the ideals of peace, liberty, justice, social progress and national solidarity. In 2009, the Government adopted a Growth and Employment Strategy ('DSCE' by its French acronym) to cover the first ten years of its 2035 Vision. The Strategy set the following objectives to be met by 2020: (i) achieve a 5.5 percent annual average rate of gross domestic product (GDP) growth between 2010-2020; (ii) lower the rate of under-employment from 75.8 percent to less than 50 percent; (iii) reduce the rate of poverty from 39.9 percent in 2007 to 28.7 percent in 2020; and (iv) achieve the MDGs. As discussed below, Cameroon broadly achieved its GDP growth target, but this good performance was not enough to set the country on a path to meet the other DSCE objectives.

6. **Cameroon's macroeconomic framework broadly remained on track although rising levels of public debt are a concern.** The CAS for FY10-FY14, which was discussed by Executive Directors on February 23, 2010, was prepared in the immediate aftermath of the global financial crisis in a context of lower commodity prices and deteriorating terms of trade. The country recovered from the adverse effects of the crisis and the annual GDP growth rate averaged 5.1 percent during the period of the CAS. It further accelerated after the end of the CAS period, to almost 6 percent in 2015-2016. This robust growth was fueled by strong performance in the services sector and by public investment in infrastructure, particularly in electric power generation. As a result, the ratio of public and publicly guaranteed debt to GDP increased rapidly during the CAS period, from 11.5 percent of GDP in 2011, to 24 percent of GDP in 2014[37]. This debt ratio further increased to 33 percent of GDP by end-2016.

7. **Poverty rates remain essentially unaltered since 2001, and inequality has increased**. The incidence of poverty in 2014 was 38 percent compared with 40 percent in 2001.[38] Cameroon is thus unlikely to meet the DSCE target of a 28.7 percent poverty rate by 2020, let alone the MDG of 25 percent. In addition, spatial inequality is increasingly pronounced, and constitutes a potential driver of fragility and conflict, particularly in northern regions. Poverty incidence is much lower in urban than in rural areas (10 percent versus 57 percent) and 90 percent of all poor people live in rural areas. Moreover, the regions with the highest initial levels of poverty (the North, the Far North, and the Northwest regions) experienced further increases in poverty whereas regions with more favorable initial conditions saw their levels of poverty decline rapidly. As a result, the

[37] International Monetary Fund (IMF) and World Bank Joint Debt Sustainability Analysis (November 2015).
[38] A household survey was conducted in December 2014.

number of poor in the North and the Far North regions more than doubled between 2001 and 2014, from 2.1 million to 4.5 million, and their share in the number of poor increased from 34 to 56 percent.

8. **Progress in developing critical infrastructure was mixed.** Energy supply has improved with the coming into operation of the Kribi gas-fired power plant. Completion of the Lom Pangar regulating dam has further increased both the capacity of the existing hydropower plants, and the potential for additional plants[39]. Increased power generation should enable the Government – and the World Bank in the CPF – to place greater emphasis on access to electricity, particularly in rural areas where it remains limited with just 17 percent of rural dwellers covered. In the transport sector, 48 percent of the paved, and 85 percent of the unpaved, road network remains in poor condition despite substantial public investment. Better road conditions along some portions of the Doula-N'Djamena transit corridor have had a positive effect on connectivity between northern and southern regions of the country and created easier access to the Port of Douala. Dwell times at the Port of Douala have also been reduced. Railway services have been concessioned and are performing well, even though there will be a need for renovation and extension of the network. High transport costs and other logistical inefficiencies, however, continue to impede trade in the sub-region. In the telecommunications sector, the monopoly of the historical operator (CAMTEL) over access to broadband services has perpetuated high prices and low penetration of internet and other services. The slow development of the sector prevents it from contributing to private sector growth and to the provision of basic services to citizens.

9. **The business environment improved during the period of the CAS but remains a key obstacle for economic diversification.** Cameroon's overall distance to the 'frontier'[40] improved from an index of 43.3 in the 2010 Doing Business Survey to 49.2 in 2014, but fell back to 45.3 in 2017. Between 2010 and 2014, the number of procedures required to start a business fell from ten to five, and remained at that level in 2016. Even so, Cameroon's ranking remains low, especially for indicators such as 'trade across borders', and 'paying taxes'. The authorities have recently embarked on several initiatives intended to improve the business climate, including: (i) a revamped investment incentives law to attract new investors; (ii) the launch of a new public bank for Small and Medium-Sized Enterprises (SMEs); (iii) the implementation of reforms supported by the Organization for the Harmonization of Business Law in Africa (OHADA); and (iv) setting up an investment promotion agency.

10. **The Government took preparatory steps to reduce emissions from deforestation and forest degradation.** Cameroon has engaged in the development of the Reducing Emissions from Deforestation and Forest Degradation (REDD+) process, particularly at the sub-regional level through the Central African Forests Commission (COMIFAC). Under a Global Environment Facility (GEF) grant to COMIFAC, Cameroon initiated a process of reinforcing its technical and institutional capacity to become eligible for REDD+. The Government also signed a voluntary partnership agreement under the European Union (EU) Forest Law Enforcement, Governance and Trade Action Plan. The Agreement came into force in December 2011. Cameroon was designated

[39] By increasing the Sanaga River average water flow.
[40] An index of 100 being the 'frontier' i.e., the best practice for a given indicator; the lesser the 'distance' to the frontier, the better the performance.

as compliant under the Extractive Industries Transparency Initiative in 2013, and has retained that status. The next compliance validation assessment will be carried out by the end of 2017.

11. **Service delivery in education improved but disparities remain and quality has been eroding.** Cameroon's education system used to rank highest among the francophone countries as measured by the results of primary education PASEC[41] tests in math and French but its lead has been diminishing since 2005. In addition, important disparities remain in spite of significant progress in expanding access to basic education. The primary completion rate, despite an increase from 53 percent in 2001 to about 80 percent at present, still falls short of reaching 100 percent. Gross and net enrolment at the secondary level were much lower at about 66 percent and 53 percent, respectively. Important gender and regional disparities also remain. In 2014, net primary attendance for rural girls was only about 65 percent, compared with 79 percent for rural boys and 94 percent for urban boys. Disparities are most acute in northern regions: the overall (girls and boys) net enrollment rate for primary education in 2014 was 63, 74 and 74 percent in the Far North, the North and Adamawa regions, respectively; versus 85-95 percent in the other regions. The gender gap is also more pronounced in northern regions, particularly at the secondary level: while the country-wide gender parity index[42] was .92, it stood at 0.51, 0.60 and 0.46 in the North, Adamawa and Far North regions, respectively. The median number of years of schooling of women between the ages of 15-49 in the North and Far North regions is zero, implying that a majority of these women had *no* schooling.

12. **There has been progress in the health sector reducing infant and under-five child mortality in selected regions, under a Performance-Based Financing (PBF) approach which is now being scaled up to address remaining geographic discrepancies as well as worrisome levels of maternal mortality.** Health outcomes in Cameroon are generally similar to those of lower-income countries despite high levels of spending. For instance, in 2011, every 100,000 live births resulted in the deaths of 780 mothers and, in 2014, 103 out of every 1,000 live births end in death of the child before the age of five. Those living in northern Cameroon are worse off. The rate of under-5 mortality in the Far North and North regions is 3 to 4 times higher than in Douala and Yaoundé. In the Far North only 30 percent of children under-2 receive a full set of vaccinations, as opposed to 75 percent in the Southwest region and 82 percent in the Northwest region. A PBF approach to improve utilization of health services was introduced in selected regions under the FY08 Health Sector Support Investment Project (P146795) and implemented during the CAS period. As a result the quality of maternal and child health services increased substantially in the targeted regions. An additional finance (AF) project (FY14) subsequently extended PBF to the northern regions, and a national scale up of that successful approach is being supported by the World Bank under a follow-up project (FY16).

II. Assessments of Program Performance

13. This section evaluates the CAS performance during FY10-FY14 under the program's two themes and one foundation, which contained nine outcomes and 27 indicators. It also provides information about, but does not evaluate, progress achieved during FY15-FY16, after the formal

[41] Standardized testing system of the francophone zone
[42] 2014 MICS (multiple indicators cluster survey).

end of the CAS period. The CLR uses the CAS Results Framework as updated by the CAS PLR that was discussed by the Board of Executive Directors in November 2012 and which extended the CAS by one year to FY14. Results indicators are assessed to be achieved (A), mostly achieved (MA), partially achieved (PA), not achieved (NA)[43], or not verified (NV). A detailed review of performance under each of the nine CAS outcomes is presented in Annex 1 to this CLR[44].

14. Overall performance of the CAS program (FY10-FY14) is rated as moderately unsatisfactory. Performance under the foundation theme, Governance, was unsatisfactory. Two outcomes in enhanced transparency and efficiency in public financial management, and improved demand-side governance and participation were partially achieved. One outcome, on improved sector governance focused on transparency and accountability, was not achieved. Performance under the first strategic theme, Improving Cameroon's Competitiveness, was moderately satisfactory, with all three outcomes mostly achieved (increased access to and quality of infrastructure services; improved business climate and investment in targeted value chains; and improved transparency, equity and sustainability in the use of natural resources. Performance under the second strategic theme on Improving Service Delivery was also moderately satisfactory. The three outcomes, improved quality and efficiency of the education system, improved access to and quality of health services, and improved access to basic infrastructure and social safety nets were mostly achieved. Overall, the program mostly achieved six outcomes, partially achieved two outcomes, and failed to achieve one outcome (see Figure 1).

Foundation Theme: Governance

15. **Overall progress under the cross-cutting theme of governance was unsatisfactory.** The cross-cutting theme of Governance comprised three outcomes: (i) enhanced transparency and efficiency in public financial management; (ii) improved public sector governance focused on transparency and accountability; and (iii) improved demand-side governance and participation. Measurement of a majority of indicators under this theme relied on a Public Expenditure and Financial Assessment (PEFA) review which should have taken place during the CAS period, but which the Government delayed until 2017[45]. Consequently, achievement of these indicators cannot formally be verified and is rated as 'not verified'. This shortcoming suggests that when preparing results frameworks, indicators should be selected on the basis not only of their relevance, but of the possibility to monitor them.

16. **Outcome 1 on enhanced transparency and efficiency in public financial management, was not achieved.** Achievement of the first indicator under Outcome 1 on broadening the scope of legislative scrutiny of the annual budget law, is rated as not verified as the PEFA assessment anticipated under the results matrix was not carried out. It is clear, however, that little or no progress was made in this area, and this continues to be the case. For example, the 2016 budget

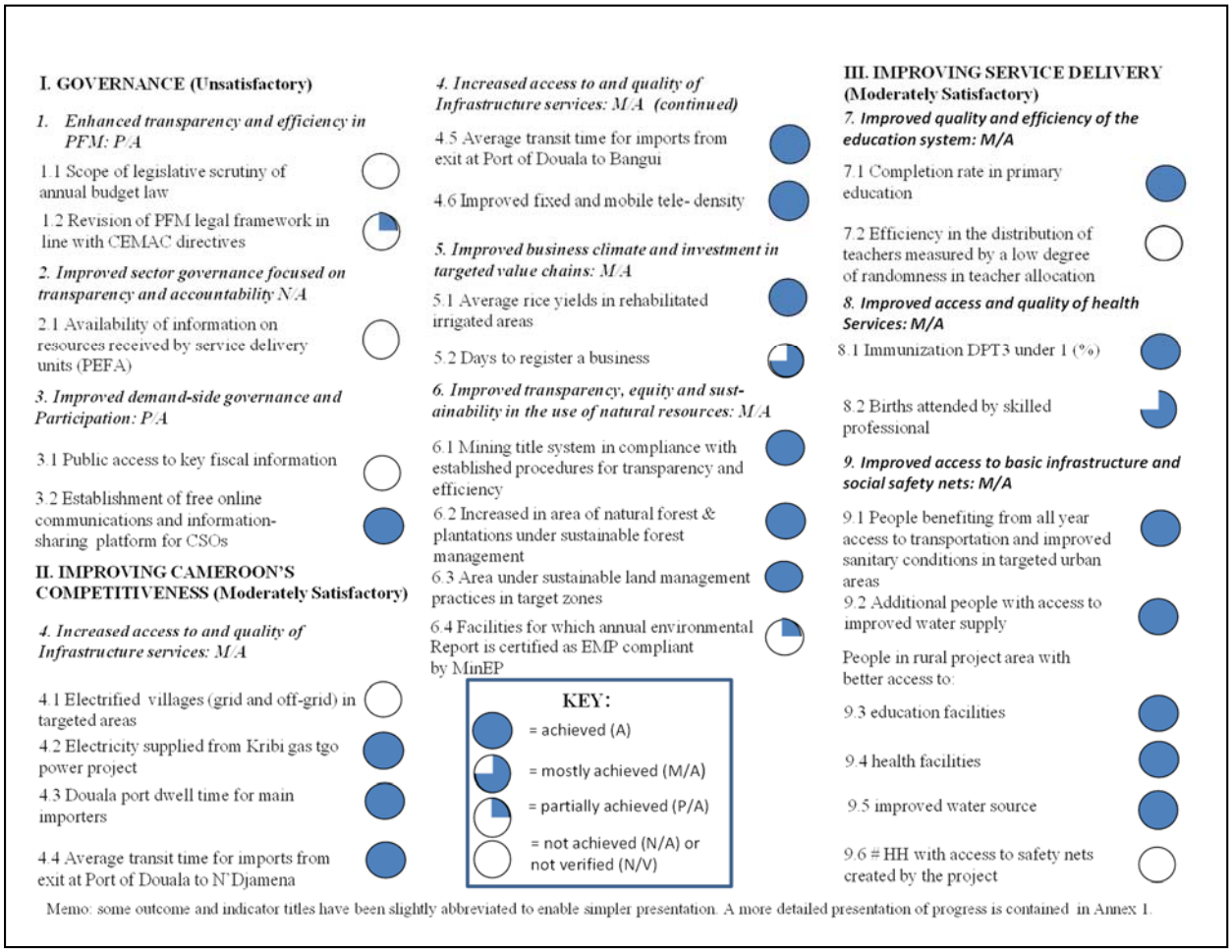
[43] A= all quantitative targets met; MA= more than half of the quantitative targets were met; PA= less than half of the quantitative targets; NA= few if any of the targets were met; NV = the source to verify the indicator is not available.

[44] It takes stock of the achievement of results and identifies the corresponding instruments and lessons learned for each outcome area.

[45] Following the 2007 PEFA which showed poor results, the Government committed to a fairly ambitious reform of public financial management which was expected to result in improved outcomes (and PEFA scores). This reform was launched only in 2013 and consequently the Government delayed the PEFA exercise. A new PEFA is scheduled for 2017.

was not shared with Parliament until after the start of parliamentary deliberations. Some progress was made with respect to the second indicator under Outcome 1 on revision of the Public Finance Management (PFM) legal framework in line with the Economic and Monetary Community of Central African States (CEMAC) PFM directives. The World Bank provided technical assistance to assess the gap between the national legislation and the CEMAC Directives in the PFM area, and to review the program budgeting of line ministries. More broadly, progress has been limited in budget execution, public accounting, internal and external oversight and integrated financial management information systems for public finance. The benefits of multi-year budgeting have yet to be fully realized and traditional line item budgeting still persists. Budget execution rates in investment remain low and coherent links between procurement and commitment plans are lacking. In December 2011, the Ministry of Public Procurement was created with responsibilities that overlap with those of line ministries. The creation of this ministry increased bureaucracy at the expense of public procurement effectiveness.

Figure 1: Summary of Progress against FY10-FY14 Themes and Outcomes
As revised by the October 2012 PLR



17. **Outcome 2 on improved public sector governance with a focus on transparency and accountability, is rated as not verified, as the associated indicator relied on a PEFA assessment that did not take place**. Nevertheless, World Bank support resulted in a number of successful pilots. For example, in February 2010, individual performance contracts were introduced in two customs offices in the Port of Douala. The initiative was supported by the Cameroon Customs Pilot Project (FY10) under the Trade Facilitation Facility funded by the United Kingdom's Department for International Development. The pilot resulted in significant reductions in delays and fraud; improved revenue collection; and improved ethics and governance in the work of customs agents. More recently, a World Bank-supported Rapid Results Initiative was launched in March 2015 and aimed to improve procurement performance for a priority set of high-value contracts pending for the Ministry of Public Works.

18. **A further concrete result of the World Bank's support in this area was the introduction of measures conducive to transparency and accountability in several World Bank operations.** Innovations included: (i) integration of a multi-stakeholder accountability platform under the FY12 Mining Sector Technical Assistance Project (P122153); (ii) inclusion of access to information and grievance redress mechanisms in several World Bank projects such as the FY13 Cameroon Social Safety Nets Project (P128534), the FY15 Agriculture Investment and Market Development Project (P143417) and the Second (FY09) and Third (FY16) Community Development Program Support Project (P113027 and P144637); (iii) integration of local councils in the Health Sector Support Investment Project (P146795, FY08 and FY14 AF); (iv) implementation of an Integrated Financial Management Information System in local councils, pilots for citizen scorecards and participatory budgeting for community projects through the Governance Development Marketplace component of the 'Banking on Change Program: Tackling Sector and Demand-Side Governance Issues', funded under the Governance Partnership Facility TF (GPF, FY12); and (v) scaling up School Budget Transparency in Primary Schools Participating in the FY14 Equity and Quality for Improved Learning Project (P133338).

19. **Outcome 3 on improved demand-side governance and participation, was partially achieved.** The first indicator on public access to key fiscal information is rated as not verified in the absence of PEFA (although there is some evidence of publication of fiscal information). The second indicator, establishment of a free online communications and information-sharing platform for CSOs, was achieved, although its use is below expectations. Funding provided by the GPF, through the Banking on Change Governance Program (FY12), also enabled the World Bank to support innovative sector-based governance reforms. This was achieved through a range of analytical work and discussion forums as well as small grants provided to CSOs to support innovative governance solutions in the education, health and forestry sectors. This has led to increased access to information and budget awareness. Also under the GPF-funded Local Budget Transparency Initiative (FY12), thirty-one local councils in the Northwest Region and nineteen in the Adamawa Region assessed the openness of their own budget processes. The councils were then ranked, the results were published, and - in the Adamawa region – results were discussed at a public meeting. Although it is difficult to assess the lasting impact of such initiatives, their results are encouraging and point to the feasibility of governance-related reforms at the local and decentralized levels.

Strategic Theme 1: Increasing Cameroon's Competitiveness

20. **A majority of outcomes under Strategic Theme 1 were mostly achieved. Progress under Strategic Theme 1 is therefore rated as moderately satisfactory.** The World Bank's engagement focused on supporting the Government to improve Cameroon's competitiveness through: (i) increased access to and quality of infrastructure services; (ii) improved business climate and investment in targeted value chains (agriculture, eco-tourism and wood transformation); and (iii) improved transparency, equity and sustainability in the use of natural resources. The World Bank supported a combination of infrastructure investment, technical assistance and analytical work to support Theme 1.

21. **Outcome 4 on increased access to and quality of infrastructure services, was mostly achieved.** There were six targets in the energy, transport and telecommunications sectors of which five were fully achieved and one was not achieved.

22. **In energy, there was limited progress toward providing access to electricity in targeted rural areas, but good progress increasing the production of electricity from hydropower and gas.** The first indicator under Outcome 4 on providing additional electricity in targeted rural areas, was not achieved. The World Bank's FY08 Energy Sector Development Project (P104456) helped to set up a rural electrification agency and a Rural Electrification Fund. However, the original target of 200 additional villages to be provided with electricity by the end of FY14 was missed, even though a good part of that target is expected to be met by the end of 2016. By contrast the construction of the Kribi gas-fired power plant, supported by IDA's Kribi Gas Power Guarantee Project (FY12, P110177), by International Finance Corporation (IFC) lending and by a MIGA guarantee, resulted in an increase in power generating capacity of 216 MW by 2013 thus achieving the second indicator under Outcome 4. In 2014 MIGA also provided guarantees to ACTIS, a multi sector emerging market investor, to cover both their purchase of a majority stake in Cameroon's integrated utility, and their investment in the Dibamba power plant. Finally, the completion in 2016 of the Lom Pangar regulating dam, under the Lom Pangar Hydropower Project (FY12, P114077) jointly financed by the World Bank, the African Development Bank (AfDB), the European Investment Bank (EIB) and the French Development Agency (AFD), is expected to increase the capacity of existing hydropower plants on the Sanaga River by 120 MW, and to increase the river's overall generating potential from 1,750 MW to 3,000 MW.

23. **The World Bank Support to Cameroon's energy sector has been a good practice example of how the WBG can use synergies, and collaborate with other development partners such as EIB, AfDB and AFD.** Through its long-term engagement in the sector the World Bank has become a trusted strategic partner to the Government of Cameroon (GoC) supporting institutional reforms and helping to develop and implement a coherent investment program along the entire electricity sector value chain. For example, analytical and technical assistance work helped the GoC implement institutional and regulatory reforms[46], and to develop a Least Cost Electricity Sector Development Plan (2015-2035) approved in 2014. Implementation of the Plan

[46] Such as the privatization of the historical operator, the establishment of an independent regulator and of a Rural Electrification Agency.

is expected to reduce the energy deficit and ensure long-term energy security in the country. The strength of the World Bank partnership in the sector has been further confirmed in recent months, with Government requests for major additional support[47].

24. **In the transport sector, the CAS targets were met although further challenges lie ahead in order to improve transit between Douala and, Ndjamena and Bangui, respectively.** The World Bank support through the FY07 CEMAC-Transport-Transit Facilitation Project (P079736) helped to automate transit procedures at the Port of Douala which significantly improved the functioning of the Port's Single Window[48], and contributed to surpassing the target related to the reduction in the 'operational and transactional dwell time' for main importers in the Douala port[49]. Overall dwell times at the port (not captured in the CAS targets), however, are still very high at around 17 days[50], compared to five-seven days in more competitive ports, as a result of protracted use of storage facilities at below-market prices in the port area. The two other targets, i.e., reducing the transit time for imports from the port of Douala to N'Djamena and Bangui, respectively, exceeded the CAS objectives. The former has fallen to seven days and stayed at that level since March 2013 (from the 14.4 days baseline and a CAS target of 12 days); the latter had fallen to five days and stayed at that level since March 2013 (from the 12-day baseline and a CAS target of eight days). The economics of transportation between Douala and Ndjamena and Bangui, respectively, could be further improved as rehabilitation works on the road corridors are completed under the CEMAC Trade and Transport Facilitation Project, and there is greater progress in reducing freight costs, which are comparatively high due to monopolistic practices.

25. **The World Bank's technical assistance (TA) and policy dialogue also facilitated development of a road safety agenda.** The World Bank TA, funded under the SSA Transport Policy Program (FY12), helped strengthen partnerships among stakeholders working on road safety along the Central Africa Corridor. The total number of accidents along the central corridors, Doula-N'Djamena and Douala-Bangui, dropped by 32 percent between 2009 and 2014. The World Bank support also helped create the Safe Way Right Way Foundation, as well as and a coalition of 30 civil society organizations actively engaged in road safety activities in Cameroon ('COALIROUTE'). These two entities are partnering on the road safety agenda; as a result of their success, similar approaches are being adopted in other countries in the region such as Central African Republic and Chad.

26. **The CAS target of increasing tele-density was achieved, but serious challenges remain in the Information and Communication Technology (ICT) sector, which remains one of the key bottlenecks to the country's competitiveness.** With World Bank support, such as the FY10 Central African Backbone Project (P108368), the Government strengthened the legal and regulatory framework for the ICT sector and awarded a third mobile telephony license.[51] Tele-

[47] Three new operations are under preparation: the Electricity Transmission and Reform Project (US$325 million); the Hydropower Development on the Sanaga River (US$25 million); and the Nachtigal Hydropower Project (risk guarantee, US$300 million).
[48] A total of 21 procedures have been automated so far.
[49] The operational and transactional dwell time was reduced from 10.6 days (baseline) to seven days by end-2012, exceeding the CAS target of 8.8 days (it was further reduced to 6 days by January 2016).
[50] The overall dwell time was 19.7 days in 2009. It was reduced to 15 days in 2013 and deteriorated to 17 days in 2015.
[51] The Government has adopted seven laws, fifteen decrees and six orders, covering competition, cyber security and cyber-crime, sharing infrastructure, portability, protection of consumers, electronic communication, and ecommerce, among others.

density, defined as access to fixed or mobile telephony, increased from 28 percent in 2008 to 75 percent in 2013, in excess of the 70 percent CAS target. The other CAS target, the price of wholesale broadband services, was also exceeded as the cost declined from a baseline of US$6,000 per megabits per second (Mbps) per month to about US$600 in 2014 (US$460 in 2016), against a target of US$1,200. However, these targets are outdated, due to rapid technological progress since the CAS was prepared, and they do not reflect the fact that Cameroon's ICT sector has fallen considerably behind that of peer SSA countries. Overall ICT performance as measured by the Network Readiness Index ranks Cameroon 126th out of 143 countries in 2015. The above-mentioned international bandwidth price of US$460/Mbps/month compares unfavorably to US$22 for Africa on average, and US$3 for EU countries. This helps explain the very low penetration of internet or other advanced ICT services: the number of internet users hardly increased from two to five per cent of the population between 2008 and 2014. 'Sticky' international broadband prices are linked, in turn, to CAMTEL's monopoly positions on key segments of the ICT services delivery value-chain, notably access to landing stations and to the national backbone. These issues have been amply analyzed as part of World Bank operational work, and in a dedicated policy note prepared in 2016, which supports the ongoing policy dialogue with the Government.

27. **Outcome 5 on improved business climate and investment in targeted value chains (agriculture, eco-tourism, and wood transformation), was mostly achieved.** This was as a result of meeting the target for agriculture and partial achievement of the business climate target.

28. **Agricultural productivity increased in selected value chains[52].** The FY09 Agricultural Competitiveness Project (P112635) helped rehabilitate irrigation systems in targeted areas resulting in an increase in rice yields from 5.2 tons/ha in 2009 to 5.8 tons/ha in 2013, thus meeting the CAS target[53]. The yield of other crops, such as maize and plantain, also increased substantially and exceeded the project targets. After the CAS period, the FY15 Agriculture Investment and Market Development Project (P143417) built on these positive experiences. It supports producer organizations in signing supplier contracts with agribusinesses in the maize, sorghum, and cassava value chains. It supports the same organizations in obtaining loans from the private banking sector, which are secured by an IFC guarantee.

29. **The World Bank also supported the adoption of effective approaches to preventing land degradation.** The Sustainable Agro-Pastoral and Land Management Promotion component of the Second Community Development Program Support Project resulted in increased agricultural yields while simultaneously slowing down land and water degradation through community driven sub-projects. By March 2012, 191 community micro projects were completed to increase vegetative cover and improve soil fertility covering 46,195 hectares. Under the project, 82 percent of farmers increased their production due to soil fertility and more than 400 community-based organizations gained knowledge about implementing biodiversity and environmentally friendly sustainable land management practices. This successful pilot is now being extended under the FY17 Livestock Development Project (P154908) and an AFD-supported project.

[52] Maize, rice and plantains.
[53] Rice yields increased further to 6.1 tons/ha by 2015.

30. **The CAS target of reducing the number of days to register a business was mostly achieved.** The number of days to register a business fell significantly, from 35 days in 2009 to 15 days in 2015, albeit short of the CAS target of nine days. Key factors preventing further reductions in registration times include the continued requirement for a notary in the creation of a private limited liability company, and minimum capital requirements. In addition, as mentioned earlier, Cameroon continues to face challenges in a number of areas of the business environment, and its overall performance under the Doing Business Index has not shown sustained improvement.

31. **Outcome 6 on improved transparency, equity and sustainability in the use of natural resources, was mostly achieved.** This resulted from improvements in the mining titling system, forest management and sustainable land management. The FY12 Mining Sector Technical Assistance Project (P122153) supported the improved efficiency and transparency of mining sector management as well as a framework for sustainable mining development (the first target under this outcome). Key achievements included an airborne geophysics campaign covering half of the country, initiation of a modern mining cadaster, a Strategic Environmental and Social Assessment which was completed in January 2016, a social accountability platform, a training plan for Government staff and other stakeholders, and technical assistance to the proposed revision of the legal framework. The mining titling system targeted in the CAS is well underway: the digitization of mining titles was completed as well as a national geodetic campaign; the computerized delivery of new mining titles is being piloted and will be rolled out in 2017.

32. **The second CAS target under this outcome, forests and plantations under sustainable management, was achieved.** The area of natural forests under sustainable management increased to 5.4 million ha by 2012, well in excess of the CAS target of 4.5 million ha, of which about 4 million ha were officially gazetted. The World Bank support for this agenda included the Forest and Environment Development Program (FY06). The area of plantations under sustainable management also increased to 7,696 ha, in excess of the target of 5,000 ha. These plantations were approved for transferal to local community, local Government or private sector management. The FY12 GEF-funded Ngoyla Mintom Project (P118018) also supported the creation of a wild life reserve of 156,000 ha under the core conservation area.

33. **The World Bank support also helped foster facility level compliance with environmental and social safeguards.** There were 88,448 hectares of land brought under Sustainable Land Management (SLM) practices, far exceeding the third CAS target of an additional 9,000 ha under SLM practices. This was achieved with support from the First Community Development Program Support Project (FY04, P073629) notably a grant provided by the GEF to the Sustainable Agro-Pastoral and Land Management Promotion Project (FY06, P089289). This included 46,195 ha of communal forest, and 30,000 ha of protected forests and buffer zones created through reforestation. Finally, with support from the World Bank's Environmental and Social Capacity Building for the Energy Sector Project (FY08, P109588), the share of energy facilities with Environmental Performance Reports that were fully compliant with their Environmental and Social Management Plans increased from zero percent to 33 percent in 2013, against the CAS target of 70 percent.

Strategic Theme 2: Improving Service Delivery

34. **Overall progress under Strategic Theme 2 was rated as moderately satisfactory since a majority of outcomes were mostly achieved.** The theme of improved service delivery comprised three outcomes: (i) improving the quality and efficiency of the education system; (ii) improving access to, and the quality of, health services; and (iii) improving access to basic infrastructure and to social safety nets.

35. **Outcome 7 on improved quality and efficiency of the education system, was mostly achieved.** One target relating to completion rates in primary education was achieved while the target relating to efficient distribution of teachers was not achieved. World Bank support for the sector included the Education Development Capacity Building Project (FY05, P075964), the Education for All-Fast Track Initiative (FY11, P116437)), the FY14 Equity and Quality for Improved Learning Project (P133338), and the Africa Higher Education Centers of Excellence Project (FY14, P126974). Through a combination of investment lending, policy dialogue and analytical work, the World Bank helped support an increase in the primary completion rate from 64 percent in 2007 to 80 percent in 2013, against a CAS target of 70 percent. Other achievements included: (i) reducing the pupil-teacher ratio in the public education system from 50:1 to 45:1; (ii) reducing primary repetition rates from 25 percent to 20 percent; and (iii) improving female-to-male enrolment rates in target areas from 0.58 to 0.82. The allocation of teachers to the northern regions improved thanks to a more even deployment of newly contracted teachers, but teacher distribution overall remains inequitable across regions. This reflects the greater ability of better-off regions to attract teachers and the unwillingness of teachers to move to rural areas.

36. **As Cameroon is still facing many challenges in its education sector, the World Bank has started to lay the foundation for further support.** Despite commendable progress in primary education enrolment, primary completion is still below 80 percent; education quality remains poor and has been declining recently; and inequities are strong between northern and other regions and between genders. Furthermore, higher education and vocational training do not seem to respond to the needs of the country's labor market. The World Bank's program supported operational efficiency by strengthening information systems and improving planning capacity. For example, Ministry staff was trained in the use of simulation models to improve strategic planning and strengthen budget preparation; annual statistical reports were published and an early grade reading assessment was established. A World Bank study, 'Revisiting the Sources of Growth: the Quality of Basic Education' (FY14), also helped identify institutional and policy gaps, including textbook policy, in the area of basic education. More recently, a skills study, 'Fostering Skills for Inclusive Workforce Development, Competitiveness and Growth' (FY15) offers a framework for action that is expected to underpin a skills development strategy in support of job creation and improved productivity and competitiveness of the workforce.

37. **Outcome 8 was mostly achieved as a result of progress made in immunization rates and births overseen by skilled attendants.** The World Bank supported the introduction of PBF for public, private and faith-based organizations across 26 districts through the FY08 Health Sector Support Investment Project (P104525). The support covered a total population of 2.5 million in the Littoral, Northwest, Southwest and East regions, and helped improve key indicators in a very

significant way, justifying the progressive extension of PBF nationally, under a second (FY14) and third (FY16) project. Nationally, the CAS targets were mostly achieved during the period. The rate of DPT3 immunization for children under one year old (67 percent baseline; 73 percent target) reached 79.6 percent according to the most recent DHS[54]. Key maternal indicators also improved substantially. Births attended by a skilled attendant increased to 65 percent nationally, close to the CAS target of 66 percent. This target is thus assessed as mostly achieved.

38. **Outcome 9 on improved access to basic infrastructure and social safety nets, was mostly achieved: five out of six targets were met or exceeded and one, relating to social safety nets, was missed.** The World Bank provided a range of support under this outcome. The number of people in targeted cities with all-year access to transportation rose to over 420,000 (exceeding the CAS target of 290,000), as a result of support through the FY07 Urban and Water Development Support Project (P084002). The second CAS target concerning the number of people in these cities with access to improved water supply (8.3 million) is also likely to have been met: while it stood at 7.2 million in early 2012 (date of preparation of the Performance and Learning Review), it had reached 8.43 million in August 2015 (as per the ICR of the Urban and Water Development Support Project. While no specific measurement is available at the specific time of CAS completion, the achievement at the time of ICR is deemed an acceptable proxy for meeting the target.

39. **In rural areas the Second Community Development Program Support Project supported improvements in local infrastructure (education, health and water supply).** By 2013, 122,340 students had improved access to education facilities (as against a target of 103,000); 428,925 people had improved access to health facilities (as against a target of 196,000); and 437,100 people had access to improved water sources (as against a target of 208,000). All gender sub-targets (at least 50 percent) were also met.

40. **The CAS target of instituting a social safety net to benefit 15,000 people was not achieved.** The FY13 Social Safety Net Project (P128534) became effective only in June 2014 which delayed the launching of the safety net program. The Project is now supporting a cash transfer program that will boost human capital investment and productivity of poor households and a pilot public works program that will provide support to the most vulnerable households during the lean season. The Project will eventually reach 65,000 poor and vulnerable households in the Far North, the North, the Adamawa, the Northwest, and the East regions (i.e., the poorest regions in Cameroon), as well as 5,000 urban households in Yaoundé and Douala. While the first year target of reaching 15,000 beneficiaries was not achieved by the anticipated date, 20,000 beneficiaries had been reached as of September 2016, i.e. beyond the end of the CAS period.

III. World Bank Group Performance

41. Overall, World Bank performance during the FY10-FY14 Cameroon CAS is rated as fair[55]. While 19 out of 27 outcomes indicators anticipated in the CAS Results Framework are assessed

[54] Demographic and Health Survey.

[55] Per the OPCS guidelines, "While successful in contributing to achievements in some areas, the design and implementation of the program failed to contribute to the achievement of a significant number of CAS objectives. The WBG did not proactively engage to address implementation problems and adapt to changing circumstances. "

as achieved or mostly achieved, the number of outcomes not achieved remains significant. Also, their concentration (4 out of 8) in the Governance area signals a deficit of program design or sufficient engagement with the client. The World Bank did engage proactively to address implementation problems and to adapt to changing circumstances, but that engagement may have come somewhat late during the CAS implementation period, i.e. not until FY12, which explains the limited results. Going forward, one lesson to draw for the FY17-FY21 CPF is the importance of remaining vigilant to implementation issues, even ahead of the PLR exercise.

Design of the CAS

42. **The CAS program was aligned with the country's development priorities as identified in the Government's "Growth and Employment Strategy".** The overall scope of the World Bank's engagement as well as the objectives set forth in the strategy remained relevant throughout the CAS period. The CAS design addressed key development challenges, and sought a balance between support to growth, attention to greater inclusion and access to services, and efforts to improve governance. The governance agenda was integrated into a number of projects in their respective sectoral and operational contexts through policy dialogue and analytical diagnostics. The choice of instruments included a combination of investment lending operations complemented by technical assistance and analytical diagnostics in key sectors. Lessons learned from the previous CAS were incorporated in the design. In particular, the introduction of PBF in Health was a successful innovation that helped deliver better results and which is now being expanded.

43. **The results framework was generally well designed, but had weaknesses in a few areas.** In some cases the results framework lacked relevance and could not properly be assessed. For example, the CAS objective of improving the business climate was too broad and the associated indicator was not directly linked to World Bank support. Under the cross-cutting theme of governance, several indicators were linked to PEFA indicators and were suitable to validation only if further PEFAs were carried out, which was not the case. A similar issue arose with the indicators related to child vaccination.

44. **Progress was made during the CAS period towards mainstreaming gender into the World Bank's program.** The initial CAS included limited references to gender, with no gender-related progress indicators in the results framework. During CAS implementation, the World Bank sought to use projects coming on stream to improve equality between sexes and to better align with the recommendations of the 2012 World Development Report on Gender Equality and Development. While pursuing this objective was somewhat challenging in infrastructure sectors, new projects in the education, health, water and sanitation, safety net, and agriculture sectors did include gender-disaggregated data in their results matrix. The FY12 PLR accordingly modified the CAS results framework to incorporate gender-based indicators. This CLR reports that gender-specific targets in terms of gender parity in education, immunization, and access to basic infrastructure were met. Going forward, the proposed FY17-FY21 CPF draws on gender analysis, more particularly the gender-related findings of the SCD, to further mainstream gender in the World Bank strategy. Specific results are sought, in particular, in terms of access to agriculture services, maternal health, education enrolment and quality, safety nets, local infrastructure, financial services, and vocational training.

45. Risk mitigation has been challenging but has been addressed. The key risks identified in the CAS, namely exogenous, macroeconomic, development effectiveness, reputational and political economy risks, remained relevant throughout the CAS period. On the macroeconomic front, excessive indebtedness became apparent during the CAS period due to a large public investment program increasingly financed at non-concessional terms. After the end of the CAS period, the 2015 joint IMF-WB Debt Sustainability Assessment concluded that Cameroon was at high risk of debt distress. Debt management is now at the center of a coordinated policy dialogue between the IMF, the WB and the authorities. Development Effectiveness was impaired, judging from a number of non-performing projects, but as discussed earlier the World Bank reacted, albeit sometimes later than would have been desirable, by restructuring such projects. Political Economy, and Fiduciary risks have not materialized in a significant way. Reputational risks associated with the Lom Pangar Hydropower Project did emerge but were effectively mitigated. This was made possible by intensive and frequent project supervision, which was funded through exceptional annual supervision budgets as per commitments made at the time of project preparation.

Implementation:

46. WBG commitments during the CAS period exceeded initial expectations. The CAS originally envisaged total commitments of US$430 million during FY10-FY13, approximately US$100 million per annum. New IDA commitments during the CAS period amounted to US$581.7 million with an additional US$279.9 million from regional programs. Trust Fund Resources, amounting to US$56.5 million further augmented commitments.

47. Portfolio performance faced challenges, to which the World Bank responded with increasing proactivity, albeit with delay. The CAS program faced implementation challenges that affected portfolio performance. These included procurement delays, insufficient counterpart funding, and complexity in the social safeguards-related compensation. Following the FY12 PLR, the World Bank team took steps to resolve implementation problems, including by providing enhanced supervision support to implementation agencies, conducting regular portfolio reviews and restructuring a number of projects. During FY12-FY13, the World Bank canceled US$70 million of IDA funds in five active projects, about 15 percent of the then-outstanding portfolio and reallocated these funds to new projects. Portfolio management measures were instrumental in increasing the disbursement ratio from 7.5 percent in FY10 to an average of 20 percent in FY13-FY14. The same measures also helped improve the proactivity ratio, from an average of 25 percent in FY10-FY11 to an average of 55 percent in FY13-FY14 (and 83.3 percent in FY15). That said, proactive management came somewhat late in the CAS period, and did not prevent the proportion of problem projects from averaging one third of the portfolio. Five out of eight projects exited the portfolio with a 'Moderately Unsatisfactory' or 'Unsatisfactory' rating.

48. The CAS program delivered advisory services and analytical pieces which helped pave the way for World Bank operations, including through engagement with civil society and policy makers. In the education sector the 2010 Public Expenditure Review and the 2013 Country Education Status Report informed the Government's Education Sector Policy 2013-2020 especially with respect to issues of quality, equity and relevance, and helped prepare the Equity

and Quality for Improved Learning Project (Global Partnership for Education, FY14). A country status report on Cameroon's health sector was instrumental in preparing the US$40 million of AF to the Health Sector Support Investment Project (FY14), and scaling up the successful PBF approach. Diagnostic and feasibility studies shaped the Government-funded pilot cash transfer program which started in November 2013, and helped build the consensus around the need for a social safety net, later supported by the FY13 Social Safety Net Project. Several political economy studies under the GPF-funded Banking on Change Governance Program (FY12) were conducted in sectors including mining, education, telecommunications, forestry and public financial management that also provided valuable insights to guide sector dialogue. Several publications have been widely disseminated to the media, civil society and academia. The Cameroon Economic Update (CEU) series, in particular, produced a semi-annual macroeconomic update combined with a specific sector focus: examples of issues covered include telecommunications, the costs and benefits of fuel subsidies and trade barriers, agriculture development, and health sector reform. The CEUs were well-received, providing an evidence-based vehicle to disseminate World Bank analytical work and to engage in dialogue with policy makers and civil society on multiple sectors and issues.

49. The World Bank has successfully pursued synergies within the WBG and with other Development Partners (DPs). Support to Cameroon's energy sector has been a good practice example of how to use WBG synergies, and to collaborate with other DPs such as the EIB, the AfDB and AFD. For example, the Kribi Gas Power plant benefits from an equity investment by IFC, an IDA risk guarantee and a MIGA guarantee. IDA's investment in the Lom Pangar Hydropower Project took place alongside investments by the AfDB, the EIB, and the AFD. Going forward, under the CPF the World Bank will coordinate a large, multi-donor, US$1.2-billion investment in the electricity transmission sector, of which IBRD's contribution will be US$325 million. Also, IFC would become a key shareholder of the Independent Power Producer for the new Nachtigal hydropower plant, which is also expected to benefit from IBRD's and/or MIGA risk guarantees. WBG collaboration in the energy sector has been formalized in a JIP agreed upon in 2015. Beyond the energy sector the World Bank worked closely with the IFC in the agriculture sector and towards improving the investment climate, SME development, and access to finance.

IV. Alignment with the WBG Corporate Goals

50. The CAS program was developed before introduction of the WBG's twin goals of ending extreme poverty and boosting shared prosperity in a sustainable manner. Nevertheless, the CAS de facto aligned fairly well with the twin goals. A significant portion of the CAS program focused on rural areas where poverty and vulnerability are concentrated, including the northern regions. Examples include: (i) the Second Community Development Program Support Project, which targeted vulnerable groups, including women and indigenous communities (Pygmies); (ii) the Agriculture Competitiveness Project, which focused on rural areas; and (iii) some large footprint projects, such as the CEMAC Transport-Transit Facilitation Project and the Flood Emergency Project (FY13, P143940), which focus on the Far North.

51. A number of lessons can be derived from implementation of the FY10-14 CAS. These include the following:

- **Centralized approaches to strengthening governance need to be complemented with decentralized and sector-based approaches.** Several decentralized and sector-based approaches have been quite successful. Under the Second Community Development Support Project, participating municipalities prepared Local Development Plans (LDPs) to reflect the needs of their populations. LDPs were among the main instruments that guided preparation of the Government's public investment program for fiscal years 2013 and 2014. In the health sector, PBF has shifted health financing from a centralized and input-based approach to financing based on performance at the service delivery level. At the Port of Douala, in February 2010, performance contracts were introduced which resulted in significant reductions in delays and fraud, improved revenue collection, and improved ethics in the work of customs agents. The 'Banking on Change Governance' Program (FY12) provided small grants to civil society organizations to support innovative governance solutions in the education, health and forestry sectors. This has increased citizens' access to information and budget awareness. Similar approaches will inform the CPF including the design of a new public financial management project.

- **The impact of investment lending is much higher when it is accompanied by sector policy and institutional reform which is possible only when Government ownership is strong**. Reforms have often been supported by strong analytical work and technical assistance. In health, for example, based on the success of the performance-based pilot and subsequent adoption of the PBF approach by the Government, the World Bank was able to scale up its support, culminating in a FY16 US$100-million operation co-financed by the Global Financing Facility (GFF, US$27 million). In the energy sector, as already mentioned, the long-term combination of investment lending and technical advice for policy and institutional reform established the World Bank as a trusted advisor on sector issues. As a result, the GoC requested World Bank support in coordinating a multi-financier, US$1.2-billion investment program to resolve congestion in the electricity transmission system. In the railways sector, the concession of operations to a private sector operator also yielded good results in terms of quality and price of service. In contrast, implementation of the Education Development Capacity Building Project was hindered by weak Government ownership of the reform program. Project activities were scattered across Ministries and not actively managed, neither within each Ministry nor across Ministries. In the CPF, support will be targeted to those sectors where the likelihood of reform, and hence impact, is high; and projects will be designed to support both sector-wide reform, and geographically targeted investments. The World Bank may also consider supporting reform through Development Policy Operations.

- **To focus more directly on poverty reduction and spatial inequality, the World Bank needs to step up its support in those geographic areas where poverty is most pronounced.** This can be achieved by supporting activities that are of particular relevance to livelihoods in the northern regions such as the development of climate smart agriculture and livestock practices in semi-arid and arid zones. It can also be pursued in the context of support to national sector programs, by rolling out reforms and investments in the poorest regions first, such as is being planned for future World Bank-supported health, education, and access to electricity

programs. Lastly, this can be achieved by focusing on particularly vulnerable groups such as girls, or refugees and internally-displaced people (IDPs) in the northern and eastern regions.

- **In the Far North, program design, implementation and supervision needs to be tailored to the presence of active conflict.** Project design will need to consider: (i) adopting decentralized versus large footprint approaches; (ii) including community based activities that can strengthen resilience and facilitate a more inclusive social contract; and (iii) targeting particularly vulnerable groups such as IDPs and refugees; and (iv) mitigating social risks emanating from the presence of active conflict and armed forces, including by providing for multiple citizen and beneficiary feedback mechanisms. Implementation may need to rely on flexible procurement approaches as private contractors are shunning conflict-affected areas. For example, the World Bank is actively considering a collaboration with the Army Corps of Engineers for the rehabilitation of the Mora-Kousseri road which travels through areas frequently attacked by Boko Haram. Implementation may also rely on third party agencies with a strong presence on the ground, such as some UN agencies or non-Government organizations For supervision, the World Bank may need to consider third party monitoring, or to conduct 'reverse supervision mission', whereby Government officials who work on projects in insecure areas are invited to travel to safer areas in order to report back on project progress. Supervision is already making greater use of technology, such as geo-localized video/photography and satellite imagery. Finally, missions to insecure areas will need to benefit from additional security arrangements, which will have to be factored into the allocation of supervision budgets.

- **Smooth portfolio implementation requires intensive follow-up on procurement, Financial management (FM) and safeguards, and very close collaboration with counterpart ministries.** Project implementation in Cameroon has typically been affected by lengthy procurement processes, recently compounded by the creation of the Ministry of Public Procurement; by long delays to finalize compensation under safeguard policies, due to a very centralized procedure; and by inefficiencies in the chain of public financial management. The successful turnaround in disbursement ratios during the latter years of the CAS period reflected systematic monthly reviews of implementation prospects for each project, involving sector ministries along with the Ministry of Finance and the Ministry of Economy and Planning, and covering procurement, financial management and safeguards aspects. This improved dialogue is now being deepened to discussion of more systemic measures to improve the efficiency and speed of Cameroon's procurement and compensation procedures.

- **The quality of the results framework needs to be strong and it needs to be used as a tool for monitoring progress against the program.** The results framework should be updated in a PLR sufficiently early in the CPF period to permit assessment and adjustment. The FY10-FY14 CAS results framework was too extensive and lacked indicators that were specific and measurable. It did not take sufficient account of the risks to delivery or Monitoring and Evaluation and other information requirements. It was not used as a tool for regular engagement with the Country Team.

Annex 1 to CLR: Summary of CAS Program Self-Evaluation FY10-FY14

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
CAS Foundation : Governance			**UNSATISFACTORY**
Related GoC Growth and Employment Strategy priorities: • Improved public financial management • Reduced corruption • Enhanced participation of citizens and civil society in governance and local development			
Outcome 1: Enhanced transparency and efficiency in public financial management			**PARTIALLY ACHIEVED**
• Scope of the legislature scrutiny of the annual budget law (PEFA indicator 27i) Baseline: C in 2007 (A-D scale, A the higher) Target: B in 2013 • PFM legal framework Baseline: not compliant with CEMAC PFM Directives issued on December 2011 Target: Revision towards compliance by end 2013 and implementation in 2014	• **Not verified.** No PEFA assessment was undertaken during the CAS period (para 16 of main text). In addition no significant changes observed in component indicators. • **Partially achieved.** Revised draft of the PFM legal framework in line with CEMAC Directives sent to the Presidency for first review.	**Lending:** Transparency and Accountability Capacity Building Project (FY08) **Knowledge/TA Activities:** IDF grant for Support to the Accountancy Profession FY10; Trade Facilitation Facility support for Customs Integrity Plan (FY10-FY12); IDF grant to build capacity of Debt Management Office (FY11); EITI governance workshop (FY12) and support for EITI validation (FY13); Budget Transparency Initiative (FY12); Debt Management Performance Assessment follow up (multi-year); Basic Agricultural Public Expenditure Diagnostic (FY14).	• The design of the Transparency and Accountability project was not sufficiently tailored to country-specific conditions in terms of technical assistance and sequencing of reforms. • Results Framework indicators should be selected carefully based not only on their relevance but also on the likelihood of their availability. • Future strategy should focus on improving transparency and accountability at sector level to improve service delivery to citizens and foster private sector investment.
Outcome 2. Improved sector governance focused on transparency and accountability			**NOT VERIFIED**
• Availability of information on resources received by service delivery units (PEFA indicator 23) Baseline: D in 2007 Target: B in 2013	• **Not verified.** No PEFA assessment was undertaken during the CAS period. In addition no significant changes observed in component indicators.	**Knowledge/TA Activities:** Governance Partnership Facility Banking on Change Governance program (FY12); Trade Facilitation Facility support for Customs Integrity Plan (FY12-FY12); PETS: Health, Education; support through Health Results	

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
		Innovation Multi donor Trust Fund for performance-based approach in health sector (FY14).	
Outcome 3. Improved demand-side governance and participation			**PARTIALLY ACHIEVED**
• Public access to key fiscal information (PEFA indicator10) Baseline: B in 2007 Target: A in 2013 • Establishment of a free online communications and information sharing platform for civil society organizations by 2014 (Yes/No).	• **Not verified.** No PEFA assessment was undertaken during the CAS period. In addition no significant changes observed in component indicators. • **Achieved**. The platform was established in 2013 and an event to train CSOs in using participative methodology to monitor Public Investment Budgets in Cameroon was organized with the aid agency GIZ.	**Knowledge/AAA Activities:** Governance and Management in the Education Sector (FY10)	• The World Bank was relatively more successful in leveraging knowledge products when it used its convening power to ensure wide dissemination of information to sections of civil society that do not have usually have such access in Cameroon. • Leverage also increased when the World Bank fully included the client in the delivery of knowledge products.
CAS Theme 1: Improving Cameroon's Competitiveness			**MODERATELY SATISFACTORY**
Related GoC Growth and Employment Strategy priorities: • Increased electricity production capacity • Increased rural electrification • Improved road, railway and airport condition • Improved institutional, legal and regulatory framework in the transport sector • Improved access to telecoms/ICT services • Increased more sustainable and higher quality crop, animal, fisheries and forestry production • Tourist products developed • Improved business and service production • Improved natural resources management			
Outcome 4: Increased access to and quality of infrastructure services			**MOSTLY ACHIEVED**
• Electrified villages (grid and off-grid) in targeted areas Baseline: 2,100 in 2008 Target: 2,300 in 2014	• **Not achieved**. The target was not achieved, However, two-thirds of the objective of an additional 200 villages is expected to be completed after the end of the CAS period (by mid-2017).	**Energy:** **Lending:** Energy Sector Development Project (FY08); Kribi Gas Power Project (FY10); Lom Pangar Hydropower Project (FY12); IFC lending and MIGA guarantee to Kribi Project.	• Progress in the energy sector was facilitated by: - a close working relationship with key stakeholders in the sector

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
• Electricity supplied from Kribi Gas to Power Project Baseline: 0 MW Target: 216 MW by Q1 2013 • Reduction in the operational and transactional dwell time ('dwell time for main importers') in the Douala port Baseline: 10.6 days in 2011 Target: 8.8 days in 2013 • Average transit time for imports from the exit at the port of Douala - to N'Djamena Baseline: 14.4 days in 2009 Target: 12 days in 2013 - to Bangui Baseline: 12 days in 2008 Target: 8 days in 2013 • Total tele density (active fixed and mobile subscribers per 100 inhabitants) Baseline: 28.1 in 2008 Target: 70 by end 2013	• **Achieved.** 216 MW of electricity has been supplied through the Kribi gas power project since completion in May 2013. • **Achieved.** Dwell time for main importers in the Douala Port reduced to 7 days by end 2012 (6 days in 2016). • **Achieved.** Average transit time for imports from the exit at the Port Douala: - to N'Djamena reduced from 14 days to 7 days since March 2013 - to Bangui reduced from 12 days to 5 days since March 2013 • **Achieved.** The total tele-density (active fixed and mobile subscriber per 100 inhabitants) reached 75 by 2013, and 80 in 2014.	**Knowledge/TA Activities:** Public-Private Infrastructure Advisory Facility (PPIAF) Grant for Regulatory Model **Transport:** **Lending:** CEMAC Transport and Transit Facilitation (FY07); West and Central Africa Air Transport Safety & Security Project (FY06). **Knowledge/TA Activities**: Transport Facilitation Facility (TF); Sub-Saharan Africa Transport Policy Program (TF). **Telecommunications:** **Lending:** Central Africa Backbone Project (FY10). **Knowledge/TA Activities**: PPIAF Technical Study to deploy CAB (FY09); Strengthening Capacity in the Telecom & IT sector (FY10) – IDF grant.	- use of a range of WBG instruments including policy and institutional advice, e.g., through the Energy Sector Development Project (FY08). • In transport there is a need to: - work with the Government and development partners to elaborate an approach to implementing projects in areas of the country that pose a security or safety risk. - support the Government to introducing Multi-year Performance Based Contracts which should be adopted systematically with co-financing from the Road Fund. - build on the annual Transit Facilitation Week, which helped build trust and confidence between key regional stakeholders. • CAMTEL's monopoly on access to broadband services remains the main barrier to further development of the telecom sector.

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
Outcome 5: Improved business climate and investment in targeted value chains (agriculture, eco-tourism, and wood transformation)			**MOSTLY ACHIEVED**
• Average rice yields in rehabilitated irrigated areas Baseline: 5.2 tons/ha in 2009 Target: 5.8 tons/ha in 2013 • Days to register a business Baseline: 34 in 2009 Target: 9 by end 2013	• **Achieved.** The average rice yield reached 5.8 tons/ha in 2013, and increased further to 6.1 in 2015. Rehabilitation of rice irrigated perimeters is not yet completed. • **Mostly achieved.** The CAS target was mostly achieved. According to Doing Business 2015 it takes 15 days to register a business.	**Lending:** Agricultural Competiveness Project (FY09); Agriculture Investment and Market Development Project (FY15); Competitive Value Chains Project (FY10); Improved Investment Climate with the Organization for the Harmonization of African Business Law (FY13). **Knowledge/AAA** Doing Business (annual).	• Reference to international rankings such as Doing Business in a Results Matrix is effective as the publication of these indicators has an impact on policy-makers and these indicators are easily verifiable.
Outcome 6: Improved transparency, equity and sustainability in the use of natural resources			**MOSTLY ACHIEVED**
• Mining title system in compliance with established procedures for transparency and efficiency (Yes/No) Baseline: No system in place (2009) Target: System in place by 2014 • Increase in area of natural forests and plantations under Sustainable Forest Management Baseline: 3.5 M ha of natural forests and 0 ha of plantations in 2009 Target: 4.5 M ha of natural forests and 5,000 ha of plantations in 2012 • Area under SLM practices in targeted zones Baseline: 1000 ha by 2009 Target: 10,000 ha by 2013 • Facilities for which annual environmental performance report certified as compliant with the Environmental Management Plan by the Ministry of Environment. Baseline: 0 percent in 2009 Target: 70 percent by end 2013	• **Achieved.** The mining title system in place on a manual basis and is going to be computerized in 2015. • **Achieved.** 5.4 M ha of natural forests were under Sustainable Management of which 4.0M ha were gazetted by 2011 • **Achieved.** 88,448 ha area were under sustainable land management **Partially achieved.** The share of facilities for which annual environmental performance reports were compliant with Environment Management Plans rose to 33 percent in FY13.	**Lending:** Mineral Sector Institutional Capacity Building Project (FY08); Sustainable Agro-pastoral and Land Management Promotion Project under the Community Development Program Support Project (FY04); Mining Sector Technical Assistance Project (FY12); GEF Grant to Achieve Sustainable Development for Local Communities in the Ngoyla-Mintom Forest (FY12); Environmental and Social Capacity Building for the Energy Sector Project (FY08).	• **Mining:** The GoC has requested an extension of a geophysical airborne survey to the rest of the country. This could have useful applications in mining and other sectors. The Government should continue to ensure that any information generated through such a survey is made available in a transparent way. • **Environmental management**: Capacity building in environmental and social due diligence remains a priority particularly in view of the ambitious Governmental Growth and Employment Strategy Paper.

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
CAS Theme 2: Improving Service Delivery			**MODERATELY SATISFACTORY**
Related GoC Growth and Employment Strategy priorities: • Improved education access and equity • Improved maintenance and increased rehabilitation of urban infrastructure • Improved living conditions in rural areas • Improved community management capacity • Strengthened social protection of vulnerable groups			
Outcome 7: Improved quality and efficiency of the education system			**MOSTLY ACHIEVED**
• Completion rate in primary education Baseline: 64 percent by 2007 Target: 80 percent by 2013 – of whom at least 45 percent are female • Efficiency in the distribution of teachers measured by a technical indicator (randomness in teacher allocation, the lower the more efficient). Baseline: 45 percent by 2009 Target: 25 percent in 2013	• **Achieved**. Primary completion rate is 83 percent and the gender target has been achieved. • **Not Achieved.** Newly recruited teachers were equitably allocated across regions. 42 percent of recruited teachers were placed in the under-served regions. This is equal to the share of enrolment 42 percent and compares favorably with the share of teachers placed there in the previous project (33 percent), but overall teacher distribution across regions remains inequitable, as also illustrated by the fact that the degree of randomness in teacher deployment did not decrease.	**Lending:** Education Development Capacity Building Project (FY05); Education for All-Fast Track Initiative (FY11); Equity and Quality for Improved Learning Project (FY14); Africa Higher Education Centers of Excellence Project (FY14). **Knowledge/TA Activities**: South-South Study Visits on Skills and TVET (FY10); Urban Development Strategy of Yaounde and its Metropolitan Areas (FY12); Technical and Vocational Education Training (TVET) Study; Decentralized Service Delivery ESW; Governance and Management in the Education Sector (FY12); Education Country Status Report (FY13); Equity and Quality for Improved Learning (FY14).	• There is a need to maintain sufficient senior staff presence in the country and maintain ongoing supervision of the projects under implementation • AAA can help build the pipeline if delivered in a timely and appropriate manner • There is a need to focus on skills development to help Government address the critical need for youth and jobs.
Outcome 8: Improved access and quality of health services			**MOSTLY ACHIEVED**
• Immunization DPT3 under-1 (percent) (DHS data) Baseline: 67 percent in 2004 Target: 73 percent in 2013 – of whom at least 50 percent are female • Births attended by skilled professional Baseline: 63 percent in 2006	• **Achieved**. 79.6 percent have been immunized for DPT3 under 1 nation-wide. The indicator for female is not available. • **Mostly achieved**: 65 percent of births were attended by skilled professional in 2014. In project areas using the PBF,	**Lending:** Health Sector Support Investment (FY08). **Knowledge/TA Activities:** Health Sector Status Report (FY11); Towards Greater Equity: A Special Focus on Health (FY14).	• Performance-based financing has led to a dramatic increase in the quantity and quality of health services delivered. • The selection of gender-based indicators should pay attention not only to their relevance but to the Client and the World Bank's ability to monitor them.

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
Target: 66 percent in 2013	(North-West, South-West and East regions), 87.3 percent of births were attended by skilled professional.		
Outcome 9: Improved access to basic infrastructure and social safety nets			**MOSTLY ACHIEVED**
• People benefiting from all-year access to transportation and improved sanitary conditions in targeted urban areas Baseline: 35,000 in 2009 Target: 290,000 by end 2013, of whom at least 50 percent are female • Additional people with access to improved water supply (IDA+OBA) Baseline: 6.9 million in 2009 Target: 8.3 million by end 2013, of whom at least 50 percent are female • People in the Second Community Development Program Support Project area with improved access to: - Education facilities Baseline: 78,000 people in 2009 Target: 103,000 in 2013, of whom at least 50 percent are female - Health care facilities Baseline: 66,000 people in 2009 Target: 196,000 in 2013, of whom at least 50 percent are female - Improved water source Baseline: 92,000 people in 2009	• **Achieved.** As of August 2015, 435,263 people benefited from all year access to transportation in targeted cities (ICR, Urban and Water Development Project). More than 50 percent are female. • **Achieved.** As of August 2015, 8.43 million people had access to improved water supply (ICR, Urban and Water Development Project). More than 50 percent are female. - **Achieved.** A total of 122,340 students in project areas had improved access to education facilities by end 2013. The initial gender target is met. - **Achieved.** 428,925 people in project areas had improved access to health care facilities by end 2013. The initial gender target is achieved. - **Achieved.** 437,100 people in rural areas had access to improved water sources by	**<u>Urban infrastructure:</u>** **Lending:** Urban and Water Development Support Project (FY07); Sanitation Project (FY11); Water Affermage – Output Based Aid for Coverage Expansion (FY08) **Knowledge/TA Activities:** Urban Development Strategy of Yaounde and its metropolitan areas (FY12) **<u>Rural infrastructure:</u>** **Lending: Second** Community Development Program Support Project (FY09) **<u>Knowledge/TA Activities:</u>** - Fiscal Decentralization Study (FY12).	• Early action to secure land and prompt payment of compensation for resettlement are needed to avoid delays in infrastructure project implementation. • Cameroon's new country procurement system will require rapid mastering by project implementers to avoid delays in project implementation. • Delays were also caused as a result of a poor relationship between the asset holding company (Camwater) and the private operator CDE. • Weak procurement and management capacities exacerbated operational delays. This led to partial cancellation of funds allocated to water in March 2014. • A strong sector dialogue on PPP was instrumental in enabling water sector stakeholders (e.g., the GoC, Camwater, CDE and development partners) to take stock and regularly discuss financial issues.

Outcomes and outcome indicators	Status and evaluation summary	Lending and non-lending activities that contributed to the outcome	Lessons and suggestions for the new CPF
Target: 208,000 in 2013, of whom at least 50 percent are female • Number of households with access to safety nets created under the Social Safety Net Project Baseline: 0 in 2012 Target: 15,000 by 2014	end 2013. More than 50 percent are female. • **Not achieved.** The Social Safety Net Project effectiveness was delayed, and implementation of the cash transfer program started only in November 2015, i.e. well after the end of the CAS period.	- Government-funded Safety Nets Pilot Program Program; 'Strengthening Safety Net response to Crises' report (FY12)	• An integrated approach to slum upgrading, access to services, urban crime and violence as well as jobs and local Government capacity is needed for effective and sustainable development of secondary cities.

Annex 2 to CLR: Planned Lending Program and Actual Deliveries FY10-FY14

CAS PLANS (02/23/2010)			STATUS	
FY	**Project**	**Projected IDA**		**Committed IDA**
2010	• Kribi Gas Power Project (Guarantee)	• 15	• Rescheduled to FY12	•
	• Central Africa backbone – APL1A (regional)	• 3	• Actual: Central Africa Backbone Project (regional)	• 9.9
	• CEMAC Regional Institutions Support Project (regional)	• 50	• Delivered before start of CAS	•
	• Ngoyla Mintom Project (GEF)	• 3.5	• Rescheduled to FY12	•
	• Competitive Value Chains Project	• 40	• Actual: Competitive Value Chains Project	• 30
	• Urban and Water Development Support AF	• 29.7	• Rescheduled to FY11	•
		•	• CEMAC Transport and Transit Facilitation Project (regional, first AF) brought forward from FY13	• 150
	• Subtotal:	• 141.2	•	• 189.9
2011	• Lom Pangar Hydropower Project	• 75-100.	• Rescheduled to FY12	•
	• Central Africa Backbone Project– APL2	• 5.0	• Dropped	•
	• Regional Fisheries Project	• 10-30	• Dropped	•
	•	• 30	• Additional actuals:	•
	•	•	• CEMAC - Transport-Transit Facilitation Project AF (regional, second AF)	• 112
	•	•	• Sanitation Project (brought forward from FY12)	• 30
	•	•	• Urban and Water Development Support Project AF	• 28.7
	• Subtotal:	• 120.0-165.0	•	• 170.7
2012	• Protected Areas Project	• 50	• Dropped	•
	• Mining Sector TA Project	• 15	• Actual: Mining Sector Technical Assistance Project	• 30
	• Urban Sanitation Project	• 50	• Brought forward to FY11	•
	•	•	• Additional actuals:	•
	•	•	• Kribi Gas Power Project - rescheduled from FY10	• 82
	•	•	• Ngoyla Mintom Project (GEF) - rescheduled from FY10	• 3.5
	•	•	• Lom Pangar Hydropower Project– rescheduled from FY11	• 132

CAS PLANS (02/23/2010)			STATUS	
FY	**Project**	**Projected IDA**		**Committed IDA**
	• Subtotal:	• 115	•	• 247.5
2013	• Transparency and Accountability Capacity Building AF • Agri-competitiveness - AF • Third Community Development Support Program • Safety Net Project • Regional Fisheries Project • Dyke Rehabilitation Project • Douala – N'Djamena Corridor Project • Global Partnership for Education Grant • CEMAC Transport and Transit Facilitation Project (regional, AF) • • Subtotal:	• n.a. • n.a. • 40 • 15 • 10 • n.a. • 70 • 52 • • 187	• Dropped • Dropped • Rescheduled to FY16 • Actual: Social Safety Net Project • Dropped • Flood Emergency Project • Dropped • Rescheduled to FY14 • Brought forward to FY10 • •	• • • • 50 • • 108 • • • • 158
2014	• Agriculture Sector Investment Loan • Health SWAP-Additional Financing • Support to Education Sector (Global Partnership for Education)	• 80 • 20	• Rescheduled to FY15 • Actual: Health Sector Support Investment Project AF • Equity and Quality for Improved Learning Project (Global Partnership for Education), rescheduled from FY11	• • 20 • • 53
	Subtotal:	*100*	*Additional actuals:* Multimodal Transport Project African Higher Education Center for Excellence Project (regional)	71 8 *152*
	Total FY2010-2014	*663.2-708.2*		*918.1*

Annex 3 to CLR: Planned Non-Lending Services and Actual Deliveries

FY	CAS PLANS (02/23/2010)	STATUS
2010	• Governance Partnership Facility • Debt Management Performance Assessment (DeMPA) • Anti-Money Laundering TA • Cameroon Institute of Chartered Accountants • Regional Environment • Safety Nets	• Banking on Change Governance Program in FY12 • Series of DeMPA missions and reports delivered • Not completed • Support to the Accountancy Profession (IDF) • Not completed • Pilot program funded by Government *Additional products:* • Strengthening Capacity in the Telecom and IT Sector (IDF) • Governance and Management in the Education Sector (report) • Introduction of Performance Contracts in Port of Douala • South-South Study Visits on Skills and TVET
2011	• Fiscal Space for Decentralization (GPF) • Public Investment Diagnostic (TF) • TA (IDF) for Caisse Autonome d'Amortissement • Regional Energy TA • Protected Areas • Enhancing Institutional Capacity for REDD in Congo Basin (GEF) • Fisheries • Health Country Status Report • Yaounde CDS (Cities Alliance)	• See FY12 • See product in FY14 • IDF support for Debt Management Office • See lending program • GEF Ngoyla-Mintom Grant • Not completed • Not completed • Health Sector Status Report • Urban Development Strategy of Yaoundé and its Metropolitan Areas *Additional products:* • Financial Economic Regulatory Model for Electricity Sector (Public-Private Infrastructure Advisory Facility)

FY	CAS PLANS (02/23/2010)	STATUS
2012	• Pro-business fiscal policies • Impact of Climate Change on Hydropower potential • Skills development study	• Not completed • Not completed • Education for All Fast Track Initiative *Additional products* • Governance workshop/support for EITI validation • Banking on Change: Tackling Sector and Demand Side Governance Issues in Cameroon • Budget Transparency Initiative • Customs Integrity Plan (Trade Facilitation Facility Trust Fund) • Fiscal Decentralization Study (Governance Partnership Facility) • Governance and Management in the Education Sector • Strengthening Safety Net Response to Crises (Rapid Social Response MDTF)

FY	CAS PLANS (02/23/2010)	STATUS
2013	• Sector and Demand-Side Governance Program – GPF • EITI • Country Economic Memorandum • Drivers of Deforestation in the Congo Basin • Road-safety TA • Agriculture ESW • Country Health Status Report • Safety Nets Pilot (TF)	• Banking on Change Governance Program (FY12) continued • Continued support for EITI validation • Being completed (FY17) • Completed • Delivered • Agriculture Public Expenditure review • Completed • Completed *Additional products* • Cross-Border Trade between Nigeria and CEMAC countries • Education Country Status Report • Improved Investment Climate with Organization for the Harmonization of African Business Law (Regional)
2014	• Customs Integrity TA – Phase 2 • PEFA/PEMFAR • Economic Policy Notes • Skills Development Study • PPIAF to Water Sector Reform	• Delivered • Rescheduled (FY17) • Cameroon Economic Update: Revisiting the Sources of growth, the Quality of Basic Education • Equity and Quality for Improved Learning *Additional products:* • Basic Agricultural Public Expenditure Diagnostic • Support for Performance Based approach in Health Sector (Health Results Innovation Multi-Donor Trust Fund) • Towards Greater Equity: a Special Focus on Health

ANNEX 3: SELECTED INDICATORS* OF BANK PORTFOLIO PERFORMANCE AND MANAGEMENT

As of Date 09/30/2016

Indicator	FY14	FY15	FY16	FY17
Portfolio Assessment				
Number of Projects Under Implementation [a]	12.0	13.0	14.0	14.0
Average Implementation Period (years) [b]	3.4	4.1	4.2	4.4
Percent of Problem Projects by Number [a, c]	50.0	15.4	35.7	35.7
Percent of Problem Projects by Amount [a, c]	54.7	17.2	21.0	20.9
Percent of Projects at Risk by Number [a, d]	66.7	38.5	42.9	42.9
Percent of Projects at Risk by Amount [a, d]	70.6	35.4	26.7	35.9
Disbursement Ratio (%) [e]	16.4	24.6	24.2	5.3
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US$)				
Average Supervision (US$/project)				

Memorandum Item	Since FY80	Last Five FYs
Proj Eval by OED by Number	73	6
Proj Eval by OED by Amt (US$ millions)	2,288.0	154.0
% of OED Projects Rated U or HU by Number	49.3	66.7
% of OED Projects Rated U or HU by Amt	38.1	15.4

a. As shown in the Annual Report on Portfolio Performance (except for current FY).

b. Average age of projects in the Bank's country portfolio.

c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).

d. As defined under the Portfolio Improvement Program.

e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.

* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

ANNEX 4 OPERATIONS PORTFOLIO (IBRD/IDA and GRANTS)

Annex 4
Operations Portfolio (IBRD/IDA and Grants)

As of 08/31/2016

Closed Projects	**85**

IBRD/IDA*	
Total Disbursed (Active)	588.04
of which has been repaid	0.00
Total Disbursed (Closed)	564.87
of which has been repaid	272.44
Total Disbursed (Active + Closed)	1,152.91
of which has been repaid	272.44
Total Undisbursed (Active)	461.32
Total Undisbursed (Closed)	
Total Undisbursed (Active + Closed)	461.3244106

Active Projects

		Last PSR Supervision Rating			Original Amount in US$ Millions					Difference Between Expected and Actual Disbursements[a]	
Project ID	**Project Name**	**Development Objectives**	**Implementation Progress**	**Fiscal Year**	**IBRD**	**IDA**	**Grants**	**Cancel.**	**Undisb.**	**Orig.**	**Frm Rev'd**
P143940	Cameroon-Flood Emergency Project	MS	MS	2013	0.0	108.0		0.0	74.4	0.0	0.0
P122153	Cameroon Mining Sector TA	S	S	2012	0.0	30.0		0.0	12.8	11.9	0.0
P118018	Cameroon:NGOYLA MINTOM PROJEC	MU	MU	2012	0.0	0.0	3.5	0.0	1.6	0.7	0.0
P143417	CM-Ag. Invest. and Mark. Dev. Proj	S	MS	2015	0.0	100.0		0.0	64.1	6.1	0.0
P112635	CM-Agricultural Competitiveness Projec	S	MS	2009	0.0	60.0		0.0	0.2	-0.3	0.0
P112975	CM - Competitive Value Chains	MU	MS	2010	0.0	30.0		0.0	8.1	9.1	0.7
P104456	CM-Energy Sector Development SIL (F	S	MS	2008	0.0	65.0		15.0	19.4	40.8	9.1
P104525	CM-Health Sector Supp. SWAP SIL (FY	S	S	2008	0.0	45.0		0.0	0.7	-16.7	0.2
P156679	CM-Health System Performance Projec	S	S	2016	0.0	100.0		0.0	102.3	0.0	0.0
P114077	CM - Lom Pangar Hydropower Proj. (F	MS	S	2012	0.0	132.0		0.0	19.0	-17.1	0.0
P143801	CM - Multimodal Transport Project	MS	MU	2014	0.0	71.0		0.0	47.7	0.0	0.0
P117102	CM-Sanitation APL	MU	MU	2011	0.0	30.0		0.0	18.3	22.1	15.7
P128534	CM Social Safety Nets	MU	MS	2013	0.0	50.0		0.0	37.4	22.5	0.0
P144637	Community Dev. Prog. Sup. Project	S	S	2016	0.0	70.0		0.0	55.3	-8.2	0.0
Overall Result					**0.0**	**891.0**	**3.5**	**15.0**	**461.3**	**70.8**	**25.7**

* Disbursement data is updated at the end of the first week of the month.

a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.

ANNEX 5 : IFC - COMMITTED AND DISBURSED OUTSTANDING INVESTMENT PORTFOLIO
AS OF 08/31/2016
(IN USD MILLIONS)

		Committed					Disbursed Outstanding				
FY Approval	Company	Loan	Equity	**Quasi Equity	*GT/RM	Participant	Loan	Equity	**Quasi Equity	*GT/RM	Participant
FY07	ADVANS CAM	0.00	0.45	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00
FY09	ADVANS CAM	0.00	0.45	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00
FY14	ADVANS CAM	0.00	0.26	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.00
FY10	AEF NOSA III	1.39	0.00	0.00	0.00	0.00	1.39	0.00	0.00	0.00	0.00
FY10	DIBAMBA	14.48	0.00	0.00	0.00	0.00	14.48	0.00	0.00	0.00	0.00
FY06	ENEO (SONEL)	27.53	0.00	0.00	0.00	0.00	27.53	0.00	0.00	0.00	0.00
FY12	KPDC	32.27	0.00	0.00	0.00	0.00	32.27	0.00	0.00	0.00	0.00
Total Portfolio:		**75.67**	**1.16**	**0.00**	**0.00**	**0.00**	**75.67**	**1.16**	**0.00**	**0.00**	**0.00**

ANNEX 6: KEY MESSAGES FROM CPF CONSULTATIONS

1. **Consultations to inform the preparation of the Cameroon CPF took place during the week of October 24-28, 2016, in Yaoundé and by video-conference with Douala for the private sector**. Meetings were organized with representatives of different stakeholder groups including; (i) Youth and CSOs, with focus on those coming from northern Cameroon; (ii) parliamentarians and key actors at the local level; (iii) development partners; (iv) the private sector; and (v) the Government, in the form of a session involving the *'secrétaires généraux'* (the overall coordinators of, and highest ranking civil servants in, ministries) of all sector ministries concerned by the WBG program, and of the minister of Economy and Planning, the World Bank Governor. On the World Bank side, the team was led either by Elisabeth Huybens, Country Director (for the sessions with Government officials and with DPs) and Olivier Godron, Task team leader (TTL); the three Country Management Unit (CMU) program leaders participated to the sessions relevant to each of them, as well as the communications adviser, the senior operations officer, and specific sector TTLs and team members as relevant.

2. **The consultations generally confirmed the orientations of the CPF.** Noteworthy was the fact that CSOs welcomed the focus on northern regions. For future engagement in these regions, they suggested to pay attention to project design and implementation, and to engage actively with populations and beneficiaries; they also emphasized the issue of access to education. This was echoed by local actors, who made specific suggestions to that effect. Private sector representatives welcomed the very fact that consultations were held and WBG engagement towards issues of interest to the private sector, citing the energy sector. DPs were supportive of the CPF, which fully reflects a strong ongoing dialogue including sector coordination groups. They inquired more specifically about: (i) WBG approaches in northern regions; (ii) planned support to the CEMAC institutions; and (iii) the potential of the ICT sector as well as current status of World Bank dialogue in this sector. Specific feedback from some of the sessions is presented below.

3. **Session with CSOs.**

- General support to the CPF focus on northern regions.
- In northern regions, access to infrastructures and services, especially education is very limited (particularly the Far North and the North regions). Out of pocket costs are often too high, and the 'minimum package' which should be provided by schools is not always available. Teachers' incentives to live/stay in these regions – currently limited - could be improved by greater attention paid to housing, and compensation packages. Participants also mentioned the need to improve accountability of student parent associations.
- Participants stressed the need for flexibility and agility in project implementation, both on the Government and the World Bank side. Engaging with and listening to citizens, particularly the youth, is critical to design better public policies and project design. It was specifically recommended to ensure effective implementation of the 'participatory monitoring committees of public investment projects' already established by Decree.

4. **Session with local actors and representative of the association of parlementarians.**

- The representative of the parliamentarians' association explained that Members of Parliament were often insufficiently informed of sector reforms coming to Parliament, some of which supported by the World Bank, and welcomed the possibility of regular or ad hoc exchanges on sector background and to hear the World Bank's perspective on the rationale for reforms.
- For World Bank projects in northern regions, participants stressed the importance of engagement with local populations, for which the natural entry point would be municipalities. The ongoing Community Program Support Development Project (P144637) already provides consultation/participatory mechanisms, which should be fully used and built upon.
- Representatives of the Local Development Fund ('FEICOM') expressed strong interest for developing PPPs at the local level, for large-medium size cities, and welcomed World Bank support in that area.
- With respect to upcoming World Bank ASA in the sector (PER and PFM project) specific suggestions were made to the effect of reviewing issues such as: (i) predictability of transfers from central to local budgets; (ii) equalization/differentiation of transfer across municipalities to offset their unequal tax potential.

5. **Session with private sector representatives.**

- Poor governance and corruption remain pervasive issues hampering private sector development and the efficiency of public interventions. The private sector would welcome more involvement in the preparation and implementation of decisions having an impact on them, including those that are public by nature such as public procurement.
- Energy: WBG involvement in Lom Pangar and beyond is highly appreciated. There was a question about the possibility to make more use of decentralized sources (solar) in rural areas. The World Bank representative responded that, while this was not ruled out, the least cost development plan for electricity generation in Cameroon suggested that grid-based electrification was cost efficient for 85 percent of rural dwellers.
- The development of small and medium size enterprises (SMEs) was a priority requiring more attention, according to several participants. While the creation of a specialized SME Development Agency, and of a SME bank were welcome development, insufficient private sector representation in these entities was pointed out. The private sector welcomed the Cameroon Business Forum work and the slight improvement in Cameroon's 2016 Doing Business Indicators, but stressed that improvements so far were marginal and that considerable work remained to be done. Among the areas cited were access to bank financing: what could be done to better identify 'bad clients', deter them or recover unpaid debts, in order to alleviate banks' concerns? One banker present stressed the need for more transparency in corporate accounts, including their certification. The execution of real estate guarantees envisaged by OHADA should also be clarified and facilitated.
- Other issues touched upon included: (i) the importance of the ICT sector and the reasons for its underdevelopment; (ii) the role of vocational training and the potential of business indicators; (iii) support to the private sector for the transformation of agricultural products and access to markets; and (iv) reasons for the underdevelopment of PPPs.