

REPUBLIC OF CAMEROON

Interim Poverty Reduction Strategy Paper

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	Contents	Page
I.	Introduction/Executive Summary	3
II.	Historical Background	5
III.	Poverty Profile and Determinants of Poverty.....	6
IV.	Challenges, Constraints, and Stakes	11
V.	Emergency Actions	12
VI.	Pillars of the Poverty Reduction and Growth Strategy	16
VII.	Policies for the Effective Inclusion of Disadvantaged Groups in Economic Networks	17
VIII.	Development and Implementation of Policies for High Quality Growth.....	19
IX.	Financing the Strategy	29
	A. Mobilization of Resources.....	29
	B. Optimal Resource Allocation.....	30
	C. Coordination and Management of Official Development Assistance.....	31
X.	Monitoring/Evaluation.....	32
	A. Improved Production and Dissemination of Statistical Information	32
	B. Participatory Monitoring	33
	C. Capacity Building	33
	Framework of Poverty Monitoring Indicators	34
	Tentative Timetable for the Preparation of the Final PRSP	35
	Appendix	
	I-PRSP Action Matrix	36
	Annex	
	Priority Strategy for Improving Governance and Combating Corruption.....	47
	Matrix of Priority Actions.....	58

I. INTRODUCTION/EXECUTIVE SUMMARY¹

1. Following a period of sustained economic growth, led by activity in the export agriculture (coffee, cacao, and cotton in particular) and oil sectors, Cameroon experienced serious shocks resulting from the collapse of international commodity prices. Beginning in FY 1985/86, these shocks plunged Cameroon into a severe recession, from which the economy emerged only after the January 1994 devaluation of the CFA franc.
2. Since the mid-1990s, the authorities have been implementing, with determination, a series of structural adjustment and reform measures designed to restore the long term competitiveness of the economy.
3. In August 1997, Cameroon concluded an arrangement with the International Monetary Fund under the Enhanced Structural Adjustment Facility, in support of an ambitious economic and financial reform program prepared by the Cameroonian authorities in conjunction with the IMF and the World Bank. The main aim of the reform program was the creation of conditions for sustained economic growth and a significant improvement in living standards. Following what had been a period of difficult relations with the country's creditors (marked, *inter alia*, by the accumulation of large external payment arrears; and, against the backdrop of a deep public finance crisis, by four successive failed reform programs negotiated under standby arrangements with the IMF), the agreement with the IMF helped to restore Cameroon's credibility with the international financial community.
4. Execution of the triennial program (covering the period July 1997 to June 2000) has been satisfactory, and, building on the improvements in both macroeconomic indicators and the structural and sectoral reforms, the authorities intend to initiate a program of second generation reforms focusing mainly on poverty reduction and the promotion of good governance, while maintaining a sound macroeconomic framework conducive to strong and sustainable growth.
5. The authorities recognize that extreme poverty is widespread in the country, and they are determined to combat this phenomenon, which grew worse over nearly a decade of uninterrupted recession. They will, therefore, do whatever is necessary to align their strategy with the major commitments (which they fully endorse) undertaken by the international community to bring about sustainable development and reduce poverty, namely:
 - achieve a 50-percent reduction in poverty by 2015 (Copenhagen, 1995);
 - provide basic education for all by 2015 (Jomtien, Copenhagen, Peking);
 - promote gender equality and the rights of women by eliminating the gender gap in primary and secondary education by 2005 (Cairo, Copenhagen, Peking);

¹ Translated from the original document prepared in French.

- reduce infant and under-five mortality by two-thirds of the 1990 level by 2015 (Cairo);
- reduce maternal mortality by three-fourths between 1990 and 2014 (Cairo, Peking);
- reduce the number of people suffering from malnutrition by half by 2015 (Rome);
- guarantee that all persons of childbearing age have access to reproductive health services through the primary health care system by 2015 (Cairo); and
- introduce a national strategy for sustainable development by 2005 in order to cooperate with other countries in reversing the trend toward environmental degradation by 2015 (Rio de Janeiro).

6. The authorities adhere to the new approach to poverty reduction adopted by the international community, and they welcome the linking of the new strategy to debt reduction within the framework of the enhanced Heavily Indebted Poor Countries Initiative, the benefits of which will enable Cameroon to strengthen its poverty reduction efforts.

7. In keeping with this new approach, which is based on a participatory process, the present interim Poverty Reduction Strategy Paper has been prepared on the basis of lessons learned from the participatory consultations conducted throughout the country. In addition to presenting the characteristics and determining factors of poverty in Cameroon, including its regional disparities, the paper spells out the Government's main strategies that seek to put the economy on the road to strong, equitable and sustained growth, and to progressively reduce poverty.

8. The strategy adopted by the authorities draws heavily on, and aims to benefit from, the strong support and contribution of the country's major social stakeholders, as well as from Cameroon's development partners. In this context, the authorities intend to implement a credible and carefully targeted program of reforms which will enable the country to benefit fully from debt relief measures under the enhanced HIPC initiative by utilizing effectively the additional resources released to: (i) strengthen the delivery of essential social services in the areas of education and health, (ii) improve access to potable water, and (iii) rehabilitate road infrastructure, especially highways and rural feeder roads. These sectors were singled out during the initial phase of participatory consultations carried out in April 2000, and confirmed at the seminar held in May 2000 to present the results of the consultations, as potentially the most effective areas of action in the fight against poverty.

9. The success of the poverty reduction program will also depend heavily on efforts to promote good governance and combat corruption. Indeed, corruption and poor governance in general were singled out by those who took part in the participatory consultations as major contributors to poverty in Cameroon. In the context of the national governance program (PNG) adopted in June 2000, the authorities will focus special attention on strengthening transparency and accountability and on improving the supply of basic social services.

10. The section of the PRSP devoted to the monitoring and evaluation of the planned poverty reduction actions places a heavy emphasis on the Government's determination,

throughout the process, to rely on broad participation of the parties involved: the public and private sectors, civil society, and Cameroon's development partners. To this end, the authorities will establish a national poverty reduction network in which the private sector, civil society, and development partners will play a major role. Priority over the short term will be devoted, in particular, to strengthening the capacity of the various actors to prepare and monitor the implementation of poverty reduction strategies, programs, and projects.

11. This consultative process will intensify and become more structured as time goes on. The final PRSP, to be adopted between September and November 2001, will be based on a detailed matrix of actions and a cost estimate of the poverty reduction program, the realization of which will require optimum mobilization of both domestic and external resources. Indicators will be defined for monitoring both quantifiable goals and progress toward stated objectives.

II. HISTORICAL BACKGROUND

12. Until 1985, following more than two decades of steady growth, the state of Cameroon's economy was quite enviable among the Sub-Saharan African countries. Beginning in the second half of the 1970s, petroleum production was an added enhancement to the ongoing expansion in agricultural production and exports. As a result, Cameroon recorded average real growth rates on the order of 7 percent over a period of about ten years.

13. During FY 1985/86, export revenues (from both petroleum and other commodities) declined dramatically by approximately CFAF 329 billion, equivalent to 8.2 percent of GDP. The deterioration in economic activity accelerated in 1986/87 as a result of the continued decline in the price of the principal exports (petroleum, coffee, cocoa, and cotton). Growth rates turned negative between 1985 and 1988, as the terms of trade deteriorated by half.

14. To address the crisis, the Government first implemented a domestic adjustment policy which quickly revealed its limitations. The effect on the economy of a smaller government and reduced public sector was insufficient to stop the deep-seated malaise. Economic indicators continued to deteriorate, while the ongoing decline in revenues led to a 40-percent fall in per capita consumption between 1985/86 and 1992/93. The external debt stock rose, from under one-third, to more than three-quarters of GDP between 1984/85 and 1992/93. Investment declined from 27 percent of GDP to less than 11 percent of GDP. To deal with the pronounced deterioration in public finances, marked by unmanageable cash flow pressures, drastic cuts in civil service wages were introduced in 1993.

15. Generally speaking, the social situation deteriorated sharply. The restructuring of the public and semipublic enterprise sectors, involving the closing of certain establishments, a civil service hiring freeze, and other labor-shedding measures, led to a significant rise in unemployment. Overall, between 1984 and 1991, employment levels fell by 10 percent, with unemployment mostly affecting young people and women, leading to a major expansion of the informal sector.

16. The Government's provision of basic social services was particularly affected by its financial difficulties. In the education sector, student/teacher ratios deteriorated under the combined effect of increased numbers of students and the freeze on teacher hiring. Together with the halt in classroom construction, these factors contributed to a sharp deterioration in the quality of education. The health sector experienced similar difficulties.

17. Road infrastructure also deteriorated owing to both lack of maintenance and a halt in new road building. Water supply and electrification programs, particularly in rural areas, slowed significantly on account of lack of financing.

18. Beginning in 1994, the new economic policies, implemented on the basis of the adjustment in the CFA franc exchange rate, resulted in competitiveness gains that made it possible to reverse the downward trend. Indeed, significant improvements were recorded, initially in the export sector and in the area of public finances. Nevertheless, the Government's cash flow remained very inadequate, not even covering current expenses. Neither domestic nor external debt service could be satisfactorily assured. Regarding external debt, relations with the partners became difficult on account of mounting payments arrears.

19. Two new structural adjustment programs implemented by the Government in 1994 and 1995, supported by IMF standby arrangements ended, like their predecessors, in failure. In particular, the objectives of restoring equilibrium to public finances and servicing the external debt could not be met.

20. In August 1997, after satisfactorily completing a staff monitored program throughout FY 1996/97, the Government was able, for the very first time, to enter into an Enhanced Structural Adjustment arrangement with the IMF. Through this instrument, the International Monetary Fund has supported the medium-term economic and financial program put in place by the Cameroonian authorities to cover the period July 1, 1997-June 30, 2000.

21. Execution of the staff-monitored program in 1996/97 was strengthened by specific measures to restore Cameroon's external credibility, particularly by the clearance of external arrears of around US\$0.5 billion. Furthermore, the Government had closely involved the private sector and civil society in preparing the three-year economic and financial program, and in the negotiations with the IMF for the August 1997 financing agreement. Because of this approach, economic agents and civil society were more willing to comply with the necessary adjustment and reform policies.

III. POVERTY PROFILE AND DETERMINANTS OF POVERTY

22. The 1996 survey on household living conditions provided enlightening indications on the extent of poverty, showing, in particular, that approximately 50.5 percent of Cameroon's population was below the poverty line. There have been no subsequent large-scale statistical operations that would allow a more recent assessment of the situation. To rectify this lack of

detailed data on poverty in Cameroon in the year 2000, the Government will very soon launch a large-scale survey oriented primarily at measuring poverty indicators.

23. Moreover, beginning in January 2000, the Government initiated a process of participatory consultations to obtain an understanding of the perception of poverty by the population at large. In particular, the many groups consulted brought up a large number of poverty determinants, which have inspired the major thrusts of the strategy that the authorities intend to implement to gradually reduce the depth of the problem.

Participatory evaluation of poverty

24. Wishing to devise a credible poverty reduction strategy integrating the contributions of all the development actors involved, the Government has opted for a systematic participatory approach. Its implementation will foster a clear understanding of the manifestations and characteristics of poverty as perceived by the poor themselves.

25. The authorities considered such an understanding essential in order to target poverty pockets more accurately and determine the most appropriate actions for reducing poverty. With this information in hand, the Government will also be able to ascertain the volume and quality of resources that must be mobilized to implement whatever priority projects and programs are selected.

26. A seminar/workshop attended by representatives of the central Government, parapublic entities, universities, NGOs, and donors was held in January 2000. The participatory process for the preparation of the national poverty reduction strategy was launched on this occasion. The seminar also provided a forum for an initial exchange of ideas on the determinants of poverty in Cameroon and the main strategies for alleviating the scourge, as well as for more in-depth consideration of methods for organizing participatory consultations with the population at large.

27. In March 2000 missions were dispatched to the country's ten provinces to identify groups that should be consulted. Working closely with administrative authorities and NGOs with considerable influence in the field, they identified 205 such groups, predominantly women's and youth organizations.

28. From March 31 to April 10, 2000 the initial phase of the participatory consultations was launched in all of Cameroon's 58 departments, with participation by 203 target groups representing all segments of civil society and diverse driving forces among the population. In all, nearly 10,000 people—some 40 percent of them women—freely expressed their views during the consultations. The group discussions, which were completely open, were led by approximately 15 teams of facilitators and rapporteurs from the central Government and civil society. Observers from the IMF, the World Bank, and the German Agency for Technical Cooperation (GTZ) were also present.

29. These consultations yielded a wealth of informative and very useful information on (i) the perception of poverty among the population at large, (ii) how the population analyzes the determinants of poverty, and (iii) their proposed solutions for alleviating this scourge.

30. In May 2000, a national workshop to present the results of the participatory consultations was held in Yaoundé, with the participants representing primarily the groups consulted in April. The workshop provided an opportunity to: (i) present the analyses and suggestions gathered during the participatory consultations, (ii) improve field reports concerning the consultations, and (iii) identify ideas meriting inclusion in the interim Poverty Reduction Strategy Paper.

31. Most Cameroonians define poverty in terms of what a household or individual lacks and must secure in order to live decently. Thus, poverty is defined with reference to certain needs that must be satisfied to achieve this goal.

32. The consultations also confirmed the importance of roads as a key factor in economic development, and hence in improving the population's living conditions. In all regions of the country, people raised the issue of inadequate roads as a factor blocking the development of income-generating productive activities.

Poverty profile and determinants of poverty

Profile

33. In 1996, poverty affected 50.5 percent of the Cameroonian population, or more than 6.5 million persons. The Human Development Index (HDI) was 0.536, placing Cameroon 134 out of 174 countries in 1997. The country's Human Poverty Index in 1997 was 38.10 percent.

34. Poverty is a reflection of the country's macroeconomic environment, which is characterized by low incomes and reduced purchasing power. A key feature of the country's income structure is the heavy concentration of low income earners. Average annual income per adult-equivalent person ranges from CFAF 63,000 for the poorest 10 percent of households to CFAF 957,000 for the wealthiest households.

35. Poverty was essentially a rural phenomenon in the mid-1980s, but it has now become more widespread, so that by 1996, 56.7 percent of poor households were in rural areas. The adjustment measures – even those not targeting them directly – implemented by the Government had serious repercussions on rural inhabitants. For example, the decrease in earned income among civil service employees and workers in the formal private sector caused a decline in both the demand for foodstuffs produced by rural inhabitants and family income transfers to them.

36. The structure of household consumption shows that the share of expenditures on food decreases as income increases. Thus, 53.4 percent of expenditures by poor households goes

toward food, while the figure is 43.4 percent for households that are more well-off. Looking at the broader picture, annual consumption per adult-equivalent is CFAF 591,000 among the wealthy but some six times lower among the poor.

37. An analysis by demographic variables reveals that poverty levels differ according to household size, gender and age. The incidence of poverty increases as household size increases with poor households having an average of 7.8 persons compared to others with an average of 3.8; women are more affected than men, with females accounting for 52 percent of poor households; and, according to household statistics correlating living conditions and age, half the people in poor households are under 15 years old, as against 17 and 21 years old for middle-income and wealthy households, respectively.

38. Further analysis confirms the gender aspect of poverty, which among women, may be attributed to their minimal participation in governance, and to discrimination in the labor market and with respect to training. In 1996/97, the gross school enrollment ratio was 86.8 percent for boys and 79.7 percent for girls. In 1998, 430 per 100,000 women died in childbirth.

39. With regard to health, the number of visits to health centers is also significantly reduced. Among individuals reporting that they were ill in 1996, less than half (48.7 percent) were able to secure medical attention, while among the poor, only 36.1 percent were attended to at a formal health facility. As to household health expenditure, the amount spent annually per person is CFAF 13,000: CFAF 5,600 per person in poor households compared to CFAF 37,000 in other households. There are 8 doctors per 100,000 inhabitants.

40. Inadequate education and illiteracy contribute to poverty among adults and youth. It has been suggested that poverty is to blame for an inability to plan or perform income-generating activities. The gross enrollment rate for children ages six to 14 in poor households is 74.9 percent, contrasted with 82.9 percent in wealthy households. This is borne out by annual per pupil expenditure figures for the two groups, ranging from CFAF 11,000 in poor households to CFAF 55,000 in well-off households. The illiteracy rate in the two groups for persons 15 years and older – 52.6 percent and 23.3 percent, respectively – confirms the need to develop and implement literacy programs for the poor.

41. As to the labor market, the labor force participation rate is inversely proportional to the standard of living. Thus, the indicator is higher among the poor than among the rich, with more poor persons participating in the labor market since their need to increase their income is greater. In 1996, 41.5 percent of poor households were headed by an inactive or unemployed person. Among the working active population, the poor and recent graduates gravitate to the informal sector. Some 92.7 percent of the working poor hold jobs in the informal sector, while the figure is 61.7 percent for wealthy persons who work.

42. Housing is a problem owing to the cost of building materials and the difficulties involved in gaining access to real estate. In 1996, 89.5 percent of poor households owned their own homes, which were rudimentary for the most part. Of these, 26.2 percent have

access to safe water, 98 percent use woodfuel or coal for cooking, and less than 1 percent have electric lighting. For those well off, 67.8 percent have access to clean water and 24.4 percent use electric lighting.

Determinants

43. Cameroonians define poverty mainly as the absence of material or financial resources needed to satisfy basic needs such as food, housing, health care, education, and safe water. However, in localities where these essential services are unavailable, even individuals and households with sufficient income to pay for them end up being poor.

44. Social dysfunction, as another perception of poverty, covers a number of non-material disabilities. These include loss of moral values, lack of social consideration, loss of family solidarity, involvement in sorcery, hoarding of material resources in some regions, and prejudice against social groups with different cultural and lifestyle characteristics.

45. The liberalization of the agricultural sector is perceived as a major cause of poverty. The most frequently cited drawbacks are the lack of training for farmers, the high cost of inputs, low prices paid to farmers, and the lack of credit or advances for them. The impression is that insufficient attention was paid to laying the groundwork for liberalization, and that it should not result in the complete absence of the State from rural life.

46. The inaccessibility of some regions aggravates poverty because inhabitants are unable to transport their output or purchase supplies at reasonable cost.

47. Cameroonians decry poor governance, which they attribute to corruption, diversion of public funds, impunity, demands for bribes for public utilities, lack of decentralization, and inequitable distribution of the rewards of growth.

48. Overall, the participatory process undertaken by the authorities to develop the interim PRSP was very well received by the population, and it served as a springboard for a frank national dialogue on the analysis of the profile of poverty and the economic and social policies to be carried out to achieve poverty reduction.

49. The main lesson learned from this initial consultation is recognition of the need to heed civil society in order to properly determine what priority actions should be taken and to ensure that the policies and objectives to be incorporated in the PRSP are based on a broad consensus and will benefit the poor.

IV. CHALLENGES, CONSTRAINTS, AND STAKES

Strong and high-quality growth

50. Macroeconomic stability remains essential for promoting economic growth and reducing poverty. Strong and sustainable growth requires the implementation of policies aimed at improving the level and effectiveness of investment in human and physical capital. To this end, the Government intends to: (i) promote good governance, transparency, and accountability in order to create an environment conducive to private investment; (ii) accelerate trade liberalization and deepen subregional and regional integration; and (iii) promote exports and job creation by taking advantage of the possibilities offered by the global economy.

51. The Government is aware that sustainable economic development is impossible without peace and social stability. In order to guarantee stability and social cohesiveness, the Government intends to ensure an equitable distribution of the rewards of growth and the implementation of policies and strategies enabling all Cameroonians to increase their income substantially.

The demographic challenge

52. The population is growing at an average rate of 2.9 percent annually, and at this rate, should number around 24 million inhabitants by 2015. This rapid rate of growth makes it necessary to speed up wealth creation in order to satisfy the basic needs of the people and facilitate access for all to essential social services. Faced with this challenge, the Government intends to promote a population policy compatible with both existing constraints and with the gradual development of natural resources.

Regional disparities

53. In terms of how poverty is perceived by the population at large, the participatory consultations organized by the Government to prepare the national poverty reduction strategy have confirmed Cameroon's pronounced regional disparities insofar as natural resources endowment is concerned.

54. The population has emphasized that the removal of natural constraints on their regions of residence should be one as the primary strategic thrusts in poverty reduction. According to them, water supply programs, better access to land, and improved communications are absolute priorities in an effective poverty reduction strategy. Consequently, beginning in FY 2000/01, the Government will undertake studies with a view to designing comprehensive regional programs for poverty reduction based on these priorities.

Resource mobilization

55. Poverty is so widespread and deep-seated that the Government must mobilize substantial resources to bring the population as a whole above the poverty line. Taking into consideration demographic growth, it is clear that in 2000 and beyond resources will be very constrained.

56. Therefore, the Government will pursue, and intensify, domestic savings mobilization efforts to finance priority poverty reduction actions.

57. At the same time, it will strengthen its external solvency and credibility in order to benefit from external public debt relief according to the terms of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative and to mobilize additional official development assistance for financing projects and programs that have a substantial impact on poverty reduction.

V. EMERGENCY ACTIONS

58. In implementing its three-year reform program that began in July 1997, the Government has started to correct the severe deterioration observed throughout the country in the social infrastructure and the provision of social services. Action in these areas is still timid, however, since the priorities of the first generation of reforms focused on macroeconomic stabilization, consolidation of the recovery in public finances, normalization of relations with external creditors, intensification of the privatization program, and the implementation of sectoral reforms, particularly in the areas of finance, transport, and forestry.

59. Because of the progress made in mobilizing and managing public finances, the Government has gradually been able to free up the funds needed to launch a major poverty reduction effort. At the same time, a serious discussion is underway with respect to needed improvement in governance and the fight against corruption.

Poverty reduction

60. Regarding actions on poverty reduction, the Government has initially focused its efforts on supporting the social sectors of education and health, and implementing a permanent program of road maintenance favoring rural roads linking production areas to consumption centers ("farm to market roads").

61. Aware of the extent and difficulty of the task of rebuilding and developing the health and education sectors, the Government has, through a wide process of consultation with stakeholders, formulated medium- and long-term sectoral strategies for these two key areas of human development. To this end, it has received substantial assistance from development partners.

62. Based on the diagnosis undertaken in preparation for these sectoral strategies, emergency actions have been taken and will be implemented intensively during FY 2000/01, partly thanks to budget savings that will result from external debt service relief.

Education

63. Beginning in school year 2000/01, contributions from parents of students in public primary schools will be abolished. Also, in addition to eliminating the private monopoly in the school textbook publishing and distribution sector, institutional and operational arrangements have been made to ensure that school textbooks are available, at the beginning of the school year, throughout the country, and in particular, to children from the poorest segments of society.

64. An emergency investment program aimed primarily at repairing and building new classrooms will be implemented on the basis of prior studies (architectural studies, cost rationalization) in response to the concern for effective and efficient use of government spending. Moreover, from school year 2000/01, the Government will ensure that all schools have qualified teachers, including in the most disadvantaged regions, thereby implementing the relevant provisions of the education sector strategy on staff management.

Health

65. Regarding health, the Government's principal and most urgent concern is the spread of HIV/AIDS. Available statistics show the HIV/AIDS rate of infection among Cameroon's population at about 7 percent. The Government has set itself the goal of initially containing the rate of infection below the critical 10-percent threshold, before beginning to push it down.

66. From this perspective, the Government foresees a need to quickly intensify its HIV/AIDS information and awareness campaigns, with support from international health organizations. The media have been mobilized to the fullest extent and will broadcast carefully prepared public service announcements for maximum impact, particularly on the most exposed population segments.

67. At the same time, programs for combating communicable diseases will be stepped up, as will vaccination campaigns. Lastly, arrangements will be made to complete the health map during FY 2000/01, so that investment operations aimed at strengthening the supply of health care can be speeded up.

Road maintenance

68. The Government will increase the resources available for road maintenance in FY 2000/01. Road Fund appropriations will be increased, as will the budget resources for activities directly under the control of the Ministry of Public Works. Additional resources will be mobilized to strengthen the capability for scheduling road maintenance works and

related procurement activities. In addition, small and medium-sized enterprises (SMEs) in this sector will receive support in order to improve their capability to execute, in a timely manner, the contracts awarded them.

Domestic debt

69. Regarding treatment of the domestic debt, the Government has undertaken exhaustive audits of the debt's various categories with a view to determining precisely the amounts in question and the claims holders. The clearing of those debt components that have been audited will begin in FY 2000/01, either in the form of cash payments or negotiable securities. Particularly for cash payments, priority will be given to claims audited and validated, held by individuals from the most vulnerable segments of the population.

Governance and the fight against corruption

70. Recognizing the importance of governance and its impact on economic development and poverty reduction, the authorities are determined to adopt measures at all levels to improve the management of public affairs and combat corruption effectively.

71. To this end, with the support of the United Nations Development Program (UNDP), the authorities have already developed a National Governance Program (NGP). The NGP was developed following a participatory process that made it possible to incorporate the analyses and suggestions of civil society, the private sector and development partners.

72. The strategic objectives of the NGP aim essentially to:

- sustain economic growth and sustainable human development;
- promote the public sector/private sector/civil society partnership;
- reform the legal and judicial systems;
- strengthen the rule of law;
- promote a true culture of accountability in the management of public affairs;
- strengthen the transparency of the state apparatus and fight resolutely against corruption.

73. In the context of the fight against corruption, a government plan has been adopted in a number of key sectors. To implement the plan, an ad hoc committee headed by the Prime Minister was established, as was an anticorruption monitoring group.

74. In addition, under the triennial economic and financial program (1997/2000), the following important measures were taken that contributed significantly to improving governance:

- economic liberalization;
- privatization;
- the establishment of systematic periodic audits of the accounts of *Société Nationale des Hydrocarbures* (SNH);
- economic and tax audits of the forest sector;
- audit of the procurement system;
- appointment of an independent observer to the commission responsible for awarding forest concessions; and
- adoption and implementation in December 1998 of an action plan to improve public expenditure management.

75. These measures were supplemented by sectoral strategies for the health and education sectors to increase the quality and the supply of these essential social services.

76. In its quest for good governance, the Government is committed to strengthening its efforts to ensure transparency and accountability, and to improving the supply of basic social services, working to ensure that such services meet the needs of beneficiaries.

77. To this end, the Government identified short- and medium-term measures which are spelled out in the Priority Strategy and Action Plan for Improving Governance and Combating Corruption annexed to this document.

78. With regard to transparency, the Government is determined to:

- recognize the right of all citizens to secure access to information on public affairs and establish an institutional mechanism for exercising this right;
- publish the results of studies, surveys, and audits conducted to improve services in key sectors (education, health, basic infrastructure, justice); and
- establish a coalition to combat corruption bringing together the private sector, civil society, and all interested stakeholders.

79. With regard to accountability, the Government will:

- introduce periodic budget tracking exercises in the social sectors, to be conducted by independent consultants;
- conduct annual audits of the procurement system systematically;
- carry out far-reaching reforms of the procurement including auditing of public contracts; and
- reform the justice system, *inter alia*, by strengthening judicial independence and the effectiveness of judicial inspection and gradually establishing the jurisdictional bodies called for by the Constitution of January 18, 1996.

80. As to improving the provision of services, the Government will:

- conduct periodic surveys among users of social services;
- decentralize management of human and financial resources in the social sectors; and
- provide technical and financial support for the preparation and implementation of pilot programs initiated at the grassroots level.

81. The authorities attach considerable importance to the implementation of the actions it has identified, which will be carried out on the basis of technical studies, and their impact will be verified and monitored using objective indicators.

VI. PILLARS OF THE POVERTY REDUCTION AND GROWTH STRATEGY

82. The Cameroonian economy has been enjoying uninterrupted growth for the past six years; the average rate of growth during the three years of the 1997-2000 economic and financial program was 4.7 percent.

83. Nevertheless, the authorities recognize that such growth rates are not high enough to wage an effective fight against poverty. They also agree that, while growth is an important tool for reducing poverty, growth, in and of itself, cannot achieve this goal. Growth must be equitable, by guaranteeing that as much of the population as possible has access to basic social services, basic infrastructure, and the opportunity to earn income or secure a job.

84. Accordingly, the PRSP is based on a program of reform measures designed to: (i) promote sustainable and vigorous growth, (ii) introduce sectoral and targeted poverty reduction policies, and (iii) strengthen good governance in order to maximize the potential impact of growth on poverty.

VII. POLICIES FOR THE EFFECTIVE INCLUSION OF DISADVANTAGED GROUPS IN ECONOMIC NETWORKS

Income-Generating Activities

85. The Government considers that promoting income-producing activities, particularly self-employment, to benefit the poor is an appropriate and lasting response to the problem of poverty. This means increasing the ability of the poor to generate enough income for their basic needs and financing essential social services in a sustainable way.

86. The generation of income by the poor will be based on developing viable opportunities in the economic sectors in which they are active. Promotion of self-employment is a pressing need in the short and medium term, as the narrowness of the labor market does not currently allow for absorbing the abundant skilled labor that is available. The promotion of microprojects as well as small and medium-sized enterprises (SMEs) will be encouraged because they are the true engines propelling the creation of employment and generating income for the poor.

87. The Government will encourage the production of priority goods and services most demanded by the poor, and it will make sure that the corresponding activities are financially and economically viable. In this context, the Government intends to support the initiatives of the poor in the most promising areas such as foodstuffs, the processing of agro-foodstuffs, small-scale livestock farming, and off-season crops. SMEs and small and medium-sized industries (SMIs) will be encouraged to position themselves in market segments with strong value added, such as industrial processing of natural resources.

Labor-intensive projects

88. In support of these initiatives, the Government intends to implement labor-intensive programs that generate employment and income for the poor. These programs will place a priority focus on improving the public service infrastructure representing the greatest limits on economic opportunities for the poor. This will involve strengthening programs for maintenance, rehabilitation, and construction of roads and tracks in order to open up the country and facilitate the movement of products.

89. In urban areas, the Government plans to pursue and strengthen sanitation and service works. These activities will produce income and employment, particularly for young people. It will encourage SMEs/SMIs and small traders to produce the goods and services most in demand by the poor.

Promotion of subcontracting

90. The Government will urge large businesses to subcontract with these SMEs/SMIs, an arrangement which will not only ensure the viability of their activities but will also permit the medium- and long-term transfer and mastery of technologies.

Microfinance

91. Access to the factors of production and to financial services is one of the necessary conditions for the effective inclusion of the poor in economic networks, particularly in rural areas. To remove restrictions impeding such access, the Government plans to improve access to credit, land, inputs, and farm equipment for disadvantaged populations.

92. In terms of access to credit, the Government will emphasize decentralized financial systems that are closer to the poor. The development of microfinance will be ensured in the context of sustainability and viability of the financial system.

93. The Government also plans, through reform of the postal finance system and further banking system restructuring, to strengthen the country's coverage with modern structures to mobilize savings and the financing of economic activities, particularly in rural areas.

94. To this end, the Government will monitor adherence to the terms and conditions for privatization of the *Banque Internationale du Cameroun pour l'Epargne et le Cr dit* (BICEC). Above all, this means ensuring that the institution that is taking over, the *Groupes des Banques Populaires*, honors the commitment to proceed with opening new branches or offices of this banking institution in proximity to economic agents, particularly artisans and small merchants, SMEs/SMIs, and economic agents in rural areas.

95. In addition, the Government will pursue the rehabilitation of the savings and credit cooperatives sector, seeking to further secure the savings of their members, and to ensure that the mobilized resources are an effective catalyst for development. In this context, the Government will, in particular, implement the measures necessary to induce all existing cooperatives to normalize their situation, in accordance with current regulations and to observe the established standards of management.

The gender dimension

96. Women represent about 51 percent of the total population and 52 percent of the poor, but they account for the bulk of domestic agricultural production. These indicators show that the contribution of women is decisive for lasting reduction of poverty. Under these conditions, the Government plans to implement all the measures designed to ensure women's greater participation in the management of public affairs. It will implement targeted programs in a participatory fashion with a gender-based segment. Specifically, it will seek to:

- promote women's access to the factors of production in order to improve their productivity and reduce the harshness of their work; and
- improve the legal/institutional framework for women by accelerating the development of an equitable family code and strengthening the training structures for women by creating and/or putting new life into training centers suitable for improving women's inclusion in economic life.

VIII. DEVELOPMENT AND IMPLEMENTATION OF POLICIES FOR HIGH QUALITY GROWTH

Pursuit and consolidation of macroeconomic policies

97. The Government is aware that over the long term its population will enjoy lasting improvement in living standards only if the rate of economic growth substantially exceeds the rate of demographic growth, currently at 2.9 percent. To achieve this, it is committed to promoting a macroeconomic framework that will allow strong and high-quality economic growth, a prerequisite for a sustainable reduction of poverty.

98. The Government plans to implement a growth strategy that will make it possible to correct structural weaknesses in the economy, stimulate activity, and create employment through actions targeting: (i) improved productivity and competitiveness by means of a program of privatization and cost reduction; (ii) increased public and private savings; (iii) promotion of the private sector, which is called upon to act as the driving force in economic growth; and (iv) growth in production and diversification of exports based on different sectoral strategies.

99. The macroeconomic objectives of the Cameroonian Government over the next three fiscal years are to: (i) increase the rate of real growth from 5.3 percent in 2000/01 to six percent in 2002/03, (ii) keep inflation to around two percent, and (iii) maintain the current account deficit between 2.5 percent and three percent of GDP. As to public finance, the Government plans to (a) increase non-oil revenue collection from 14 percent of GDP in 2000/01 to 16 percent in 2000-2003, (b) keep the base budget deficit below three percent, and (c) maintain the primary balance above six percent of GDP.

100. The long-term objective is to gradually increase the annual rate of real GDP growth to at least seven percent, which should result in at least a three- to four-percent increase in per capita GDP, the minimum required to reduce poverty significantly. In order to maintain this level of growth, the investment rate will be increased from 18 percent in 1999/2000 to 18.8 percent in 2002/03 and the domestic savings rate will be increased to roughly 19 percent over the same period.

101. To achieve this goal, the authorities intend to support the development of the non-oil sector, especially exports. They, therefore, plan to pave the way for the rapid expansion of the agroindustrial sector following the privatization of large public entities. Export promotion will be fostered through increased competitiveness, regional integration, and diversification

of production. In the industrial sector, the envisaged doubling of production capacity for aluminum may spur a substantial increase in activity. The authorities will, therefore, strive to facilitate this important investment, which also depends on increased power production and improved performance of the port of Douala.

102. The installation of the pipeline linking the Doba oil installations in southern Chad with the port of Kribi in Cameroon will also be a catalyst for increased activity in a number of sectors, including transport, construction, and services.

Rural development strategies

103. Because of its economic weight, and the magnitude of its potential, the rural sector is considered the preferred platform for reducing poverty and stimulating growth.

104. Despite its many assets and significant prospects, the development policy for the rural sector has developed, over the course of the last fifteen (15) years, within a climate of widespread economic crisis leading to disinvestment in the rural sector. In its efforts to maintain lasting growth and to reduce poverty, the Government plans to rehabilitate the rural sector at a time when the principal indicators of the national economy as a whole are indicating renewed growth. This approach focuses on three essential factors:

(i) diversification and processing of agricultural, livestock and forestry exports; (ii) reconstitution of a specific financing mechanism for rural activities; and (iii) extension to rural populations of coverage under the national social security system.

105. In agriculture, the new strategic directions focus on: (i) increased agricultural production and income, to ensure food security, by strengthening technical support services provided to rural farmers through the national agricultural extension and research services, professionalization of agricultural instruction, improved access to agricultural inputs (thanks to the development of distribution networks), organization of production networks, revival of coffee-cacao, palm oil, hevea, cotton, rice, corn, manioc, and plantain; (ii) improvement in the overall economic environmental and the incentive system through reform of taxation and adaptation of financial systems for the agricultural sector, management of land resources, infrastructure (rural roads, village water systems, etc.), and communication; and (iii) modernization of the institutional framework, with reorganization of public services, professionalization of farmers' organizations, inclusion of various private partners, and coordination of all involved in the sector.

106. In the area of livestock farming, fisheries, and animal industries, government action will focus specifically on (i) increasing animal production and breeders' income; (ii) promoting the private sector and a strong public/private partnership; (iii) improving concerted management of rural areas in a sustainable manner; and (iv) strengthening technical capabilities, as well as organizing producers and professionals in livestock farming and fisheries.

107. Regarding the forestry sector and environmental protection, the Government will initiate actions focusing primarily on:

(i) Implementation of the Yaoundé Declaration on the sustainable conservation and management of tropical forests and the emergency action plan adopted by the Government focusing especially on:

- efforts to combat illegal exploitation of forest resources;
- involvement of civil society in forest management operations;
- establishment of effective institutional arrangements (including institutional review, restructuring, audits, strengthening of forest management capacity);
- transfer of income from forest development to municipal districts and communities via establishment of an equalization fund; and
- granting the right of first refusal to neighboring communities with respect to the allocation of forest lands.

(ii) Preparation and monitoring of forest management plans and supervision of forest development operations focusing on environmentally sustainable development of the country's forest stock through:

- harmonization and preparation of management plans and training for the parties involved;
- establishment of a system for the coherent and effective supervision of forest development activities; and
- improved transparency by requiring competitive bidding for the award of forest development rights and appointing an independent observer.

(iii) Preservation and stability of forest ecosystems, including management of protected areas, through:

- classification of concessions and protected areas;
- prohibition of major works that might encourage traffic in protected areas; and
- promotion of ecotourism.

(iv) Establishment of an industrialization policy focusing on high added economic value.

108. These different government actions will be contained in an integrated Rural Development Strategy Paper to be drawn up during the course of FY 2000/01. The formulation of this strategy will bring together the sector's major stakeholders. Particular emphasis will be placed on defining the roles and tasks of all concerned, as well as their functional relationships.

109. Participatory consultations directed to peasant populations, with the support of NGOs, civil society, and our development partners will be organized to supplement the initial

participatory consultations. The approach of the National Program for Dissemination and Agricultural Research (PNVRA) will be expanded and improved upon.

Industrial development strategies

110. Activity in the industrial sector remains highly dependent on world price trends, while dumping and smuggling are a constant threat to the development of local industry. The development of industrial production is essentially driven by agribusiness and the base metals industry.

111. Sectors that further propel employment are the construction materials manufacturing industry, agro-foodstuffs production, the timber industry, and water and electricity production.

112. Among the activities supporting the private sector, the Government will encourage the creation of industrial maintenance and repair companies. It also plans to promote the generic pharmaceutical products industry, farm implement and materials manufacturing, as well as the creation of companies in the construction and public works sector.

113. The industrial sector's future contribution to growth and to reducing poverty could meet expectations if the challenges and difficulties associated with the competitiveness of industries are overcome. To achieve this, an industrial and commercial development strategy will be implemented. This sector will be stimulated using three approaches:

- Acceleration of growth by entering export markets, to which end production must be geared toward the subregional market. In this context, the CEMAC countries, by absorbing excess capacity, can serve to increase international competitiveness and strengthen regional autonomy.
- Creation of an environment conducive to industrial investment in order to promote a reduction in costs and prices. To do this, the Government must help by deregulating so as to encourage competitiveness, by investing in infrastructure to reduce high production costs, by eliminating existing distortions in the protection structure, and by improving access to financing.
- Strengthening professional and technical training for the industries that drive development: for example, financial engineering, telecommunications engineering, maintenance workshops, and repair parts manufacturing.

114. The Government plans to consolidate the reforms now being implemented. These reforms will allow for increased competitiveness and efficiency in the economy while stimulating production. Thus, the Government has undertaken sweeping reforms in the agribusiness and transport sectors, in foreign trade procedures, in the privatization of public utilities, and in the operation of the Roads Fund.

Other sectors

115. Other sectors may also contribute to growth, including tourism and new technologies.

116. The Government is aware of the need for Cameroon to participate in the “new economy.” To that end, it plans to facilitate the development of new information and communication technologies. Modernization in this sector will be sought in order to make these different tools available to the largest possible number of people. Development of the Internet will thus afford Cameroon access to the era of the “new economy” that generates high added values.

117. In addition, the Government is determined to promote the use of Cameroon’s many tourist resources, its “Africa in miniature.” In this context, it plans to pursue the implementation of actions already undertaken and aims to achieve the target of 500,000 tourists each year by 2002.

Rehabilitation and development of basic infrastructure

118. During the years of economic recession, poverty was evident in (i) the failure to build new basic infrastructure (roads and rural routes, energy, water, transport, telecommunications) and (ii) significant deterioration in existing infrastructure that was no longer repaired or maintained. The inefficient management of large utilities exacerbated this situation.

119. As regards roads, the Government plans to pursue projects to extend and maintain the national road network in both urban and rural areas, within the framework of a strategy focusing in particular on the establishment of the Road Fund (a permanent mechanism for financing road maintenance works) and the privatization of road maintenance. The strategy has made it possible to:

- define a priority roads network of 25,000 kilometers where available resources will be concentrated;
- Prioritize road maintenance works, most of which are not entrusted to SMES in order to allow them to make a significant contribution to the fight against poverty; and
- limit central government activities to planning, scheduling, and supervision of tasks.

120. In order to facilitate the opening up rural areas, emphasis will be placed on maintaining the priority roads network and on the management and creation of rural roads.

121. With regard to ports, the Government has implemented a series of reforms that have led to the establishment of a National Port Authority and four Autonomous Ports at Douala, Kribi, Limbé, and Garoua. Within these port facilities, all industrial and commercial activities will be provided by the private sector, making it possible to improve not only their efficiency but also the competitiveness of the economy.

122. With respect to the water and energy sectors, the authorities have undertaken major reforms designed to result, over the medium term, in a significant increase in the supply of safe water and electric power, and in particular, enhanced access by the most disadvantaged population segments, including those in rural areas, to these essential services.

123. With regard to electricity, a new institutional framework has been put in place with the establishment of the Electricity Regulatory Agency and the Rural Electrification Agency. This new arrangement paves the way for competition in the power sector, while leaving room for the implementation of local solutions (adapted to the specific needs of the inhabitants or certain economic operators). The privatization of SONEC – currently at an advanced stage – will be followed by a number of key investments in order to meet high electricity demand when major industrial investment projects are envisaged.

124. Sectoral reforms are also under way with respect to water. Privatization of *Société Nationale des Eaux du Cameroun* (the water company, SNEC) will be the key component of the reforms. The authorities plan to take advantage of the resulting practical arrangements to continue, in an efficient manner, the extension of drinking water supply facilities throughout the country. Accordingly, water supply programs, especially those calling for boreholes and managed wells, will be intensified, with priority going to the most disadvantaged areas.

Social policies and strategies

125. Defining and implementing targeted social policies with the participation of concerned stakeholders and donors are the key elements of the Government's poverty reduction strategy.

126. To achieve the objectives established by the international community, the authorities are determined to take advantage, to the full extent possible, of consultations and donor support, the aim being to arrive at a broad consensus on social strategies which focus on supplying social services that are consistent with both the priority needs of the recipients and good governance. To this end, options for decentralizing social services and developing co-managed institutional arrangements will be implemented, with priority going to the health and education sectors.

127. In the area of health, the sectoral strategy, adopted in June 2000, has the following objectives:

- to reduce neonatal mortality and morbidity following sickness and/or infection, bringing the infant mortality rate, which was 77 per thousand in 1998, closer to the global objective of 22 per thousand in 2015, and the maternal mortality rate of 430 women per 100,000 live births to 124;
- to reduce the incidence of communicable diseases such as malaria, onchocercosis, leprosy, and trypanosomiasis so that they are no longer a public health problem for

- the population, and to reduce potentially epidemic diseases such as cerebrospinal meningitis, cholera, and bacillary dysentery;
- to slow the progression of HIV/AIDS, which constitutes a menace to the development of the country, and other STDs through the following actions:
 - a communication strategy designed to explain the disease to young people, students, parents, and women at risk;
 - measures needed to provide NGOs and the specialized agencies of the United Nations with free access to radio and television, for the express purpose of broadcasting specialized programs;
 - systematic screening for AIDS in health facilities, and psychosocial counseling for those who are ill;
 - strengthening the safety of blood transfusions in the country's various hospitals, and the safety of injections for curative care and vaccinations;

128. The strategy also seeks to:

- strengthen preventive medicine and implement the expanded program of immunization in order to bring the percentage of children under age 11 who are vaccinated from 45 percent in 1997/98 to 70 percent in 2000/01;
- improve the population's access to primary healthcare services, through the construction and equipping of health districts, which constitute the first level of care from which seriously ill persons can be referred to higher level health facilities;
- make generic and quality medications available to the population at affordable prices.

129. With respect to nutrition, the authorities are committed to correcting nutritional deficiencies that have harmful effects on the health of certain categories of people, particularly vitamin A and iodine for children under 5 years and iron for women of child-bearing age. For this purpose, health facilities will be supplied with micronutrients.

130. The Government is aware that the implementation of this policy, which seeks to achieve the objectives established by the 20/20 Initiative, requires a steady increase in the health budget. Accordingly, the budget allocation of the Ministry of Public Health will increase by 36 percent between 1999/2000 and 2000/01.

131. In the area of education, the social strategy was developed on the basis of the following broad principles:

- institution of the principle of basic education for all, with free public primary education starting in September 2000;
- sustained increase in the supply of education, with the education budget representing 9.7 percent of the overall central government budget (this percentage must increase if the objectives of the 20/20 Initiative are to be achieved);

- promotion of schooling for girls through ongoing information, education, and communication (IEC) campaigns;
- promotion of private education, the Government having decided to train private sector teachers in the public teacher training schools, with the State continuing to provide subsidies to private education.
- improved teaching quality through a reduction in the student/teacher ratio and training for teaching staff;
- increased supply of education through an increase in the volume of academic infrastructure and recruitment of qualified teaching staff;
- gradual reduction of unemployment through professionalization of education, the Government having decided to recruit contract teachers with the proper qualifications for each subject; and
- adaptation of education, training, and employment to the real needs of the national economy (partnership with the private sector).

132. The Government's own efforts to implement this program are reflected in the budgetary allocations to the education sector (Ministry of National Education and Ministry of Higher Education), with an overall amount representing 12.5 percent of the total budget for FY 2000/01.

133. In the area of social security, the projected reform will focus on:

- extending social security to all levels of the population;
- rehabilitating the existing system through (i) separate management of segments, (ii) direct participation of the insured and of the private sector in the management of social security institutions; and
- standardization of the amount and range of benefits for all categories of recipients.

Urban poverty

134. As a result of combined pressures from accelerating urbanization over the past two decades – owing mainly to the rural exodus – and the economic crisis, Cameroon's cities, particularly the larger ones, are beset with many problems relating to such phenomena as the proliferation of squatter settlements, unsanitary conditions, and insecurity.

135. Urban poverty has taken on many forms as a result of increased unemployment, which has in turn aggravated these problems. The authorities are deeply concerned about this situation and they intend to find urgent, practical, and sustainable solutions to the many and varied difficulties facing certain population groups, including the homeless, street children, prostitutes, and the mentally ill. Cognizant of the scope and complexity of the problems to be resolved, the authorities will arrange for targeted studies to be conducted in 2000-2001 in order to develop a coherent and operational action plan.

136. Urgent action will be taken promptly, focusing in particular on:

- implementing emergency sanitation programs;
- providing services to squatter settlements;
- combating insecurity;
- caring for street children and the mentally ill;
- combating drug trafficking and use; and
- teaching prostitutes about the dangers of sexually transmitted diseases and HIV/AIDS.

Partnership and participation

137. The fight against poverty involves all social agents, including the poor themselves, and can only be effectively managed in the context of a well-conceived partnership, defining the roles of everyone involved: the State, NGOs, civil society, development partners, and the private sector. Some progress has already been made in this area.

138. The institutional framework for the participation of NGOs has just been clarified, with the adoption of a specific law that helps to strengthen their role in the development and the implementation of both social policies and strategies for combating poverty.

139. In the context of the State's firm decision to withdraw from the production and distribution of market goods and services, the Government will continue to take measures designed to improve the performance of the private sector, which must drive economic growth from now on. To this end, it intends to energize the two collaborative bodies, i.e., the interministerial committee (expanded to include the private sector) and the competitiveness committee.

140. In economic terms, the State will seek to redirect its involvement by increasing its role as a regulator and facilitator of the activities of private operators. In this context, it will introduce medium-and long-term macroeconomic frameworks to support public and private investment programs. With regard to public investments, the Government will focus on improving their preparation and monitoring, in collaboration with its development partners.

141. In addition, the State will institute mechanisms to inform and instruct the population regarding development opportunities. It will improve the training system for rural areas, and it will ensure the installation of an appropriate financing mechanism for microprojects. To this end, it will seek the rehabilitation of the savings and credit cooperatives sector.

142. With respect to the social dimension, sustained actions will be necessary to accelerate the implementation of a social security system. Similarly, the authorities will monitor the social reintegration of marginalized persons and the promotion of employment for young people.

143. The authorities will continue to increase the resources, and strengthen the management capabilities, of the ministries and agencies in charge of the social sectors. With respect to public administration and justice, from the perspective of strengthening the rule of law, this will involve guaranteeing the legal safety of the population and its property on the one hand, and protecting investments on the other. State, civil society, and NGO relations are gradually being strengthened; this will help to develop all the synergies that are indispensable to the struggle against poverty. In this context, the State, in addition to its role as regulator of activities and facilitator, must fully assume the role of coordinating the interventions of the various actors.

144. To achieve this partnership, it is essential to:

- strengthen the capabilities of the private sector and civil society;
- strengthen coordinating agencies; and
- promote coordinated government/private sector policies to ensure the competitiveness of the economy vis-à-vis globalization.

Governance and the fight against corruption

145. The authorities believe that improved governance must come about within a context of constant efforts to enhance management and modernize the State, a long-range process that is unending. Accordingly, the Government's medium-term commitments are directed at consolidating the actions listed in its emergency plan, along with any progress to which they may lead.

146. Generally speaking, the Government will focus on implementing the measures envisaged in the National Governance Program and will continue to incorporate in the Program any measures likely to reinforce its strategy for good governance. Particular emphasis will therefore be placed on the following efforts:

- gradual implementation of the decentralization actions called for in the Constitution of January 18, 1996;
- further decentralization of the management of human and financial resources and strengthening of the staff responsible for co-managing these resources;
- continued budgetary reform in order to strengthen transparency and the efficiency of resource allocation, especially with respect to basic social services and essential infrastructure (for example, roads, water, and power); and
- reform of the justice system on the basis of a technical audit, the aim being to strengthen the rule of law, the independence of the justice system, and judicial inspection, and gradually to establish the jurisdictional bodies envisaged in the Constitution of January 18, 1996.

147. The Government also expects to benefit from its adherence to codes of international good practices by participating in pilot projects on financial system evaluation, fiscal and budgetary transparency, and the General Data Dissemination System (GDDS).

IX. FINANCING THE STRATEGY

148. In order to ensure adequate financing of the national poverty reduction strategy, the Government intends to optimize and mobilize all the resources needed to this end, both domestic and foreign, and to ensure the rigorous and effective management of these resources in accordance with the provisions of its plan to improve the management of public expenditure. Implementation of the plan will be strengthened and accelerated during budget year 2000/01.

A. Mobilization of Resources

Budgetary resources

149. The measures aimed at promoting increased budgetary resources, which are now in force, will be maintained. These include continuing the tax effort while increasing the efficiency of the assessment and collection units, on the one hand, and achieving a significant increase in nontax revenue especially from public service fees, on the other hand.

Debt relief

150. The results obtained in the programs now underway must be consolidated, in particular in the budgetary and external trade areas, with a view to making Cameroon eligible for the enhanced HIPC Initiative, so that it can benefit at the earliest possible opportunity, and in the maximum amount, from the debt relief available under the Initiative. The budgetary savings generated by this debt relief represent the largest share of the resources to be mobilized in this program.

Additional resources

151. In addition to the substantial financing anticipated from the HIPC Initiative, the Government will continue to identify projects with a strong impact on economic and social development in general, and poverty reduction in particular. Additional resources will be sought on concessional terms in order to finance such projects.

Domestic savings

152. The conditions for increasing domestic savings are created through the combined effects of income growth and inflation control. Domestic saving will be mobilized gradually with restoration of the credibility of the public financial instruments, including treasury bills, and the regularization of government payments.

Private capital inflows

153. The promotion of foreign direct investment (FDI) in the national economy, and in the basic infrastructure sector in particular (communication, commerce, tourism, new technologies), will be a primary focus in order to enhance the public sector/private sector partnership. In this context, the Government will develop a policy of awarding public services and works concessions to the private sector.

B. Optimal Resource Allocation

Medium-term budgetary frameworks

154. The sectoral policies now being prepared in ministerial departments will shed light on these departments' activities. Estimated investment expenditure and current expenditure, including recurrent costs, will be consolidated in public expenditure programs, which will constitute budgetary frameworks for the allocation of domestic and external resources to these departments. The preparation and implementation of a new public investment program (PIP) will be undertaken without delay.

Building management capacities

155. The desired efficiency of public expenditure and the acceleration of investment spending in particular will require strengthening the management capacities of Government in the areas of project cycle, programming techniques, and management control. Training activities and technical assistance will be provided to this end within the context of the program.

Streamlining of public expenditure

156. Implementation of the action plan to improve public expenditure management will be continued and accelerated, in particular by:

- continuing the computerization of the public expenditure units;
- implementing appropriate training programs for all personnel working in the expenditure system; and
- streamlining government procurement, in particular through enhancing the transparency and the traceability of procedures, as well as systematic recourse to competition between suppliers, with a view to ensuring the effectiveness and higher quality of services, and controlling the cost of procurement.

C. Coordination and Management of Official Development Assistance

157. The approach in this area will consist primarily in streamlining financial support for: (i) truly establishing the PRSP as the foundation for interventions by development partners and (ii) harmonizing and simplifying, in cooperation with partners, the conditions for effective mobilization of external support, within a framework of transparency and good governance.

Management of additional resources

158. The additional resources resulting from debt relief will be managed transparently, with a twofold aim: achieving flexibility so as to ensure fluid execution of the agreed program, and efficiency so as to achieve objectives effectively.

159. The priority expenditures to which the additional resources will be allocated, as well as the practical modalities for carrying them out, will be defined in cooperation with development partners, so as to make these operations transparent and guarantee the effectiveness of the efforts associated with them, while respecting the fundamental principles of budgetary management.

Improved management of ODA

160. Official development assistance must be managed more efficiently within the context of this program. To achieve this, a forthright policy of financial, economic, and technical cooperation which is more active in the search for financing, given the rigidity of ODA, will be implemented.

161. Borrowing will remain a vital source of development finance, in the context of a clear borrowing policy based on control over the level and quality of debt, as well as control over the capacity for and pace of absorption of such assistance.

162. In addition to the debt relief obtained within the context of the enhanced HIPC Initiative, the debt reduction policy should be continued with a view to restoring active management of the debt cycle (borrowing/repayment). An effort will be made, in this regard, to improving our capacities in the area of debt management, and to prevent a new sequence of excessive indebtedness.

Improved coordination of ODA

163. Donors' interventions will be coordinated and governed by our own program. To this end, a modern mechanism for monitoring ODA will be established in order to anticipate conditionalities, regulate disbursements, and systematize concerted actions.

X. MONITORING/EVALUATION

A. Improved Production and Dissemination of Statistical Information

164. With a view to (i) properly monitoring the execution of agreed actions; (ii) measuring the results obtained and their impact on target groups, and (iii) taking the corrective steps deemed necessary, the Government intends to introduce an appropriate statistical mechanism in the area of poverty reduction.

165. This mechanism should make it possible to produce timely and reliable indicators selected on the basis of the guidelines, orientations, and constraints identified in the strategy. The Government has already begun discussions with the IMF, within the context of the General Data Dissemination System (GDDS) project, on a list of indicators which will be disseminated through that System's site.

166. The Government intends to organize this approach in such a way as to ensure the production of indicators on the various dimensions of poverty, in particular monetary poverty and the living conditions and standards of the population.

167. Within this perspective, emphasis will be placed on household income and consumption, and the supply, accessibility, and use of essential social services, in particular education, health, and access to safe drinking water, as well as nutrition, housing, and sanitation.

168. In addition to these important aspects, other indicators on vulnerable or disadvantaged groups regarding gender and governance will also be produced.

169. In the medium term, availability of the various indicators will be ensured through statistical gathering based on the results of the third general population census currently being prepared and on a set of surveys on household living conditions. Administrative sources will also be utilized, thus providing annual indicators measuring progress in the supply of key social services.

170. In the short term, the Government will update the information on the poverty situation by conducting a household survey comparable to that of 1996 (ECAM 1996). Steps have been taken to ensure that this operation is completed during budget year 2000/01, under joint financing from the Government and the World Bank.

171. The results of this study will supplement those from the multipurpose survey on the status of women and children, for which field survey work took place in June and July 2000 with assistance from UNICEF.

172. With regard to public finance, the Government will continue to produce indicators measuring progress regarding physical and financial execution of public investment projects and programs. Users of public services will be surveyed periodically to gather their views on the evolution of service quality.

173. As regards dissemination of the indicators produced, the Government intends to set up socio-demographic databases and establish a web site. In this context, and in cooperation with the United Nations Population Fund (UNFPA) and the World Bank, respectively, work on introducing the socio-demographic database has begun and a web site will be created at the Directorate of Statistics and National Accounting during 2001.

B. Participatory Monitoring

174. As it did for the preparation of the Interim Poverty Reduction Strategy Paper, the Government will adopt a participatory approach involving all affected parties as regards the implementation and monitoring of the poverty reduction efforts. During 2000/01, it intends to set up a National Poverty Reduction Network which will establish a framework for exchanging ideas, experiences, and information among groups and on participatory approaches. Through this network, the Government intends to inform itself regarding the views of the population concerning (a) the effectiveness and efficiency of public expenditures on social services and basic infrastructure, and (b) proposals for improvement.

C. Capacity Building

175. Concerning participatory monitoring/evaluation of the implementation of poverty reduction efforts, the Government intends to support capacity building within both Government and civil society.

176. As regards statistical monitoring, the Government intends to seek external assistance (technical and financial) in order to improve the production of statistics on a regular basis. The Government will work to improve collaboration between the National Statistics Office and sectoral statistical services, particularly in social sectors.

177. The National Statistical Council has already established a medium-term plan for the production of statistics. A three-year rolling implementation program has been set up, as a result of the plan, and will be launched in budget year 2000-01. This program attaches great importance to the compilation of monitoring indicators specifically designed to measure progress on poverty reduction.

Table 1: Framework of Poverty Monitoring Indicators

1. Monetary indicators	<ul style="list-style-type: none"> - Income distribution - Incidence of poverty - Number of poor - Depth of poverty
2. Labor market indicators	<ul style="list-style-type: none"> - Unemployment rate - Rate of job creation in the formal sector - Dependency ratio
3. Education indicators	<ul style="list-style-type: none"> - Gross enrollment ratio (age 6-14) - Gross enrollment ratio of boys - Gross enrollment ratio of girls - Share of education expenditure in household budgets - Share of education expenditure in the central government budget - Adult literacy rate - Grade repetition ratio - Student/teacher ratio - Students per class - Students per seat
4. Health and nutrition indicators	<ul style="list-style-type: none"> - Vaccination ratio (children under 6) - Ratio of medically assisted births - Maternal mortality rate - Infant mortality rate - Rate of contraceptive use - Rate of HIV/AIDS incidence - Incidence of child malnutrition - Proportion of underweight children - Share of health expenditure in household budgets - Share of health budget in the central government budget - Inhabitants per hospital bed - Inhabitants per doctor
5. Water and sanitation indicators	<ul style="list-style-type: none"> - Percentage of households with access to safe drinking water - Percentage of households connected to a sewer system
6. Standard of living indicators	<ul style="list-style-type: none"> - Average number of persons per room - Proportion of households with electricity - Proportion of houses built of permanent materials

TENTATIVE TIMETABLE FOR THE PREPARATION OF THE FINAL PRSP

DATE	ACTIONS
<i>August 2000</i>	<ul style="list-style-type: none"> ▪ Finalization and adoption of the interim document
October 2000	<ul style="list-style-type: none"> ▪ Report to the field on results of the first phase of consultations, as an extension of the national workshop held in Yaoundé on May 23 and 24, 2000 ▪ Second phase of participatory consultations with a view to the finalization of the interim PRSP ▪ Preparations for the establishment of the National Poverty Reduction Network ▪ Launching of identification activities for regional poverty reduction projects or programs. ▪ Launching of the preparatory phase for the survey on household living conditions (ECAM II).
Nov./Dec. 2000	<ul style="list-style-type: none"> ▪ Preparation of technical documents for ECAM II
Jan./Feb. 2001	<ul style="list-style-type: none"> ▪ Pilot survey and adoption of technical documents for ECAM II ▪ Third phase of participatory consultations : discussion of ideas for regional poverty reduction projects or programs; exchanges on arrangements for the regional follow-up evaluation
March/April 2001	<ul style="list-style-type: none"> ▪ National workshop - presentation of the final PRSP draft ▪ Collection of information in the field (ECAM II) ▪ Exploitation of lessons learned from the third phase of consultations
May 2001	<ul style="list-style-type: none"> ▪ Collection of information in the field (ECAM II) (continued)
June 2001	<ul style="list-style-type: none"> ▪ Initial exploitation of ECAM II
July 2001	<ul style="list-style-type: none"> ▪ Exploitation of ECAM II (continued)
August 2001	<ul style="list-style-type: none"> ▪ Exploitation and initial analysis of ECAM II results
September 2001	<ul style="list-style-type: none"> ▪ Analysis of ECAM II results
October 2001	<ul style="list-style-type: none"> ▪ Presentation and publication of the results of ECAM II ▪ Workshop to present the final draft of the PRSP ▪ Finalization of the PRSP
November 2001	<ul style="list-style-type: none"> ▪ Adoption and publication of the final PRSP

I-PRSP Action Matrix

A- SHORT-TERM MEASURES

Strategy	Field / Policy	Measures/actions	Timetable
1- Improvement in the quality of social services provided	a) Education	<ul style="list-style-type: none"> ▪ Ensure that all schools, including those in the most disadvantaged areas, have highly qualified teaching staff ▪ Conduct architectural and cost-rationalization studies with a view to implementing the emergency investment program for the renovation and new construction of classrooms 	<p style="text-align: center;">2000/01</p> <p style="text-align: center;">2000/01</p>
	b) Health	<ul style="list-style-type: none"> ▪ Step up HIV/AIDS information and awareness campaigns in public and private media ▪ Eliminate the 10 percent deduction from the revenue collected by primary health care facilities as part of a policy aimed at decentralization and the autonomous management of health districts ▪ Prepare a list of prices for the generic forms of at least 30 of the essential drugs most widely used to treat diseases affecting the poor ▪ Promote the use of generic drugs among prescribers and the public ▪ Adopt the final by-laws of CENAME and the CAPPs [provincial pharmaceutical supply centers], by guaranteeing the independence of these private, nonprofit entities ▪ Establish a legal framework guaranteeing priority access to essential generic drugs by the public and private for-profit sector ▪ Effectively improve the availability and prices of essential drugs among CAPPs and health centers ▪ Complete and publish the health map 	<p style="text-align: center;">2000/01</p> <p style="text-align: center;">August 2000</p> <p style="text-align: center;">August 2000 2000/01</p> <p style="text-align: center;">2000/01</p> <p style="text-align: center;">2000/01</p> <p style="text-align: center;">Oct/Nov. 2000</p>
2- Basic infrastructure rehabilitation and development	Roads	<ul style="list-style-type: none"> ▪ Provide additional resources for the rehabilitation and maintenance of a system of priority roads ▪ Support NGOs involved in road maintenance with a view to improving their capacity for on-time performance of the contracts awarded to them 	<p style="text-align: center;">2000/01</p> <p style="text-align: center;">2000/01</p>
3- Governance and the fight against corruption	a) Continue the improvement of expenditure procedures		
	(i) Preparation of budgets by objective	<ul style="list-style-type: none"> ▪ Organize budget conferences ▪ Conduct a comprehensive review of the budgeting system and the institutional framework with World Bank assistance (CFAA- Country Financial Accountability Assessment) ▪ Based on the CFAA, improve the fiscal reform strategy in cooperation with the World Bank and other development partners 	<p style="text-align: center;">March 2001</p> <p style="text-align: center;">End-2000/early 2001</p> <p style="text-align: center;">June 2001</p>
	(ii) Simplification of procedures	<ul style="list-style-type: none"> ▪ Prepare a public expenditure execution procedures manual 	<p style="text-align: center;">June 2001</p>

Strategy	Field / policy	Measures/actions	Timetable
Governance and the fight against corruption (continued)	<i>(iii) Compliance with the regulation governing procurement</i>	<ul style="list-style-type: none"> ▪ Recruit independent observer ▪ Recruit auditors for FY 2000/2001 ▪ Establish regular audits 	<p>Oct. 2000</p> <p>March 2001</p> <p>Ongoing</p>
	<i>(v) Effective use of additional resources</i>	<ul style="list-style-type: none"> ▪ Define pertinent mechanisms in cooperation with donors ▪ Open special Treasury account with the central bank 	<p>Oct.-Nov. 2000</p> <p>Oct.-Nov. 2000</p>
	(b) Strengthening of social sector management		
	<i>(i) Complete preparation of interim health and education strategies</i>	<ul style="list-style-type: none"> ▪ Complete interim health and education strategies, taking into account the results of the institutional study and the costs and financing study ▪ Assess the effectiveness of decentralized management and improve the strategy in cooperation with the World Bank ▪ Define and adopt terms of reference for budget tracking exercises and user surveys in the field of health and education 	<p>End-September 2000</p> <p>Ongoing, based on annual assessments</p> <p>December 2000</p>
	<i>(iii) Strengthening of the government/private sector/civil society partnership</i>	<ul style="list-style-type: none"> ▪ Establish institutional co-management frameworks defined in cooperation with the World Bank, particularly in the social sectors 	<p>December 2000</p>
	c) Comprehensive reform of procurement system		
	<i>(i) In cooperation with the World Bank, preparation and implementation of an action plan for comprehensive reform, based on experience gained in the transitional reform</i>	<ul style="list-style-type: none"> ▪ Conduct Country Procurement Review (CPR) ▪ Organize dialogues with interested parties to prepare an action plan for comprehensive reform, including a new procurement code and an institutional procurement framework ▪ Institute annual procurement system audits by independent audit firms 	<p>December 2000</p> <p>March 2001</p> <p>Ongoing</p>

Strategy	Field / policy	Measures/actions	Timetable
Governance and the fight against corruption (continued)	d) Strengthening of the rule of law and the legal security of investments		
	<i>Strengthening of justice system independence and internal controls, and continuous establishment of the jurisdictional structures envisaged in the Constitution of 1996</i>	<ul style="list-style-type: none"> ▪ Adopt terms of reference for the technical study of the judicial system 	December 2000
	e) Improvement of citizen information on public affairs		
	<i>Circulation of and access to information on public affairs</i>	<ul style="list-style-type: none"> ▪ Prepare terms of reference for the study on the rules and procedures in force 	February 2001
	f) Intensification of the fight against corruption		
	<i>Strengthening of transparency in governance and the accountability of managers</i>	<ul style="list-style-type: none"> ▪ Create and place in operation an observatory on governance in the field of national education ▪ Expand and place in operation units to combat corruption in other levels of government ▪ Prepare and adopt a strategy to increase public awareness of governance and anti-corruption issues ▪ Implement a public awareness strategy: organize 2-4 seminars on governance and anti-corruption issues ▪ Invite civil society, the private sector, and other interested partners to form an anti-corruption coalition ▪ Promote participatory monitoring and joint assessment of the strategy and the PNG in cooperation with civil society, NGOs in particular ▪ Implement recommendations made in seminars to improve this strategy and the PNG 	<p>August 2000</p> <p>Beginning December 2000 Early 2001</p> <p>March-Dec. 2001 with 4 seminars organized and assessed at end-September 2001</p> <p>March/April 2001 after 1st six months.</p> <p>Ongoing beginning January 2001</p> <p>Round table planned each year</p>

Strategy	Field / policy	Measures/actions	Timetable
Governance and the fight against corruption (continued)	g) Identification and launch of community pilot programs		
	<i>Strengthening of local development by adopting approximately twenty community projects</i>	<ul style="list-style-type: none"> ▪ Adopt terms of reference with a view to selecting pilot projects ▪ Select pilot projects based on a participatory approach 	<p>December 2000</p> <p>June 2001</p>
4- Improvement of the living conditions of certain disadvantaged urban groups		<ul style="list-style-type: none"> ▪ Implement emergency rehabilitation plans ▪ Provide basic services for unplanned communities ▪ Combat lack of safety ▪ Combat drug trafficking and use ▪ Take care of homeless children and the mentally ill ▪ Educate prostitutes about the risk of STDs and HIV/AIDS 	<p>2000/01</p> <p>2000/01</p> <p>Ongoing</p> <p>Ongoing</p> <p>2000/01</p> <p>2000/01</p>
5- High-quality growth	<i>a) Mobilization of budget resources</i>	<ul style="list-style-type: none"> ▪ Expand the tax base and simplify procedures ▪ Streamline controls and improve relations between the tax administration and the private sector ▪ Launch second phase of tax system modernization through: <ul style="list-style-type: none"> (i) Reform of the general income tax (IGR); (ii) Completion of manual on tax procedures for purposes of administrative simplification; (iii) Improvement of the VAT refund system; (iv) Implementation of a plan for the total absorption of turnover tax (TCA) credits (v) Technical adaptation of excise tax systems ▪ Implement the customs reform program, specifically: <ul style="list-style-type: none"> (i) Making customs revenue secure; (ii) Simplification of customs clearance procedures; (iii) Rehabilitation of the profession of customs agent; (iv) Start of one-stop window operations 	<p>2000/01</p> <p>2000/01</p> <p>2000/01</p> <p>2000/01</p>

Strategy	Field / policy	Measures/actions	Timetable
High-quality growth <i>(continued)</i>		<ul style="list-style-type: none"> ▪ Boost the payment of taxes assessed on the basis of tax rolls and ensure their regular collection ▪ Establish a financial market 	<p>2000/01</p> <p>Jan. 2001</p>
	b) Expenditure management	<ul style="list-style-type: none"> ▪ Strengthen the institutional capacities of spending departments in respect of the programming, monitoring, and execution of operations, as well as the effectiveness and quality of expenditure ▪ Create a project management unit in each ministerial department ▪ Complete and make the PRSP the basis for action by development partners; ▪ Establish a mechanism allowing for the flexible and transparent management of additional resources generated by debt relief; ▪ Establish a mechanism for monitoring official development assistance (ODA), in order to improve the administration of these resources ▪ Continue the work of inventorying government property so as to obtain reliable data on such assets ▪ Ensure that comprehensive and reliable balance sheets are produced for Treasury accounts 	<p>2000/01</p> <p>2000/01</p> <p>Nov. 2001</p> <p>Sept/Oct. 2000</p> <p>March 2001</p> <p>2000/01</p> <p>2000/01</p>
	c) Macroeconomic framework	<ul style="list-style-type: none"> ▪ Establish a medium-term budget framework within the social ministries (education and health in particular) 	<p>2000/01</p>
	d) Domestic debt	<ul style="list-style-type: none"> ▪ Ensure that domestic debt for which audits are complete is paid 	<p>2000/01</p>

B- MEDIUM- AND LONG-TERM MEASURES

Strategy	Field / policy	Measures/actions	Timetable
1- Improve the quality of social services provided	a) Education	<ul style="list-style-type: none"> ▪ Implement measures envisaged for the 2000/03 period in the sectoral education strategy 	2000/03
	b) Health	<ul style="list-style-type: none"> ▪ Implement measures envisaged for the 2000/03 period in the sectoral health strategy ▪ Implement a strategy for the collection and processing of data required for the production of health indicators ▪ Pursue policy aimed at making health districts operational and efficient, particularly with respect to financing 	2000/03 2000/03 2000/03
2- Basic infrastructure rehabilitation and development	a) Roads	<ul style="list-style-type: none"> ▪ Resume development and construction of rural and urban roads ▪ Produce initial management indicators for the Ministry of Public Works for performance monitoring purposes ▪ Enhance programming capacity in respect of road maintenance work and related procurement 	2000/03 2000/03 2000/01
	b) Ports	<ul style="list-style-type: none"> ▪ Transfer all industrial and commercial activities within the various autonomous ports to the private sector 	2000/03
	c) Electricity	<ul style="list-style-type: none"> ▪ Diversify energy sources ▪ Promote rural electrification 	2000/03 2000/03
	d) Water	<ul style="list-style-type: none"> ▪ Pursue programs to increase the supply of drinking water 	2000/03
3- Governance and the fight against corruption	a) Continue the revision of expenditure procedures		
	(i) Preparation of budgets by objective	<ul style="list-style-type: none"> ▪ Implement CFAA recommendations 	Beginning July 2001
	(ii) Simplification of procedures	<ul style="list-style-type: none"> ▪ Implement procedures 	Beginning July 2001
	(iii) Compliance with regulations governing procurement	<ul style="list-style-type: none"> ▪ In cooperation with the World Bank, revise wage expenditure procedures, taking into account the results of the census in the State budget 	July 2001

Strategy	Field / policy	Measures/actions	Timetable
Governance and the fight against corruption (continued)	<i>(iv) Capacity building in the government</i>	<ul style="list-style-type: none"> ▪ In cooperation with the World Bank and other development partners, organize and launch a training and awareness program to ensure compliance with the new regulation governing procurement and systematic audits 	Beginning 2001
		<ul style="list-style-type: none"> ▪ Assess the effectiveness of this program, based on periodic reviews carried out jointly with the World Bank and other development partners 	Each year beginning end-2001
		<ul style="list-style-type: none"> ▪ Adjust the training and awareness program in cooperation with the World Bank, based on recommendations made in periodic reviews 	Each year beginning early 2002
	<i>(b) Strengthening of social sector management</i>	<ul style="list-style-type: none"> ▪ Conduct an in-depth study of the incentives and personnel management system in the health and education sectors, based on the terms of reference defined jointly with the World Bank ▪ Adopt the strategy, taking into account the results of the study carried out in cooperation with the World Bank ▪ Implement decentralized personnel management ▪ Organize and implement budget tracking exercises in the national education and public health ministries ▪ Conduct annual audits in the education, health, public works, livestock, and agriculture sectors ▪ Conduct technical and financial audits of the highway and works fund thus financed, as provided for in the decree of August 26, 1998 establishing the fund's operating procedures ▪ Organize and conduct user surveys in the health and education sectors ▪ Disseminate budget tracking and survey results and recommendations ▪ Organize a round table with all interested partners to discuss the institutional consequences for the two sectors ▪ In cooperation with the World Bank, adjust and/or supplement the reform strategies of the two sectors, based on the analyses and recommendations of the round table 	December 2001 March 2002 Beginning July 2002 October 2001 2000/03 2000/03 October 2001 November 2001 End-2001 2002
	<i>ii) Strengthening of the government/private sector/civil society partnership</i>		<ul style="list-style-type: none"> ▪ In cooperation with the World Bank, assess the effectiveness of health and education reforms based on periodic user surveys, periodic budget tracking exercises, and appropriate institutional studies.

Strategy	Field / policy	Measures/actions	Timetable
Governance and the fight against corruption (continued)	c) Comprehensive reform of the procurement system <i>(i) In cooperation with the World Bank, preparation and implementation of an action plan for comprehensive reform, based on experience gained in the transitional reform</i>	<ul style="list-style-type: none"> ▪ Prepare and adopt new procurement procedures and institutional framework ▪ Implement the recommendations of the action plan ▪ Review the transitional reform in cooperation with the World Bank, based on the audit results 	<p style="text-align: center;">July 2001</p> <p style="text-align: center;">September 2001</p>
	d) Strengthening of the rule of law and the legal security of investments		
	<i>Strengthening of justice system independence and internal controls, and continuous establishment of the jurisdictional structures envisaged in the Constitution of 1996</i>	<ul style="list-style-type: none"> ▪ Adopt an action plan for continuous establishment of the jurisdictional structures envisaged in the Constitution of January 1996 ▪ Establish the jurisdictional structures ▪ Assess the progress of the institutional reform, based on periodic, independent audits ▪ Conduct a technical study of the judicial system based on the terms of reference defined ▪ Adopt the strategy for implementation of the recommendations of the judicial system technical study ▪ Implement the strategy 	<p style="text-align: center;">December 2001</p> <p style="text-align: center;">Beginning January 2002</p> <p style="text-align: center;">Each year beginning in September 2002</p> <p style="text-align: center;">August 2001</p> <p style="text-align: center;">December 2001</p> <p style="text-align: center;">March 2002</p>
	e) Improvement of citizen information on public affairs <i>Circulation of and access to information on public affairs</i>	<ul style="list-style-type: none"> ▪ Conduct a study of the rules and procedures of the system for citizen information on public affairs ▪ Adopt the action plan ▪ Implement the recommendations of the action plan ▪ Draft and enact one or more laws granting every citizen the right to information on public affairs ▪ Put in place appropriate institutional mechanisms providing universal access to nonclassified information 	<p style="text-align: center;">August 2001</p> <p style="text-align: center;">November 2001</p> <p style="text-align: center;">Beginning December 2001</p> <p style="text-align: center;">2002</p> <p style="text-align: center;">After enactment of the laws</p>

Strategy	Field / policy	Measures/actions	Timetable	
<i>Governance and the fight against corruption (continued)</i>		▪ Assess the effectiveness of reforms based on a periodic review by independent experts	Beginning end-2002	
		▪ Implement the recommendations of the reviews and adjust reform strategies	Every year beginning early 2003	
		▪ Assess the effectiveness of the program for dissemination of the results and recommendations of surveys, studies, audits, and strategies	Every 18 months beginning June 2001	
	<i>f) Intensification of the fight against corruption</i>			
	<i>Strengthening of transparency in governance and the accountability of managers</i>	▪ Assess the effectiveness of the MINEDUC Observatory based on an independent study	September 2001	
		▪ Implement the recommendations of the study	End-2001	
		▪ Assess the effectiveness of the units based on an independent study	End-2002	
		▪ Implement the recommendations of the study	Early 2003	
		▪ Assess the results of seminars, implement the recommendations of seminars, and adjust the public awareness strategy	December 2001	
	▪ Initiate the activities of the anti-corruption coalition	Nov. 2001		
<i>g) Identification and launch of community pilot programs</i>				
<i>Strengthening of local development by adopting approximately twenty community projects</i>	▪ Launch the 20 projects selected	December 2001		
	▪ Assess the impact of the 20 pilot projects on poverty reduction and local development	December 2002		
	▪ Based on the recommendations of the study, organize a round table with all interested partners to discuss improvement of the community development strategy	Early 2003		
	▪ Adjust the community development strategy	End 2003		

Strategy	Field / policy	Measures/actions	Timetable
4- Improve- ment of the living conditions of disadvantaged groups	<i>a) Promotion of income-generating activities</i>	<ul style="list-style-type: none"> ▪ Increase the capacity of the poor to earn income so that they can meet their own needs by: (i) promoting self-employment through the establishment of microprojects and micro-enterprises; and (ii) encouraging the poor to engage in activities such as farming, small-scale livestock raising, out-of-season crops, and processing food and agricultural products. ▪ Promote the employment of young people. 	2000/2003 2000/03
	<i>b) Highly labor-intensive projects</i>	<ul style="list-style-type: none"> ▪ Strengthen programs for the maintenance, rehabilitation, or construction of access highways and roads by employing resident populations for the (manual) labor 	2000/2003
	<i>c) Microfinance</i>	<ul style="list-style-type: none"> ▪ Establish an appropriate mechanism to facilitate the access of the poor to credit to finance their projects ▪ Encourage savings ▪ Promote decentralized financial systems 	2000/2003 2000/03
	<i>d) Urban poverty</i>	<ul style="list-style-type: none"> ▪ Conduct special studies to develop a coherent and workable action plan to combat urban poverty ▪ Increase the material and financial resources available to municipalities so that they can provide health and sanitation services 	2001/02 2001/03
	<i>e) Gender issues</i>	<ul style="list-style-type: none"> ▪ Encourage women's access to factors of production ▪ Draft a family code that is equitable to women ▪ Promote the social integration of women 	2001/02 2001/02
5- High- quality growth	<i>a. Consolidation of macroeconomic policy</i>	<ul style="list-style-type: none"> ▪ Establish medium- and long-term macroeconomic frameworks to support public and private investment ▪ Continue and complete the privatization and cost-reduction program ▪ Improve the programming and monitoring of public investment execution ▪ Establish mechanisms for public information and training on investment opportunities 	2000/03 2000/2003 2000/03 2001/02
	<i>b) Rural development strategy</i>	<ul style="list-style-type: none"> ▪ Design and adopt an integrated rural development strategy ▪ Implement the Forestry Emergency Action Plan 	June 2001 2000/03
	<i>c) Industrial development strategy</i>	<ul style="list-style-type: none"> ▪ Design and adopt an industrial development strategy 	June 2001
	<i>d) Tourism sector development strategy</i>	<ul style="list-style-type: none"> ▪ Design and adopt a tourism sector development strategy 	June 2001

Strategy	Field / policy	Measures/actions	Timetable
High-quality growth (continued)	<i>e) Development of new information and communications technologies</i>	<ul style="list-style-type: none"> ▪ Facilitate the development of new information and communications technologies 	December 2001
	<i>f) Mobilization of resources</i>	<ul style="list-style-type: none"> ▪ Pursue a prudent debt policy, placing emphasis on concessional borrowing 	2000/03
		<ul style="list-style-type: none"> ▪ Promote foreign direct investment 	2000/03
<i>g) Quality of expenditure</i>	<ul style="list-style-type: none"> ▪ In collaboration with development partners, implement a new Public Investment Program (PIP) 	2001/03	
	<ul style="list-style-type: none"> ▪ Rationalize public expenditure by: (i) continuing the automation effort and (ii) implementing necessary staff training programs 	2000/03	
	<ul style="list-style-type: none"> ▪ Complete and make the PRSP the basis for action by development partners 	Nov. 2001	
	<ul style="list-style-type: none"> ▪ Establish a mechanism for monitoring official development assistance (ODA), in order to improve the administration of these resources 	March 2001	
	<ul style="list-style-type: none"> • Implement, on an ongoing basis, the measures set forth in the action plan for improving the management of public expenditure 	2000/03	
6- Monitoring/ Assessment/ Participation	<i>a) Improvement of the production and dissemination of statistical data</i>	<ul style="list-style-type: none"> ▪ Produce statistical data (monitoring indicators) and ensure that they are disseminated 	Ongoing
		<ul style="list-style-type: none"> ▪ Conduct a new ECAM survey to update poverty data 	2000/02
<i>b) Development of the partnership and participatory process for implementation</i>	<ul style="list-style-type: none"> ▪ Establish a framework for monitoring the implementation of poverty reduction measures at the various levels 	2001/02	
	<ul style="list-style-type: none"> ▪ Conduct the Third National Census 	2001/02	
	<ul style="list-style-type: none"> ▪ Improve the quality of the information produced 	Ongoing	
	<ul style="list-style-type: none"> ▪ Establish a consultative framework and a participatory poverty monitoring network 	2000/01	
	<ul style="list-style-type: none"> ▪ Undertake capacity building for civil society, the private sector, and government personnel involved in the fight against poverty 	2001/02	
	<ul style="list-style-type: none"> ▪ Promote collaboration between those inside and outside the development process, and the authorities 	2001/02	
	<ul style="list-style-type: none"> ▪ Improve collaboration between the Directorate of Statistics and National Accounting and the sectoral statistics services 	2000/03	
	Implement facilitation measures aimed at improving private sector performance	Ongoing	

REPUBLIC OF CAMEROON

Paix – Travail – Patrie

**IMPLEMENTATION OF
THE NATIONAL GOVERNANCE PROGRAM:**

**PRIORITY STRATEGY AND ACTION PLAN FOR IMPROVING GOVERNANCE AND
COMBATING CORRUPTION**

August 2000

BACKGROUND AND OBJECTIVES

The Cameroonian economy enjoyed an extended period of prosperity until crisis struck during the 1985-86 fiscal year. This very severe economic crisis lasted nearly a decade and had serious consequences for the country's economic and social fabric. Most notably, it led to: (i) a drastic decline in public, business and household revenues, as well as a drop in farm income; (ii) the closing of many enterprises and thus a rise in unemployment; (iii) deterioration in the delivery of basic social services and essential infrastructure; (iv) lower wages for both civil servants and private sector employees.

Within this context, living conditions deteriorated markedly and poverty became more widespread and deeper. In addition, the country experienced an increase in unlawful behavior, including corrupt practices.

Under these circumstances, stabilization and structural adjustment policies adopted by the government failed to achieve their anticipated objectives of recovery and rehabilitation. The positive effects of devaluation of the CFA franc in January 1994, combined with on-going domestic adjustment efforts, ultimately reversed this trend and put the economy back on the track toward growth, thus enabling the country to restore macroeconomic stability and undertake antipoverty initiatives.

The generation of reforms carried out under the three-year Economic and Financial Program of 1997-2000 with support from the Enhanced Structural Adjustment Facility (ESAF) and subsequently from the Poverty Alleviation and Growth Facility (PAGF) clearly helped consolidate the growth process, but government officials are well aware that growth, while necessary, is not in itself sufficient for achieving meaningful poverty alleviation. Proper management of public affairs is also needed to increase the impact of growth on poverty alleviation.

Thus, even though notable progress has been made in this area through satisfactory implementation of the above-mentioned three-year program of reforms, officials recognize that much remains to be done in order to: (i) improve the management of public affairs; (ii) intensify anticorruption efforts and achieve greater transparency in the management of public affairs; (iii) increase the impact of public expenditures on the living conditions of the Cameroonian population; (iv) establish a nation truly governed by the rule of law that guarantees easy access to justice for all citizens and a safe business environment.

Since 1996, the government has in fact worked to develop a National Governance Program (NGP) with support from the United Nations Development Program (UNDP). The head of state approved the program in June 2000. Its strategic objectives aim primarily to:

- support growth and sustainable development;
- alleviate poverty and social exclusion;
- upgrade the capacities of the principal stakeholders (government, private sector, civil society, media, decentralized local governments);
- promote State/private sector/civil society partnership;
- strengthen the rule of law in order to protect human rights and institute judicial reform;
- promote a true culture of accountability in the management of public affairs;

- increase the transparency of government operations and make every effort to stem corruption by punishing improper behavior in accordance with laws and regulations.

To achieve these objectives, the National Governance Program will be gradually implemented through a series of action plans based on in-depth studies and targeted sector programs. For the immediate future, an emergency plan of indispensable short and medium-term actions has been developed to make the government's antipoverty strategy more effective. Its implementation will require careful monitoring in accordance with rigorous quality standards, and appropriate coordination to ensure consistency.

But we should first review the substantial progress made in the area of governance in Cameroon during the implementation period of the country's three-year Economic and Financial Program of 1997-2000 with support from the International Financial Community.

I. RECENT PROGRESS

The three-year Economic and Financial Program, signed on August 20, 1997 and supported by the Poverty Alleviation and Growth Facility (PAGF) of the IMF and the third Structural Adjustment Credit (SAC III) of the World Bank, sought to consolidate economic growth and alleviate poverty. This highly ambitious program reached a satisfactory conclusion on June 30, 2000 and generated a critical mass of economic and structural reforms, the majority of which have contributed to improving governance and the living conditions of the country's population.

These reforms have essentially focused on:

- improvement of public finances and expenditure management;
- structural adjustment, state divestiture and improved economic management;
- greater transparency in the management of public affairs;
- anticorruption efforts;
- stimulation of the public/private partnership.

I.1 Improvement of public finances and expenditure management

An action plan to improve the management of public expenditures was prepared with IMF and World Bank assistance, then adopted and implemented during the 1998-99 fiscal year. The primary goal of the action plan is to ensure that public expenditures have a positive impact on the living conditions and circumstances of the country's population. To this end, the plan focuses on efforts to: (i) improve the transparency of the public expenditure management system by recording all government receipts and expenditures in the appropriation law; (ii) streamline, simplify and increase the efficiency of budget execution procedures in order to meet identified needs; (iii) strengthen budget execution oversight; (iv) improve cash management and upgrade the accounting system; (v) eliminate corruption.

Implementation of this plan to improve the management of public expenditures re-establishes the principles of rigor and discipline within the budget process and requires higher quality and greater effectiveness from public expenditures.

With these goals in mind, the key elements of the action plan have been to simplify the procedures, plan expenditures on the basis of specific objectives, systematize oversight of the effectiveness of services and eliminate overbilling. On this basis, the government could devote more resources to government operations and increased public investment, particularly in the social sectors and infrastructure.

In addition, the principle of preparing quarterly budget execution reports, initially established for the social ministries (Education and Health), has now been extended to other ministries in order to provide better monitoring of the management of resources allocated to them.

I.2 Structural adjustment, state divestiture and improved economic management

The government has taken significant steps in these areas in order to modernize the economy by making it more competitive as a result of liberalization and state divestiture from productive sectors.

With respect to economic liberalization, the government has made efforts to reform trade policies, further liberalize the exercise of economic activities and improve the framework for competition within the various sectors of the economy. Thus:

- nontariff barriers have been abolished, specifically by eliminating quantitative restrictions on imports and discontinuing import and export licenses and approvals;
- price certification and administrative oversight of profit margins have been eliminated;
- distortions caused by preferential tax systems have been eliminated and most enterprises that benefited from such treatment have been shifted to the common system.

In general, the liberalization reforms have served to eliminate the rigidities of economic management, reduce the power of government bodies by discontinuing various prior authorizations, and decrease transaction costs.

With respect to structural reforms supported by the third World Bank Structural Adjustment Credit (SAC III), considerable progress has been made in the transport, forestry, financial and petroleum sectors. In the transport sector, for example, the government has developed and implemented an action plan designed to make the Port Authority of Douala more competitive by cutting costs and reducing merchandise transit time. Overall, the emphasis has been on improving the business environment and developing an economy that is more competitive and that creates greater value.

State divestiture under the Privatization Program has proved to be a key factor in improving the production of goods and services. During the three-year program, CAMSUCO, CAMTEL MOBILE, REGIFERCAM, BICEC and SOCAPALM were privatized. For CDC, SODECOTON, SONEL, SNEC, CAMAIR and other state-owned enterprises, the privatization process is under way. In addition, regulatory agencies have been created in the telecommunications and electric power sectors to ensure that these sectors function properly and that healthy competition among individual operators can flourish.

I.3 Greater transparency in the management of public affairs

In addition to the actions taken under the plan to improve the management of public expenditures, the government has expanded its efforts to promote transparency in the forestry and petroleum sectors.

In the forestry sector, based on the results of the economic and financial audit of the sector, the government has taken steps to ensure: (i) rational and sustainable use of forest resources; (ii) protection of biodiversity; (iii) improvement of the sector's contribution to government revenues. To achieve these objectives, efforts have been made to: (i) define the criteria for granting concessions for forestry operations in such a way as to limit waste; (ii) define the criteria and procedures for selecting applicants for such concessions; (iii) set up a system to oversee revenues from forestry operations, including a manual of procedures. An administrative order was issued by the Minister of the Environment and Forests to ensure that an independent observer participates in the workings of the national commission responsible for awarding concessions for forestry operations.

With respect to the petroleum sector, several annual audits of the National Hydrocarbons Corporation (*Société nationale des hydrocarbures*: SNH) have been performed by independent accounting firms that enjoy an international reputation. Implementation of the recommendations of these audits has led to changes in the SNH accounting and data systems to bring them in line with international standards. In addition, an operational and organizational audit of SNH has been carried out.

I.4 Anticorruption efforts

In this area, the government's objectives are to:

- improve governance;
- conduct a massive campaign of awareness-raising and education;
- institute mechanisms to identify, prevent and punish corrupt practices.

Accordingly, an anticorruption observatory has been set up under the prime minister and is now operational.

In addition, legal proceedings have been initiated against certain senior government officials who are alleged to have engaged in improper activities.

Finally, the government has opened a direct dialogue with Transparency International, a nongovernmental organization whose efforts to prevent and eliminate corruption are internationally recognized.

I.5 Stimulation of State/private sector/civil society partnership

Numerous frameworks of consultation have been established to stimulate the partnership between the government and civil society and foster concerted economic management:

- the Interministerial and Private Sector Committee (*Comité inter-ministériel élargi au secteur privé*: CISP), which brings together government officials, economic operators and leaders of consular chambers, labor unions and trade organizations;
- the Committee to Facilitate External Trade Transactions (*Comité de facilitation des opérations du commerce extérieur*) at the Port of Douala, formed in 1997, which has achieved the following results:
 - development of a "green" channel;
 - establishment of a single merchandise control point;

- creation of a one-stop processing facility;
- formation of an appeals committee to settle disputes concerning the value of merchandise;
- the Competitiveness Committee (*Comité de compétitivité*), formed in 1997 with the following goals:
 - identify obstacles to competition;
 - propose any and all measures to reduce transaction costs;
 - protect the interests of stakeholders by monitoring the enforcement of decisions.

In line with the same logic of strengthening consultation and cooperation between the government and civil society, the transport sector reform established various bodies that are co-managed by the government and users, such as the Road Maintenance Fund and the Port Authority Advisory Steering Committees (*Comités consultatifs d'orientation*: CCOs) in which the private sector is strongly represented. The sector strategies for education and health and the Interim Poverty Reduction Strategy Paper (I-PRSP) were all developed on the basis of participatory consultations.

In any event, the government is determined to go further and undertake tangible, targeted actions to strengthen good governance and stem corruption. These actions will be part and parcel of the gradual implementation of the National Governance Program, developed with support from the United Nations Development Program and approved by the head of state on June 29, 2000.

To this end, a plan of priority actions needs to be defined and instituted with support from development partners.

II. PRIORITY ACTIONS

The government's plan of priority actions, which is in fact an emergency plan, aims, among other objectives, to: (i) achieve greater transparency in the management of public affairs; (ii) make managers more accountable; (iii) improve service delivery at the institutional level, with particular attention to bringing services closer to beneficiaries.

A. SHORT-TERM ACTIONS

The government intends to launch several initiatives to improve governance significantly in the short term. Specific measures have been targeted in various areas in order to introduce a new system for managing public affairs. Emphasis will be placed on reforms in the following areas:

1. Improvement of the expenditure system

In this area, implementation of the plan to improve the management of expenditures, adopted by the government in December 1998, needs to be accelerated by imposing more rigorous requirements at several levels: programming of expenditures to prepare budgets by objectives; simplification of budget procedures; compliance with public procurement regulations; systematization of audits.

Accordingly, emphasis will be placed on upgrading the absorptive capacities of government bodies and on universal compliance with the new rules of transparency and competition in the area of public procurement.

Thus, an independent observer will begin to participate in the workings of the public procurement commissions during the 2000-01 fiscal year. Similarly, external audits will be systematized in order to confirm the effectiveness and quality of implementation of public procurement operations.

In addition, the salary expenditure system for the civil service will be improved on the basis of the results of the Physical Census of Government Employees. Any anomalies or instances of fraud uncovered by the census will be corrected and punished.

Finally, a mechanism for utilizing additional resources through the Enhanced HIPC Initiative will be defined in consultation with donors on the basis of a program of expenditures linked directly to poverty alleviation and good governance. The management mechanism envisioned at this stage will be based on the rule of traceability and, for this purpose, a special Treasury account will be opened at the central bank.

2. Improved management of the social sectors

The interim sector strategies for health and education adopted by the government in June 2000 will be finalized by the end of September 2000 after incorporating, in consultation with the World Bank, the results of the studies now under way, particularly the institutional study and the study of health sector costs and funding.

These strategies will include medium-term budget frameworks, to be developed with an eye to redistributing resource allocations in favor of the social sectors and in line with the Enhanced HIPC Initiative. In addition, by the end of December 2001, the government intends to carry out in-depth studies of the incentive system in the social sectors in order to develop a rational and effective management strategy for sector personnel.

The government also intends to initiate a reorganization of human resources management in the social sectors, based on the results of studies now under way and focusing on a deconcentrated approach that transfers personnel management responsibilities to the local level. Indeed, in relation to the existing, highly centralized system, deconcentration appears to be indispensable for improving the effectiveness of social services nationwide. For the same purpose, periodic surveys of beneficiaries will be conducted in order to obtain their own assessment of service delivery.

In addition, the government intends to stimulate the State/private sector/civil society partnership so as to ensure that all social actors participate more fully in the actual management of the social sectors. The government will set up appropriate institutional arrangements for co-management in both the health and education sectors. The government will also carry out periodic budget tracking exercises in the form of external audits of resource utilization in the education and health sectors.

3. Comprehensive reform of the public sector procurement system

The government will develop and implement an action plan for a comprehensive reform of the public sector procurement system, based on the experience of the temporary reform.

This process will be carried out with assistance from the World Bank. It will be completed within a one-year time frame, after which reforms will be introduced.

Independent, international audits will be performed each year and funded by the government in order to guarantee the viability of the public procurement system reforms.

4. Short-term measures in the area of the Justice

The reforms planned in this area will ultimately serve to:

- strengthen the rule of law;
- increase the legal security of investments.

To achieve these objectives, the government intends to: (i) strengthen the independence of the justice system; (ii) strengthen internal controls in the justice system; (iii) gradually establish the jurisdictional bodies called for by the Constitution of January 18, 1996.

The priority will be to carry out, by the end of 2001, an external technical audit of the justice system in order to diagnose areas of dysfunction and, based on the results, adopt a plan of reforms to be implemented. The terms of reference for this study will be developed by the government in collaboration with the World Bank.

In the short term, the government intends to continue its efforts to improve the justice system based on the recommendations of the National Governance Program (NGP). Among other issues, these recommendations focus on equipping and modernizing the judiciary, adding and training staff, publicizing judicial rulings and strengthening the system of disciplinary action for judicial staff.

5. Improved citizen information on public affairs

The government will develop and implement an action plan for circulating information on public affairs and guaranteeing access to such information, based on the results of a study of current rules and procedures in this area. The study, funded by the government and carried out with technical assistance from the World Bank, will propose a reform to improve the system for informing citizens about public affairs.

The action plan will serve as an instrument to:

- adopt one or more legal texts granting all citizens the right of access to information on public affairs and setting conditions for the free circulation of such information;
- establish appropriate institutional mechanisms to provide all citizens with access to information on public affairs.

In general, the government will take all appropriate measures to make available to users and the public the outcomes of studies, surveys and audits and the resultant strategies to achieve greater transparency and improve service delivery in the key social sectors of education and health, basic infrastructure and justice. Such documents will be disseminated via all modern means of communication, i.e. web sites, the press, radio and television. The effectiveness of this information system will be evaluated on a periodic basis.

6. Intensification of anticorruption efforts

One of the key strategies in this area will be to strengthen transparency in governance and hold managers accountable. Indeed, all the transparency and accountability actions included as part of the plan of priority actions will have a critical impact on anticorruption efforts.

In addition, a governance observatory will be established in the Ministry of National Education, while anticorruption units will be gradually extended to other government bodies. These units will play an active role in detecting acts of corruption and informing the authorities of same.

The government will also organize workshops to raise awareness of governance and corruption. These workshops will serve to expand the participatory framework for developing and implementing government strategies on governance and the fight against corruption. The entire process will be completed within a one-year time frame and culminate in the creation of a coalition of the State, civil society, the private sector and other partners interested in anticorruption efforts, with the objective of fully involving civil society in the monitoring, implementation and evaluation of this government strategy and the National Governance Program.

In general, emphasis will be placed on detecting and systematically punishing acts of corruption.

7. Identification and implementation of grassroots pilot projects

To strengthen local development, the government will encourage local communities to develop projects of interest to the community and will then provide technical and financial support.

Within two years, some 20 pilot projects initiated by local communities will be identified, selected and implemented on the basis of their real impact on development. The results of these pilot projects will be used to improve the community development strategy based on the participatory approach.

B. MEDIUM-TERM ACTIONS

Improving governance is part of a continuous and dynamic management process and falls within the scope of modernizing the State, a work which is never finished. As such, the government's medium-term commitments aim to consolidate the above-mentioned priority actions and the progress achieved as a result of these actions.

1. Decentralization and improvement of the provision of essential services

Implementation of decentralization as mandated by Title 10 of the Constitution of January 18, 1996 will represent, in the medium term, the best way to improve the quality of services and expand access at the local and regional levels to more effective essential services in the areas of agriculture, health, education and basic infrastructure.

The gradual transfer of responsibilities in these areas to decentralized local governments will thus be one of the priorities for government action, culminating in the adoption of statutes to implement the constitutional reform. In this regard, various draft statutes are now under review.

2. Budget reform

The government intends to further improve the budget process, particularly as regards the public investment budget. The objective is to heighten the impact of expenditures on development and the improvement of living conditions.

Accordingly, there will be greater emphasis on allocating resources to the social sectors under medium-term budget frameworks, and the process of administrative simplification will continue. In addition, oversight will be strengthened by systematizing the practice of conducting internal and external audits as a way to ensure the traceability of resources.

With respect to management of the government, financial transparency will be strengthened by producing treasury balances of improved quality. Efforts will also be made to strengthen the participatory monitoring of expenditures through institutional arrangements for co-management in the health, education and infrastructure sectors.

With assistance from development partners, the government will continue its efforts to reform the system of public procurement and oversight in order to ensure that it meets international standards.

3. Administrative reform

Administrative reform is another objective of the effort to improve governance. The chosen option of a job-based civil service will be put into concrete form by developing organic frameworks and by defining performance standards and baselines for the evaluation system.

Other actions are also planned, such as the development and adoption of an incentive wage scale and the rationalization of compensation for government employees.

In addition, emphasis will be placed on forward-looking human resources management, as well as effective utilization over time of the results of the census now under way in order to decentralize personnel management.

4. Judicial reform

Based on the results of the audit of the justice system and the National Governance Program (NGP), the government will implement appropriate reforms with support from development partners.

In addition, the resources of the justice system will be expanded to provide adequate working conditions and incentives for staff so that they can fulfill their responsibilities efficiently.

5. Anticorruption efforts

Government strategy in this area will be guided by the principles already adopted. The government's determination to fight corruption will continue to be expressed through heightened vigilance and the punishment of corrupt acts at all levels.

The government will also seek technical support to strengthen its anticorruption strategy from the World Bank or other institutions that have experience in this area.

In addition, the government will maintain a positive dialogue with organizations that specialize in the fight against corruption. This dialogue will rely on monitoring and evaluation indicators to measure the progress made in this area.

III. IMPLEMENTATION AND MONITORING

To ensure proper implementation of the targeted actions, the government intends to mobilize all necessary resources.

With respect to human resources, the government will call upon available national expertise and, if necessary, will request assistance from development partners to guarantee the quality of the work.

The government is determined to carry out the emergency plan in a transparent manner and in full compliance with required standards of quality. Accordingly, the government has already pledged to implement programs that will facilitate evaluation of the implementation status of specific actions and the traceability of resource utilization.

To this end, Cameroon has joined the General Data Dissemination System (GDDS), the financial system evaluation pilot project and the fiscal and budget transparency program initiated by the World Bank and IMF.

In sum, the government is determined to implement both the emergency action plan and the full National Governance Program action plan in a transparent and consistent manner. For this purpose, given the multi-sectoral nature of the program, a monitoring and coordinating unit will be established under the prime minister.

Matrix of the Plan of Priority Actions for Implementing the National Governance Program

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
Continue to improve expenditure system	<i>Prepare budgets by objectives</i>	▪ Organize budget conferences	March 2001	Conferences organized	Government of Cameroon (GoC)
		▪ Conduct comprehensive review of the budgetary system and the institutional framework with technical assistance from the World Bank (CFAA- Country Financial Accountability Assessment)	Late 2000/early 2001	CFAA completed and results published	GoC; CFAA financed by the World Bank
		▪ On the basis of the CFAA, improve the budget reform strategy in collaboration with the World Bank and other development partners	June 2001	Strategy disseminated	GoC
		▪ Implement recommendations of the CFAA	Beginning July 2001	Annual report shows satisfactory progress	GoC
	<i>Simplify procedures</i>	▪ Prepare a procedural manual for public expenditure execution	June 2001	Manual distributed	GoC
		▪ Implement the procedures	Beginning July 2001		
	<i>Ensure compliance with public procurement regulations</i>	▪ Recruit independent observer	Oct. 2000	Observer confirmed by the authorities	GoC
		▪ Recruit auditors for FY 2000/01	March 2001	Auditors confirmed by the authorities	GoC
		▪ Systematize audits	Ongoing	Annual audits prepared; results and recommendations disseminated	GoC

N.B. All terms of reference (TORs), studies, and strategies will be prepared in collaboration with the World Bank and other development partners.

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		<ul style="list-style-type: none"> Improve the salary expenditure system, taking census results into account in the central government budget, in collaboration with the World Bank 	July 2001	Strategy disseminated; annual report confirms satisfactory progress	GoC
	<i>Strengthen capacities of the Government</i>	<ul style="list-style-type: none"> Organize and carry out a training and awareness-raising program to ensure compliance with new public procurement regulations and systematic audits, in cooperation with the World Bank and other development partners Assess effectiveness of the program on the basis of joint periodic reviews with the World Bank and other development partners 	Beginning 2001 Annually beginning early 2001	Coherent program disseminated; annual report confirms satisfactory progress Review completed and results and recommendations disseminated	GoC GoC
		<ul style="list-style-type: none"> Adjust training and awareness-raising program on the basis of recommendations of periodic reviews, in collaboration with the World Bank 	Annually beginning early 2002	Adjustments made	GoC
	<i>Use additional resources effectively</i>	<ul style="list-style-type: none"> Define relevant mechanisms in consultation with donors Open a special treasury account at the central bank 	Oct.-Nov. 2000 Oct.-Nov. 2000	Mechanisms agreed to by donors Special account opened	GoC GoC
Strengthen management of the social sectors	<i>Finish preparing interim health and education strategies</i>	<ul style="list-style-type: none"> <i>Finish preparing interim health and education strategies bearing in mind the results of the institutional study and the costs and financing study.</i> 	Late September 2000	Interim strategies finalized	GoC
	<i>Develop a strategy for the rational and effective management of health and education sector workers</i>	<ul style="list-style-type: none"> Carry out a comprehensive study of the incentive and staff management system in the health and education sectors on the basis of TORs defined in collaboration with the World Bank . 	December 2001	Study completed, results and recommendations disseminated	GoC

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		<ul style="list-style-type: none"> ▪ Adopt the strategy, taking the study results into account, in collaboration with the World Bank ▪ Deconcentrate personnel management 	<p>March 2002</p> <p>Beginning July 2002</p>	<p>Strategy finalized and disseminated</p> <p>Annual report(s) confirm satisfactory progress</p>	<p>GoC</p> <p>GoC</p>
		<ul style="list-style-type: none"> ▪ Evaluate effectiveness of deconcentrated management and improve the strategy, in cooperation with the World Bank 	<p>Ongoing, based on annual evaluations</p>	<p>Evaluation prepared and disseminated; evaluation confirmed; progress satisfactory</p>	<p>GoC</p>
		<ul style="list-style-type: none"> ▪ Define and adopt TORs for budget tracking exercises and surveys of users of health and education services 	<p>December 2000</p>	<p>TORs finalized</p>	<p>GoC</p>
		<ul style="list-style-type: none"> ▪ Organize and carry out the two budget tracking exercises (education and health) 	<p>October 2001</p>	<p>Budget tracking exercises completed, results and recommendations disseminated</p>	<p>GoC</p>
		<ul style="list-style-type: none"> ▪ Organize and conduct the two surveys of users of health and education services 	<p>October 2001</p>	<p>Surveys completed; results and recommendations published</p>	<p>GoC</p>
		<ul style="list-style-type: none"> ▪ Disseminate results and recommendations of budget tracking exercises and surveys 	<p>November 2001</p>	<p>Publication of results and recommendations</p>	<p>GoC</p>
		<ul style="list-style-type: none"> ▪ Organize a round table with all partners involved regarding the institutional impact in the two sectors 	<p>Late 2001</p>	<p>Final round table report disseminated</p>	<p>GoC</p>

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		Adjust and/or supplement strategies to reform the two sectors on the basis of analyses and recommendations by the round table, in collaboration with the World Bank	2002	Strategies adjusted per agreement with the World Bank and other development partners	GoC
	<i>Strengthen the State/private sector/ civil society partnership</i>	<ul style="list-style-type: none"> Establish institutional arrangements for comanagement, particularly in the social sectors, in collaboration with the World Bank 	December 2000	Institutional arrangements for comanagement are operational (to be confirmed by an independent review)	GoC
		<ul style="list-style-type: none"> Evaluate effectiveness of health and education sector reforms on the basis of periodic user surveys, budget tracking exercises, and institutional studies, in collaboration with the World Bank 	Triennially starting in 2004	Studies carried out, results and recommendations disseminated	GoC
Comprehensive reform of the public procurement system	<i>Prepare and implement an action plan for comprehensive reform in collaboration with the World Bank</i>	<ul style="list-style-type: none"> Conduct a Country Procurement Review (CPR) in collaboration with the World Bank 	December 2000	CPR completed and results and recommendations disseminated	GoC; CPR carried out and financed by the World Bank
		<ul style="list-style-type: none"> Review interim reforms in collaboration with the World Bank on the basis of audit results 	September 2001	Review completed; results and recommendations disseminated	GoC
		<ul style="list-style-type: none"> Organize consultations among the parties involved for the purpose of preparing the action plan for comprehensive reform comprising, inter alia, a new public procurement code and an institutional framework for procurement Preparation and adoption of new procurement procedures and of the institutional framework 	March ⁽¹⁾ 2001	Participatory consultations completed	GoC
			July 2001 ⁽¹⁾	Procedures disseminated widely	GoC
		<ul style="list-style-type: none"> Implement recommendations in the action 	September	Annual reports	GoC

		plan	2001 ⁽¹⁾	confirm satisfactory progress
		<ul style="list-style-type: none"> ▪ Arrange for annual procurement system audits by independent consultants 	Ongoing	Audits carried out and adjustments made GoC

(1) All dates subject to change following the CPR meeting.

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
Strengthen the rule of law and the legal security of investments	<i>Strengthen the independence of the justice system, strengthen internal controls in the system, and gradually establish the jurisdictional bodies called for by the 1996 Constitution</i>	<ul style="list-style-type: none"> ▪ Adopt TORs for the technical study of the justice system 	December 2000	TORs adopted	GoC
		<ul style="list-style-type: none"> ▪ Adopt action plans for establishing jurisdictional bodies called for by the Constitution 	December 2001	Action plans adopted	GoC
		<ul style="list-style-type: none"> ▪ Establish jurisdictional bodies 	Beginning January 2002	Annual reports confirm satisfactory progress	GoC
		<ul style="list-style-type: none"> ▪ Evaluate progress of institutional reforms on the basis of periodic independent reviews 	Annually beginning September 2002	Reviews completed, results and recommendations disseminated, adjustments carried out	GoC
		<ul style="list-style-type: none"> ▪ Conduct technical study of the justice system on the basis of the defined TORs 	August 2001	TORs adopted, Study conducted	GoC
		<ul style="list-style-type: none"> ▪ Adopt strategy for implementing recommendations of the technical study of the justice system 	December 2001	Strategy adopted by the authorities and disseminated	GoC
		<ul style="list-style-type: none"> ▪ Implement strategy 	March 2002	Annual reports confirm satisfactory progress	GoC
Improve	<i>Ensure dissemination of and</i>	<ul style="list-style-type: none"> ▪ Prepare TORs for a study of existing rules 	February	TORs adopted	GoC

<i>citizen information on public affairs</i>	<i>access to information on public affairs</i>	and procedures	2001 2000	
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Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
Improve citizen information on public affairs		<ul style="list-style-type: none"> Conduct study of rules and procedures regarding arrangements for keeping citizens informed on public affairs. 	August 2001	Study completed and disseminated	GoC
		<ul style="list-style-type: none"> Adopt action plan 	November 2001	Action plan adopted and disseminated	GoC
		<ul style="list-style-type: none"> Implement action plan recommendations 	Beginning December 2001	Annual reports confirm satisfactory progress	GoC
		<ul style="list-style-type: none"> Prepare and adopt one or more instruments granting all citizens the right to information on public affairs 	2002	Instruments prepared and adopted by the authorities and disseminated	GoC
		<ul style="list-style-type: none"> Establish appropriate institutional mechanisms ensuring universal access to non-proprietary information 	Following adoption of instruments	Annual reports confirm satisfactory progress	GoC
		<ul style="list-style-type: none"> Evaluate effectiveness of reforms on the basis of periodic reviews conducted by independent experts 	Beginning late 2002	Reviews completed; results and recommendations disseminated	GoC
		<ul style="list-style-type: none"> Implement recommendations contained in the reviews and adjust the reform strategy 	Annually beginning early 2003	Annual reports confirm satisfactory progress	GoC

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		<ul style="list-style-type: none"> ▪ Evaluate effectiveness of the program to disseminate the results and recommendations of surveys, studies, audits, and strategies 	Every year beginning June 2001	Number of radio and TV broadcasts; number of articles published; number of documents available on the Web; level of knowledge of citizens and other interested parties	GoC
Intensify anticorruption efforts	<i>Strengthen transparency in governance and hold managers accountable</i>	<ul style="list-style-type: none"> ▪ Establish and operationalize a governance observatory in the Ministry of National Education (MINEDUC) 	August 2000	Observatory established and operational (to be confirmed by an independent evaluation)	GoC
		Extend and operationalize the anticorruption units in other government bodies	Beginning December 2000	10 units operational in August 2001	
		<ul style="list-style-type: none"> ▪ Evaluate effectiveness of the MINEDUC observatory on the basis of an independent study 	September 2001	Evaluation completed; results and recommendations disseminated	GoC
		<ul style="list-style-type: none"> ▪ Implement study's recommendations 	Late 2001	Annual reports confirm satisfactory progress	GoC

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		<ul style="list-style-type: none"> Evaluate effectiveness of units on the basis of an independent study 	Late 2002	Study completed; results and recommendations disseminated	GoC
		<ul style="list-style-type: none"> Implement study's recommendations 	Early 2003	Annual reports confirm satisfactory progress	GoC
		<ul style="list-style-type: none"> Prepare and adopt a strategy to increase public awareness of governance and the fight against corruption 	Early 2001	Strategy disseminated	GoC
		<ul style="list-style-type: none"> Implement the awareness-raising strategy: organize two-four workshops on governance and the fight against corruption 	March-December 2001: four workshops organized and evaluated late September 2001	Workshop reports disseminated	GoC
		<ul style="list-style-type: none"> Evaluate workshop results, implement workshop recommendations, and adjust awareness-raising strategy 	December 2001	Adjustment of strategy	GoC
		<ul style="list-style-type: none"> Invite civil society, the private sector, and other partners to form a coalition against corruption 	March/April 2001 after the first workshop	Invitations sent by the authorities	GoC
		<ul style="list-style-type: none"> Operationalize the coalition against corruption 	November 2001	Coalition's establishment confirmed	GoC
		<ul style="list-style-type: none"> Encourage participatory monitoring and joint evaluation of the strategy and the NGP in association with civil society, and NGOs in particular 	Ongoing beginning January 2001	Evaluation workshops organized (first one to be held in August 2001)	GoC

Objectives	Key strategies	Measures/actions	Calendar	Performance indicators	Financing
		<ul style="list-style-type: none"> Implement seminar recommendations in order to improve the strategy and the NGP 	Annual round table planned	Recommendations published, annual reports of round tables disseminated	GoC
Identify and implement grassroots pilot projects	<i>Strengthen local development by adopting approximately 20 grassroots projects</i>	<ul style="list-style-type: none"> Adopt TORs for selecting pilot projects 	December 2000	TORs adopted	GoC
		<ul style="list-style-type: none"> Select pilot projects on the basis of a participatory approach 	June 2001	Projects selected	GoC
		<ul style="list-style-type: none"> Operationalize the 20 projects selected 	December 2001	Report disseminated; operational status of projects confirmed	GoC
		<ul style="list-style-type: none"> Evaluate the impact of the 20 pilot projects on poverty reduction and local development 	December 2002	Study completed, results and recommendations disseminated	GoC
		<ul style="list-style-type: none"> Based on study recommendations, organize a round table with all interested partners to discuss the improvement of the grassroots development strategy 	Early 2003	Round table organized and recommendations published	GoC
		<ul style="list-style-type: none"> Adjust the grassroots development strategy 	Late 2003	Dissemination of the new strategy	GoC