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STAFF APPRAISAL REPORT

REPUBLIC OF CAMEROON

TRANSPORT SECTOR PROJECT

APRIL 18, 1996

**Infrastructure Operations Division
Central Africa and Indian Ocean Department
Africa Region**

CURRENCY EQUIVALENTS

(as of April 8, 1996)

Currency Unit	=	CFA Franc (CFAF)
US\$1	=	CFAF505
CFAF 1 million	=	US\$1,980

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

ASECNA	=	Agence pour la Sécurité Aérienne en Afrique et de Madagascar (Air Safety Agency for Africa and Madagascar)
AGCD	=	Agence Générale de la Coopération au Développement (Belgian General Agency for Cooperation and Development)
BMZ	=	Bundesministerium für Zusammenarbeit (German Ministry for Cooperation)
CAMAIR	=	Cameroon Airlines
CAMSHIP	=	Cameroon Shipping Lines
CAMTAINER	=	Société Nationale de Transport et de Transit du Cameroun (Cameroon Container Transport and Freight Forwarder Company)
CAR	=	République Centrafricaine (Central African Republic)
CAS	=	Country Assistance Strategy
CFD	=	Caisse Française de Développement (French Development Agency)
CIF	=	Cost, Insurance, Freight
CNCC	=	Conseil National des Chargeurs du Cameroun (Shippers' Council)
CNIC	=	Chantier Naval et Industriel du Cameroun (Cameroon Dockyard)
CNPS	=	Caisse Nationale de Prévoyance Sociale (National Social Security Fund)
DMN	=	Developing Maritime Nations
DGTC	=	Direction Générale des Grands Travaux du Cameroun (General Directorate for Large Works of Cameroon)
DPO	=	Deferred Privatization Option
ERC	=	Economic Recovery Credit
ESOP	=	Employee Stock Ownership Program
EU	=	European Union
FAC	=	Fonds d'Aide et de Coopération (French Cooperation Fund)
FOB	=	Free on Board
FY	=	Fiscal Year
GDP	=	Gross Domestic Product
GOC	=	Government of Cameroon
IBRD	=	International Bank for Reconstruction and Development
ICAO	=	International Civil Aviation Organization
ICB	=	International Competitive Bidding
IDA	=	International Development Association
IMF	=	International Monetary Fund
IRU	=	International Road Union
LABOGENIE	=	Laboratoire National de Génie Civil (National Road Laboratory)
MATGENIE	=	Parc National de Matériel de Génie Civil (Equipment Pool)
MC	=	Management Contract
MINEFI	=	Ministère de l'Economie et des Finances (Ministry of Economy and Finance)
MINT	=	Ministère des Transports (Ministry of Transport)
MINTP	=	Ministère des Travaux Publics (Ministry of Public Works)
NCB	=	National Competitive Bidding
OECF	=	Overseas Economic Cooperation Fund
ONPC	=	Office National des Ports du Cameroun (Cameroon National Port Authority)
PE	=	Public Enterprise
PIP	=	Public Investment Program
PPA	=	Participatory Poverty Analysis
PPF	=	Project Preparation Facility
PSO	=	Public Service Obligation
REER	=	Real Effective Exchange Rate
REGIFERCAM	=	Régie Nationale des Chemins de Fer du Cameroun (Cameroon Railways)
SAC	=	Structural Adjustment Credit
SAL	=	Structural Adjustment Loan
SAP	=	Structural Adjustment Program
SAR	=	Staff Appraisal Report
SME	=	Small and Medium Enterprise
SNH	=	Société Nationale d'Hydrocarbures (National Oil Company)
SNI	=	Société Nationale d'Investissement (State Holding Company)
SOCAMAC	=	Société d'Aménagement et de Manutention du Cameroun (Port Handling Company of Cameroon)
SOTUC	=	Société de Transport Urbain du Cameroun (Urban Public Transport Company)
SSATP	=	Sub-Saharan African Transport Policy Program
TICU	=	Cellule de Coordination du Projet Sectoriel des Transports (Transport Interministerial Coordination Unit)
TIR	=	Transit International Routier (International Road Transit)
TIPAC	=	Transit Inter-Etats des Pays de l'Afrique Centrale (Central African Countries Regional Transit)
TSP	=	Transport Sector Project
TSTA	=	Transport Sector Technical Assistance Project
UDEAC	=	Union Douanière et Economique de l'Afrique Centrale (Central Africa Customs and Economic Union)
UNCTAD	=	United Nations Conference on Trade and Development

FISCAL YEAR

July 1 - June 30

REPUBLIC OF CAMEROON
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MAPS

IBRD No. 24837 and 24838 (Priority Road Network)

IBRD No. 24029 (UDEAC Infrastructure Communications Network)

REPUBLIC OF CAMEROON
TRANSPORT SECTOR PROJECT
CREDIT AND PROJECT SUMMARY

Borrower: Republic of Cameroon

Guarantor: Not Applicable

Implementing Agencies: Ministry of Economy and Finance
Ministry of Public Works
Ministry of Transport
Transport Interministerial Coordination Unit

Beneficiary: Not Applicable

Poverty: Program of Targeted Interventions

Amount: SDR 41.7 million (US\$ 60.7 million equivalent)

Terms: Standard IDA terms with a maturity of 40 years

Commitment Fee: 0.50% on undisbursed credit balances,
beginning 60 days after signing, less any waiver

Onlending Terms: Not Applicable

Financing Plan: See para. 3.41

Net Present Value: Values below are given for new projects only but not for on-going projects included in the sector investment program.

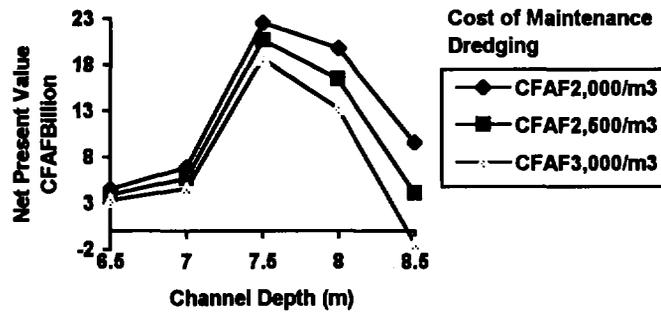
Economic Rate of Return of the road maintenance strategy applied to the overall priority network: above 100 percent.

Economic Rate of Return of the road rehabilitation program financed by IDA:

Rehabilitation Program	Paved Roads	Earth Roads
74%	52%	100%

Economic Rate of Return of the Rural Transport Infrastructure Maintenance Program: above 12 percent.

Net Present Value discounted at 12 percent of the rehabilitation of the access channel to the port of Douala



Staff Appraisal Report: Report No. 12451-CM

Maps: IBRD No. 24837 and 24838 (Priority Road Network)
IBRD No. 24029 (UDEAC Infrastructure Communications Network)

Project ID Number: 393

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0.1 Chapter 1 presents the country background to place the proposed project in the context of past and current economic adjustment. Chapter 2 presents the transport sector institutional assessment. Chapter 3 describes the reform program prepared by the Government, as of mid-1995, to address the issues identified in the sector institutional assessment. The chapter also presents the sector investment program, provides the reform and investment programs' benefits and risks, including those related to environment, and the programs implementation arrangements. Chapter 4 proposes the IDA's assistance strategy to the transport sector in Cameroon based on lessons learned from Bank Group involvement in Cameroon. Chapter 5 lists the agreements reached. Figures in the report derive from studies carried out to prepare the project.

1. COUNTRY BACKGROUND

1.1 Throughout the 1970s and until 1985, Cameroon registered an average real growth rate of about 8 percent per annum. Production of oil, which accounted for about 45 percent of Government revenues, was a major factor of growth. Three external shocks, starting in 1985-1986, revealed the fragility of the oil-dependent economy: decline in external terms of trade (coffee, cocoa and oil), depreciation of the dollar, and decline in oil production. As a result, the economy and living standards started to deteriorate in 1986-87. Per capita income declined by 55 percent between 1986 and 1993. The population living in poverty increased from 40 percent of households in 1983 to 48 percent in 1993. To reverse this decline, the Government launched a first Structural Adjustment Program in 1989 supported by a World Bank Structural Adjustment Loan (SAL1, Ln. 3089-CM, June 1989). In the absence of a real depreciation of the CFA franc, however, these efforts proved ineffective. As a result, the economy contracted by an average 5.3 percent per annum between 1990-91 and 1992-93. Per capita income decreased by an average 8.6 percent per annum over the same period.

1.2 The CFAF devaluation in January 1994 created a pre-condition for the resumption of positive real growth and an improvement in the country's external competitiveness. In parallel, the Government implemented the Central Africa Customs and Economic Union (UDEAC) tax and tariff reform to simplify the tariff structure and eliminate all remaining quantitative restrictions on merchandises imports. However, without deepening of the adjustment effort, the economy did not fully benefit from the devaluation. As a result, Cameroon's long-term development has continued to be plagued by three main constraints: (a) a fiscal crisis with inadequate resource mobilization, poor quality of public expenditure and a crippling internal debt; (b) an external debt overhang with, in 1994, the external debt service accounting for 63 percent of total Government revenues, or, taking into account payment arrears, total debt service accounting for 111 percent of Government revenues; and (c) uneven ownership and commitment to the adjustment agenda.

1.3 Since early 1995, the Government has clearly demonstrated its commitment to reverse past trends. All outstanding undertakings agreed under the Economic Recovery Credit (ERC) financed by IDA and due for implementation by December 1995 have been completed. The Head of State announced additional adjustment measures such as: (a) acceleration of the privatization program including utilities; (b) improvement of the privatization procedure under the auspices of a committee at the Presidency responsible for ensuring transparency; (c) making the preshipment inspection company responsible for customs duties assessments and monitoring of actual collection; and (d) imposition of sanctions on civil servants guilty of corruption or embezzlement. In line with IDA or IMF concerns, the FY96 Finance Law contains a series of revenue-raising measures as well as increased budget allocations to development sectors such as education and health. As a result, the IMF concluded negotiations of its Standby Agreement. A letter of intent was signed on August 1995. A new Structural Adjustment Credit (SAC) in the amount of US\$150

million was approved by the Board of the Association on February 8, 1996, and became effective on February 22, 1996.

2. TRANSPORT SECTOR INSTITUTIONAL ASSESSMENT

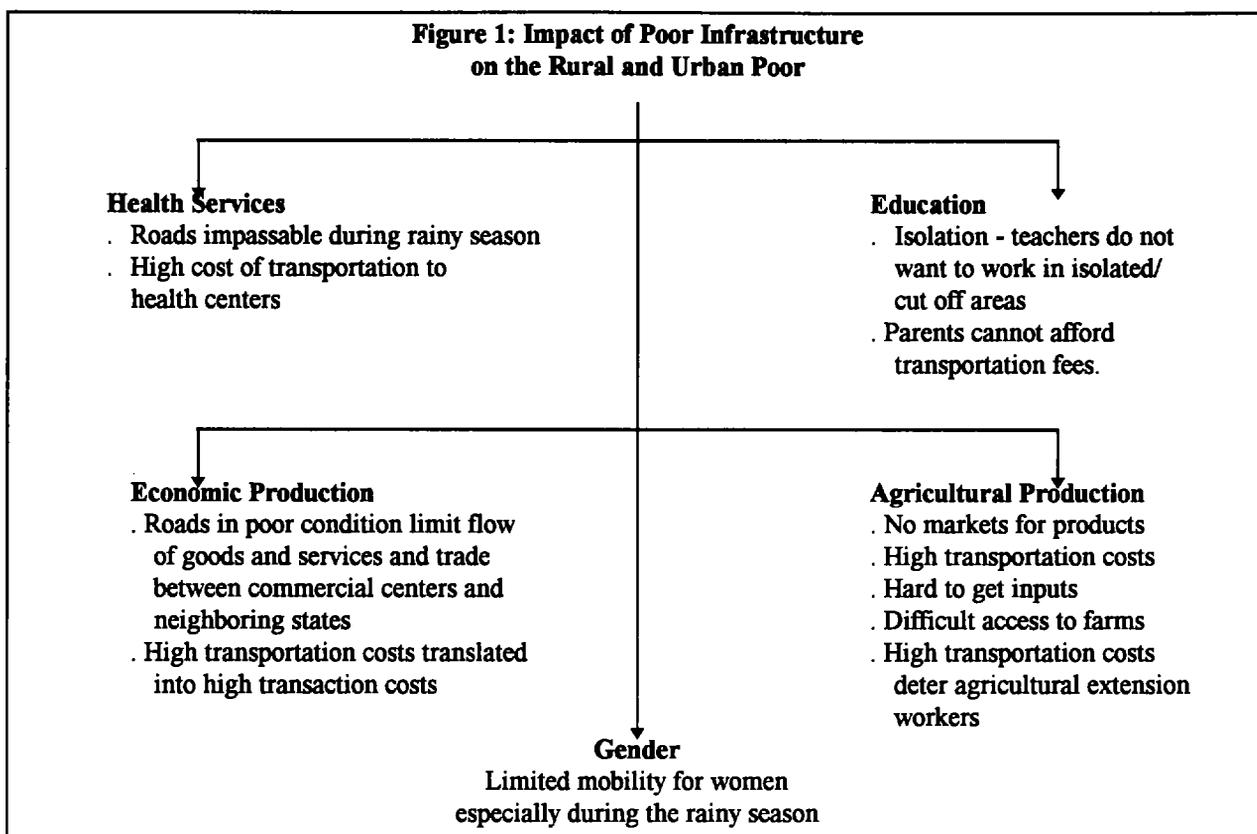
2.1 This chapter assesses the transport sector issues as identified in the Transport Sector Strategy Memorandum (Report No. 11430-CM, June 30, 1993) with data updated as of fiscal year 94. The memorandum was prepared after long discussions with public and private sector stakeholders and its recommendations were the basis of the transport sector reform program adopted by the Government in 1995 and presented in Chapter 3. Since the report was completed, the Government has started to restructure the transport sector and has launched several actions. These recent developments have not been taken into account in the following description of the transport sector issues to maintain consistency with the reform program presented in Chapter 3 as well as for the sake of comparing 1993 and 1995 and evidencing the Government commitment to the reform of the transport sector.

2.2 *Overall Sector Performance.* Weak management of institutions and an unsatisfactory regulatory framework have caused the transport sector to have a major negative impact on the overall economy, especially for the poor for which poor transport infrastructure has become one of the major impediment to their participation in economic development. The Government gave priority to investment and to protection of PEs. As a result, transport infrastructure has lacked maintenance and PEs have drained scarce State resources. The consequences are a lack of competitiveness within the transport sector, the running down of existing assets, and a lack of resources for investment.

2.3 *Impact on the Poor.* Improvement of transport infrastructure, particularly main roads and farm-to-market roads, was one of the priority actions identified during the national workshop on poverty held in Cameroon in November 1994. In the South-West province, 86 percent of the people interviewed during the Participatory Poverty Analysis (PPA) carried out in 1994 indicated that poor transport was the major cause of poverty. Many of the problems of the poor were found to be compounded by the limited or non-existent road infrastructure which cut off many villages or make some inaccessible for up to four months during the rainy season, which is the time of high agricultural activity (Figure 1). Limited mobility, especially in rural areas, greatly reduces inter-village and rural/urban trade and commerce. The absence of efficient communication facilities in their regions in general means that the poor have to pay proportionally higher prices for travel.

2.4 Physical isolation also is a factor of economic and social isolation. Women in a village on a main road with direct access to wholesalers were able to spend more time producing food to sell and made an average income of US\$570, more than twice the US\$225 income earned by women in an isolated village located 1.5 hours from the main road. Poor transport infrastructure makes access of women to transport even more out of step with their transport responsibilities embedded in the gender division of labor.

2.5 Poor transport infrastructure also contributes to food insecurity in poor rural areas by hampering movements between areas of surplus and areas of shortage, as well as making transportation costs so high that movements in relative prices required to stimulate the transport of food to areas of shortage become so large that many of the poor in afflicted regions cannot afford marketed food. During the PPA survey, a respondent who sells foodstuffs in the Northern province pointed out that plantains selling for CFAF 500 in Yaounde would cost CFAF 2,000 in Maroua, due principally to transportation costs. Poor urban transport infrastructure is also a major constraint for the poor who have to walk on long distances to access urban transport services in addition to the proportionally higher prices for travel that they have to pay to use these services.



2.6 Weak Sector Management and Institutions. Sector ministries are overstuffed and have interfered negatively with PE management and decisions on staffing, operations and investments. The Government institutions involved are the Ministry of Public Works (MINTP), with about 6,700 employees, and the Ministry of Transport (MINT), with about 880 employees. MINTP runs an inefficient, unaccountable road maintenance system driven by force account. MINT's role is to oversee transport PEs, but instead, it has interfered with their management, hindering both their autonomy and performance. MINT initiates and supervises regulations for road, rail, air, and transit and maritime transport. It also oversees the Shippers' Council (CNCC), which controls the distribution of Cameroon's maritime traffic under the United Nations Conference on Trade and Development (UNCTAD)'s Code of Conduct (40-40-20), negotiates liner conference tariffs, and represents Cameroonian shippers' interests.

2.7 The functions of the Directorate of Large Works of Cameroon (DGTC), which has about 110 employees, overlap with those of the other sector institutions. DGTC is a public enterprise under the tutelage of the Prime Ministry. DGTC serves as a secretariat to the National Tender Board on procurement decisions. Until the 1994 restructuring, it also prepared and supervised large works, including road civil works. DGTC has given priority to investment to the detriment of maintenance. Road investment has not been coordinated between DGTC and MINTP. DGTC has not achieved its objectives of reducing construction costs and making enterprises comply with contractual time stipulations. The Government has not allocated resources to DGTC since 1993. DGTC's revenues have derived from civil works contracts, which caused lack of transparency and conflict of interest. In March 1994, DGTC's debt to suppliers, employees, the Social Security Fund and the Government amounted to US\$3.5 million. The country procurement review carried out by IDA in 1993, qualified the local procurement procedures as critically deficient because of little transparency in bid evaluation and award of contracts, resulting in long procurement processing and high costs. In June 1995, the Government adopted a new national procurement code in consultation with IDA and procurement procedures have been decentralized. Technical ministries and PEs are autonomous for procurement activities below about US\$1 million equivalent for works, US\$0.6 million for goods, and US\$0.4 million for consultants.

2.8 Unsatisfactory Regulatory Framework. The current framework is an obstacle to effective competition in some transport subsectors:

- (a) **Civil Aviation:** Although the regulatory framework is overall satisfactory, its provisions are not applied consistently. The Government intervenes in CAMAIR's operational management. Other domestic companies were authorized in 1994 to operate regular or charter flights within Cameroon and between Cameroon and neighboring countries, but the Government is unwilling to allow competition between these companies and CAMAIR. Regional and international air cargo services are not developed, although the market does exist. High aviation fuel prices in Cameroon due to local taxes impede civil aviation development.
- (b) **Interurban Road Transport:** A bureau of freight was created in 1994 to control the distribution of transit traffic to Chad and the Central African Republic between Cameroonian, Chadian and Central African transporters. The Shippers' Council, the railway company and the road transport associations participate in the bureau. This is likely to reduce sector efficiency and increase transport costs. The road taxation system is complex and cumbersome, with about 15 taxes collected at different stages, by different institutions. Tax revenues are insufficient. Road transport benefits from the price structure for petroleum products which does not promote competition and does not encourage petroleum companies to use the least-cost mode of transport. The regulation to control axle loads is not applied. Road insecurity increases.
- (c) **Maritime transport:** The negotiations of tariffs between shipping lines and the shippers' council have kept tariffs at the same official level for several years, although they have decreased in the rest of the world on average by an annual 4 percent between 1980 and 1992, and by an annual 7 percent since 1989. These negotiations and confidential rebates proposed by the shipping lines result in lack of transparency in the transport market. The current regulation protects the national shipping lines, and its application causes delays and increases costs of international maritime transport, thereby impeding the country's competitiveness. A background note on maritime transport regulation in sub-Saharan countries can be found in the Technical Annex of the Staff Appraisal Report (SAR) of the Transport Sector Technical Assistance Credit (SAR No. P-6559-CM) presented to the Board on April 11, 1995.

2.9 Non-Performing Transport Sector Public Enterprises. Seven PEs are under the jurisdiction of MINT: the national airline (CAMAIR), with about 1,600 employees; the railway company (REGIFERCAM) with about 3,600 employees, operating about 1,000 km of railways; the urban bus company (SOTUC) with about 1,050 employees, operating bus lines in Yaoundé and Douala until February 1995; the national shipping line (CAMSHIP) with about 270 employees, including 80 sailors; the national freight forwarder and road transport company (CAMTAINER) with about 200 employees; the National Port Authority (ONPC) with about 1,000 employees, managing Cameroon's main port at Douala and three secondary ports, and the national dockyard (CNIC) with about 130 employees, operating a maritime workshop and dry-dock. Two PEs fall under the jurisdiction of MINTP: the equipment pool for road maintenance (MATGENIE) with about 400 employees, and the road laboratory (LABOGENIE) with about 440 employees, which controls the norms and standards of road and building construction, and carries out research.

2.10 Six out of nine transport sector PEs are bankrupt and drain huge resources from the State budget. The transport sector PEs' debts and arrears severely constrain the State Treasury. At the end of FY93, direct subsidies needed to cover transport PEs' deficit amounted to US\$55 million, equivalent to 8 percent of the State revenues. About US\$240 million of subsidies had been allocated to transport sector PEs

between FY90 and FY92, of which 84 percent to CAMAIR. As of 1994, the total domestic debt for the nine sector PEs amounted to CFAF 122 billion, US\$236 million equivalent (Table 1). This accounted for about 24 percent of the total debt of the 34 major PEs in Cameroon, 6 percent of the total domestic debt and 3 percent of the gross domestic product. REGIFERCAM, CAMSHIP and SOTUC are the most important debtors to the State among transport PEs. Transport PEs owe US\$74 million to the State, which accounts for 19 percent of the total PE debt due to the State. SOTUC, MATGENIE, ONPC and LABOGENIE are the most important creditors of the State among transport PEs. The State owes US\$93 million to these enterprises which accounts for 22 percent of the total State's debt due to PEs.

Table 1: FY94 Short-term Debt of Transport Public Enterprises (CFAF billion)

	SOTUC 1994	CAMSHIP 1994	ONPC 1994	CAMAIR 1994	REGIFER -CAM 1994	LABO- GENIE 1994	MAT- GENIE 1994	CAM- TAINER 1993	TOTAL
Arrears on salaries	5.0	0.0	0.1	0.5	0.3	1.9	2.7	0.0	10.5
Fiscal arrears	4.7	0.2	0.0	5.1	4.0	1.3	1.0	0.0	16.3
Arrears on Social Security	4.6	0.0	0.6	13.7	8.0	2.3	2.2	0.0	31.4
Bank overdrafts and arrears	6.7	0.0	0.0	8.9	6.8	1.8	0.2	0.0	24.4
Local suppliers	3.6	1.1	2.7	3.6	2.0	1.2	0.8	1.9	16.9
External suppliers	0.0	0.7	0.0	3.5	0.0	0.0	0.0	0.0	4.2
Other debt and arrears	0.3	0.0	11.5	6.3	0.0	0.0	0.5	0.0	18.6
Total	24.9	2.0	14.9	41.6	21.1	8.5	7.4	1.8	122.2

2.11 In 1993/94, CAMAIR had an estimated debt of about US\$78 million, with arrears of about US\$55 million, and a negative net worth of US\$20 million, against assets of US\$50 million. On the basis of projected operating losses and debt service requirements, the company would need an annual US\$10 million subsidy to continue, and still be unable to renew its equipment when it reaches the end of its economic life in five years. Financial and operational management is poor and lacks transparency. Fraud is widespread. The company is overstaffed by about 800 employees. CAMAIR operates one B-747, and two short haul carriers (B-737) for regional and domestic flights, after one crashed in 1995.

2.12 Several attempts to restructure the company failed because the Government interfered with management, in particular with respect to staffing decision. The company maintains the presidential fleet without being paid for the service, and civil servants use CAMAIR without the Government paying for all tickets. The agreements under the performance contract concluded between the Government and CAMAIR as part of the Structural Adjustment Loan (SAL1) conditionalities were largely unfulfilled. The agreement to prepare a sale and lease-back arrangement for CAMAIR's long haul carrier (B-747), signed by the Minister of Finance under the SAL, was rescinded by the President of Cameroon. Despite the appointment, in October 1992, of a Director-General from Air France, which is a minority shareholder (25 percent), the situation has started only recently to improve, thanks to the devaluation of the CFAF franc. Since 1992, when Air France purchased UTA, the former French airline which serviced Cameroon, Air France's participation and technical assistance entail a conflict of interest as the airline competes with CAMAIR on the Douala-Paris line.

2.13 REGIFERCAM's long-term debt (mostly in foreign currency) stood at about US\$75 million equivalent on June 30, 1994. Arrears to various bilateral donors, suppliers, and local banks amount to about US\$40 million equivalent. Arrears to the Social Security system amount to about US\$15 million. During FY93, the enterprise incurred an operating loss, before subsidies, of about US\$20 million (down from about US\$52 million in 1988). Growth of log and timber traffic in 1994 has improved the cash-flow situation but the long-term situation remains the same because of the importance of the debt. The company plays an important role in domestic freight and transit transport. Logs, wheat and flour, petroleum products, cotton, and transit goods are the largest items using railway services. The construction of the pipe line between Chad and Cameroon should boost rail transport during the next two years. In addition,

the company provides passenger services to and from Northern Cameroon (at 620 km from Yaoundé and 880 km from Douala), which is linked to other regions by an earth road in poor condition.

2.14 The company made substantial efforts within the framework of the performance contract signed with the Government under the SAL in 1989. The management has been more commercially oriented and has full autonomy to set tariffs and negotiate contracts. The number of employees was reduced from 6,350 to about 3,600. REGIFERCAM concluded agreements with the State on compensation for operating unprofitable passenger transport services under public service obligations. Some auxiliary activities were privatized. But Government still interferes with some management and procurement decisions, therefore limiting the potential for further efforts which would be required in view of the still weak financial situation of the company.

2.15 SOTUC, which owned 229 buses (107 in Yaoundé and 122 in Douala), has been unprofitable since its creation. In 1994, only about half of its buses were operational, and this number was rapidly dwindling because of lack of maintenance. In FY93, SOTUC's net loss amounted to about US\$7 million equivalent, with a turnover of US\$4 million. By June 30, 1993, its negative net worth amounted to about US\$56 million equivalent, against assets with a book value of US\$12 million. Its arrears to banks, employees, suppliers, the Treasury, and the Social Security system amounted to about US\$45 million. The Government's policy of maintaining a high number of staff, insisting on operating uneconomic routes, and setting preferential tariffs for certain segments of the population has been the principal cause of SOTUC's failure. It would have cost the State about US\$7 million annually to continue operating SOTUC over the next few years. A performance contract signed under the SAL was never implemented. In 1994, because salaries had not been paid for more than one year, the company had been *de facto* taken over by its employees who ran the buses for their own account.

2.16 In 1993, SOTUC's market share was less than 5 percent of total urban transport, which is very low compared, for example, to 22 percent in Conakry and 41 percent in Abidjan for similar public bus transport. The police and military accounted for 28 percent of SOTUC's passengers, but only 8 percent of its revenues. Students also paid reduced fares or no fare at all. The Government never fully compensated SOTUC for the deficit caused by public service. Between 1986 and 1991, passenger volume dropped from 152,000 per day to 44,000, a decline of 70 percent in five years. Most urban trips were then done by private vehicles, by taxis or by foot. Until 1994, the taxi fleet was estimated at about 5,000 in Yaoundé and 5,500 in Douala. It is now shrinking and the condition of vehicles is deteriorating quickly after the devaluation. Transport tariffs cannot be increased because the revenue per capita decreased significantly following salary reductions in 1993. The cost of spare parts and new vehicles is now too expensive for owners to maintain or renew the fleet. The share of the population walking is now estimated at around 40 percent.

2.17 CAMSHIP is recovering from several years of poor efficiency and weak management due to political interference. Until FY89, CAMSHIP made profits of about US\$6 million on sales of about US\$80 million. In 1991, its operating loss reached US\$4.4 million, which increased to US\$6 million before taxes in 1992. Its working capital was negative by US\$1 million in 1991. CAMSHIP owns two vessels and charters ships for petroleum and clinker. In June 1993, net equity stood at below 75 percent of the company's initial capital, thus implying bankruptcy. The company's liquidation value was estimated at US\$20 million in 1993, below its cash-flow of US\$32 million, calculated on a net present value basis of 20 years at the 20 percent annual interest rate prevailing in Cameroon.

2.18 CAMSHIP's debt was substantially restructured in an amount of US\$21 million in a convention concluded with the State in September 1993. The Government agreed to: (a) transfer to the State the additional US\$11 million debt incurred in the purchase, arranged by the Government, of two vessels at above market value; and (b) reschedule over eight years the remaining bilateral debt due by CAMSHIP, and assume that debt. As a result, the June 30, 1995, balance sheet shows a profit. However, this

agreement was not signed by the private shareholders of CAMSHIP, who do not agree to participate in the capital increase as intended in the agreement. In addition, the company remains burdened by its lead share (27 percent, US\$2.6 million) in a real estate holding (SIMAR) created by the Government to build a maritime office building, which has substantial arrears on its mortgage payments (US\$13 million). The mortgage banks could call the entire loan balance. Besides being a financial burden on the State Treasury, the company impacts adversely on the maritime sector's efficiency and competitiveness and on the country's economy. This is because application of quotas to shippers under the UNCTAD's Code of Conduct results in high transport costs due to the absence of competition between shipping lines servicing Cameroon. In addition, delays in transport operations arise from cumbersome procedures created by the efforts of Cameroonian authorities to allocate its full quota of traffic to CAMSHIP. The Government considers that the presence of CAMSHIP increases competition.

2.19 CAMTAINER is heavily leveraged with an 87/13 debt/equity ratio, and has insufficient revenues to meet debt service obligations. As a result of competition with other companies and its overdesign at its creation, CAMTAINER has been unable to recover the cost of the initial investment and is unprofitable. In early-1995, its foreign partners (45% German and Danish institutional investors) agreed to debt-relief to improve the company's cash-flow.

2.20 ONPC breaks even, but at much too high costs and tariffs, and without providing efficient services. Expenditures are estimated at one third above the normal level for the services rendered, because of overstaffing and past over-investment. ONPC's management lacks both autonomy and accountability. ONPC has been unable to maintain the access channel, whose depth was reduced from 7.2 m after rehabilitation in 1989, to 5.4 m in 1992. Until 1995, the investment policy was not based on financial return and capacity to service the debt. ONPC was considering an unrealistic five-year US\$275 million investment program, the equivalent of 40% of overall Government investment, to finance a new dredger, a new container terminal, the rehabilitation of the channel and construction of calibration dikes, the rehabilitation of the Douala port infrastructure, the renovation of secondary ports, and the construction of two deep-sea ports. This plan was supported by the Government for political reasons, but the financing was not available for its most important components. In FY93, salaries increased by 12 percent, although port traffic remained the same than in FY92.

2.21 ONPC's tariffs are set arbitrarily and do not reflect costs. The implementation of the analytical accounting system and the management information system, which would provide the basis for a more accurate calculation of tariffs, has incurred long delays and is not yet completed. ONPC increased its tariffs for ships up to 300 percent after devaluation, and intends to increase its other tariffs on goods. ONPC revenues totaled US\$33 million after devaluation, down from US\$48 million before devaluation, and were obtained from ships (piloting, tug boat services, occupation of berth space) for about US\$18 million, from goods for US\$8 million, from renting-out warehouses and port space for about US\$6 million, and from non-port activities, such as the production and sale of ice, utilities and other items. The net operating income ranged between slightly positive and slightly negative during the FY89-94 period. However, until 1993, ONPC experienced serious liquidity shortages due to partial transfers of port revenues from the Treasury to ONPC on port dues collected by customs. A substantial portion of ONPC's costs were derived from short-term bank lending to cover the shortfall, amounting to about 30 percent of ONPC's revenues. At the end of 1993, the Ministry of Economy and Finance agreed to let ONPC collect these revenues itself.

2.22 CNIC is subsidized by using the dry-dock without amortizing it in its accounts, and not paying a lease to the State as the owner. It is reasonably well managed, but tends to seek Government's assistance and favored treatment for work orders. Its development plan is not consistent with its financial capacity to service the debt, and CNIC expects the Government to cover the financing gap. In 1994, CNIC's tariffs became more competitive because of the devaluation. The balance sheet has continually improved since the creation of the dockyard, and showed profits for FY94.

2.23 **MATGENIE** has faced a liquidity crisis for several years because of accumulating Government debts for services rendered in road construction and maintenance. In 1993, the Government's outstanding debt amounted to US\$25 million. The company was overstaffed by about one third. Unpaid salaries for more than one year led to low morale and strikes. The Government and MATGENIE's management took measures to improve the situation in 1994, when a new manager was appointed and a restructuring plan prepared. The plan was implemented in September 1994 with a new administrative chart and staff reduction by about 50 percent, equivalent to 40 percent of the total salary bill. Also, the management reduced salaries by 10 percent in January 1995.

2.24 Although **LABOGENIE** monopolized *de facto* road laboratory works in Cameroon until recently, its financial performance has deteriorated. Arrears from the Government, which was the only client, amount to US\$7 million. Due to external donor pressure, the market was opened to competition, and LABOGENIE has benefited from externally-financed contracts, reducing its dependency on Government financing. However, the volume of road construction works has severely decreased, thereby strengthening the need for restructuring the company. Although LABOGENIE's staff was reduced from 821 to 526 in 1991 and 443 in 1996, the company remains overstaffed. With the Bank's assistance under the Sixth Highway Project (Loan 2584-CM), financial management and commercial orientation have improved.

2.25 *Investments Opportunities Poorly Apprehended.* Sector investments were oversized and did not take recurrent costs into account. The Public Investment Program (PIP) has not reflected sector priorities or been based on economic criteria and availability of local funds. For example, a new airport built in Yaoundé for 1.5 million passengers per year is used by less than 100,000 passengers. In Maroua, the airport's rehabilitation is incomplete due to a lack of funds. Meanwhile, the main airport in Douala, with about 400,000 passengers per year, is not maintained and is deteriorating. In 1992-1993, the Government sought financing for a new four-lane expressway between Yaoundé and the new airport, while it lacked the funds to maintain the road network. Until 1995, the port authority of Douala gave priority to the modernization of the container terminal with expensive, sophisticated cranes, while the access channel to the port was insufficiently dredged. A 6 billion CFA dry-yard, purchased in 1988, is used well below its capacity because the demand for ship repair is low, and the dry-yard is located in shallow waters which limit its operating capacity. Finally, several investments in the transport sector were begun but not completed for lack of financing, resulting in the loss of what had been executed.

2.26 *Insufficient Maintenance of Existing Infrastructure.* During the past ten years, priority given to investments has resulted in neglect of transport infrastructure maintenance. In addition, several weaknesses hamper maintenance:

- (a) **Poor management.** Procedures do not exist to establish consistent annual objectives and monitor the performance of maintenance units. This results in inefficient use of force account for routine and periodic road maintenance, and the maintenance of the access channel to the port of Douala.
- (b) **Weak institutions.** The institutional framework has never encouraged accountability within the institutions responsible for maintenance, nor from these institutions to the Government, nor from the Government to infrastructure users beyond the budget procedure.
- (c) **Poor funding procedures.** The local budget for road maintenance is insufficient due to the State budget crisis which barely allows for payment of salaries to civil servants. The port does not have a specific funding procedure for the maintenance of the channel and gives priority to the payment of salaries.

- (d) Inadequate donor strategy. Until recently, donor assistance focused on investments rather than maintenance.

2.27 Although ONPC's (National Port Authority) dredging crew has technical capacity, the current institutional framework in which ONPC's dredging department operates, and the technical constraints of its dredger, make it impossible for ONPC to satisfactorily perform such dredging. The dredging performance has rapidly declined since 1988 when the contract with foreign expertise was terminated. This contract provided for rehabilitation and maintenance of the 22 km long access channel through the Wouri river, from the sea to the port of Douala. Heavy siltation of the Wouri river has reduced the depth of the channel from -7.5 m after rehabilitation, to about -5.4 m at the end of 1992. Shipping lines are forced to enter and depart with reduced loads, and to spend costly idle time at the quay or at the channel entrance awaiting high tides. CAMSHIP's vessels depart with about 3,000 tons below load capacity. In 1993 and 1994, following the dredger's overhaul and donor pressure, the channel depth was increased to about -5.9 m, but is still well below the minimum of -6.5 m needed for satisfactory port performance.

2.28 The low productivity of road maintenance is caused by inefficient planning and management, slow budgeting and payment procedures, non performing force account teams, defective equipment and, for the past three years, a lack of financing. MINTP has insufficient knowledge of the status of the road network or the actual cost of maintenance. The 4,054 km of paved road network is mostly in fair condition because it is relatively recent and has been well maintained with German assistance until 1992, but is now beginning to deteriorate. The 17,289 km-long earth road network is now mostly in poor to very poor condition. During FY93, only some 6,000 km of roads were maintained, while maintenance almost ceased in FY94. In 1990-1991, the availability rate of equipment leased by MATGENIE to the Department of Highway Maintenance was only 56 percent. The rate has since decreased because of MATGENIE's lack of maintenance of equipment.

2.29 The poor condition of the rural transport infrastructure is due to the ad-hoc consideration that has been given to its development. Thousands of km of roads were constructed as part of rural development, agricultural or other projects without a common strategy, consultation with appropriate road agencies and due consideration to maintenance requirements after construction. The 28,000 km-long rural transport infrastructure, which has not been maintained for several years because of lack of financing, is now in very poor condition, and will need to be rehabilitated or rebuilt. About 12,500 km of rural roads are under MINTP's responsibility. Although MINTP's budget includes some funds for rural transport infrastructure, priority is given to the primary road network and almost no maintenance works are executed on rural roads. The remaining rural roads (15,500 km) fall under the responsibility of local governments or communities and agricultural development companies. Local governments or communities do not have fiscal autonomy and do not have resources to maintain the rural roads. They were rarely involved in the decision to build these roads. Agricultural development companies have built about 10,000 km of rural roads. Some were transferred to MINTP and some are still maintained by the companies. The agricultural development companies also maintain some rural roads under MINTP's responsibility, as well as some primary roads. Village and farm access tracks are unaccounted. Their construction and maintenance is the sole responsibility of villagers.

2.30 The weak fiscal situation and priority given by the Government to the payment of salaries and to the service of the external debt are the reasons for the lack of financing for road maintenance. In 1993/1994, total government revenue amounted to US\$650 million against US\$1,245 million of planned expenditure. Salaries and the service of the external debt accounted for US\$1,000 million, 50 percent more than Government revenue. Although the Government has acknowledged that road maintenance is the second priority after salaries in the allocation of resources, it has been unable to make the necessary resources available. In 1985/1986, about US\$100 million, excluding salaries of MINTP staff, were allocated from local and external resources to the road subsector for routine and periodic road maintenance, including some openings of feeder roads. In 1991, this allocation was reduced to about US\$27 million.

That year, the shortfall in the annual volume of maintenance works (i.e., the difference between road maintenance expenditure necessary to maintain the entire network and the amount actually spent) was estimated at US\$144 million. In 1992-1993, the actual amount spent for routine and periodic road maintenance was about US\$10 million. Salaries amounted to about US\$7 million in 1993-1994. In comparison, the fiscal revenues collected from the transport sector were estimated at US\$130 million in 1993-1994, about 20% of government revenue. US\$60 million (46 percent) were collected from taxes specific to the transport sector, of which US\$53 million from taxation on petroleum products. Table 2 details the discrepancies between revenues collected from the road sector and financial requirements for road maintenance.

Table 2: Tax Revenues Collected from the Road Sector and Maintenance Requirements

CFAF million. FY95	Total	Urban Roads	Paved Roads	Earth Roads
Revenues from specific taxation	32.0	18.3	7.8	6.0
Revenues from common taxation	35.6	15.3	11.1	9.2
Total revenues	67.6	33.5	18.9	15.2
Maintenance requirements	26.7	7.7	7.2	11.7

2.31 **Lack of Competitiveness.** The costs caused by weak port management, protection of the national shipping line, together with the inadequate legal, fiscal, and regulatory framework, and poorly maintained infrastructure, aggravate Cameroon's lack of competitiveness in transit transport, both within the country, as well as to and from the neighboring hinterland (Chad and Central African Republic-CAR). Before devaluation, the cost of road transport was high (about four times the cost in Pakistan and twice the cost in France) and hindered the competitiveness of export products of the Central African countries. The many cumbersome customs regulations to control evasion of customs duties cause delays in transit. In spite of these regulations, about half of the customs revenues are lost because of fraud and an inefficient bureaucracy. Financial transactions associated with clearing and transiting import freight into and out of the region significantly increase the cost of transit transport. Transaction costs paid by transit and transport operators to customs and police agents to ease transit operations range between 6 percent and 29 percent of land transport for a 15-ton container in transit to CAR and Chad. According to IMF data, the cost of regional non-factor services on imports in 1992-1993 was 16 percent for Cameroon, 39 percent for Chad and 31 percent for the Central African Republic.

2.32 The main obstacles in the transit chain are summarized below:

- (a) Freight-forwarders charge 1.25 percent of the shipment's value to shippers to cover posting a bond, although the actual cost of the bond charged by a bank is 0.25 percent per quarter.
- (b) Premiums for transport insurance must be paid to local insurance companies which have insufficient resources and competence to settle damages, and are also often paid to foreign companies.
- (c) The signature of customs documents by the Minister of Finance is compulsory for transit of "sensitive" goods (textiles, alcoholic beverages, goods produced in Cameroon at higher than world market prices).
- (d) Customs escorts are compulsory for transit transport until the border, at the cost of the importer, to ensure that goods exit Cameroon.

2.33 Lack of security in the port of Douala also impedes Cameroon's competitiveness for transit traffic and increases port transit costs. Port facilities and areas are openly accessible to non-authorized persons, as check points are not efficiently manned. The presence of the administrative offices of Customs in the center of the port generates uncontrolled traffic. Police do not effectively control the port area. Pilferage is common during unloading of general merchandise, and containers selected by Customs for inspection are often found vandalized thereafter. Although ONPC is legally empowered to protect the port against theft

and disorder, it shifts the responsibility to the Government. The port handling companies have made their own private arrangements at additional costs for the goods.

3. TRANSPORT SECTOR PROGRAM

3.1 The Government has developed an overall transport sector program to complete the adjustment of the sector institutions and address the financial issues in the sector. It has been designed to replace the past project-by-project approach with a sustained process of sound sector policy making and rational investment decision tied to Cameroon's macroeconomic performance and absorptive capacity. The program was established after a 4-year consultation process with sector stakeholders:

- (a) A thorough analysis of all transport subsectors was carried out in close association with the Government to arrive at a broadly internalized consensus on sector issues and the need for reform. The analysis was translated in a Transport Sector Strategy Memorandum (Report No. 11430-CM, June 30, 1993).
- (b) Several seminars were organized to involve pluri-disciplinary groups of public and private sector representatives to discuss sector issues, formulate policy measures and outline a new sector reform program.
- (c) An interministerial group was created to foster inter-ministerial concurrence, prepare a draft reform program including a matrix of action for discussion within their own ministries, and produce a truly internalized program.
- (d) Several donors meetings were organized by the Government to keep the donors informed on as well as discuss with them the transport sector reform program. Meetings internal to the donors' community were also held to forge closer alliance among donors and adopt a common approach.

3.2 Section A describes the overarching program objectives. Section B details the reform program and its implementation timetable. Section C presents the investment program which will be executed during the 1995/1996-1999/2000 period in parallel with the implementation of the reform program. Section D summarizes the benefits and the risks associated to the program, including those related to the environmental impact of the program. Section E describes the implementation arrangements.

A. PROGRAM OBJECTIVES

3.3 The program, as stated in the Government letter of sector policy (Schedule 1), aims at improved efficiency and sustainable and coherent development in the transport sector to enable it to resume its contribution to development, poverty alleviation and protection of the environment. These objectives would be achieved by: (a) State divestiture from transport operations in favor of a greater involvement of private operators, and institutions more focused on planning, regulation and definition of sector policies; (b) better balance in resource allocation between prudent investments and maintenance expenditures, and sustainable resource mobilization; (c) improved regulatory framework resulting in more liberalization, increased competitiveness and more competition; and (d) development and implementation of a sector policy to protect the environment. The letter of sector policy and its matrix of action agreed *during negotiations* should be adopted by the Government *before Board presentation*.

B. PROGRAM DESCRIPTION

3.4 *Civil Aviation.* In September 1994, the Government agreed to privatize both domestic and international air transport operations in Cameroon. The agreed strategy consists in the winding-down of CAMAIR and the creation of a new company for the provision of air services. Control and ownership of the new company to the private sector would be transferred through a management contract with deferred privatization option or by capitalizing the new company by a group of private investors. There is a potential for private provision of air services, both by national investors or in partnership with foreign carriers. Since 1994, four national air carrier were authorized to operate in Cameroon. South African Airways has also hinted at possible cooperation. However, if the private sector was not interested in participating in the ownership of the new company, the Government would divest the aviation related assets and auction the traffic rights to domestic/regional air carriers. The strategy for the privatization of air services and key financial data are presented in the Technical Annex of the SAR for the Transport Sector Technical Assistance Credit. Timing targets for the critical steps of the process are in the matrix of action attached to the letter of sector policy. Benefits resulting from this privatization are presented in Schedule 2. Bidding for the selection of the private strategic partner is expected to be launched before August 1996. *Status of progress:* The financial adviser which will assist the Government in the privatization process was appointed in February 1996.

3.5 In conjunction with the privatization of air services, CAMAIR is preparing to reduce its number of employees. On the basis of typical ratios for airline companies, it is estimated that CAMAIR is overstaffed by 600 to 800 employees or about half of its personnel. When funds for severance payment are available, a first group of employees would be laid off. A second group would be laid off after a decision is taken by the management team of the new company on the number of staff which would be rehired by the new company. *Status of Progress.* A consultant, hired under the Transport Sector Technical Assistance Project, is evaluating CAMAIR's employees to provide the basis for staff reduction.

3.6 An outright liquidation of CAMAIR would have been politically unacceptable. The Government attaches great importance to CAMAIR as the national flag carrier, not only because it services domestic routes, but also because it puts Cameroon on the map regionally and internationally. The Government also considers that Cameroon, a country with a population of 12 million, needs a domestic air service. The Government recognizes that a solution needs to be found, which would be compatible with political constraints, to stop subsidizing air services. IDA's position is that Cameroon is entitled to an air service provided that it is efficient, not subsidized, and operates on market principles, preferably with a majority of private shareholders. Following the detailed studies carried out on CAMAIR, the Government requested that concrete proposals be presented, which resulted in the strategy mentioned above. Two options were also considered but rejected: (a) elimination of budget support, which would cut spending in vital sectors; and (b) execution of another performance contract, which was unsuccessfully attempted under the SAL (1989).

3.7 In order to increase the efficiency for the provision of air transport services in Cameroon, and to promote private sector participation, the regulatory framework should be revised before completion of privatization. The status of the revision is the following:

Action	Status	Timetable *
To open the cargo market, both in the local and international segments, through more flexibility in the use of charter flights to allow for competition and competitive rates.	Issue being analyzed to provide recommendations.	Medium term
To use explicit and efficiency-driven subsidies in the case of social routes.	Definition of routes and subsidies will be included in the privatization process.	Medium term
To establish a jet-fuel price policy in line with international standards.	Issue being analyzed to provide recommendations.	Medium term
To revise the Civil Aviation Law.	A consultant is being recruited to prepare the new Law.	Medium term

* Indicates the term the end of which the action is expected to be completed.

Short term: less than one year; medium term: between 1 and 3 years; long term: more than three years.

3.8 **Railway.** The Government has agreed to separate the ownership of the infrastructure from railway operations by creating a new private company to commercially operate railway services for freight through a concession agreement. The core shareholders of the new operating company would be selected following international bidding procedures. The Government has still to choose the conditions of operations for passenger services from four options: (a) include the services in the concession agreement as public service obligations; (b) contract an agreement with a private company distinct from the concessionary company for freight; (c) replace rail passenger services by bus services and contract a private company for the operation of these services; and (d) stop providing passenger services while maintaining the roads accessing the villages along the railway track. The strategy for the privatization of railway operations, key financial data after privatization and a preliminary risk analysis for both Government and private investors are presented in the Technical Annex of the SAR for the Transport Sector Technical Assistance Credit. Timing targets for the critical steps of the process are in the matrix of action attached to the letter of sector policy. Benefits resulting from the privatization are presented in Schedule 2. Preselection of the potential private majority shareholders of the concessionary company is expected to be launched in April 1996. **Status of progress:** A decision on passenger services has to be taken before launching the tender for the selection of the private majority shareholder. The financial adviser which will assist the Government in the privatization process was appointed in December 1995.

3.9 Revision of the regulatory framework is needed to accompany the privatization of railway operations. The status of the revision is as follows:

Action	Status	Timetable
The transport component of the price structure for petroleum products should be revised to promote competition between transport modes and encourage petroleum companies to use the less expensive mode of transport.	A new price structure will be prepared in conjunction with the simplification of the road taxation system (see para. 3.11 below).	Medium term
The railway transit procedures should be improved.	The reform will be implemented as part of the UDEAC Transport Reform Program (see paras. 3.16-3.17).	Long term

3.10 **Urban Transport.** The Government has decided to liquidate SOTUC, the public urban bus company and divest of urban transport. On February 22, 1995, the General Assembly of shareholders officially announced SOTUC's liquidation, and services were stopped. A liquidator was appointed in April 1995, whose terms of reference sought the completion of liquidation within six months, once the procedure has begun. Benefits to the Cameroonian economy resulting from the liquidation, are presented in Schedule 2. The conditions of access to the industry, related to vehicle insurance, vehicle certification, taxation of activity and vehicle safety should be revised accordingly. **Status of Progress.** The liquidation

has been delayed because of lack of decision by MINEFI regarding the settlement of SOTUC's debts and arrears and because of procurement issues in the sale of the buses. Draft recommendations on the new regulatory and institutional framework for urban transport were discussed during a seminar held in November 1995. The seminar was attended by private urban transport operators, representatives of local governments, the Administration, commercial bankers and donors. Based on the outcome of the seminar, a new regulation was drafted. The Government should enact the new institutional and regulatory framework for urban transport *before effectiveness*.

3.11 **Interurban Transport.** The Government is studying simplification of the taxation system for road transport, through the creation of a road tax collected by one institution only (thus replacing several taxes collected at different stages, by several institutions), as well as a road user charge, clearly identified in the price of petroleum products, to be used to finance road maintenance (see para. 3.24). The Ministry of Economy and Finance (MINEFI) has not yet agreed to such a simplification, or to the implementation arrangements. **Status of Progress.** Recommendations on the simplification of the road taxation system prepared by a task force created by MINEFI are being reviewed by the Government. Once decision is taken by the Government, implementation arrangements have to be defined, especially the responsibilities of both MINEFI and MINT.

3.12 A presidential decree was taken in 1995 to remove illegal road controls by the administration (police, customs, etc.). The experience shows that such decree has a temporary impact and illegal controls reappear soon. MINT intends to follow up on the compliance with the decree to prevent such reappearance. Toll roads were created in 1993, but revenues have been far lower than expected because of fraud, estimated at 50 percent. A decision on their privatization or removal will be taken as part of the simplification of the road taxation system. In parallel to the simplification of the road taxation system, truck loads should be limited to reduce considerable overloads especially on timber trucks. Four weighing stations on the Douala-Yaoundé road were rehabilitated under the Sixth Highway Project (Loan B018-CM) in 1994. **Status of Progress.** The operation of two weighing stations which was going to be started by MINT was postponed by the Government. MINT wants to fine overloaded trucks, but the trucking industry is complaining that the axle load regulation is inadequate and that its application would hamper the competitiveness of the industry. Collection of statistics on truck loads should start at least at two weighing stations on the Douala-Yaoundé road as a *condition for disbursement* of the paved road component of the IDA credit. The Government should enact a new regulation based on data collected and after discussions with the trucking industry.

3.13 **Maritime Transport.** The Government has agreed to privatize CAMSHIP, the national shipping line, and to privatize or liquidate CAMTAINER, the national road carrier and freight forwarder. Key financial data after privatization are presented in the Technical Annex of the SAR for the Transport Sector Technical Assistance Credit. Timing targets for the critical steps of the process are in the matrix of action attached to the letter of sector policy. Benefits to the Cameroonian economy resulting from the privatization are presented in Schedule 2. **Status of Progress.** The financial adviser which will assist the Government in the privatization process was appointed in October 1995.

3.14 Early 1995, the National Assembly adopted a law which liberalizes access to the maritime industry by Cameroonian shipping lines. Although the Government agrees to the final objective of fully liberalizing maritime transport, it wants to maintain the current regulation on cargo distribution during a transitory period. The 1995 law suppresses CAMSHIP's monopoly, but maintains the application of the Code of Conduct (see paras. 2.8 and 2.18 above) and the protection of Cameroonian shipping lines. As an immediate step of the liberalization process and to set up an acceptable regulatory framework in parallel to the privatization of CAMSHIP, the manner in which the Code of Conduct is applied should be revised in order to comply with the clauses of the Code. Accordingly, the quota system would be applied to the Liner Conference traffic and no more to the entire Cameroonian maritime traffic, especially not to bulk traffic. Terms and conditions for freight transport outside of the Liner Conference traffic, and currently contracted-

out to CAMSHIP (clinker and petroleum products), should also be reviewed to decide whether or not these contracts should be abolished and retendered. Further steps in the liberalization process should be coordinated at the regional level, as part of the Trade and Transport component of the Sub-Saharan Africa Transport Policy Program (SSATP), which involves Sub-Saharan African countries and most of the donors involved in transport in this area. The Trade and Transport component aims at establishing a new maritime transport policy for Sub-Saharan African countries. *Status of Progress.* The decrees defining the modalities of application of the 1995 law were approved by the Government in April 1996. The preparation of a new regional maritime policy is still at the studies stage under the SSATP. Studies are expected to be completed, and recommendations discussed during a regional seminar of SSATP countries and donors in 1996. The discussion between the Government and IDA will continue as part of the discussions on the overall adjustment program. A study is included in the Transport Sector Technical Assistance Project to identify the bottlenecks in the international chain of transport and to estimate their costs to prioritize reform actions. This study will support the discussions on the timetable for the full liberalization of maritime transport. The contract with the consultant which will carry out the study is at the negotiation stage.

3.15 To be consistent with the sector policy, the role of CNCC, the Shippers' Council, should be revised. As a first step, CNCC should control a posteriori the application of the Code of Conduct. Financing of CNCC by a 0.3 percent surcharge on import/export by sea and waivers paid by shipping lines to transport freight toward Africa should be stopped, and CNCC should be financed from the State's budget. Further steps will be defined as part of the Trade and Transport SSATP component. The role of CNCC was discussed by CNCC, public and private shippers, CAMSHIP, and the Cameroonian Administration during a seminar, and during several meetings of a committee created to follow up on recommendations made during this seminar. However, the committee's recommendations maintain the current role of CNCC and financing means while adding the roles of economic observer of the transport sector and strengthening the services to shippers. *Status of Progress.* The draft decree defining the control a posteriori is being reviewed by the Government.

3.16 *Transit Transport.* Within the Union of Central African States (UDEAC) framework, the 1989 Joint EU-World Bank initiative launched a transit transport facilitation program in the Central Africa subregion. The obstacles to trade and facilitation prevalent throughout the UDEAC customs were analyzed by the UDEAC countries during preparation of the transport component of the UDEAC Regional Policy Reform Program (Report No. 11296-AFR dated April 30, 1993) in collaboration with the EU and IDA. In joint workshops held in November 1991, and in March and December 1993, the UDEAC countries agreed to a Program of Regional Reforms to improve transit conditions. National Transit Committees were created in the six UDEAC countries to draw up plans to: (a) simplify customs documents and devise a system of regional transit under customs bonds (TIPAC); (b) review the criteria for establishing bonded customs centers; (c) redefine transit requirements for intermodal transport (rail/road, rail/river) and containers; and (d) improve road transport conditions and regulations (maintenance of international itineraries, trucking liabilities, vehicle inspection, and cost recovery).

3.17 The TIPAC mechanism is a procedure whereby goods travel duty free across the border under customs bonds, accompanied by a bill of lading, with the liability for possible loss of customs duties held by the transport operator. The Manual of Procedures for the TIPAC was adopted by the UDEAC countries in March 1993. The mechanism is similar to the transit system in Europe (TIR), where this liability is guaranteed and surveyed by the International Road Union (IRU). For the liability to be credible to customs in UDEAC countries, the bill of lading and the transporter must be covered by a regional insurance policy which would reimburse customs for lost duties should the transport operator or the importer abuse the mechanism by evading import duties. The insurance policy would be funded from the sale of vouchers attached to the bill of lading. The regional insurance policy is being designed and candidate institutions were identified to manage the insurance policy. EU financing is available to provide assistance for the implementation of the TIPAC, which is expected to be completed two years after

commencement of the assistance. An action plan and a timetable are provided in Schedule 3. Delays in implementation of the TIPAC are due to the difficulty to hire the international coordinator who will assist the regional and national committees.

3.18 The policy measures to complement the TIPAC system are the following:

- (a) streamline road transport regulations to harmonize national and UDEAC transport regulations and vehicle standards; harmonize the structure of road user charges; enforce control of truck overloading to prevent road deterioration;
- (b) seek legal registration of customs agents, forwarding agents, and international road transporters, and agree to and enforce criteria underlying the approval of such registration;
- (c) harmonize and liberalize freight insurance in UDEAC.

3.19 As most of the obstacles to transit transport occur in Cameroon, the success of this program depends to a large extent on the willingness of the Cameroonian authorities to take the necessary measures to overcome these obstacles. In addition to the measures to be taken at the regional level, Cameroon should shorten the list of sensitive goods which require a customs clearance for transit; limit road controls by the administration to those specified in the UDEAC legislation; and suppress requirements for customs escorts for transit goods through Cameroon. The requirement to domicile invoices and import licenses in Chad and the Central African Republic was removed in 1994. The continued dialogue between UDEAC countries within the framework of the UDEAC Regional Policy Reform Program and its transport component will be key to the success of the TIPAC as well as to the removal of obstacles to transit in Cameroon.

3.20 The Cameroonian customs need a comprehensive overhaul. In March 1995, the French Ministry of Cooperation (FAC) prepared a plan for improving customs' performance and efficiency. The plan includes the following measures: (a) carry out a human resource development plan; (b) improve human resource management; (c) revise the organizational chart based on actual workloads; (d) rehabilitate the customs computerized system; (e) transfer customs headquarters to new offices outside from the port, rehabilitate existing buildings and provide telecommunication equipment; and (f) maximize the input of the preshipment inspection company (para. 1.3). Details are provided in Schedule 4. *Status of Progress*. The preshipment inspection company was made responsible for customs duties assessments and monitoring of actual collection in 1995. The Government is in the process to choose the new customs computerized system. Arrangements to implement the remaining measures in the plan described above have still to be worked out. The financing to support the restructuring of customs is still sought. FAC and CFD have expressed an interest. The discussion between the Government and donors will continue as part of the general discussion on structural adjustment.

3.21 The physical component of the transport component of the UDEAC reform program consists of: (a) rehabilitation and maintenance of international road itineraries to CAR and Chad, as agreed by the UDEAC Steering Committee in June 1993; (b) improvement of the customs facilities in Douala and at border crossings with CAR and Chad; (c) rehabilitation of the computerized customs declaration system in Douala, and provision of a modern telecommunication system; and (d) provision of international trucking facilities at Douala port. The rehabilitation of the Cameroon-CAR road itinerary and provision of a modern telecommunication system are being executed with EU financing. *Status of Progress*. Detailed engineering studies for the rehabilitation of the international itineraries are underway.

3.22 Primary Roads Maintenance. The Government has agreed to a new strategy for road maintenance to improve its efficiency and its sustainability:

- (a) To adjust the road maintenance program to management and financing capacity: A 13,738 km priority network out of 21,343 km of primary paved and earth roads (see Maps IBRD Nos. 24837 and 24838) has been identified based on: economic importance (traffic flows); consistency of the network and needs for links between urban centers and regions of agricultural production; communication between administrative centers; and regional equity. The priority network includes all paved roads (4,054 km), 8,568 km of earth roads of economic importance and 1,136 km of earth roads responding to the above criteria other than economic importance. Detailed characteristics of the priority network are available in the project file.

Type of network		Total network (km)	Priority network (km)
Primary Roads	Paved roads	4,054	4,054
	Earth roads	17,289	10,704
	Sub-total	21,343	14,758
Rural Transport Infrastructure		27,935	10,952
Total		49,278	24,710

- (b) To disengage itself progressively from maintenance execution: Periodic maintenance and rehabilitation of all paved roads, as well as periodic maintenance of earth roads, and progressively routine maintenance of earth and paved roads would be contracted-out to private contractors, including the local construction industry, small contractors, village workers, and communities, using labor-intensive methods and local materials, where possible.
- (c) To improve planning and programming capacity: A pluri-annual maintenance programming system will be established using as criteria the existing level of service of the priority road network, and also climatological, geographical and geotechnical parameters. The system is being defined under an IDA-financed study for earth roads, and Germany-financed study for paved roads.
- (d) To focus MINTP's role on planning, programming and budgeting, supervising works and controlling objectives: External audits of technical and financial performance and of procurement procedures would be carried out to ensure accountability.
- (e) To encourage development of small and medium contractors by providing training in technical and financial management; by creating a stable market; by defining policies to eliminate present constraints to private sector participation; by revising procurement regulations; and by establishing a rapid payment system because small contractors do not have sufficient working capital to prefinance expenditures for works: Use of small and medium enterprises for road maintenance was tested under EU financing. A road maintenance program amounting to about US\$26 million was contracted out to 38 small and medium enterprises (SMEs). SMEs which had been preselected, were trained on procurement and management of road works. Lessons learned from this project were used to prepare the application of the new strategy to the entire priority network.
- (f) To ensure sustainability of road maintenance financing and transparency and accountability in the use of funds. A Road Maintenance Account would be used as a mechanism to achieve these objectives (see para. 3.24).

3.23 The status of preparation of the strategy and the timetable for its implementation are the following:

Action	Status	Timetable
The State to disengage itself progressively from road maintenance execution.	A program to progressively contract out road maintenance execution was established by MINTP.	Rehabilitation, periodic maintenance, cleaning of shoulders: short-term. Routine Maintenance: long term.
To improve planning and programming capacity.	A study was carried out to establish the mechanism. The draft report was submitted to MINTP.	Medium term
To focus MINTP's role on planning, programming and budgeting, supervising works and controlling objectives.	MINTP restructuring is being defined accordingly under an on-going study part of the Transport Sector TA Project. The draft report was submitted to MINTP.	Short term
To encourage development of small and medium contractors.	The new framework and procedures are being defined under an on-going study part of the Transport Sector TA Project.	Short term

3.24 The Ministry of Economy and Finance has created a Road Maintenance Account in a commercial bank to which funds would be allocated from the budget to finance road maintenance expenditures. A task force created by the Ministry of Finance on the financing of road maintenance endorsed the recommendation made during a national seminar and several regional seminars on the road maintenance strategy to create a Road Fund funded by a road user charge under the supervision of a committee constituted of representatives of road users, local Governments and central Government. *Status of progress.* The Government has defined management procedures, including annual audits, of the Road Maintenance Account. The account should be opened and an initial deposit paid *before effectiveness*. In April 1996, the Government approved the principle of a Road Fund and is reviewing the recommendations mentioned above.

3.25 The Government has adopted a program to progressively contract out road maintenance (see matrix of action attached to the letter of sector policy). However, the experience from previous highway projects in Cameroon points to the difficulty to ensure compliance with as well as monitor such program, especially with respect to routine maintenance. This is due to the geographical spreading out of the works, their variety, the need to implement the monitoring system involving large amounts of training and equipment as well as technical assistance. Experience under the Sixth Highway Project also shows the difficulty to sustain the organization necessary to execute and monitor such program. Therefore, it is proposed to adopt a progressive approach with realistic objectives easy to monitor aimed at sustaining the maintenance of invested capital. Starting when the Road Maintenance Account is created, the minimum of funds allocated to the Account for maintenance by contract during each fiscal year would be equal to resources needed to maintain by contract roads which were built, rehabilitated or maintained by contract since January 1st, 1990. Such approach would lead to a progressive increase in the minimum amount of resources allocated to road maintenance by contract. A program of allocation of funds was established in accordance with the proposed approach. Funds should be allocated in accordance with the program *before effectiveness*. Fund allocation and use of these funds to maintain the roads defined as above, will be closely monitored during project execution in order to decide on financing a second- and third-year slice of the road maintenance program under the IDA credit.

3.26 *Rural Transport Infrastructure.* Improvement of rural transport infrastructure is one of the actions to reduce poverty that was identified during a national workshop on poverty held in November 1994. To achieve this objective, delegation of authority for the management of rural transport infrastructure should be entailed to local governments, local communities down to village level and community groups depending on the type of rural roads. To make rural transport infrastructure manageable, the not-homogenous and vast rural transport infrastructure has to be divided into clearly

defined sub-categories which fall under the responsibility of these various institutions. This would be a significant shift from the current centralized system regarding decision-making and execution, and has to be implemented in conjunction with the overall decentralization process where the central government would divest of implementation and execution of investment projects of local importance.

3.27 Because full decentralization cannot be achieved in a short period of time, the objective for the period covered by the program is to launch the decentralization process in the management of rural infrastructure and to set up an institutional framework which involves beneficiaries at the various steps in the management of rural transport infrastructure maintenance: (a) planning: in the choice of itineraries to be maintained; (b) periodic maintenance and rehabilitation: in the procurement process for contracting out rehabilitation works; and (c) maintenance: in the financing of maintenance works as well as in their execution. Itineraries would be chosen in accordance with pre-established criteria within a 10,952 km priority network agreed by the Government. The priority network consists of rural roads whose rehabilitation would generate a rate of return above 10 percent. Details on the priority network are available in the project file. Rehabilitation would be limited to critical spots in order to make the roads passable in all season and adapt their characteristics to the maintenance capacity of local communities. Periodic maintenance and rehabilitation would be financed by the State; routine maintenance would be financed by the local communities. Such strategy should be discussed in several regional seminars and a national seminar and disseminated during a sensitization and training program aimed at the rural road administration, the local governments and direct beneficiaries.

3.28 Priority for the execution of maintenance works should be given to small and medium enterprises and to the use of labor-based methods and local materials. The emphasis on execution of routine maintenance supports these objectives as these works, such as brush-clearing are labor intensive. The critical-spot approach for rehabilitation is also suited to these objectives. Works are scattered resulting in small contracts that can be executed by the local SMEs, which have a limited capacity. Road standards and norms for the execution of maintenance works should also be defined with the objective of promoting labor-based methods and the use of local materials.

3.29 **MATGENIE.** The Government has agreed to retrench on its equipment rental activity. The strategy consists in splitting MATGENIE into five separate entities and progressively privatizing these entities. Critical steps and timing targets are in the matrix of action attached to the letter of sector policy. This would make it easier to privatize MATGENIE in accordance with the financial capacity of local investors. Both direct privatization through sale of public participation in the entities, or privatization of management could be considered. This option would also introduce an element of competition among the five entities. Although liquidation of MATGENIE and sale of the equipment was initially considered, this option was not retained as the road maintenance organization and financing still need to be sustained before local investors can be expected to invest in equipment rental, and supply the full equipment required for road maintenance. The regional managers should be appointed *before effectiveness*.

3.30 The number of items of equipment needed for the maintenance of the priority network is estimated at 941. Depending on the capacity of private entrepreneurs to provide their own equipment, the number of items of equipment to be provided by MATGENIE in the future ranges from 130 to 190. The number of employees is estimated at 300, against 385 after the 1994 restructuring. In April 1995, MATGENIE owned 734 items of equipment of which 55 percent were operational (up from 31 percent in April 1994), 26 percent needed heavy repairs (down from 49 percent in April 1994), and 19 percent should be scrapped. MATGENIE and MINTP are preparing the auction of the equipment to be scrapped which should take place before the end of 1995.

3.31 **LABOGENIE.** The Government has agreed to restructure LABOGENIE. The process will consist in financial restructuring and dismissal of about 300 employees. This is expected to result in the creation of local consulting firms specialized in the field of geotechnics and foster competition for the

geotechnical supervision of road works. The legal statute of LABOGENIE for the long term has still to be defined and the potential participation of private investors in the company to be established. LABOGENIE's operating expenditures should be reduced by 30 percent in relation to LABOGENIE's FY94 accounts *before effectiveness*.

3.32 **Port Activities.** The Government has defined a new strategy for port operations:

- (a) Dredging of the access channel will be contracted out to ensure efficient and sustainable performance of the activity. The Government is considering two options to contract out dredging: (a) select a firm through international competitive bidding; or (b) promote the creation of a local firm with participation of local and foreign private and public partners. **Status of Progress:** A consultant is being selected to compare the two options and provide the elements of decision to the Government. Implementation of the option would be a condition for any further IDA involvement in the port sector.
- (b) Port operators should be more involved in the management of the port authority and in the definition of strategies in the sector by redefining the relationships between stakeholders within the port community and by increasing the participation of port users in the Board of Directors of the port authority. The contractual relationships between the port authority and port operators need to be revised to provide investment incentives, and to encourage the commitment of port operators to the long-term development of Cameroonian ports. **Status of Progress.** The arrangements related to the new role of port operators are being defined. Their implementation would be a condition for further IDA involvement in the port sector.
- (c) The port authority will be restructured to reduce operating costs and tariffs on the basis of the analytical accounting being implemented. A human resource development plan should be established and implemented in conjunction with the restructuring. **Status of Progress.** The action plan prepared by ONPC for FY96 and FY97 is attached to the letter of sector policy. Technical assistance is being selected as part of the Transport Sector TA Project to support the port authority during the restructuring process. Operational and financial targets to be met by the port authority within one year after the start of the technical assistance should be established *before Board presentation*.
- (d) The investment plan is being revised to reflect economic priorities and ONPC's capacity to finance the plan. This capacity was assessed in a study available in project files. The order of priority is: dredging of the channel, rehabilitation of port infrastructure, construction of a berth for timber vessels, implementation of the management information system, modernization of the container terminal, and construction of dikes to calibrate the access channel. Including on-going investments, the five-year investment plan amounts to US\$116 million (CFAF57.7 billion), of which 51% is available external financing, 19% is own financing and 30% is sought from external donors. The investment plan agreed between the Ministry of Transport and ONPC is attached in Schedule 5.

3.33 **Institutions.** As mentioned above, MINTP's role would be to program, manage and supervise road maintenance works, most of which will be contracted to private contractors. Following the 1995 revision of the national procurement code, MINTP became autonomous in procurement decisions on maintenance works below a certain amount to ensure efficient execution of road maintenance by small and medium-size contractors (para. 2.7). MINTP would focus on sector strategy, policy formulation and transport regulation. **Status of Progress.** An IDA-financed study was carried out to prepare MINTP's shift toward its new role. MINTP's procurement committee should be created *before Board presentation*. The Government should decide *before effectiveness* on an action plan for restructuring of MINTP. Progress in restructuring of

MINTP according to the action plan would be reviewed by IDA before agreeing to finance subsequent slices of road maintenance works. A FAC-financed study will be carried out to prepare MINT restructuring. MINT restructuring would be implemented as part of the project to accompany the privatization of transport PEs. MINTP's restructuring is expected to be completed before August 31, 1996, and MINT's restructuring before December 31, 1996.

C. SECTOR INVESTMENT PROGRAM

3.34 *Public Expenditures.* The Government policy is to substantially change the structure and quality of public expenditures by allocating and increasing proportion of spending to non-wage current and capital expenditures, particularly primary and secondary education, basic health, agriculture services, maintenance of transport infrastructure and special poverty reduction measures. This policy was reflected in the FY96 Finance Law which increased non-wage current expenditures for key development sectors from 30.5 percent of total non-wage expenditures in FY95 to 37 percent.

3.35 The distribution of the FY96 budget among ministries was prepared by the Government in consultation with IDA as part of the SAL preparation. The operating and investment budgets of MINT and MINTP are provided in table 3. The investment budget is split into two priorities to allow adjustment in accordance with the actual fiscal revenues. Determination of priorities by Government remain ad-hoc. The Government provided assurance *during negotiations* that subsequent budgets and PIP for both ministries would be adopted in the annual Finance Laws in consultation with IDA.

Table 3: FY95/96 Budget. MINT and MINTP (CFAF million)

	Operating Costs Excluding Salaries	Investment			Total
		Priority 1	Priority 2	Sub-Total	
MINT	985	580	320	900	1,885
MINTP	15,272	3,000	1,611	4,611	19,883

3.36 Two issues in relation with MINTP's budget are being addressed under the program:

- (a) **Budget preparation:** The budget should be established on the basis of actual maintenance needs for the priority network. Currently, MINTP's budget in its presentation is scattered among all roads with the political objective to satisfy all demands. The on-going road programming study should provide the tool to establish more realistic budgets and help in determining priorities.
- (b) **Budget execution:** Budget execution is less than satisfactory. Most of the budget is executed by decentralized services of MINTP. MINTP is unable to consolidate the budget execution at the end of year because of uneven information transmitted by its decentralized services. Payments are made from the Treasury without the information being transmitted to MINTP. Suppliers cover the risk of delays in payment by artificially increasing the amount of invoices. MINEFI's information on the budget execution is not reliable because of the absence of relation between the financial commitment and the actual execution of the works of supply of the goods. The creation of the Road Maintenance Account (para. 3.24) should significantly improve the quality of MINTP's budget execution by identifying the expenditures prior to the allocation of resources to the Account and requesting a justification for previous expenditures before replenishing the Account.

3.37 *Recurrent Costs.* Recurrent costs have been calculated for the priority network only. They include routine and periodic maintenance costs. The average amounts of annual recurrent costs are estimated at CFAF18.0 billion (US\$35.4 million) (Table 4). This is CFAF2.7 billion above MINTP's budget for FY96. This does not include resources required for urban roads (about 3,000 km) which are estimated at CFAF4.2 billion for routine maintenance and CFAF3.5 billion for periodic maintenance. These estimates

are based on a network in good condition and maintained in accordance with reasonable standards. The actual needs are much higher in the short term because most of the network is in fair to very poor condition, and maintenance requirements are thus much higher to bring back the network to a good condition in a short period of time. Actual costs are being estimated in the on-going road programming study. However, it is clear that resources available from the Government and donors are insufficient to bring back the network to a good condition and maintain the priority network with reasonable standards.

Table 4: Average Annual Road Maintenance Recurrent Costs

	Quantity	Routine Maintenance		Periodic Maintenance	
		US\$ million	CFAF million	US\$ million	CFAF million
Paved roads	4,054 km	7.3	3.7	6.9	3.5
Earth roads	9,704 km	7.8	4.0	11.5	5.9
<u>Rural roads</u>	<u>10,954 km</u>	<u>1.9</u>	<u>0.9</u>	<u>0.0</u>	<u>0.0</u>
Total	24,712 km	17.0	8.6	18.4	9.4

3.38 During the next four years at least, the Government will have to manage the political sensitive issue resulting from the inadequacy between scarce resources and the financial requirements for road maintenance. In addition, unaccountable force account will still continue to exist during this period, although road maintenance will be progressively executed by contract. For these two reasons, targets have not been established for the entire budget for road maintenance including force account. Assurance should be sought during the annual review of the road maintenance budget by IDA that financial targets have been established based on the evolution of the macro-economic situation, costs of road maintenance by contract and the targets established in the matrix of action of the letter of sector policy for the progressive transfer of road maintenance execution from force account to contract (para. 3.25) and that funds to be deposited on the Road Maintenance Account should not be less than these financial targets.

3.39 *Public Investment Program.* After having been subject to lengthy unsuccessful discussions between the Bank and the Government for several years, the 1995/1996-1999/2000 Public Investment Program (PIP) for the transport sector prepared in conjunction with the FY96 Finance Law represents an improvement in comparison of the previous years. It is a first step toward an effective programming tool. It includes only on-going projects and projects for which a preliminary agreement already exists between the Government and the external donor. Most projects were or are being submitted to an economic analysis. The PIP also includes taxes in accordance with the new tax regulation adopted in 1995. Further improvement is needed to update more regularly data and reflect the actual execution of projects.

3.40 The total cost of the sector investment program, including taxes, is estimated at US\$722.7 million. The cost, net of taxes and duties, is estimated at US\$614.1 million with a foreign exchange component of US\$410.1 million or 67 percent. The Government and transport public enterprises would bear the cost, estimated at US\$108.7 million, of taxes and duties levied on works, consulting services and goods. Investments carried out by public enterprises and listed in the program are those for which Government guarantee is required although the PEs will service the debt. Investments, such as for REGIFERCAM, which will not service the debt, are listed as Government investments. Detailed program costs are provided in Schedule 7. A summary breakdown of the program costs is given below.

Table 5: Estimated Program Costs

Component	CFAF billion				US\$ million				% Foreign Exchange	Base Costs
	Foreign	Local	Taxes	Total	Foreign	Local	Taxes	Total		
1. Civil Works										
A. Paved Roads	29.1	11.6	8.7	46.4	57.7	23.0	17.3	98.0	59	15
B. Unpaved Roads	36.6	25.7	6.9	69.1	72.4	50.8	13.6	136.8	53	22
C. Rural Roads	12.6	10.5	3.0	26.1	25.0	20.8	6.0	51.8	48	8
D. Port	25.1	11.0	9.2	45.2	49.7	21.7	18.1	89.5	56	14
E. Rail	23.5	11.8	7.2	42.5	46.5	23.4	14.3	84.2	55	13
F. Air	4.3	1.9	1.3	7.6	8.6	3.8	2.5	14.9	58	2
2. Goods	36.0	5.9	6.7	48.5	71.3	11.6	13.2	96.1	74	15
3. Consultants' Services and Studies										
A. Institutional Development	6.0	3.0	1.7	10.7	11.9	5.9	3.4	21.2	56	3
B. Project Implementation	10.7	5.0	2.1	17.8	21.1	10.0	4.1	35.2	60	6
4. Training and Seminars	1.3	1.0	0.5	2.9	2.6	2.1	1.0	5.7	46	1
TOTAL BASELINE COSTS	185.2	87.4	47.3	319.8	366.7	173.1	93.6	633.4	58	100
Physical Contingencies	14.1	7.1	4.3	25.4	27.9	14.0	8.4	50.3	55	8
Price Contingencies	9.9	9.6	3.9	23.4	15.5	16.9	6.7	39.1	40	6
TOTAL PROGRAM COSTS	209.1	104.0	55.4	368.5	410.1	204.0	108.7	722.7	57	114

3.41. The costs above include on-going projects financed by IDA, OECF, EU, AfDB, BMZ, CFD, FAC, and the UN, as well as projects under preparation by IDA, CFD, EU and AGCD. Schedule 7 details the amounts per component, per donor and per year. Table 6 details the amounts per donor for on-going and new projects. About half of the investment program consists in on-going projects. Half consists in new projects for which 42 percent of the resources, excluding Government resources, are available. The EU envisages a new road maintenance project of about US\$50 million. IsDB and the OPEC Fund have expressed their interest in participating in the investment program.

Table 6: Distribution of Financing per Source of Funds (US\$ million)

	On-going projects	New projects
International Development Association (IDA)	10.2	60.7
European Union (EU)	120.9	-
Caisse Française de Développement (CFD)	-	56.8
Fonds d'Aide et de Coopération (FAC)	3.0	-
African Development Bank (AfDB)	48.9	-
Bundesministerium für Zusammenarbeit (BMZ)	77.7	-
United Nations Agencies	0.9	-
Overseas Economic Cooperation Fund (OECF)	25.0	-
Agence Générale de la Coopération au Développement (AGCD)	-	8.2
Financing to be sought	-	143.0
Public Enterprises (including US\$16.1 million of taxes and duties)	15.8	30.5
Government (including US\$92.6 million of taxes and duties)	27.7	78.9
Total	344.6	378.1

3.42 On-going investments have been included in the program to start the process of globalizing the approach in terms of transport sector investment. It is also to take into account projects that have been prepared in line with the new transport sector strategy as well as to reflect efforts made by the Government and donors to adapt these projects to the sector program approach. On-going projects in line with the new transport sector strategy include the Road Maintenance Project financed by EU and the Transport Sector Technical Assistance Project financed by EU, FAC, BMZ and IDA. As an example of on-going projects which were adjusted, supply of road maintenance equipment under the AfDB highway project was modified to focus on equipment used for routine maintenance and supply of heavy equipment was canceled. Also, a

dredger to be purchased under a BMZ project is being redesigned to make it simpler and more coherent with the privatization of dredging underway. The container terminal modernization project financed by OECF was also downsized to adjust to the diminution of port traffic. All these modifications are also expected to result in a decrease of recurrent costs.

3.43 Table 7 summarizes the distribution of the investment program per donor, subsector and type of investment.

Table 7: Distribution per Donor, Subsector and Type of Investment (US\$ million)

Project Component	IDA TSP	IDA TSTA	OECF	AGCD	EU	BMZ	AfDB	CFD	FAC	UN	Ben.	Govt.	To be sought	Total
1. Civil Works														
A. Paved Roads	17.9				2.8	8.6	20.2					23.4	35.9	110.9
B. Earth Roads	25.1				78.2		1.3	20.7				19.9	13.4	158.6
C. Rural Roads	8.4				22.6			12.2				16.7		59.9
D. Port			25.0								44.6	6.6	29.2	105.4
E. Rail						21.6		7.0				17.0	54.2	99.8
F. Air								14.5			1.3	1.7		17.4
2. Goods														
A. Roads	0.1						24.8					4.7		29.7
B. Port						22.4						0.3	0.8	23.5
C. Rail				8.2		23.3						11.8		43.3
D. Air												0.7		0.7
E. Other transport	0.9	0.2			0.9				0.2			5.6	1.4	9.2
3. Technical Assistance														
A. Institutional Development	1.7	4.7			6.0	0.8			2.2		0.4	3.6	3.2	22.6
B. Project Implementation	3.7	4.5			10.0	0.9	2.4	2.3	0.4	0.9		6.1	4.5	35.7
4. Training and Seminars	3.0	0.8			0.4							1.1	0.3	5.9
TOTAL	60.7	10.2	25.0	8.2	120.9	77.7	48.9	56.8	3.0	0.9	46.3	121.2	143.0	722.7

3.44 *IDA Contribution to the Sector Investment Program.* The proposed contribution would consist in the following components:

- (a) Execution of a three-year time-slice of the maintenance program on primary roads of the priority network: During the first year, rehabilitation or periodic maintenance will be executed on 915 km (300 km paved, 615 km unpaved). Rehabilitation and periodic maintenance requirements for the second and third year of the time-slice will be determined on the basis of the road maintenance programming mechanism being established under two on-going studies financed by IDA for earth roads and by Germany for paved roads under the Transport Sector Technical Assistance Project. All roads are part of the priority network.
- (b) Execution of a rural transport infrastructure maintenance program: The program aims at rehabilitating about 1,500 km within the 10,952 km priority network of rural roads, and at involving beneficiaries in the management of rural transport infrastructure.
- (c) Construction of two weighing stations, the first on the RN3 road at the exit of Douala, the second on the RN1 road between maltam and Kousseri.
- (d) Purchase of data processing supplies and equipment of related offices.

- (e) Provision of technical assistance and consulting services: (i) assistance during the restructuring of the Ministry of Public Works and the Ministry of Transport, especially for the establishment of a planning mechanism and for the improvement of human resource management; (ii) execution of a plan to improve road safety; (iii) supervision of civil works execution; (iv) execution of a sensitization program to involve beneficiaries in the management of rural transport infrastructure; (v) preparation of an action plan to develop the international trucking industry; (vi) detailed engineering studies for the preparation of further time-slices of the sector investment program; (viii) project audits and implementation completion report.
- (f) Training to support MINTP's and MINT's restructuring, the execution of a plan to improve road safety, the implementation of the new maintenance strategy for rural roads, development of SMEs in the road maintenance sector, and to strengthen the Merchant Shipping Department in environmental concerns.
- (g) Surveys and seminars, including annual consultation between sector stakeholders, Government and donors, and as part of the Systematic Client Consultation process.

D. TECHNICAL ASSISTANCE, TRAINING AND SEMINARS

3.45 Although there is no common strategy yet among donors regarding technical assistance and training, there is a growing awareness of the need to reduce long-term technical assistance. Currently, long-term technical assistance consists of: (a) one adviser to the Minister of Transport and the Minister of Public Works financed by FAC; (b) one adviser to the customs department financed by FAC; (c) several consultants to manage the on-going road maintenance project financed by EU: the purpose of the project was not to build local capacity to manage such projects but to encourage the emergence of small and medium enterprises through a pilot operation, transitory between previous projects where road maintenance was executed by force account and future projects where it will be executed by SMEs; the lessons learned from this operation were used in the design of the present program; and (d) one adviser to the paved roads department financed by BMZ, which can be considered as substitute to local staff. Additional long-term technical assistance would be financed by: (a) EU to assist the regional and national committees in UDEAC countries to implement the TIPAC system; and (b) AfDB to strengthen MATGENIE's management capacity; the Government and AfDB agreed that this assistance should be designed consistently with the process of State divestiture of equipment rental activities. Other technical assistance identified in the program would consist in short-term missions, studies or assignments which require capacity that is not found or insufficient in Cameroon.

3.46 The Government and donors are making efforts to promote local consultants. A review of local consulting capacity in auditing, accounting and data processing was initiated by three donors (CFD, CIDA, UNDP) and APECCAM (*Association Professionnelle des Etablissements de Crédits du Cameroun*) in 1993. A similar review of local capacity in transport and public works will be carried out under the Transport Sector Technical Assistance Project. A market of consulting services is developed in parallel with the development of local public works SMEs to sustain the development of local consulting firms.

3.47 The IDA credit would finance 414 person-months of consulting services to support institutional development and to assist in project implementation (Table 8) at a cost of about US\$5.4 million. Consulting services would consist in detailed engineering studies and supervision of works (200 person-months), studies (64 person-months) and short-term missions (150 person-months).

Table 8: Person-Months by Type of Technical Assistance and Subsector

Subsector	Support to Institutional Development	Project Implementation	Total
Ministry of Public Works	53	211	264
Ministry of Transport	97	53	150
Total	150	254	414

3.48 The list of consulting services to be financed by the credit and the most important terms of reference were agreed at appraisal. The list would be regularly reviewed and updated, if necessary in the course of IDA's supervision missions, and in light of studies' outcomes, and of developments in the sector. Draft terms of reference are presented in Schedule 8. When appropriate, they will be revised to indicate that transfer of know-how is expected in the core output, and evaluation of consultants by the counterparts, and of the counterparts by consultants should be made. Performance of consultants will be reviewed to determine how assignments' objectives were achieved and how well consultants were able to transfer skills and know-how to their counterparts, and to strengthen the local agencies to which they were assigned. Counterparts should be designated before the start of major consulting assignments, with qualifications and terms of reference acceptable to IDA, and should remain in post until the completion of the activity, in accordance with the strategy regarding counterparts adopted under the Transport Sector Technical Assistance project (TSTA). These counterparts will be responsible for preparing seminars related to project activities and for presenting papers on the conclusions and recommendations of studies. Terms of reference will detail tasks to be carried out by the counterpart staff as part of their training. Consultants' proposals should include the time necessary to train counterparts during execution of studies, and the corresponding budget.

3.49 Training needs to support the restructuring of MINTP are being defined under an on-going study financed by the TSTA project. Training in procurement, civil works supervision and environmental issues in road maintenance will be carried out under the TSTA project. Additional training will be carried out under the TSP. Training needs to support the restructuring of MINT will be defined under a study to be launched as part of the TSTA project. Training in the civil aviation sector, maritime sector, meteo sector, and on the restructuring of the Ministry will be carried out under the TSTA project. Additional training will be carried out under the TSP. Training activities to support the rehabilitation of the customs computerized system and the training strategy to develop SMEs in the road maintenance sector are described in Schedule 9. Total cost of training to be financed from the credit is estimated at US\$3.1 million.

E. PROGRAM IMPLEMENTATION

PROCUREMENT

3.50 Procurement procedures are not actually harmonized among donors. However, the Transport Interministerial Coordination Unit (para. 3.75 below) uses IDA standard documents for the selection of consultants for other donors as well. IDA standard bidding documents were also used in the preparation for the tender of civil works in the Douala port channel although the Government decided to postpone the execution of the works after 2000. The creation of the Ministerial Tender Board in MINTP should harmonize the decision-making process in procurement and prevent the creation of various ad-hoc committees at the request of donors. The following paragraphs describe procedures to be used for procurement of works and goods and selection of consultants under the IDA credit.

3.51 *During negotiations*, the Borrower agreed to the procurement procedures described hereafter. Goods and works will be procured in accordance with the Guidelines for the Procurement under IBRD Loans and IDA Credits (January 1995). Consultants will be selected in accordance with the Guidelines

“Use of Consultants by World Bank Borrowers, and by the World Bank as Executing Agency” (August 1981). Table 9 summarizes the project elements, their estimated costs and procurement methods.

Table 9: Proposed Procurement Methods (Amounts in US\$ million)

Project Element	ICB	NCB	Other	N.B.F.	Total Cost
1. Civil Works					
A. Paved Roads	28.4 (17.9)			82.5	110.9 (17.9)
B. Earth Roads	36.0 (23.3)	2.5 (1.7)		120.3	158.8 (25.0)
C. Rural Roads		10.9 (8.4)		49.0	59.9 (8.4)
D. Port				105.4	105.4
E. Rail				99.8	99.8
F. Air				17.4	17.4
2. Goods	0.9 (0.8)	0.2 (0.2)		105.3	106.4 (1.0)
3. Technical Assistance					
A. Institutional Development			2.2 (1.7)	19.4	21.6 (1.7)
B. Project Implementation			4.8 (3.7)	33.9	36.7 (3.7)
4. Training and Seminars			3.5 (3.1)	2.4	5.9 (3.1)
TOTAL	64.6 (42.0)	12.5 (10.3)	10.5 (8.5)	635.1	722.7 (60.7)

N.B.F.: Not-IDA Financed. Project executing agencies will follow procedures specific to each donor.

ICB: International Competitive Bidding; NCB: National Competitive Bidding

Note: Figures in parentheses are the amounts financed by the IDA Credit.

Rem: Figures may not add up to total due to rounding.

Procurement of Civil Works

3.52 Contracts estimated to cost US\$ 500,000 equivalent or more per contract for the rehabilitation of paved and earth roads will be awarded based on ICB in accordance with IDA's procurement guidelines. All ICBs will be advertised in national newspapers and in Development Business. Bank Group's standard bidding documents shall be used. A 7.5 percent margin of preference may be granted in the evaluation of bids to domestic contractors.

3.53 In order to achieve the project's objective of promoting national small and medium enterprises, about 5 contracts estimated to cost less than US\$500,000 equivalent per contract for earth road rehabilitation up to an aggregate amount not to exceed US\$1.7 million equivalent will be awarded based on NCB in accordance with IDA's procurement guidelines. There is adequate local capacity among local contractors and enough competition is expected from them at competitive prices which would justify NCB. Foreign bidders will not be excluded from participating in NCB. Standard bidding documents shall be used. They shall be reviewed and approved by IDA before their use.

3.54 Rehabilitation of rural transport infrastructure will be limited to critical spots. Contracts will be scattered in nine districts to be carried out over a project period of 4 years and it is difficult to package them for bigger lots. Contract amounts are estimated to range between US\$2,000 and US\$250,000. They will therefore be awarded based on NCB.

3.55 Contracts specifying completion time more than 18 months will provide for a price adjustment clause. All bids will be opened in public. Evaluation criteria will be included in the standard bidding documents. Contract negotiation will not be permitted. The contract will be awarded to the lowest evaluated responsive bidder.

Employment of Consultants

3.56 In order to ensure the satisfactory execution of the project, the Borrower agreed *during negotiations* that qualifications, experience, and terms and conditions of employment of consultants shall be satisfactory to IDA. The model letter of invitation issued by the Bank Group shall be used. For complex, time-based assignments, and lump-sum contracts, the Borrower will employ such consultants under contracts, using the standard form of contract for consultants' services issued by the Bank Group, with such modifications as shall have been agreed by IDA. Where no relevant standard contract documents have been issued by the Bank Group, the Borrower will use other forms agreed with IDA prior to inviting proposals.

3.57 Following the recommendations of the Country Procurement Assessment Report issued in April 1994, which concluded that procurement practices in Cameroon were inadequate, and to enable a satisfactory procurement process, the following measures were agreed *during negotiations*:

- (a) Short-lists shall be a minimum of 3 and a maximum of 6 firms with no more than two firms from the same country.
- (b) The practice of requesting bid, performance securities and other retention guarantees shall be discontinued.
- (c) Quality shall be the main criterion for the selection of consultants.

Procurement of Goods

3.58 Goods estimated to cost the equivalent of US\$100,000 equivalent or more per contract will be procured by ICB. Tenders will be advertised in a national newspaper and in Development Business. Use of standard bidding documents is mandatory. Goods estimated to cost less than US\$100,000 equivalent per contract, up to an aggregate amount not to exceed US\$208,000 equivalent may be procured under contracts awarded on the basis of NCB, advertised locally, in accordance with procedures acceptable to IDA, including: (a) bids will be opened in public in the presence of bidders or their representatives; (b) there will be no negotiation with bidders between bid opening and contract award; (c) bid evaluation and post-qualification criteria will be defined in precise quantitative and monetary terms; and (d) award will be made to the lowest evaluated responsive bidder. For ICB, a 15 percent margin of preference may be granted in the evaluation of bids offering domestically manufactured goods.

Review by IDA of Procurement Decisions

3.59 Prior review by IDA of bid and contract documents will be required for all consultants' services, civil works contracts above US\$200,000 equivalent (about 32 contracts) and goods contracts above US\$50,000 equivalent (one contract).

Additional Arrangements

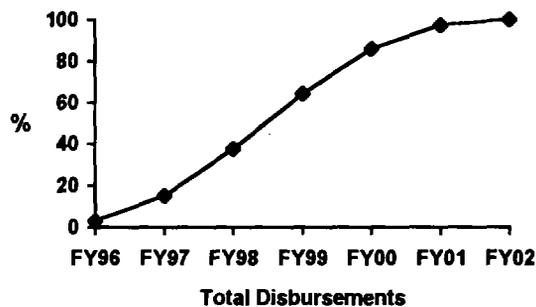
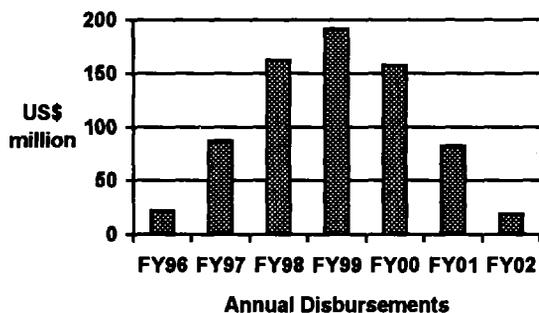
3.60 Contracts will be awarded within the agreed bid validity period and only exceptionally, bid validity extension may be requested. In the case of fixed price contracts, requests for second and subsequent extensions will be permissible only if the request for extension provides for an appropriate adjustment mechanism of the quoted price to reflect changes in the cost of inputs for the contract over the period of extension.

Procurement Times

3.61 Procurement processing times for major steps up to contract signing were agreed *during negotiations*. For consultants, time between the transmission of the letter of invitation and the deadline for the submission of proposals should not be less than 45 days. Time between the deadline for the submission of proposals and contract's signature should not exceed 120 days. For goods and works, time between notification of the tender or availability of bidding documents, whichever is later, and deadline for submission of bids should not be less than 45 days. Time between the opening of bids and contract's signature should not exceed 120 days. A first General Procurement Notice was issued after negotiations. General Procurement Notices will be updated annually.

DISBURSEMENTS

3.62 Schedule 7 provides the estimated annual financial commitments for the overall sector investment program during the 1995/1996-1999/2000 period. Actual disbursements should take place on a period longer by at least one year. Based on the assumption that a commitment will be disbursed by 30 percent the first year, 50 percent the second year and 20 percent the third year, the disbursements would be as follows:



3.63 The proposed IDA credit would be disbursed on the following basis.

Table 10: Allocation of Credit Proceeds (US\$ million)

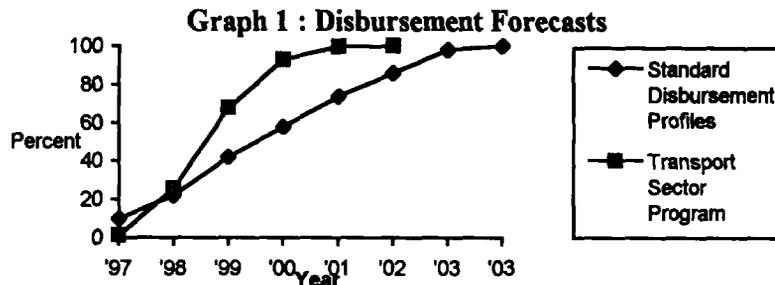
Category	Amount Allocated	Percent of Expenditures to be Financed
1. Civil Works		
A. Paved Roads	16.0	75 percent
B. Earth Roads	22.4	80 percent
C. Rural Roads	7.6	90 percent
2. Goods	1.0	100 percent of foreign expenditures and 75 percent of local expenditures
3. Consultants' services		
A. Institutional Development	1.7	100 percent
B. Project Implementation	3.7	100 percent
4. Training and Seminars	3.1	100 percent
5. Unallocated	5.2	
Total	60.7	

3.64 The Government will finance taxes, including TCA (*Taxe sur le Chiffre d'Affaires*), and duties on all contracts. Counterpart funds will be deposited on a Primary Roads Account in a commercial bank prior to the signature of any works contract financed from the credit. This account will be audited as part of the project activities. All contracts will be established including taxes and withdrawal applications will identify TCA. The mid-term review (para. 3.81) will assess the overall Government contribution to the project and revise disbursement percentages accordingly.

3.65 To facilitate disbursements and to ensure that funds are available on time to finance the costs of services to be provided under the project, the Government will establish a Special Account in a commercial bank on terms and conditions acceptable to IDA. The Special Account will be managed by Caisse Autonome d'Amortissement (CAA), the Government debt management agency, while withdrawal applications will be prepared by the Transport Interministerial Coordination Unit. The authorized amount of the Special Account is CFA 250 million. Requests for replenishing the account will be submitted to IDA monthly or at such intervals as IDA shall specify.

3.66 Disbursements will be made against standard Bank documentation, except for contracts of less than US\$100,000 for civil works and less than US\$50,000 for consultants and goods, for which certified statements of expenditure would be used. These statements of expenditure will be subject to review by supervision missions and periodic financial audits. The minimum application size for payments directly from the credit account will be US\$50,000.

3.67 The credit is expected to be disbursed on a 6-year period. Based on an expected effectiveness in December 1996, the closing date would be December 31, 2002. This is two-year less than the standard disbursement profiles for the transportation sector in Cameroon (see following graph). A shorter period is justified by the execution of maintenance works, which are simpler than new road constructions executed under the previous IBRD highway projects. In addition, the process is underway to select consultants which will carry out the detailed engineering studies, assist MINTP in the bidding process to award the civil works contract, as well as supervise the works.



ACCOUNTING AND AUDITING

3.68 The Transport Interministerial Coordination Unit (TICU) will consolidate data on program costs and disbursements in order to ensure accurate cost analysis for annual planning. The following paragraphs describe the disbursement procedures for the IDA credit.

3.69 *Accounting.* TICU will maintain records and accounts adequate to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the IDA credit. Accounting procedures will be defined in a manual prepared by the unit, to be part of the Project Implementation Plan (para. 3.76) and to be agreed by IDA *before effectiveness*.

3.70 *Auditing.* The signature of a contract with the project auditors is *a condition of credit effectiveness*. During negotiations, the Borrower agreed to:

- (a) have the records and accounts referred to in the preceding paragraph including those for the Special Account year for each fiscal audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to IDA;
- (b) furnish to IDA as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as IDA shall have reasonably requested; and
- (c) furnish to IDA such other information concerning said records and accounts and the audit thereof as IDA shall from time to time reasonably request.

3.71 For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

- (a) maintain or cause to be maintained, in accordance with paragraph 3.69, records and accounts reflecting such expenditures;
- (b) retain, until at least one year after IDA has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (c) enable IDA's representatives to examine such records; and
- (d) ensure that such records and accounts are included in the annual audit referred to in paragraph 3.70 and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year,

together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

PROGRAM AND PROJECT IMPLEMENTATION

3.72 The transport sector reform program would be implemented on a long-term (more than 3 years) period, to reflect the limited capacity of implementation, the order of priority of the reforms and the various progress either in their preparation or in the decision-making process within the Government. The matrix of action in Schedule 1 details the implementation schedule of the transport sector reform program and identifies the entities responsible for this implementation. The matrix is summarized in table 11.

Table 11: Transport Sector Reform Implementation Plan

		Reform	Timetable *
Public Enterprises	CAMAIR	Creation of a new company with private management	Medium term
	REGIFERCAM	Commercial operation of railway services for freight through a concession agreement.	Medium term
	CAMSHIP	Sale of State participation to the public.	Short term
	CAMTAINER	Sale of State participation to the public or liquidation.	Short term
	SOTUC	Liquidation.	Short term
	ONPC	Contracting out of dredging.	Short term
		Restructuring.	Medium term
	MATGENIE	Restructuring into autonomous entities.	Short term
		Privatization of autonomous entities.	Medium term
		LABOGENIE	Restructuring.
	CNIC	Sale of public participation to the public.	Medium term
Institutions	Ministry of Public Works	Restructuring by shifting role toward budgeting, programming, planning, and supervising road maintenance works.	Short term
		Creation of a Road Maintenance Account.	Short term
	Ministry of Transport	Restructuring by shifting role toward planning and definition and implementation of the regulatory framework.	Short term
	Shippers' Council	Change of role and retrenchment from maritime cargo allocation.	Medium term
	Customs	Reinforcement of pre-shipment inspection and reconciliation with customs data.	Short term
		Restructuring	Long term
	Rehabilitation of the computerized management information system.	Medium term	
	Procurement	Creation of MINTP procurement committee with autonomy below agreed thresholds.	Short term
Regulatory Framework	Maritime transport	Strict application of the Liner Conference Code of Conduct to the Liner Conference traffic.	Short term
		Full liberalization	Medium term
	Road Transport	Revision of urban transport regulation.	Short term
	Air Transport	Revision of the Civil Aviation Law.	Medium term
	Transit Transport	Creation of the new international transit under customs bond	Long term

* Near term: less than one year; Medium term: between 1 and 3 years; Long term: more than 3 years.

3.73 MINEFI will be responsible for the preparation of the annual budget and public investment program in collaboration with sector ministries. MINEFI will also be responsible to achieve State divestiture of transport public enterprises, and for the restructuring of customs and computerization of the customs information system. MINT will be responsible for the definition and implementation of policies and regulations and for planning in the transport sector. In the road sector, this will require a close collaboration with MINTP, for example regarding the regulation of truck overload and the planning of road

works. MINT in collaboration with sector PEs will be responsible for the planning of investments carried out by public enterprises, when the State guarantee is required. Public enterprises will be responsible for the execution of these investments.

3.74 MINTP will be responsible for the public works component of the project and other related activities. In the sector, there is a general agreement among donors that DGTC should no more be involved as executing agency. With respect to the proposed IDA credit, the Government agreed *during negotiations* that MINTP would be solely responsible for the road rehabilitation and maintenance component. Thus DGTC shall have no investment execution responsibilities under the Project, nor any procurement responsibilities except those allowed under the Borrower's procurement code. The Government is considering a revision of the institutional framework for NGOs to take into account their increasing role in the country's economic development. Should the revision authorize NGOs to become executing agencies for projects, such arrangements would be implemented under the rural transport infrastructure component of the project.

3.75 The existing Transport Interministerial Coordination Unit which helped the Government prepare the reform program, will continue its coordinating role between externally-financed projects. TICU is well accepted by most donors. It will also be responsible for reporting progress in the execution of the reform program, and consolidating financial data on the execution of the investment program. In collaboration with MINEFI, MINT and MINTP, TICU will prepare annual stakeholders' meetings to assess progress in the execution of the reform program. CAA will manage the IDA credit.

3.76 A Program Implementation Plan will be prepared to help the project coordinator implement and monitor the project. The Plan will be distributed to all executing agencies. The plan would include all procedures agreed with donors, standard bidding documents for works, goods and consultants, the list of goods and services to be procured and the type of procurement, detailed program costs, the terms of reference of the studies and support services to be carried out, and standard forms for progress reports. The IDA section of the plan should be completed as *a condition of credit effectiveness*. The sections related to the other donors should be completed as part of the program.

3.77 The Program Implementation Plan will include an implementation schedule for the activities covered by the program. A draft schedule is provided in Schedule 10 for the implementation of activities supported by the IDA credit. It was prepared on the assumption that the credit would become effective in December 1996. The project would be completed over a five and a half-year period on June 30, 2002.

REPORTING AND MONITORING

3.78 Program implementation as well as success in achieving program objectives will be evaluated and monitored through a two-fold process:

- (a) Sector stakeholders, the Government and donors will participate in annual meetings organized to: (i) review adherence to the agreed sector development strategy and progress in implementation of policy measures; and (ii) update the transport component of the Public Investment Program and determine new financing requirements.
- (b) Systematic Client Consultation will be carried out to obtain feedback from beneficiaries on the improvement of road maintenance, at various stages of the rural transport infrastructure maintenance program (choice of itineraries, type of works, level of satisfaction), and during the preparation of additional policy measures in the transport sector.

3.79 *Reporting.* The content and timing of progress reports was agreed *during negotiations*. A draft standard form of progress report is available in project files. The final form would be included in the

Project Implementation Plan. With respect to the IDA credit, progress reports would be prepared quarterly and in advance of each IDA's supervision mission. The reports would review progress on financial execution and studies. The Borrower would submit an Implementation Completion Report to IDA no later than six months after the closing date of the credit.

3.80 **Supervision Plan.** IDA staff input into the supervision of the project would take the following form:

- (a) **Portfolio Management.** Procurement documents and project-related reports (progress, final, studies, financial statements) would be reviewed at IDA headquarters.
- (b) **Field Supervision.** Missions would: (i) review the progress in project implementation, execution of civil works and consultants' services; (ii) discuss outcome of the Systematic Client Consultation to monitor project's impact; and (iii) monitor key project performance indicators and compare these indicators to agreed targets (Schedule 11).
- (c) **Donor Coordination.** Every year, IDA will participate in a coordination meeting attended by sector stakeholders, Government representatives and donors. The objectives of these meetings would be: (i) to follow up on the implementation of the transport sector reform program, on compliance with the Letter of Sector Policy and targets established in the matrix of action; and to agree on necessary adjustments and additional steps; and (ii) review the execution of the sector budget and investment program and agree on an updated program financing plan.

A supervision plan for the 1997-2001 IDA fiscal years is proposed in Schedule 12.

3.81 **Mid-Term Review.** Not later than December 31, 1998, the project coordinator in the Transport Interministerial Coordination Unit should prepare and hold a mid-term review of the project execution. The review would be organized in collaboration with the Administration, public enterprises, IDA's supervision mission, and representatives of donor agencies involved in the transport sector. The review process would include progress in meeting project's objectives, overall project performance against established and agreed key performance indicators. The mid-term review would provide the opportunity for IDA to assess the Government's continued commitment to the project's objectives and the reform in the transport sector. *During negotiations*, the Borrower agreed to the carrying-out of a mid-term review and to its objectives.

ENVIRONMENTAL ASPECTS

Port Rehabilitation

3.82 Environmental protection of the Wouri river which gives access to the port of Douala, of the Douala port area and coastal waters will be improved by the implementation of an Action Plan for port environmental protection. Preparation of the plan and implementation of key recommendations are supported by the IDA credit. A summary environmental assessment was carried out under the Transport Sector Technical Assistance Project. In addition to the impact of dredging (see para. 3.83), environmental concerns are related to:

- (a) **Pollution of water due to urban wastes.** Urban wastes are disposed in the channel and are the major cause of pollution. This issue should be addressed as part of the rehabilitation of the sewage system.
- (b) **Oil pollution generated by ships, refineries, and oil plants.** This issue requires a revision of the regulation as well as an improvement of the capacity of the institutions (Ministry of

Environment, Department of Merchant Shipping (DMS) in MINT) to monitor the pollution and enforce the regulation.

- (c) Fire hazards due to hazardous materials. The port authority is preparing an emergency plan.

3.83 An environmental assessment of dredging activities did not qualify environmental impacts as adverse. The following impacts will be monitored as part of the project activities:

- (a) Salinity intrusion. Although salinity intrusion might result from the rehabilitation of the access channel, which would increase its depth from -5.8m to -7.5m, this has not been a problem in the past, when the channel depth was at -7.5m.
- (b) Aquatic fauna. Dredging is not expected to create major disturbance in the existing maritime habitats. The aquatic fauna is already distributed over the estuary according to the salinity rate and should adapt to the evolution of the rate. Dredging may improve the quality of the habitats by replacing silt by sand.
- (c) Disposal of dredged materials. No contamination of the silt in the channel has, thus far, been noted. Should the on-going analysis carried out under the TSTA project validate the analysis carried out in 1990, dredged materials can continue to be safely dumped in the deep sea in the outer channel. Refuse and waste generated by Douala and its industries, which are disposed in the channel and may pollute dredging materials, should be treated as part of the rehabilitation of the sewage system.

3.84 The IDA credit would provide assistance to the Department of Merchant Shipping (DMS) in MINT: (a) to revise the institutional framework and the share of responsibilities between DMS and the port authority; (b) to strengthen DMS's capacity to prepare regulation related to environment and monitor its implementation. This would include preparation of the signature of the MARPOL convention by the Cameroonian Government and implementation of the convention.

Road Rehabilitation

3.85 A mitigation plan to address environmental issues in road maintenance is being carried out under the Transport Sector Technical Assistance Project. The plan will include guidelines for the integration of environmental considerations in the design, implementation and monitoring of road rehabilitation projects. A seminar will be organized to disseminate the mitigation plan and the guidelines.

PROGRAM BENEFITS

Poverty Alleviation

3.86 The program will address the issue of inadequate infrastructure, which is one of the key concern to urban and rural communities identified in the participatory poverty analysis (PPA) carried out in early 1994. The adverse impact of poor transport infrastructure on the poor have been identified in paras. 2.3 to 2.5 above. Appropriate infrastructure maintenance is the third element of the food security strategy which is aimed at the rural poor and where the key objective is to enhance production and to link more efficiently produces to markets. The impact of the transport sector investment program on the poor will be monitored during project execution through several indicators (number of villagers in the area of influence of the rural roads rehabilitated, number of markets, health centers, and schools to which the access is improved).

3.87 Labor-intensive methods have many benefits: (a) they provide a cost-effective alternative to equipment-based methods for appropriate rehabilitation and maintenance tasks, especially since the CFA devaluation; (b) they generate employment for both men and women; (c) they save in foreign exchange and

inject cash in the local economy; (d) they facilitate the use of local materials; (e) they transfer the knowledge of road maintenance execution methods to local communities; and (f) they have environmental advantages.

3.88 The road component of the project should mitigate the short-term impact of the restructuring of public enterprises and ministries on employment. The increased amount of financing for road maintenance will create employment opportunities. The promotion of the local construction industry should also have a favorable impact on the labor market, which has been stagnant since 1987. Development of labor-based methods will provide employment opportunities for unskilled workers. Emerging SMEs will provide new opportunities for educated people, for which unemployment has increased from 1.5 percent in 1983 to 30 percent in 1993. The number of person-days generated by the road works included in the program is estimated at 15.5 million, equivalent to about 10,000 jobs during three years. This is about 2,000 jobs more than those which are expected to be lost in the transport sector after restructuring the public enterprises and the ministries. About 3.5 million person-days would be generated by the IDA contribution to the program equivalent to 2,000 jobs during three years. The number of person-days generated by the transport sector investment program will be monitored during program execution.

Program Contribution to Improved Efficiency and Sustainable and Coherent Development of the Transport Sector.

3.89 *Road Maintenance.* Without the program, road infrastructure would continue to deteriorate and its worsening condition would aggravate the adverse impact on the poor. Producers' profits would decrease because of the increase in transport costs combined with the stagnation of produce prices on the local market due to the economic crisis. The competitiveness of export products would decrease or local producers would lose their incentive to produce. In the absence of donors' contribution to the road maintenance program, development of local small and medium enterprises would lack sustainability and the risk would increase of shifting back to execution of road maintenance by inefficient and unaccountable force account. Resources would be largely insufficient and would be inefficiently used by giving priority to costly rehabilitation on a small number of roads or by being scattered all over the network for political reasons making it impossible in both cases to maintain the road network in a sustainable manner. In addition, all rural road programs would be canceled, such programs being almost entirely financed by donors. The on-going programming study will provide a comparison between various maintenance strategies depending on traffic, road condition, and other parameters. The results will have to be continuously adjusted thereafter to take into account the budget constraint.

3.90 The fiscal impact of the road maintenance program has not been quantified. Although revenues from fuel taxes collected from the existing traffic are expected to decrease because of the reduction of vehicle operating costs due to the improvement of road condition, additional revenues will be generated by the induced traffic as well as by the economic activities induced by the improvement of road condition. In addition, it is desirable to reduce the current high level of taxation on road transport which hampers the overall competitiveness of the economy. This is consistent with the fiscal reform prepared under the SAC which aims at simplifying and streamlining the rate structure, broadening the tax base and reducing distortions. The simplification of the road taxation system (para. 3.11) aims at these objectives as well as at improving tax recovery.

3.91 *Privatization and Liquidation of Priority Public Enterprises.* After privatization, CAMAIR, REGIFERCAM, CAMSHIP and CAMTAINER are expected to generate profits due to a more autonomous and commercially-oriented management, cost-cutting, and financial restructuring resulting in greater competitiveness. Subsidies should be stopped resulting in savings for the Treasury. In addition, after privatization, the enterprises will generate fiscal revenues which they have not done for several years. Accumulated savings for the Treasury three years after privatization/liquidation compared to the without privatization/liquidation scenario, would amount to US\$60 million, and would be equivalent to the additional cost borne by the State for the restructuring (table 12, details are in Schedule 2).

Table 12: Impact on Treasury of Privatization or Liquidation of Priority Public Enterprises

	CFAF (millions)	US\$ (million)	%
1994-1995			
Impact on Treasury of Restructuring (a)	94,4	171.5	
Impact on Treasury without restructuring (b)	62,5	113.6	
Net "Investment" in restructuring (c) = (a) - (b)	31,9	57.9	
1996-1998			
Impact on Treasury of Restructuring (d)	27,3	49.6	
Impact on Treasury without restructuring (e)	60,4	109.7	
Net payback on investment during 96-98 (f) = (e) - (d)	33,1	60.1	
1994-1998			
Net payback as % of investment (g) = (f) : (c)			103.7
Impact on Treasury without restructuring during 94-98	122.9	223.3	

US\$1=CFAF550 at time of calculation

3.92 *Port Restructuring and Rehabilitation.* This component of the program aims at improving the overall competitiveness of the economy. Port tariffs should decrease as a result of the streamlining of the port authority. Contracting out of dredging would result in better efficiency and increased depth of the channel would save waiting-time for the ships entering the channel or leaving the port (see economic justification below). The costs of maintenance dredging would be fully recovered from shipping lines through a specific port duty.

3.93 *Regulatory Framework.* Progressive liberalization of maritime transport, simplification of the road taxation system, revision of the transport component of the price structure for petroleum products, as well as other measures mentioned above would result in a reduction of transport costs and greater competitiveness of the country's economy. As an example, in Côte d'Ivoire, liberalization of maritime transport cut prices of maritime transport for bananas by half.

3.94 *Transit.* The rehabilitation of the computerized customs declaration system in Douala would improve customs revenues by reducing fraud. The new procedures to be implemented to accompany the rehabilitation would make the system more efficient, and save time in the transit of goods through the port. Implementation of the transport component of the UDEAC Program of Regional Reforms, including the TIPAC system, would make transit procedures more efficient, and reduce the cost of non-factor services on transit goods.

Economic Evaluation

3.95 *Rehabilitation of Primary Roads.* The main benefit of the component would be a more efficient and cost effective transport system. The maintenance works carried out under the project will reduce vehicle operating costs and their timely execution will postpone a costly reconstruction. Because there are no regulatory obstacles in the transport market, road users are expected to pass to shippers and consumers most of savings they will derive from the improved network.

3.96 In the scenario "with project", the road maintenance strategy is based on several criteria: (a) level of service of the road; (b) traffic volume; (c) geotechnical aspects (relief, type of soil); and (d) climatological conditions. To take into account the scarce resources available for road maintenance, standards and norms of maintenance have been adjusted downwards in departure from the high standards previously applied in Cameroon. Elements on the strategy, norms and standards, unit prices and cost-benefits flows are provided in Schedule 13. The rate of return obtained by applying the strategy to the priority network is well above 40% (Table 13). Such high rates of return are justified because they are calculated for an overall road maintenance program, including routine maintenance, periodic maintenance and rehabilitation on roads in good, fair, poor and very poor condition. Results are based on costs before the January 1994 devaluation. The strategy and its economic evaluation are being updated after devaluation as part of the on-going road maintenance programming study carried out under the Transport Sector Technical Assistance Project.

Table 13: Economic Justification of the Overall Road Maintenance Program

	Economic Rate of Return
Paved Roads	447%
Earth Roads	107%
All Roads	262%

3.97 A first-year program of road works was appraised. Roads were chosen within the priority network on the basis of their national importance and their poor condition. The earth-road program is consistent and complementary with a program which began in 1993 with EU financing. The rate of return is 74 percent for the overall program, 100 percent for earth roads and 52 percent for paved roads. Details on the calculation are provided in Schedule 14. Results from sensitivity analysis are shown in the following table.

Table 14: Economic Justification of the Road Rehabilitation Program

	Paved Roads	Earth Roads	Overall Program
Basic Scenario	52%	100%	74%
Maintenance costs increased by 20%	44%	71%	54%
Vehicle operating costs reduced by 20%	42%	67%	52%
Maintenance costs increased by 20% and Vehicle operating costs reduced by 20%	34%	52%	41%
Maintenance costs increased by 30% and Vehicle operating costs reduced by 30%	27%	36%	30%
Maintenance costs increased by 40% and Vehicle operating costs reduced by 40%	20%	22%	20%

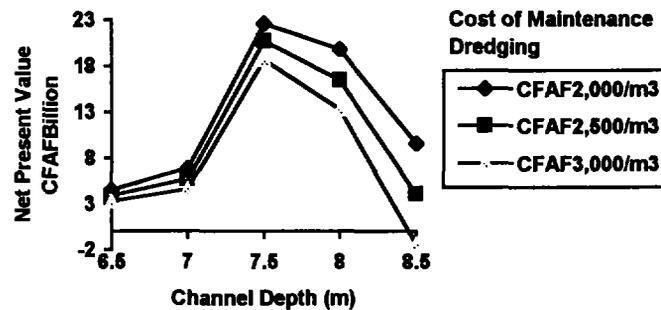
3.98 *Rehabilitation of Rural Roads.* Roads included in the project will be determined after consultation with the beneficiaries, but will have to be selected within the 10,952 km priority network agreed by the Government on the basis of the economic justification of the maintenance works. Benefits calculated in the economic analysis were derived from savings in transport costs, increase in agricultural production, and reduction of product losses during transport. The average rate of return of the maintenance works on roads within the priority network is 36 percent (see schedule 15). The economic analysis was carried out in 1987 and updated in 1990 in order to prepare an action plan for the development of rural roads. It has not been updated since then because of the difficulty and the high cost to obtain reliable information on the condition of the entire 28,000 km-long rural roads network, on the population living along the rural roads, and on the agricultural production. Consultation with beneficiaries should prevent major discrepancies between the rural roads included in the program and the most economically important roads.

3.99 *Rehabilitation of the Channel.* The benefits of the project are derived from savings in maritime transport costs resulting from an increased number of turnarounds per ship, reduced waiting time for high tide to enter the channel, reduced waiting time at berths and reduced costs of ship calls. Schedule 16 provides the assumptions and the outcome of the economic analysis. Five scenarios (channel depth at -6.5m, -7.0m, -7.5m, -8.0m, -8.5m) were compared to the existing situation (channel depth at -6.0m). Three assumptions were made for the cost of maintenance dredging after rehabilitation (CFAF2,000/m³, CFAF2,500/m³, CFAF3,000/m³). Three traffic scenarios were considered:

Table 15: 1995-2010 Average Annual Port Traffic Growth

	Scenario Mini	Medium Scenario	Scenario Maxi
Import Traffic	0.1%	1.2%	1.8%
Export Traffic	1.0%	1.7%	3.1%
Total Traffic	0.6%	1.4%	2.5%

3.100 The net present value discounted at 12 percent is positive in all scenarios considered and all sensitivity studies except one, which indicates that the project is largely justified. The net present value is maximum at a -7.5m depth. The following chart presents the net present value of the benefits generated by the dredging in the minimum-traffic scenario. The net present value at -7.5m remains positive when benefits are reduced by 50 percent assuming that all benefits gained by foreign shipping lines are not transferred to the Cameroonian economy.



3.101 The rehabilitation of the channel was compared to the construction of dikes which would accelerate water flows, increase auto-dredging and decrease maintenance dredging requirements. The net present value is higher for the rehabilitation than for the calibration when the cost of maintenance is CFAF2,000 per cubic meter. It is slightly lower when the cost of maintenance is CFAF2,500 or 3,000 per cubic meter. The preference given to the rehabilitation is justified by this uncertainty on the cost of dredging and by the large difference between the investment costs of the two alternatives estimated at US\$76 million for the calibration and US\$13 million for the rehabilitation at a depth of -7.5 meters which does not result in a significant difference between the benefits estimated for both alternatives.

3.102 Other Investments.

- (a) **Air Transport:** The rehabilitation of the Douala airport was included in a CFD credit provided to Cameroon to accompany the privatization of management of five major airports in 1994. The detailed engineering study needs to be carried out to estimate the cost of the operation. The capacity of the airport management company to service the debt following this investment will be assessed when the cost is estimated.
- (b) **Rail Transport:** The feasibility studies for the modernization of telecommunications and the rehabilitation of the track are to be launched as part of the Transport Sector Technical Assistance Credit. Modernization of the telecommunications and rehabilitation of Yaoundé-Kaa are included in two on-going projects financed by BMZ.
- (c) **Port:** The feasibility study for the modernization of the container terminal was carried out in 1990. The rate of return of 10 percent was expected to be attained with a container traffic above 100,000 TEUs (ton equivalent units). The container traffic has continuously decreased since 1991 and was of 67,285 containers in 1994. The project has been subject to several revisions and its technical content is not definitive yet. It is financed by a 1987 OECF loan. The rehabilitation of berths, aprons and carriageways and the extension of the timber storage area have no financing and have not been subject to feasibility studies yet. The studies should be carried out before the financing of the investments is confirmed. Investments in equipment have not been subject to an economic analysis but to a financial analysis (see below).
- (d) **Customs:** The experience in other countries hints at a significant increase in Government revenues, as well as at a reduction of transport costs due to reduced delays resulting from improved procedures. A more detailed assessment of financing requirements than the estimate provided in this report should be carried out and subject to economic analysis. The restructuring of customs and the modernization of the computerized management information system have no financing yet.

ONPC's Financial Perspectives

3.103 A financial evaluation of the port authority (ONPC) was carried out to assess its capacity to absorb financially its investment plan (Schedule 5) and to service the debt. The investment plan includes on-going projects (purchase of a new dredger and a tug-boat, rehabilitation of the carriageways, implementation of a computerized management information system, modernization of the container terminal) as well as new projects (channel rehabilitation; berth rehabilitation; purchase of a service boat; equipment, building and warehouse rehabilitation; and extension of the timber storage area). The financial analysis was carried out assuming three traffic scenarios as in the economic analysis, five self-financing percentages of new investment, two interest rates corresponding to concessional and commercial borrowing. A sensitivity study assumed a 20-percent increase in the investment cost. Detailed results are available in the Project File. Schedule 17 provides during the 1995/1996-2010/2011 period the annual income statement for the base case, assuming a minimum traffic growth of 0.6 percent annually, a 40 percent self-financing, concessional borrowing and the current tariff structure, and cash-flow statements for scenarios assuming two traffic growths, two self-financing percentages, two interest rates and an increase in investment costs by 20 percent.

3.104 Under the base case, the port would generate sufficient cash-flow to contribute by 40 percent to the financing of the investment program. Commercial borrowing would result in a negative net income starting in 1999 and a negative net cash flow starting in 2006. The outcomes of the financial evaluation in the base case scenario as well as in the sensitivity analysis, however, evidence the inefficiencies of the current cost and tariff structure as indicated in para. 2.21. To improve this situation and preserve the financial viability and competitiveness of the port, the port needs to implement the action plan described in para. 3.32 starting by completing the implementation underway of the cost accounting and management information system.

PROGRAM RISKS

3.105 Lack of Government commitment is a risk common to the overall transport sector reform program, and the Government may be inclined to delay implementation of the adjustment measures because of the risk of social unrest. This risk is mitigated by the adoption of the reform program by the Government and its internalization during the long preparation process. The absence of such program was among the causes for the failure of the institutional component in the previous transport projects (para. 4.3). Government is also aware that delays in the implementation of adjustment measures would have negative consequences on the recovery of the economy. These consequences would be worsened by donors becoming reluctant to provide financial support to the Government. Progress in the implementation of the transport reform program will be closely monitored. Beneficiaries will be consulted during the program implementation to generate a constituency for reform. Annual meetings will be organized with participation of sector stakeholders, the Government and donors to assess reform implementation and define action plans in order to meet reform targets.

3.106 Lack of local resources due to the current financial constraints is also a risk for the program, should counterpart funds to externally-financed projects be insufficient. In the specific case of IDA's contribution to the transport reform program, the risk of insufficient counterpart funds will be mitigated by:

- (a) Making a satisfactory macro-economic framework a condition for presentation of the IDA credit to the Board: The Credit is presented to the Board after an agreement was reached between the Government, the IMF and IDA and after a new Structural Adjustment Credit was approved by the Board of the Association on February 8, 1996.
- (b) Improving the resource allocation process: The Government will be requested to deposit the counterpart funds for any works contract financed from the credit on a project account in a commercial bank prior to the signature of the contract (para 3.64). This is expected to reduce the unit prices of the civil works contracts and increase the quantities of works

which can be carried out with given resources compared to the quantities of works estimated based on current unit prices, therefore is expected to be an incentive for the Government to provide the counterpart funds.

3.107 The risk of insufficient resources to finance recurrent costs is a second risk related to the current financial constraints. This risk will be progressively mitigated in the road maintenance sector by establishing reasonable and sustainable targets in view of the financial constraints, by progressively raising these targets, and by linking external donor's financing of road civil works to the Government meeting these targets (para. 3.25). Timely allocation of funds and execution of maintenance contracts in accordance with the targets would be a condition for IDA financing subsequent slices of road maintenance works. Improved planning, a more transparent use of funds resulting from the creation of the Road Maintenance Account, and a satisfactory macro-economic framework will also alleviate the risk of insufficient resources to finance recurrent costs. The second risk will be mitigated in the port sector by increasing involvement, in the management of the port authority, of port users, which have an incentive to maintain the channel, and by creating a transparent mechanism to collect revenues and to pay dredging maintenance executed by contract.

3.108 Other risks identified are related to:

- (a) **Economic Justification of Investments Included in the Project:** To mitigate the risk of executing investment with a negative net present value, the economic analysis for each investment will be updated on the basis of cost estimates resulting from the procurement of contracts. Consistency will be verified between road rehabilitation works proposed in the program and the outcome of the on-going planning and programming study. Rehabilitation standards will be reduced if necessary to provide a positive net present value. Annual traffic counts are included in the TSTA project to provide recent traffic data to update the economic analysis, the programming of works, as well as assess the project justification after completion. These arrangements will be included in the program implementation plan.
- (b) **Rural Transport Infrastructure:** The risk is that improvement of rural transport infrastructure will not benefit women although women are responsible for most transport activities in the household. Load carrying is considered women's work. Entrenched cultural and attitudinal barriers need to be overcome to prevent this attitude to prevail. The risk will be mitigated by carefully paying attention to include women into the planning and consultation process for the establishment of the rural transport infrastructure program. A sociologist will be included in IDA's supervision team to ensure that representative groups will be consulted and key target groups will benefit from the training and sensitization program related to the participation of communities in rural transport infrastructure management.
- (c) **Privatization of PEs:** (i) CAMAIR: Some actors in the Government are still reluctant to accept the proposed restructuring of air services in Cameroon, and have still to be convinced that new market-based air services will be viable. The proposal to engage an interim management team to manage airline operations commercially with full autonomy while a new market-based air service is being set up, constitutes an interim and realistic solution to avoid a protracted debate with the Government on up-front full liquidation of CAMAIR. It would satisfy the immediate political objective of maintaining the flag carrier as a national symbol. (ii) REGIFERCAM: The risk is that potential private investors might be uninterested in operating the railway. Should privatization appear impossible, the situation would have to be reassessed in order to agree on the parameters under which the company could continue to operate with a minimum of subsidies. (iii)

CAMSHIP, CAMTAINER: Several potential investors have expressed interest in investing in CAMSHIP. Should the privatization be unsuccessful, however, the company should be given full autonomy as indicated in the Cameroonian Law on Public Enterprises enacted in 1995 and would have to compete and survive or disappear on a market which is going to be liberalized as part of the transport sector reform program. Should the privatization of CAMTAINER fail, the company should be liquidated due to the presence of private competitors on the market.

- (d) **Restructuring of PEs (ONPC, MATGENIE, LABOGENIE):** The risk is that the restructuring be not implemented or that it fail. Implementation of restructuring depends on the Government commitment (see para. 3.105 above). In the case of ONPC, the second risk is mitigated by the involvement of private operators in ONPC's Board of Directors. In the case of LABOGENIE, the impact of failure would be mitigated by the opening of the market for road laboratory works to private competitors. In the case of MATGENIE, the risk of failure is mitigated by distributing it among several entities to be progressively privatized.
- (e) **Financing of severance payment:** Lack of financing is a risk of delay in the execution of the restructuring and privatization program mentioned above. Mitigation of this risk is among the measures to mitigate the risk of failure of the overall adjustment program.
- (f) **Transit:** The risk is that the transport component of the UDEAC Regional Policy Reform Program be stalled for several reasons: (i) difficulties for the UDEAC countries to coordinate a reform program that has to be implemented in several countries; (ii) obstruction because of the inefficiency or vested interests in customs; and (iii) difficulty to find the expertise required to support implementation of the TIPAC. These risk can hardly be mitigated by specific countermeasures. Competition between countries, especially the reopening of the Congolese itinerary which can be used for the transit of Central African Republic goods should be an incentive for Cameroon to improve its transit procedures. This incentive, however, remains weak as shown by the competition between Cameroon and Nigeria for the transit of Chadian goods which has had no effect on procedures in Cameroon. The macro-economic incentive is likely to be the stronger for Cameroon, due to the necessity to restructure and make customs more efficient, which would benefit to the land-locked countries.
- (g) **Environmental Impacts:** Although, as mentioned above, no major adverse environmental impact is expected, a monitoring procedure will be put in place in order to take preventive mitigation measures when necessary.

4. IDA ASSISTANCE STRATEGY TO THE TRANSPORT SECTOR

A. LESSONS LEARNED FROM PAST EXPERIENCE

4.1 *Structural Adjustment.* Experience in PE restructuring under the Structural Adjustment Program (SAP) underlines the importance of State divestiture from PEs in commercial sectors, and implementing a satisfactory institutional framework to ensure such divestiture. Performance contracts used to restructure PEs under the SAP failed because of a lack of commitment from both Government and PEs. Privatization and liquidation operations launched at the same time also failed for the same reason, and because of an unsatisfactory institutional framework.

4.2 *Projects in the Transport Sector.* Since 1970, the Bank Group has contributed to transport sector development in Cameroon, with 13 projects totaling US\$500 million equivalent. Projects were mostly in the highway (75 percent of the amount lent), railway, and port subsectors. Ten projects were audited after completion. Five transport sector memoranda provided the sector analysis to prepare the projects.

4.3 Although the audit reports observed that the Bank's objectives for the sector had been "consistent, sound and transparent, improving efficiency and strengthening self-financing operations", it concluded that while, generally, all physically measurable targets were successfully met, no comparable success was registered in the areas of financial performance, maintenance activities, and institution building. The audits attributed the poor institutional and financial performance of the transport sector to the Government's lack of commitment to genuine change and, more importantly, to the lack of a coherent sector program. The audits underlined that the Bank had advocated a comprehensive program, and that its absence had meant that individual subsector operations were neither integrated nor additive. The 1989 audit of the Feeder Roads, Highway IV, and Railway projects concluded that an overall sectoral approach was overdue, and recommended preparation of an action program pursuing a coherent approach of sector investment planning and PE reform, and the adoption of this program by Government and donors as a basis for integrated sector financing.

4.4 These lessons have led to IDA contributing to the preparation of a Transport Sector Reform Program, described above, which places transport sector development and investment in a policy-based, sectorwide framework supported by Government and donors. The preparation of this program was a critical contribution to Cameroon's efforts to restore the performance of its economy and competitiveness. The Government and IDA carried out a joint economic and sector work to analyze issues in the transport sector in order to devise action plans and priorities to restore sector efficiency (Transport Sector Memorandum, dated June 30, 1993, Report No. 11430-CM). The process for sector analysis, and the preparation of the Transport Sector Reform Program, aimed at internalizing the rationale for reform and recommendations by broadly involving Government institutions and staff, private operators and donors. To marshal the necessary understanding and political commitment needed to implement the proposed reforms, a Transport Interministerial Group was created to represent all Government organizations involved in the transport sector. Several seminars were organized to discuss with the private sector the reform in the road maintenance, port, transit and maritime subsectors. The Government also called several donor meetings to discuss sector issues and action plans. The Government intends to organize a donor meeting to present its declaration of policy for the transport sector, the matrix of actions to implement this policy and the investment plan to support this implementation. MINEFI is coordinating the preparation of this donor meeting with meetings in other sectors, which could be consolidated in a single Consultative Group meeting.

4.5 The most recent Implementation Completion Report (Six Highway Project, Ln. 2584-CM) indicated the following additional lessons:

- (a) **Road Maintenance Organization:** When the sector lacks strong leadership and commitment to efficiency and accountability, the role of the institution in charge of road maintenance needs to be concentrated on planning, programming, budgeting and supervising road maintenance works. Work execution should be contracted-out to achieve better efficiency and adequacy between the program of works and available resources. Financing of inputs as done under the Sixth Highway Project should definitely be discarded.
- (b) **Project Design and Implementation:** To continue in a direction which has become inappropriate is likely to result in poor implementation and performance and lack of achievement of the project objectives. In such a case, the project ought to be adjusted or restructured where necessary.
- (c) **Technical Assistance, Capacity Building and Human Resource Development:** Technical assistance should be provided in an environment which is committed to building on the expertise thus provided. This requires a strong leadership capable of developing and implementing a human resource development strategy. Capacity building has to be considered on a long-term basis. Training is most useful when immediately applicable in the day-to-day work environment.

B. RATIONALE FOR IDA INVOLVEMENT

4.6 The proposed program is consistent with the **Country Assistance Strategy (CAS)**. The CAS was discussed by the Board in conjunction with the SAC on February 8, 1996. It is designed to draw Cameroon out of its current fiscal impasse and to progressively bring the economy onto a path of higher and continuous growth. The Government and IDA agreed that long-term development can only be achieved by substantially improving fiscal performance in order to generate additional resources to finance priority development expenditures and to cover debt service obligations. IDA assistance will thus concentrate on: (a) stabilizing public finance and improving public sector efficiency; (b) creating an environment conducive to private sector development; and (c) targeting poverty alleviation. The strategy was based on a Public Expenditure Review conducted in April 1995, a Poverty Assessment carried out in April 1995, a Private Sector Assessment to be completed in FY96 and a National Education Forum held in May 1995.

4.7 IDA's participation in the program will help achieve the CAS's objectives by: (a) contributing to macroeconomic stabilization through divestiture of transport public enterprises aimed at reducing the drain on the budget caused by subsidies and at increasing fiscal revenues generated by the profit-making public enterprises after privatization; (b) promoting a favorable environment for private sector development by revising the institutional framework in the public works' subsector, and shifting road maintenance execution from force account to contract; and (c) alleviating poverty by developing labor-intensive methods in road maintenance works and promoting participation of beneficiaries in sector management.

4.8 Four main reasons justify IDA involvement in the transport sector:

- (a) Because of the importance of the transport sector in the economy, the transport reform program is at the core of adjustment. Therefore, IDA involvement in the transport sector will strengthen the macroeconomic adjustment supported by the adjustment credit which was recently approved.
- (b) IDA has built a wealth of experience in all aspects of transport management and services delivery outside as well as in Cameroon. The Government will benefit from this experience through IDA involvement in the sector.
- (c) IDA presence in the sector has been and will continue to be catalytic among the donor community. Although most donors support the sector-wide approach taken by the

Government to prepare the transport reform program, this support remains fragile. The chance of success of the reform program will increase if encouraged by donors coordinated and committed by culture to the sector-wide approach involving donor coordination. IDA's withdrawing from the sector would send to other donors active in the sector an unjustified negative message on the capacity and commitment of the Government to carry out its reform program.

- (d) The dialogue with the Cameroonian Government would be jeopardized would IDA withdraw from the transport sector after several years of discussion on the transport sector reform program and when the Government is committed to the transport sector reform and expresses financing needs in support of the reform, that cannot be entirely fulfilled by other donors. IDA's withdrawing would weaken those in the country who support the reform and reduce the chance of success of the reform.

4.9 Although some Government decisions on the transport sector reform program are still pending, and the ways some decisions taken by the Government are going to be implemented are still to be established, the proposed project is justified by an overall satisfactory status of the reform process. Most important decisions were taken by the Government, such as on the State divestiture of operations executed by public enterprises. Liquidation of SOTUC shows the Government commitment to the implementation of its decisions. Several other reforms will be implemented in the short term, such as contracting out the dredging of the Douala port access channel and sale of public participation in CAMSHIP and CAMTAINER. Other reforms to be implemented in the longer term are well underway, such as the privatization of air and rail services. Postponement of the project until additional reforms are implemented would unnecessarily increase the burden on the economy caused by the poor condition of infrastructure and put the implementation of the program at risk by not providing the much needed financial relief to accompany the short-term adverse impact of the reform.

C. IDA'S ASSISTANCE STRATEGY TO THE TRANSPORT SECTOR.

4.10 IDA would assist the Government in implementing the transport sector reform program through several instruments:

- (a) Transport Sector Technical Assistance Credit (Cr. 2703-CM, April 11, 1995): The credit provided support in policy preparation, institutional development and helped to prepare the sector investment plan. It finances the financial advisers who assist the Government in the privatization or liquidation of CAMAIR, REGIFERCAM, CAMSHIP, CAMTAINER and SOTUC. It will continue to accompany the implementation of the transport sector reform program through various training activities, seminars, and provide additional technical assistance to continue to prepare reforms that are going to be implemented on a long-term period. The project status is summarized in Schedule 6.
- (b) Transport Sector Project: The project will support the road maintenance component of the sectoral investment plan and, in conjunction with the Transport Sector Technical Assistance Credit, reform implementation in the road maintenance subsector.
- (c) Enterprise Divestiture and Competition Credit (FY97): The proposed credit would support State divestiture of public enterprises including the civil aviation company and the railway company.
- (d) Social Development Credit (FY98): The proposed credit would support poverty alleviation through measures to stimulate growth and through a program of targeted interventions which would include urban labor intensive civil works.

5. AGREEMENTS REACHED, CONDITIONS AND RECOMMENDATION

5.1 The following events took place *before negotiations*:

- (a) The MINTP's and MINT's FY96 Budget and PIP were adopted in consultation with IDA (para. 3.35).
- (b) The financial advisers to assist the Government in the privatization of air services, rail services, CAMSHIP and CAMTAINER were appointed (para. 3.4, 3.8, 3.13).
- (c) Services of the urban bus company were stopped and the liquidator was appointed (para. 3.10).
- (d) The Road Maintenance Account was created (para. 3.24).
- (e) A program to transfer progressively road maintenance from force account to contractors was transmitted to IDA (para. 3.25).
- (f) An action plan for MATGENIE's restructuring was transmitted to IDA (para. 3.29).
- (g) An action plan for LABOGENIE's restructuring was transmitted to IDA (para. 3.31).
- (h) The Government indicated its no-objection to contracting out the dredging of the access channel to the port of Douala (para. 3.32).
- (i) An action plan to improve financial and operational management of ONPC was transmitted to IDA (para. 3.32).
- (j) ONPC's investment plan for FY96-00 was transmitted to IDA (para. 3.32).

5.2 The following agreements were reached *during negotiations*:

- (a) Letter of Sector Policy and Matrix of Action (para. 3.3).
- (b) Road works to be included in the project to have an ERR of not less than 12 percent for paved and earth roads and 10 percent for rural transport infrastructure (para. 3.108).
- (c) MINTP's and MINT's budget and PIP to be adopted in consultation with IDA (para. 3.35).
- (d) Counterpart funds for any works contract financed from the credit to be deposited on a Primary Roads Account in a commercial bank prior to the signature of the contract (para. 3.64).
- (e) Funds deposited on the Road Maintenance Account are sufficient for and applied to financing maintenance of the roads included in the priority network which have been built, rehabilitated or maintained with external financing since January 1, 1990 (para. 3.25);
- (f) Annual audits of the Road Maintenance Account and the Primary Roads Account be transmitted to IDA (paras. 3.24 and 3.64).

- (g) Procurement, disbursement, accounting and auditing, and reporting procedures, implementation arrangements, performance targets (paras. 3.50 to 3.61, 3.64 to 3.71, 3.73 to 3.76, 3.79 to 3.80).
- (h) A mid-term review to be carried out not later than December 31, 1998, and a meeting to be organized every year with participation of sector stakeholders, Government and donors representatives to review progress achieved in carrying out the transport sector reform and investment program and to set up measures to ensure the efficient carrying out of such program and the achievement of its objectives (paras. 3.80 and 3.81).

5.3 *Conditions of Board Presentation.*

- (a) Signature by the Government of the Letter of Sector Policy and the Matrix of Action (para. 3.3).
- (b) Draft revised institutional and regulatory framework for urban transport transmitted to IDA (para. 3.10).
- (c) Funding program of the Road Maintenance Account established (para. 3.25).
- (d) Decree issued for the creation of MINTP's Tender Board (para. 3.33).
- (e) Performance targets agreed to improve financial and operational management of ONPC (para. 3.32).

5.4 *Conditions of Credit Effectiveness.*

- (a) New revised institutional and regulatory framework for urban transport enacted (para. 3.10).
- (b) Primary Roads Account and Road Maintenance Account opened and the initial deposit has been paid therein. (para. 3.24 and 3.25).
- (c) Five regional directors of MATGENIE appointed. (para. 3.29).
- (d) LABOGENIE's operating expenditures reduced by 30 percent in relation to LABOGENIE's FY94 accounts (para. 3.31).
- (e) Reorganization plan for MINTP submitted and satisfactory to IDA. (para. 3.33).
- (f) Completion of the Project Implementation Plan (para. 3.76)
- (g) Selection of the project's auditor (para. 3.70).

5.5 *Supplemental Letter.* A supplemental letter will be attached to the Credit Agreement to insure that: (a) standard procurement times between critical steps are complied with (para. 3.61); and (b) DGTC shall have no investment execution responsibilities under the Project, nor any procurement responsibilities except those allowed under the Borrower's procurement code (para. 3.74).

5.6 *Condition of Disbursement on the Paved Road Component.* Collection of statistics on truck loads has started at least at two weighing stations on the Douala-Yaounde road (para. 3.12).

5.7 Recommendation. With the above agreements and conditions, the proposed project is suitable for an IDA credit to the Government of Cameroon of SDR 41.7 million (US\$60.7 million equivalent), on standard IDA terms.

Schedule 1: Letter of Sector Policy and Matrix of Actions

I/ INTRODUCTION

a) Cadre macro-économique

Dans le cadre du Programme de Relance Economique, le Gouvernement camerounais a adopté un nouveau programme de réformes au niveau des politiques, des institutions et des allocations des ressources, pour restaurer la compétitivité de l'économie et, ainsi (i) inverser son déclin et celui de la paupérisation de ses populations de ces huit dernières années, (ii) rétablir les équilibres macro-économiques, intra-sectoriels et financiers et (iii) sortir de la crise économique que connaît le pays.

Ce programme de réformes comporte quatre volets essentiels, à savoir: (i) le réaligement de la parité du franc CFA aux fins de ramener le taux de change effectif réel à un niveau compatible avec le rétablissement des équilibres macro-économiques et une croissance économique durable; (ii) l'adoption d'une politique de gestion de la demande intérieure qui permette de juguler l'inflation, une fois effectués les ajustements des prix résultant de la dévaluation; (iii) la réduction de l'intervention de l'Etat dans l'économie et (iv) la poursuite du processus de libéralisation du commerce extérieur et l'élimination de toutes les contraintes pesant sur le libre fonctionnement des marchés de l'emploi des biens et des services. Ce programme de réformes consacré dans le mémorandum du Gouvernement de Mai 1994, marque un tournant par rapport aux politiques menées dans le passé et qui, malgré certains progrès, n'ont pu sortir le pays du déclin économique dans lequel il est plongé depuis le milieu des années 1980. Il vise aussi à corriger les déséquilibres internes et à restaurer un climat propice au retour à la croissance.

Le programme de réformes a reçu l'appui du F.M.I. dans le cadre du 4ème accord de confirmation de septembre 1995, de la Banque Mondiale avec le crédit d'ajustement structurel approuvé en février 1996 ainsi que d'autres bailleurs de fonds par des prêts à l'ajustement structurel.

b) Dépenses publiques et investissements publics

Le nouveau programme de réformes établit les priorités en matière de dépenses de fonctionnement et d'investissement et alloue une plus grande proportion des ressources aux dépenses non salariales et particulièrement aux secteurs cruciaux pour le développement à long terme à savoir: l'éducation, la santé, l'agriculture et l'entretien des infrastructures de transport.

A cet égard une plus grande part des investissements publics devra être financée sur des fonds extérieurs et être orientée vers des secteurs porteurs de développement, sélectionnés sur la base de critères stricts de rentabilité économique en consultation avec la Banque Mondiale.

c) Réforme des entreprises publiques

Le désengagement de l'Etat des entreprises publiques par le biais de la privatisation ou la liquidation, constitue aussi un élément de ce programme. Les entreprises qui resteraient dans le portefeuille de l'Etat auront, du fait de ce désengagement, une très grande autonomie de gestion.

d) Dettes et arriérés des entreprises publiques

Les dettes et les arriérés des entreprises publiques, déjà repris par le Gouvernement, doivent être traités globalement dans le cadre des accords conclus avec la Banque Mondiale et le F.M.I. Les autres dettes, y compris les indemnités de licenciement des personnels de ces entreprises, devront être traitées dans le cadre de leur privatisation ou liquidation.

e) Mise en oeuvre du Programme de Relance Economique

Le première phase du programme de relance économique vise au rétablissement de l'équilibre monétaire et fiscal, à la libéralisation des marchés, aux encouragements à la production, pour soutenir la croissance et réduire la pauvreté.

La deuxième phase est basée sur des réformes structurelles dans les secteurs productifs, particulièrement l'agriculture, de façon à assurer l'augmentation des exportations dans un nouvel environnement économique compétitif.

f) Traduction du Programme de Relance Economique dans le Secteur des Transports

Des réformes structurelles et financières fondamentales doivent être entreprises dans le secteur des transports qui est un secteur clef de l'économie, indispensable à la relance.

En effet, le secteur des transports souffre d'une faible performance des institutions, d'une politique privilégiant les investissements à l'entretien et d'une allocation des ressources inadéquate. L'absence de ces réformes constituerait une contrainte majeure pour le programme de relance.

De plus, les principaux modes de transport présentent une faible efficacité et des coûts élevés résultant: (i) d'un entretien insuffisant des infrastructures et des équipements, et (ii) d'une détérioration des performances techniques et financières des entreprises publiques du secteur, ce qui constitue un obstacle majeur à la compétitivité de l'économie et un lourd fardeau pour les finances publiques.

Le Gouvernement adopte la présente stratégie pour l'ensemble du secteur des transports, en cohérence avec le programme de Relance Economique.

II/ STRATEGIE DU SECTEUR DES TRANSPORTS

a) Objectif

L'objectif du Gouvernement est d'assurer une meilleure efficacité et un développement durable et cohérent du secteur des transports pour que celui-ci contribue à la croissance de l'économie du pays, à la réduction de la pauvreté et à la protection de l'environnement.

b) Stratégie

La stratégie pour atteindre cet objectif est : (a) d'améliorer la gestion des politiques sectorielles en redéfinissant le rôle de l'Etat pour le désengager des opérations transférables au secteur privé et le concentrer sur les tâches de planification, de réglementation et d'élaboration des politiques, (b) d'équilibrer l'allocation des ressources entre investissements prudents et dépenses d'entretien en renforçant la capacité institutionnelle et en assurant une mobilisation permanente des ressources, (c) d'améliorer l'efficacité du secteur par une réforme du cadre réglementaire visant la libéralisation, une meilleure compétitivité et la mise en place des mécanismes incitatifs de marchés et (d) de mettre en place une politique de protection de l'environnement.

La stratégie pour le secteur des transports est partie intégrante et dépend des programmes macro-économiques et financiers y compris la stratégie concernant les dépenses courantes, les investissements publics, le nouveau cadre institutionnel du Gouvernement et le règlement des dettes et des arriérés des entreprises publiques.

III/ PROGRAMME SECTORIEL DES TRANSPORTS

Pour la mise en oeuvre de cette stratégie, le Gouvernement a préparé un programme global, à moyen terme à exécuter en plusieurs phases:

La première concerne la privatisation ou la liquidation des entreprises suivantes du secteur des transports aérien, ferroviaire, urbain et maritime (CAMAIR, REGIFERCAM, SOTUC, CAMSHIP et CAMTAINER), qui ont un grand impact sur l'efficacité du système des transports et les finances publiques. Cette phase porte également sur la libéralisation du transport urbain.

La deuxième phase portera entre autre sur:

- 1- Un programme de réhabilitation du réseau routier, du chenal d'accès au port de Douala, du chemin de fer et de l'outil portuaire,
- 2- Un programme d'entretien de ces infrastructures de transport faisant recours à une plus large privatisation de l'exécution des travaux, au développement des techniques à haute intensité de main d'oeuvre et, pour l'entretien routier, à la définition d'un réseau prioritaire.
- 3- Le désengagement de l'Etat du Matgéné et la restructuration du Labogéné et sa mise en concurrence.
- 4- La clarification des missions et la réorganisation des Ministères chargés des routes et des transports.
- 5- La restructuration de l'ONPC pour améliorer les performances portuaires et assurer les services au moindre coût.
- 6- La redéfinition des missions du CNCC dans le sens d'un meilleur appui aux chargeurs.
- 7- La libéralisation du transport maritime et du transport aérien.
- 8- La facilitation du transport en transit dans le cadre du Programme Régional de Réforme de l'UDEAC.
- 9- Une mise en cohérence des différentes réglementations avec le programme de réformes.

IV/ PLAN D'ACTION

Le plan d'action du Gouvernement pour mettre en oeuvre cette stratégie figure en annexe à la présente déclaration.

MATRICE D'ACTIONS DE LA DECLARATION DE STRATEGIE SECTORIELLE DES TRANSPORTS

	DOMAINE D'ACTIONS	STRATEGIE/ OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
1	Entreprises Publiques (SOTUC, CAMAIR, REGIFERCAM, CAMSHIP, CAMTAINER)	Restaurer l'efficacité des entreprises, améliorer les finances publiques, arrêter l'endettement et l'accumulation des arriérés	Liquidation/privatisation,		
1.1	SOTUC	- Liquidation de la SOTUC	- Accord du Gouvernement sur les modalités de liquidation - Cessation des activités de la SOTUC - Recrutement du liquidateur et de l'Assistant Technique auprès du Comité de Suivi - Clôture de la liquidation	Accord donné Fait Fait Processus de liquidation en cours	22/02/95 22/02/95 28/04/95 Novembre 96
1.2	CAMAIR	- Restructuration légale et financière de l'exploitation des services du transport aérien - Privatisation	- Recrutement d'un Conseiller Financier - Choix de l'option de privatisation - Lancement de l'A.O. pour la réalisation de l'option choisie	Fait	16/02/96 Mai 1996 Août 1996
1.3	REGIFERCAM	- Mise en concession commerciale de l'exploitation	- Recrutement d'un Conseiller Financier - Décision du Gouvernement sur le devenir et les modalités d'exploitation des services de transport ferroviaire de voyageurs. - Lancement de la présélection de l'actionnaire de référence de la société concessionnaire. - Lancement de l'A.O. pour le choix de l'actionnaire de référence - Signature de la convention de concession - Entrée en vigueur de la concession	Fait Etude en cours Dossier de présélection prêt Dossier d'A.O. en cours de préparation	6/12/95 Juillet 96 Avril 96 Juillet 96 Octobre 97
1.4	CAMSHIP	Désengagement de l'Etat dans le capital social	- Recrutement d'un Conseiller Financier - Mise en vente des actions	Fait En cours	23/10/95 Avril 96
1.5	CAMTAINER	Désengagement de l'Etat	- Privatisation ou liquidation en rapport avec la privatisation de la CAMSHIP		Après privatisation de la CAMSHIP

	DOMAINE D'ACTION	STRATEGIE/ OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
2	Reformes Institutionnelles	Amélioration de l'efficacité. Clarification des responsabilités. Renforcement de la capacité des ressources humaines			
2.1	MINTP	Recentrage des activités sur la définition des politiques, la planification, la programmation et la budgétisation des investissements routiers et des travaux d'entretien des infrastructures des transports.	- Etude POE en vue de la réorganisation du Ministère des Travaux Publics - Mise en oeuvre du POE	En cours	Août 96
2.2	MINT	Concentrer le MINT sur la planification des investissements du secteur, la programmation, l'élaboration, l'application et le suivi des politiques et des réglementations sectorielles.	- Etude des POE MINT en vue de la réorganisation. - Mise en oeuvre des POE.	Recrutement du consultant en cours	Juillet 96 Décembre 96
2.3	Organes de Coordination	Assurer une bonne coordination des activités d'ajustement du secteur des transports	- Création du Comité Interministériel de suivi des programmes économiques en tant qu'organe de décision du PST (CIS) - Comité Technique de suivi des Programmes Economiques en tant qu'organe de préparation des décisions du PST (CTS) - Poursuite de la concertation technique avec les opérateurs économiques et les bailleurs de fonds par les autorités compétentes de l'Etat - Création de la Cellule de Coordination du PST en tant Secréariat pour la préparation et le suivi de son avancement.	Fait Fait Fait	Continu
3	Entretien Routier				
3.1	Efficacité Opérationnelle	- Désengagement de l'Etat. et amélioration de l'efficacité de l'entretien routier - Promotion des techniques HIMO - Allègement des procédures de passation des marchés	- Privatisation progressive de l'entretien routier et promotion des PME - Mise en place d'un système efficace de suivi, de contrôle des travaux et d'audit externe - Elaboration de programmes spécifiques - Création de la Commission Ministérielle des Marchés	Programme 1997-2000 en annexe à la matrice En cours A faire dans le cadre du PST Fait	Août 96 21/02/96
3.2	MATGENIE	- Désengagement de l'Etat	- Démarrage effectif des directions régionales - Création des filiales - Signature de la convention de privatisation pour l'unité pilote		Décembre 1996 Septembre 1997 Décembre 1997
3.3	LABOGENIE	- Restructuration et mise en concurrence			Décembre 1996

DOMAINE D'ACTIONS	STRATEGIE/OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
3.4 Planification et Programmation	<ul style="list-style-type: none"> - Amélioration de l'objectivité des choix, et coordination des actions de planification, en adéquation avec les ressources disponibles - Programmation des travaux basée sur un réseau maîtrisé et une cohérence dans les interventions - Préservation du capital investi - Mise en place d'un mécanisme pérenne, autonome et régulier du financement de l'entretien 	<ul style="list-style-type: none"> - Définition d'un réseau prioritaire - Mise en place d'une programmation pluriannuelle de l'entretien routier - Reprendre systématiquement dans le programme d'entretien courant, les routes qui viennent d'être réhabilitées - Réforme de la fiscalité routière 	<ul style="list-style-type: none"> Réseau prioritaire retenu comprenant: 4054 Km de routes bitumées, 9704 Km de routes classées en terre 10952 Km de routes rurales Choix de stratégie fait. 	<ul style="list-style-type: none"> Fait Application des années fiscale 96/97 A commencer dès campagne 96/97 Commencer dès Juillet 96
3.5 Financement	<ul style="list-style-type: none"> - Amélioration des procédures pour raccourcir les délais de paiement aux PME's - Recouvrement des coûts 	<ul style="list-style-type: none"> - Création d'un Compte d'Entretien Routier - Mise en place d'un fonds d'entretien routier - Informatisation des titres de transports - Participation des communautés dans l'entretien des routes rurales - Mise en place réglementation adéquate - Mise en place du pesage routier 	<ul style="list-style-type: none"> Routes et travaux identifiés pour 96/97 Etude terminée et projets de textes en cours d'élaboration Fait Réflexion en cours Projet en cours d'extension Réflexion en cours Texte adopté Programme Test sur la route Ydé-Dja en cours 	<ul style="list-style-type: none"> 6/3/96 Avril 96 Septembre 96
3.6 Protection du Patrimoine Routier	<ul style="list-style-type: none"> - Faire respecter les barrières de pluies, charge à l'essieu et autres règles de circulation routière 			

	DOMAINE D'ACTIONS	STRATEGIE/ OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
4	Sous-Secteur Transports Terrestres				
4.1	Industrie des transports	<ul style="list-style-type: none"> - Améliorer l'efficacité de l'industrie des transports routiers - Diminuer les coûts de transport - Etablir les conditions d'égalité de concurrence entre le rail et la route - Protéger le patrimoine routier - Renforcement de la sécurité routière 	<ul style="list-style-type: none"> - Harmonisation et simplification de la fiscalité routière - Eliminer les contrôles routiers illégaux - Réduction des tarifs douaniers sur les véhicules de transport de marchandises - Professionnaliser le BGFT et revoir le rôle du CNCC dans cet organisme - Mettre en place le pesage routier - Réviser le code de la route pour préciser les normes, gabarit, dimension et poids de véhicules et leurs éléments - Révision du cadre institutionnel permettant au MINT de coordonner les actions des différents intervenants - Mettre en place un code de responsabilisation en matière d'accidents de la route, de destruction des équipements routiers de la route 	<ul style="list-style-type: none"> Réflexion en cours Suivi des contrôles en cours de préparation Réflexion en cours Loi de protection du patrimoine routier A prendre en compte dans le POE Loi de protection du patrimoine routier 	<ul style="list-style-type: none"> Juin 96 1996 Avril 96 Avril 96
4.2	Transport de Transit	<ul style="list-style-type: none"> - Améliorer et faciliter le transit 	<ul style="list-style-type: none"> - Réhabilitation du système informatique douanier - Mettre en place un système de transit inter-Etat des pays de l'UDEAC (TIPAC) 	<ul style="list-style-type: none"> Audit du système existant Choix du nouveau système en cours Convention UE signée Etudes routières en cours 	
4.3	Transport Urbain	<ul style="list-style-type: none"> - Désengagement de l'Etat des opérations - Libéralisation des activités 	<ul style="list-style-type: none"> - Mettre en place un cadre réglementaire et institutionnel incitatif à l'initiative privée 	<ul style="list-style-type: none"> Projet de cadre réglementaire disponible 	Décembre 1996

	DOMAINE D'ACTIONS	STRATEGIE/ OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
5	Sous-Secteur Portuaire				
	Périmètre d'activité	- Amélioration de l'efficacité - Désengagement des activités non portuaires	- Dragage d'entretien à l'entreprises - Cession, gestion des équipements logistique de la pêche au secteur privé		Décembre 1996
	Organisation	- Mettre en place un organigramme plus opérationnel et adapté aux mission de l'ONPC	- Réexaminer la délégation à donner aux différents pavés et adoption de l'organigramme - Améliorer les circuits d'information - Lancement des études (ressources humaines, gestion opérationnelle et financière) et mise en oeuvre des recommandations: (a) A court terme (b) Autres recommandations		Septembre 1996 1er semestre 1996 Décembre 1996 Juin 1997
	Investissements	- Rentabilité financière et économique - Préservation de l'équilibre financier de l'ONPC - Non implication de l'Etat - Réhabilitation et amélioration de l'existant	- Réactiver la structure formelle de concertation au niveau des Directeurs - Priorités: (a) dragage de réhabilitation (chenal, darse, pieds de quai); (b) restructuration/réhabilitation/rénovation: (i) défenses d'accostage au port de Douala; (ii) réhabilitation des chaussées; (iii) restructuration du port de Douala et autres grosses réparations; (c) ouvrage d'accostage pour navires grumiers; (d) système d'information portuaire; (e) modernisation du terminal à conteneurs; (f) ouvrages de calibrage du chenal.		Période du contrat programme
	Maintenance	- Accroître le niveau de la qualité des services	- Mise en place d'un programme de maintenance - Mise en place et suivi d'un budget de maintenance actualisé - Conventions demandant aux amodiataires d'assurer l'entretien de l'intérieur des magasins		1995/1996
	Charges d'exploitation	- Connaissance de la répartition des charges - Réduction des charges	- Mettre en place une comptabilité analytique - Adaptation des charges des ports secondaires au niveau du trafic		1995/1996
	Gestion financière	- Améliorer les résultats	- Amélioration du contrôle a posteriori - Mensualisation du budget - Constitution des provisions pour charges à répartir - Renforcement de l'outil informatique (équipement, formation, schéma directeur)		1995/1996

DOMAINE D'ACTIONS	STRATEGIE/ OBJECTIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
Tarifification Relations avec les usagers	<ul style="list-style-type: none"> - Adaptation de la tarification au niveau de service, à l'évolution des conditions économiques et aux contraintes de compétitivité - Charges modérées sur l'économie camerounaise - Accroître la concertation - Améliorer la sécurité - Autonomie accrue 	<ul style="list-style-type: none"> - Révision de l'assiette des tarifs - Renforcer les activités de la Communauté portuaire: toutes les questions d'intérêt commun, notamment les tarifs et les investissements de tous les intervenants portuaires feront l'objet d'une concertation permanente - Discussions avec les différentes administrations (CAA, Impôts, Trésor) - Compensation des dettes croisées - Prise d'une loi sur la libéralisation - Application stricte du code de conduites de conférences maritimes. - Privatisation de CAMSHIP et CAMTAINER 	Fait	1995/1996 1995/1996
6 Sous-Secteur Maritime	<ul style="list-style-type: none"> - Clarification des relations financières - Libéralisation des activités maritimes - Améliorer la capacité du commerce extérieur national à exploiter de nouveaux marchés. - Disposer d'un secteur maritime performant - Rendre les différents acteurs compétitifs au plan économique. - Demeurer présent dans le secteur des transports maritimes. 		<ul style="list-style-type: none"> Loi sur les professions maritimes Décrets d'application 	Janvier 95 Avril 1996
7 CNIC	<ul style="list-style-type: none"> - Optimisation des opérations du CNIC (chantier naval et cale sèche) 	<ul style="list-style-type: none"> - Privatisation du capital - Localiser définitivement le Dock Barnusso 	Etude	Juin 1997
8 CNCC	Faire du CNCC un organisme efficace au service des chargeurs	<ul style="list-style-type: none"> - Séparer les tâches relevant de la puissance publique de celles d'assistance aux chargeurs - Faire payer les prestations réelles par les bénéficiaires. 	<ul style="list-style-type: none"> Table ronde avec les chargeurs Concertation UMOA et bailleurs de fonds Comité de suivi des recommandations Consultant sélectionné 	En rapport avec les décisions sur le secteur maritime
9 Utilisation des Compétences Locales	Développer la profession des consultants locaux Encourager le recours aux consultants locaux	<ul style="list-style-type: none"> - Etude d'évaluation des compétences locales - Définir les tâches qui peuvent être confiées aux consultants locaux 	<ul style="list-style-type: none"> Prise en compte dans l'élaboration des listes restreintes 	

	DOMAINE D'ACTIONS	STRATEGIE/ OBJETIFS	ACTIONS	ETAT D'AVANCEMENT	CALENDRIER
10	Sous-Secteur Transport Aérien	Réforme de la politique et du cadre réglementaire du transport aérien pour le rendre plus efficace et plus utile à l'économie nationale.	<ul style="list-style-type: none"> - Passation de contrat d'obligation de service public sur appel d'offres. - Libéralisation transport du fret. - Mise en place d'une politique du prix de l'essence aviation en accord avec les pratiques internationales. - Contribuer au développement des accords régionaux en vue d'une libéralisation du transport aérien entre pays de l'Afrique Centrale. 		
11	PIP	Maîtrise des investissements accord avec le cadre macro-économique	<ul style="list-style-type: none"> - Adoption d'un PIP sectoriel annuel 	En cours	
25	Environnement	Protection de l'environnement dans les travaux routiers Protection de l'environnement marin	<ul style="list-style-type: none"> - Etude de l'impact des problèmes environnementaux dans les travaux routier - Etude environnementale en milieu marin au Port de Douala - Analyse des matériaux de dragage 	Consultant sélectionné Etude réalisée Consultant sélectionné	1996 1995 1996

ROUTES RURALES												
NATURE DES TRAVAUX	QTE PREV											
	(km)	E	CM/E	(km)	E	CM/E	(km)	E	CM/E	(km)	E	CM
	97			98			99			2000		
ENTRETIEN PERIODIQUE												
Rechargement/ Rehabilitation	1 500	100%		2 000	100%		2.000 km	100%		2.000 km	100%	
ENTRETIEN COURANT												
Cartonnage Manuel Rep. Rap.			100%			100%			100%			100%
ROUTES EN TERRE												
NATURE DES TRAVAUX	QTE PREV											
	(km)	E	CM/E	(km)	E	CM/E	(km)	E	CM/E	(km)	E	CM
	97			98			99			2000		
ENTRETIEN PERIODIQUE												
Rechargement	362	100%		623	100%		136	100%		706	100%	
Rehabilitation	362	100%		342	100%		190	100%		184	100%	
Rep. comp avec apport	938	100%		731	100%		1058	100%		996	100%	
Déforestation	484	100%		231	100%		60	100%		560	100%	
ENTRETIEN COURANT												
Cartonnage Manuel	1 652	100%		1 775	100%		2 017	100%		1 609	100%	
Rep. Rap.	2 300		100%	3 290		100%	4 109		100%	4 995		100%
Rep./Comp. S.A.	595	50%	50%	482	50%	50%	755	50%	50%	425	50%	50%
Actions ponctuelles	6 934		100%	6 934		100%	6 934		100%	6 934		100%
ROUTES BITUMÉES												
	97		98		99		2000					
	E	R	E	R	E	R	E	R	E	R	E	R
Cartonnage Manuel	100%		100%		100%		100%		100%		100%	
Entretien courant (chaussée)		100%		25%	75%		50%	50%		100%		100%
Entretien périodique (chaussée)	100%		100%		100%		100%		100%		100%	
Interventions d'urgence d'urgence	100%		100%		100%		100%		100%		100%	

Légende: E=Enterprises CM/E = Communauté villageoises/PME R = Régie

**Schedule 2: Benefits Resulting from the Privatization of
Transport Public Enterprises**

**Impact of State Treasury of Restructuring Vs. Not Restructuring
(Post Devaluation)**

	US\$ Million							
	1994	1995	Total 1994/95	1996	1997	1998	Total 1996/98	Total 1994/98
FOR ALL TRANSPORT SECTOR PEs COMBINED								
With Restructuring	(93.6)	(78.0)	(171.5)	(22.0)	(17.3)	(10.4)	(49.6)	(221.2)
Without Restructuring	(79.9)	(33.7)	(113.7)	(63.4)	(25.9)	(20.5)	(109.8)	(223.4)
Net Impact on State Treasury	(13.7)	(44.3)	(57.9)	41.4	8.6	10.1	60.1	
3 Yr. Payback as a % of Initial Net Restructuring Cost							103.8%	
FOR EACH OF THE FOUR LARGEST PEs OF THE SECTOR								
CAMAIR								
With Restructuring (High Case)	(25.1)	(38.1)	(63.3)	(3.5)	(2.0)	(2.0)	(7.5)	(70.8)
Without Restructuring	(20.5)	(9.3)	(29.8)	(9.9)	(10.7)	(12.0)	(32.6)	(62.4)
Net Impact on State Treasury	(4.6)	(28.8)	(33.5)	6.4	8.7	10.0	25.1	
3 Yr. Payback as a % of Initial Net Restructuring Cost							75.0%	
SOTUC								
With Restructuring (High Case)	(11.3)	(19.4)	(30.8)	(3.1)	(2.7)	(2.6)	(8.5)	(39.2)
Without Restructuring	(2.6)	(9.4)	(12.0)	(38.8)	(2.7)	(2.6)	(44.1)	(56.1)
Net Impact on State Treasury	(8.7)	(10.1)	(18.8)	35.7	0.0	0	35.7	
3 Yr. Payback as a % of Initial Net Restructuring Cost							190.1%	
REGIFERCAM								
With Restructuring (High Case)	(33.3)	(24.3)	(57.6)	(10.1)	(7.7)	4.4	(22.1)	(79.7)
Without Restructuring	(32.0)	(20.5)	(52.5)	(11.8)	(9.9)	(6.9)	(28.6)	(81.1)
Net Impact on State Treasury	(1.3)	(3.9)	(5.1)	1.7	2.2	2.5	6.5	
3 Yr. Payback as a % of Initial Net Restructuring Cost							126.0%%	
CAMSHIP/SIMAR								
CAMSHIP								
Net Impact of Restructuring								
Already Initiated by Govt.	(21.3)	7.7	(13.6)	(1.0)	(0.8)	1.5	(0.2)	(13.8)
SIMAR (Note 1)								
Net Impact of SIMAR Restructuring	0.0	(2.2)	(2.2)	(2.2)	(2.1)	(2.1)	(6.4)	(8.6)

Note 1: SIMAR, a 27% real estate subsidiary of CAMSHIP, is insolvent; CAMSHIP is liable for its pro rata share of SIMAR debt.

**Schedule 3: Action Plan and Timetable for the Transit Component of the UDEAC
Transport Reform Program**

To be implemented from a date to be determined

1st quarter	2nd quarter	3rd quarter	4th quarter
<p>Meeting of the Regional Committee</p> <p>.Agreement on international itineraries</p> <p>.Assessment of National Committees</p> <p>.Distribution of Manual of Procedures for TIPAC, training and discussion</p> <p>Missions of specialized consultants</p>	<p>Starting technical assistance provided to the National Committees</p> <p>Analysis of proposals</p> <ol style="list-style-type: none"> 1. Facilitation: TIPAC logbook 2. Telecommunication <ol style="list-style-type: none"> 2.1 Definition of messages 2.2 Choice of technical alternative 2.3 Procedures 3. Preparation of the guarantee system. Professionals aspects. 4. Implementation of the guarantee system. Customs aspects 5. Technical agreement of vehicles 6. Harmonization of transport regulatory framework 7. Road user charge. 	<p>Choice of the type of logbook and guarantee documents.</p> <p>. Analysis of proposals made by specialized consultants and technical assistants</p> <p>. Adjustment of national regulatory frameworks</p>	<p>Meeting of the Regional Committee</p> <p>Choice of one or two pilot international itineraries to implement the TIPAC system on the basis of the outcomes of tasks carried out during the third quarter</p>
5th quarter	6th quarter	7th quarter	8th quarter
	<p>Meeting of the Regional Committee</p> <p>. Assessment for the implementation of the customs duty guarantee system</p> <p>.Timetable for further steps</p>	<p>.Progressive extension to the entire UDEAC</p>	<p>Meeting of the Regional Committee</p> <p>. Assessment for the implementation of the customs duty guarantee system</p> <p>.Analysis of the need for complementary measures</p> <p>.Study of arrangements to be included in the UDEAC legal documents</p>

Schedule 4: Action Plan to Overhaul the Customs System

1. *Proposals Concerning Personnel.*

- Organization of a seminar for senior Customs staff, focusing on remotivation and exercise of leadership. Sensitization to professional ethics, preparation of disciplinary actions. Initiation to management methods and preparation of performance charts. Participation by external specialists (IMF, French Cooperation, IDA).
- Campaign to ensure personnel are informed regarding behavior and its consequences in the disciplinary arena: general information memorandum distributed to each staff member and organization of meetings on the topic of discipline in all units, to be addressed by the office and unit chiefs.
- Publication in the media of the first results of the discipline campaign, and distribution of an information memorandum to staff enumerating and detailing the cases considered. Disciplinary assessment of all staff, both permanent and contract personnel.
- Training plan for contract staff and for those engaged in surveillance.

2. *Proposals Concerning Organization.*

- Reactivation of supervisory structures; Inspectorate staff must participate in the actual supervision of the services and propose both technical improvements and disciplinary action for flagrant cases.
 - In the context of the new organization chart of the Customs Directorate, a senior supervisory officer responsible for "policing" the services should be assigned to the sector chiefs (equivalent to regional or provincial directors). The first position created should be that of Douala. A temporary alternative could be to assign members of the Inspectorate staff to detached duty in the sectors, on the twofold condition that the officers thus detached not be "unwanted rejects" and that they be provided with the necessary means (vehicles, gasoline, per diem).
 - Review of the draft new organization chart to consider:
 - * the need for reviewing the organization of the port of Douala (3 or 2 offices?);
 - * the actual workload of the services;
 - * the limitation on higher-level positions.
 The reorganization project studied should not be viewed as a reduction of services to obtain a larger number of management positions but as a concentration of resources on the points of significance in terms of efficiency and budget performance, as regards both available staff (public service constraint) and means (limited budget of the Customs).
 - Revision of the structure of the Douala services to prevent formation of a bloc outweighing the Directorate.
- Restudy of the port and airport offices' workload as measured by computerized means.

3. *Proposals Concerning Customs Computerization.*

In addition to the highly technical proposals presented in the specific report on Pagode by the technical assistant assigned to the Customs by French Cooperation, the following proposals should be adopted:

- Restoration of the terminals and essential links in the port and airport, particularly for manifests and inspection in the port.
- Production of daily statements of the services' activity and uncompleted operations.
- Indication of duty and tax rates on declarations (will now be easier with application of the UDEAC tariff, only four rates).
- Progressive introduction of the computer module for selection of declarations, technical study and choice of goods for streamlined inspection, establishment of a section for inspection guidance staffed by officers from the inspection service and a section to handle admission on documents.
- Progressive elimination of check-inspections and replacement by inspection structures (senior inspection officer) assigned to the sector chief.
- Creation of a task force made up of technicians and Customs officers to come up with proposals for preparing the services for the new system.
Elimination of waiting time and study of future patterns.
- Progressive implementation of the new patterns in preparation for the introduction of the new computerized system.
- Preparation of the specifications for the new computerized Customs clearance system.

Establishment of three or four control units based on the simple principle:

1 item unloaded = 1 manifest line = 1 declaration = 1 payment slip = 1 collection by means of computerized and manual checking of manifests, by production and checking upon inspection of declarations which have not yet been inspected or signed off, by verifying the signatures and payment slips and by confirmation from the Treasury that payment has actually been made (checking of slips against receipts).

- Choice of inspection of goods on leaving warehouse or at the port gate; officers will no longer be assigned to warehouses, which would free up 30 officers for assignment elsewhere; control of outgoing goods could be based on declaration numbers and possibly computerized.
4. *Proposals Concerning Equipment.*

- In the context of the new computer options and the cost of essential rehabilitation work, transfer of the services to more suitable premises available in the immediate vicinity of the port should be studied.
- Special multiyear Customs reequipment program, 3 to 5 years, premises and equipment.
Specific effort by Finance Ministry and possibly donors for Douala as a priority, but also for the most strategic points (major border offices).
- Selection of data-transfer equipment, with emphasis on mobility of data rather than mobility of staff.

Establishment of a radio network, provision of fax equipment for the major starting and crossing points (particularly for transit traffic).

- Reequipping of officers with weapons, truncheons, etc.
- Reequipment with vehicles and motorcycles adapted for off-road use, pooling of vehicles and surveillance of vehicle and cycle use to prevent private usage.
- 5. *Proposals for Maximizing Services Received Under the Contract with the Société Générale de Surveillance (SGS).*
 - Effective follow-up of abnormal cases reported by SGS.
 - Absolute obligation for inspectors to use at least the value indicated by SGS.
 - Performance by SGS of an additional random check of 20-39% of dossiers under the value threshold to ascertain whether there has been excessive subdivision.
 - Improvement of the monitoring of coffee and cocoa exports by more frequent checks, and elimination of the provisional declarations for wood.
 - Cancellation of specific exemptions from SGS checks granted to certain exporters.
 - Systematic weekly SGS-Customs coordination meetings, with official minutes to the Minister.
 - Provision of a Pagode terminal for SGS use for supervision of operations (observation without intervention).
 - Ensuring security of the taking over of goods by assignment to SGS of the cargo and Pagode manifests and the Customs clearance statements.

In the extreme case, transfer to SGS of the taking over of goods if the Customs does not demonstrate its will in the matter within six months.

6. *Miscellaneous Measures*

- Establishment of an emergency procedure for goods in transit to Chad and the CAR, with the aim of reducing the hold-up time in the port of Douala from the present 30 days to 10 days.
- Single bond for warehousing and temporary admission operations. Reduction of releases to banks.
- Limitation or even elimination of the free point system, use of appropriate Customs systems.

Schedule 5: National Port Authority's (ONPC) Investment Plan

Investment	1995/1996						1996/1997				1997/1998				1998/1999				1999/2000					
	Total	Total	Total	Own	Borrow	To be	Total	Own	Borrow	To be	Total	Own	Borrow	To be	Total	Own	Borrow	To be	Total	Own	Borrow	To be		
	1996-2000	1996-2000	Exerc.	Res.		sought	Exerc.	Res.		sought	Exerc.	Res.		sought	Exerc.	Res.		sought	Exerc.	Res.		sought		
Studies	3721	3721	1777	752	305	720	1471	613	58	800	223	165	58		85	85			165	165				
Port restructuring	200	200	82	82			118	118																
Berth rehabilitation	200	200	120	120			80	80																
Deep-sea port	2000	2000	1000	280		720	1000	200		800														
Container terminal	751	751	335	30	305		208	150	58		208	150	58											
Port master's office	220	220													70	70				150	150			
Channel rehabilitation	100	100	50	50			50	50																
Other	250	250	190	190			15	15			15	15			15	15				15	15			
	88898	4898	435	435			2515	830		1685	450	50	400		1448	50	398	1000		50	50			
Container terminal	798	798									400		400		398		398							
Timber storage area	900	900	215	215			685			685														
Berth rehabilitation	1000	1000	220	220			780	780																
Deep-sea port	37000	0																						
Aprons	2000	2000					1000			1000					1000						1000			
Channel rehabilitation	40000	0																						
Other	200	200					50	50			50	50			50	50				50	50			
	5014	2714	500	500			125	125			639	125	514		811	125	686			639	125	514		
Container terminal	1714	1714									514		514		686		686			514		514		
Port master's office	2300	0																						
Other	1000	1000	500	500			125	125			125	125			125	125				125	125			
Equipment	23795	21782	10300	359	9400	541	1115	200		915	3734	200	3534		4912	200	686		3734	200	3534			
Container terminal	11780	9767									3534		3534		4712		686			3534		3534		
Tug-boat	3000	3000	3000		3000																			
Dredger	6400	6400	6400		6400																			
Service boat	500	500					500			500														
Management information system	1115	1115	700	159		541	415			415														
Other	1000	1000	200	200			200	200			200	200			200	200				200	200			
Infrastructure	24310	21630	8548	2798	2250	3500	5900	400	3000	2500	400	400		3080	400		2680	3702	462			3240		
Channel rehabilitation	6000	6000	3500			3500	2500			2500														
Driveways	7500	7500	4500	2250	2250		3000			3000														
Berth Rehabilitation	5600	3920													1680			1680	2240				2240	
Warehouse rehab.	500	500	38	38			100	100			100	100			100	100				162	162			
Equipment rehab.	1415	1415	415	415			250	250			250	250			250	250				250	250			
Building rehab.	295	295	95	95			50	50			50	50			50	50				50	50			
Other	3000	2000													1000			1000	1000				1000	
Other	1000	1000	200	200			200	200			200	200			200	200				200	200			
Total	139738	57758	21760	5044	11955	4761	11326	2368	3058	5900	5646	1140	4506		10536	1060	5796	3680	8490	1202	4048		3240	

Own res.: Own resources; Borrow.: Borrowing; Rehab.: Rehabilitation

**Schedule 6: Status of Implementation of the Transport Sector
Technical Assistance Credit**

Activity	Status of Implementation
Support to Institutional Development	
Strengthening of the unit in charge of privatization in MINEFI (foreign technical assistant)	Contract underway
Strengthening of the unit in charge of privatization in MINEFI (local consultants)	Terms of reference prepared
Financial advisor for the privatization of CAMAIR	Contract underway
Financial advisor for the privatization of CAMSHIP and CAMTAINER	Contract underway
Financial advisor for the privatization of REGIFERCAM	Contract underway
Liquidator of SOTUC	Contract underway
Assistance to the monitoring committee for the liquidation of SOTUC	Contract underway
Financial and operational management of ONPC	Contract awarded
Restructuring of MATGENIE	First phase completed. Second phase to be defined based on restructuring plan
Restructuring of LABOGENIE	First phase completed. Second phase to be defined based on restructuring plan
Support to the coordination of road maintenance activities	Completed
Support to the organization and financing of rural road maintenance	To be launched
Support to the restructuring of CNCC	To be launched
Short-term assistance to the TICU	To be launched
Assistance to MINT	Contact underway
Support to implementation of TIPAC	Selection of consultant underway
Assistance to regional committees	To be launched
Assistance to national committees	To be launched
Institutional Development Studies	
Restructuring of MINTP	Contract underway
Organization of dredging	Selection of consultant underway
Creation of a Road Fund	Completed
Simplification and harmonization of the road tax system	Completed
Capability of local transport consultants	Selection of consultant underway
Operational and financial management audit of CAMAIR	Completed
Institutional study of urban transport	Completed
Plan of action for road safety	Completed
Restructuring of MINT	Selection of consultant underway
Reduction of Douala port costs	To be launched
Policy Support	
Support to urban transport privatization and liberalization	Completed
Regional logistic costs study	Contract awarded
Transport sector review	Completed
Revision of the Civil Aviation Code	To be launched
Legal adviser for the liberalization of maritime transport	Completed

Activity	Status of Implementation
Project Preparation	
Support to the improvement of the customs computerized information system	To be launched
Relocation of the customs computerized information system	To be launched
Study of insurance system and organization of the TIPAC	To be launched
Establishment of a programming system for earth road maintenance	Completed
Mitigation plan for environmental issues in road maintenance	Selection of consultant underway
Engineering studies of a road maintenance priority program	Selection of consultant underway
Feasibility study of the program of rehabilitation of the railway track	Contract awarded
Feasibility study of the railway telecommunication program	Selection of consultant underway
Continuation of computerization of vehicle certification	Selection of consultant underway
Pilot operation for monitoring loads of trucks	Selection of consultant underway
Engineering study for the rehabilitation of ONPC's dredger	Contract awarded
Study for the relocation of the dry-yard	Contract awarded
Analysis of dredging materials	Contract awarded
Audit of transport public enterprises	To be launched
Establishment of project accounting	Selection of consultant underway
Project audits	Selection of consultant underway
Project accountant in the Transport Interministerial Coordination Unit	Selection of consultant underway
Monitoring of bridges' condition	To be launched
Creation of a road data base	To be launched
Detailed engineering studies of airport rehabilitation	To be launched
Establishment of a programming system for paved road maintenance	Completed
Training and Seminars	
Road maintenance initiative	Completed
Supervision of road maintenance works	To be launched
Procurement for road maintenance	To be launched
Environmental issues in road maintenance	To be launched
Liberalization of urban transport	Completed
Transport Interministerial Coordination Unit	On-going
Young Professionals Program	To be launched
Civil Aviation Sector	To be launched
Maritime Sector	To be launched
Meteo Sector	To be launched
Seminar on MINT restructuring	To be launched
Implementation of TIPAC	To be launched

Schedule 7: Detailed Program Costs

(CFAF million)	Totals including contingencies					Foreign Currency	Local Currency	Duties & Taxes	IDA	UE	BMZ	ADB	CFD	GOVT	Financing to be sought
	95/96	96/97	97/98	98/99	99/00										
Paved Roads															
A. New Roads															
Bamenda-Batibo	1795	4726				3982	2089					5464		607	
Bachuo-Akakgbe-Mamfe	1653	981				1728	906					2370		263	
Eseka-Lolodorf	2813					1846	967					2532		281	
Bambui-Fundong	4395					2884	1511				4395				
B. Spot pavement															
Bamenda-Kakar-Nkambe	1095					718	376			1095					
C. Rehab. and Periodic maintenance															
Financing to be sought				7594	13585	11747	3608	5824						5824	15355
IDA Financing				3076		1705	525	846	1940					1136	
D. Emergency Program															
Kekem-Bandjoun			4932			2734	842	1356	3111					1821	
Douala-Edea-Pouma			2255			1250	385	620	1422					833	
Garoua-Maroua			4227			2344	721	1163	2666					1561	
E. Structural Adjustment															
	320					141	179			320					
F. Spot Improvement															
			439	450	460	604	515	229						229	1119
G. Bridges															
			727	745	762	1001	854	380						380	1854
H. Studies															
	75			499	494	665	204	199	89			68		206	706
I. Supervision and control															
J. TA to Paved roads Dept.	1181	360	34	907	899	2306	707	368	155	244	206	982		477	1317
	257	259				316	97	103			413			103	
Sub-total	13583	5876	12615	13270	13200	35971	14485	11088	9383	1659	5013	11415	13722	20351	
Earth Roads															
A. New Roads															
Bamenda-Kakar-Nkambe	3054					1778	1276			3054					
Nditam-Ngambe-Tikar	464					270	194					418		46	
Kakar-Sabangari-Sonkolong		10149				5902	4247			10149					
Bertoua-Garoua Boulai		11072	11295			12994	9372			22366					
B. Rehabilitation															
Nanga Eboko-Bouam			2162			1046	614	502	1444					717	
Garoua Boulai-Meiganga			1797			870	511	417	1201					596	
Meiganga-Ngaoundere			1892			916	538	439	1264					628	
Bamenda-Belifang			681			329	193	158	455					226	
Belifang-Wum			148			72	42	34	99					49	
Kumba-Loum			796			385	226	185	532					264	
Nyamboya-Banyo			1524			738	433	354	1018					506	
Ebolowa-Ambam			6279	6431		6084	4466	2161				10550		2161	
Mbandjok-Nanga Eboko	1000					480	350	170			830			170	
IDA Second tranche				3631		1757	1032	843	2426					1205	
C. Periodic maintenance															
Boumnyebel-Bokito	167					97	70				167				
Yaounde-Kikot	244					142	102				244				
Foumban-Jakiri	167					97	70				167				
Ayos-Bonis	2443					1422	1021				2443				
Foumban-Nyamboya	222					129	93				222				
Remaining of the priority I roads			2255	4237		3141	1845	1506	4338					2154	
D. Disenclavement of rural areas															
Mbalmayo-Eseka	244					142	102				244				
Remaining of the network			1507	2271	2320	1884	3177	1037						1037	5062
E. Bridges															
	281		651	738	754	1123	936	364				253		392	1778
F. Road maintenance equipment															
	3020	4865	6193			13223	854					12670		1408	
G. Supervision and control															
	1169	1594	2232	1286	137	4502	1382	533	1222	3538		193	623	554	287
Sub-total	12474	27680	39411	18594	3211	59525	33144	8701	13999	43424	13533	11173	12114	7126	
Rural Roads															
A. Government Program															
Disenclavement of rural areas	1601	744	127	778		1458	1239	552						3249	
Spot rehabilitation	739	620	316	519		984	837	373						2194	
Ayos-Nguelemendouka		248		259		227	194	86						507	
B. Program STABEX															
	4547	6986				6710	4823			11533					
C. IDA Program															
D. CFD Program		3722	3801			2326	3918	1279					6244	1279	
F. Training and sensitization															
	118	242	248	1987		82	404	121	486					121	
G. Studies and supervision															
	761	920	451	92	94	1150	969	198	220	1327			572	198	
Sub-total	7648	13358	6744	3746	1987	15624	13960	3898	4970	12860	6815	11173	12114	8837	

	Totals including contingencies					Foreign Currency	Local Currency	Duties & Taxes	IDA	UE	BMZ	ADB	CFD	FAC	OECD	UN	AGCD	BEN EF.	GOVT	Financing to be sought
	95/96	96/97	97/98	98/99	99/00															
Air transport																				
A. Rehabilitation of Douala airport	1810		4305	2772		5013	2363	1511					7376					444	1066	
B. Equipment Maroua-Salak	285					195	12	78												285
C. Equipment Yde-Nsimalen	69					47	3	19												69
D. Air safety and meteo	292	288	246	300		421	479	225							451					674
Sub-total	646	2097	4551	3072		5676	2858	1832					7376		451			444	2094	
Rail Transport																				
A. Locomotives		5741				3929	250	1562										4180		1562
B. Telecommunications		3192	6501	6658		11188	716	4448			11904									4448
C. Dibamba bridge			4328			2347	1245	736					3592							736
D. Rehabilitation of Yaounde-Kaa		4850	8409			7194	3811	2254			11005									2254
E. Rehabilitation Kaa-Belabo				16464	16836	18067	9572	5661												5661
Sub-total	13784	19238	23121	16836	16836	42725	15594	14660			22908		3592				4180		14660	27639
Port Authority																				
A. Tug-boat		3643				2358	1285				3643									
B. Dredger		7772				5029	2742				7772									
C. Service boat			585			400	26	159												159
D. Rehabilitation of carriageways			5565	3799		5077	2695	1592												1592
E. Channel rehabilitation		4002	4079	4177	4273	9168	2816	4546										11984		4546
F. Container terminal			5299	9050	3700	9789	5192	3068					12733					2247		3068
G. Berth rehabilitation	265	946	2077	2837		3322	1761	1041										1005		1041
H. Aprons			1237		1295	1374	728	430												430
I. Timber storage area			266	880		621	330	195												195
J. MIS	846	506				184	898	270										152		270
Sub-total	1111	16868	19106	20743	9268	37322	18472	11302			11415			12733			15389	11302		16258
Ministry of Public Works																				
Institutional Development		49	126	119	80	203	95	75	298											75
Equipment	35	76	59	36		135	15	56	47											159
Studies	121	136	140	143	16	75	369	111	48											507
Training and seminars		122	124	127	130	309	95	101	403											101
Buildings	209	210	215	220		391	317	145												854
Sub-total	364	594	663	645	226	1113	891	488	797											1695
Ministry of Transport																				
Institutional Development	129	222	357	365	167	646	345	248	572				420							248
Studies			45	46	47	19	92	28	110											28
Training and seminars		149	220	207	140	228	345	143	573											143
Equipment	160	607	489	311	61	1114	71	443	444											1185
Buildings	246	247	316	323		519	421	192												1132
Sub-total	534	1226	1426	1253	415	2526	1274	1054	1699				420							2736
PPRT	1590	3769	4403	2450		7249	3078	1885	5222	3719	268		1119							1885
Customs and Transit																				
A. TIPAC			95	43	22	98	30	32	128											32
B. Customs																				
Institutional Development			147	372	354	535	164	175												175
Training			37	99	27	99	31	32												32
Equipment			493	505	683	44	272													272
Sub-total			279	1007	908	1415	269	511	128											511
TOTAL	37951	86150	108435	87901	49050	209147	104924	55418	36197	62563	39604	24948	28957	1539	12733	451	4180	15833	69554	72929

US\$ million	Totals including contingencies					Foreign Currency	Local Currency	Duties & Taxes	IDA	UE	BMZ	ADB	CFD	GOVT	Financing to be sought
	95/96	96/97	97/98	98/99	99/00										
Paved Roads															
A. New Roads															
Bamenda-Batibo	3520	8384				7808	4096					10714		1190	
Bachuo-Akagbe-Mamfe	3241	1923				3388	1776					4648		516	
Eseka-Lolodorf	5516					3620	1895					4964		552	
Bambui-Fundong	8617					5655	2962				8617				
B. Spot pavement															
Bamenda-Kakar-Nkambe	2146					1409	738			2146					
C. Rehab. and per. maintenance															
Financing to be sought				14890	26638	23033	7074	11420						11420	30107
IDA Financing				6031		3343	1029	1658	3804					2227	
D. Emergency Program															
Kekem-Bandjoun			9670			5361	1650	2659	6100					3571	
Douala-Edea-Pouma			4421			2451	754	1216	2788					1632	
Garoua-Maroua			8289			4595	1414	2279	5228					3061	
E. Structural Adjustment															
	628					277	352	0		628					
F. Spot Improvement															
G. Bridges			861	882	902	1184	1011	450						450	2195
H. Studies	147		1426	1461	1493	1962	1674	745						745	3636
I. Supervision and control	2315	706	67	978	969	1304	401	389	174			132		404	1384
J. TA to Paved roads Dept.	504	508		1778	1763	4522	1386	722	304	479	404	1925		936	2583
Sub-total	26634	11522	24734	26019	31764	70531	28401	21741	18398	3254	9830	22383		26905	39904
Earth Roads															
A. New Roads															
Bamenda-Kakar-Nkambe	5988					3486	2502			5988					
Nditam-Ngambe-Tikar	910					530	380					819		91	
Kakar-Sabangari-Sonkolong		19900				11573	8327			19900					
Bertoua-Garoua Boulai		21709	22146			25479	18376			43855					
B. Rehabilitation															
Nanga Eboko-Bouam			4239			2051	1204	983	2832					1407	
Garoua Boulai-Meiganga			3524			1705	1001	818	2355					1170	
Meiganga-Ngaoundere			3710			1795	1054	861	2479					1231	
Bamenda-Belifang			1335			646	379	310	892					443	
Belifang-Wum			290			140	82	67	194					96	
Kumba-Loum			1561			755	443	362	1043					518	
Nyamboya-Banyo			2988			1446	849	693	1997					992	
Ebolowa-Ambam			12313	12610		11929	8757	4237				20686		4237	
Mbandjok-Nanga Eboko	1960					941	686	333		1627				333	
IDA Second tranche				7120		3445	2024	1652	4758					2363	
C. Periodic maintenance															
Boumnyebel-Bokito	327					190	137			327					
Yaounde-Kikot	479					279	200			479					
Foumban-Jakiri	327					190	137			327					
Ayos-Bonis	4791					2789	2002			4791					
Foumban-Nyamboya	436					254	182			436					
Remaining of the priority I roads			4421	8308		6159	3617	2953	8505					4224	9925
D. Disenclavement of rural areas															
Mbalmayo-Eseka	479					279	200			479					
Remaining of the network			2954	4454	4549	3694	6230	2033						2033	
E. Bridges															
	551		1277	1446	1478	2202	1836	714				496		769	3487
F. Road maintenance equipment															
	5921	9539	12143			25928	1675					24842		2760	
G. Supervision and control															
	2292	3126	4377	2521	267	8828	2710	1045	2396	6937		378	1222	1087	562
Sub-total	24459	54274	77277	36460	6295	116714	64988	17061	27450	85144		26536	21908	23753	13973
Rural Roads															
A. Government Program															
Disenclavement of rural areas	3139	1459	248	1525		2858	2430	1083						6371	
Spot rehabilitation	1449	1216	620	1017		1929	1642	731						4302	
Ayos-Ngaelemendouka		486		508		446	380	169						995	
B. Program STABEX															
	8917	13697				13157	9457			22614					
C. IDA Program															
			3544	3630	3712	5270	3091	2526	8361					2526	
D. CFD Program															
		7298	7452			4561	7682	2508				12243		2508	
E. Studies and supervision															
	1492	1803	884	180	184	2256	1900	388	432	2603			1121	388	
F. Training and sensitization															
		232	474	485		161	792	238	953					238	
Sub-total	14997	26192	13223	7345	3896	30637	27372	7643	9745	25216		13363		17327	

	Totals including contingencies					Foreign Currency	Local Currency	Duties & Taxes	IDA	UE	BMZ	ADB	CFD	FAC	OECD	UN	AGCD	BENEF	GOVT	Financing to be sought
	95/96	96/97	97/98	98/99	99/00															
Air transport																				
A. Rehab. of Douala airport		3548	8442	5435		9827	4634	2962				14463						871	2091	
B. Equipment Marous-Salak	559					383	24	152												559
C. Equipment Yde-Nsimalen	134					92	6	37												134
D. Air safety and meteo	573	564	481	587		826	939	441								885				1322
Sub-total	1267	4112	8923	6023		11130	5604	3592				14463				885		871		4107
Rail Transport																				
A. Locomotives		11257				7704	491	3062								8195				3062
B. Telecommunications	6259		12748	13054		21937	1404	8721			23341									8721
C. Dibamba bridge			8486			4602	2442	1443				7044								1443
D. Rehabilitation of Yaounde-Kaa	9511		16488			14107	7472	4420			21578									4420
E. Rehabilitation Kaa-Belabo				32282	33012	35425	18768	11100												11100
Sub-total	27027	37722	45336	33012	83774	30577	28745			44919		7044				8195			28745	54193
Port Authority																				
A. Tug-boat		7143				4623	2521				7143									
B. Dredger		15239				9862	5377				15239									
C. Service boat			1146			784	50	312												312
D. Rehabilitation of carriageways			10911	7450		9956	5284	3121												3121
E. Channel rehabilitation		7846	7997	8190	8379	17977	5522	8913												8913
F. Container terminal			10390	17745	7255	19194	10180	6016						24967				23499		6016
G. Berth rehabilitation	520	1855	4074	5562		6514	3454	2042										4406	2042	7998
H. Aprons			2424		2539	2693	1427	844										1971	844	4120
I. Timber storage area			521	1726		1218	647	382												382
J. MIS	1659	991				360	1760	530										299	530	1821
Sub-total	2178	33074	37463	40673	18173	73181	36220	22160			22382			24967				30174	22160	31878
Ministry of Public Works																				
Institutional Development		95	246	233	156	399	186	146	584											146
Equipment	68	149	115	71		264	30	110	92											312
Studies	237	268	274	280	31	147	724	218	95											994
Training and seminars		239	244	250	256	605	186	198	791											198
Buildings	410	412	421	431		767	622	285												1674
Sub-total	714	1164	1300	1265	443	2183	1747	956	1562											3323
Ministry of Transport																				
Institutional Development	252	436	699	716	328	1267	677	496	1121			824								486
Studies			88	90	92	37	179	54	216											54
Training and seminars		292	432	406	274	447	677	281	1124											281
Equipment	313	1191	958	610	120	2185	140	869	870											2323
Buildings	482	485	619	634		1018	825	377												2220
Sub-total	1047	2404	2796	2456	814	4953	2498	2067	3330			824								5364
PPRT	3118	7389	8633	4804		14214	6036	3696	10239	7293	525		2193							3696
Customs and Transit																				
A. TIPAC			186	85	43	192	59	63	251											63
B. Customs																				
Institutional Development			289	730	695	1048	322	343												343
Training			72	193	52	194	60	64												64
Equipment				967	990	1340	86	533												533
Sub-total			547	1891	1780	2774	527	1001	251											1001
TOTAL	74414	167157	212619	172356	96177	410092	203969	108662	70974	120890	77655	48918	56778	3017	24967	885	8195	31045	136381	142999

Schedule 8: Outline Terms of Reference of Technical Assistance

A. Establishment of a Planning Mechanism in MINTP

1. The objective is to assist MINTP in the use of the planning and programming mechanism established under the paved road maintenance programming study financed by Germany and the earth road maintenance programming study financed by IDA in 1995. The consultant will carry out short-term missions to adjust the mechanism on the basis of new data collected by MINTP, to assess users' capacity and define training requirements, to evaluate the outcome of the mechanism and the consistency between the road maintenance budget and the planning and programming strategy used to establish the mechanism. Four two-week missions of a transport economist will be necessary per year during three years.

B. Improvement of Human Resource Management in MINTP and MINT

1. The consolidation and sustainability of the gains attained through the other reform measures will largely depend of complementary achievements in the area of personnel management. An improved personnel management system, that ensured appropriate hiring, promotions, discipline and retirements within a framework of appropriate training and resource usage, is required to ensure efficiency and effectiveness. The consultant will undertake the following tasks:

- (a) to assist the Director of General Administration (DGA) to computerize personnel records;
- (b) to assist the DGA in reconciling its computerized personnel records with the Treasury payroll data;
- (d) to support the design and implementation of a personnel management information system;
- (e) to review the organizational and administrative structures and procedures for personnel management at the DGA with a view to identifying the need and scope for, *inter alia*: (i) the decentralization of the personnel management function; and ii) the establishment of a management audit section in the Division of Personnel Management services.
- f) to support the design of a feasible implementation program for developing a managerial culture in the civil service.

C. Execution of a Plan to Improve Road Safety

1. **Revision of the Legal Framework.** The objective of the technical assistance will be: (a) to inventory and update the legal documents; (b) to prepare the legal documents to implement the Highway Code; (c) to prepare a simplified Highway Code understandable by illiterate people.
2. **Creation of a Data Bank.** The objective of the technical assistance will be: (a) to collect and analyze existing data; (b) to revise the form filled by the police agents at the location of accidents; (c) to identify a first program of dangerous spots and recommend measures to improve road safety at these spots.
3. **Information and Sensitization Program.** The objective of the technical assistance will be: (a) to launch a media campaign to inform and sensitize road users on road safety issues; and (b) to define a teaching program for schools.
4. **Training.** A training program will be carried out aimed at: (a) MINT's agents responsible for monitoring the use of the road network (compliance with rain barriers, truck overload regulation, dangerous spots); (b) establishment of a training program for teachers on road safety; and (c) MINT's agents responsible for the collect and treatment of data.

D. Detailed Engineering Studies for Road Rehabilitation and Supervision of Civil Works Execution

5. The objective of the technical assistance is: (a) to carry out the detailed engineering studies for the second year of the road rehabilitation program to be financed under the project; (b) to prepare tender documents; (c) to assist MINTP in the procurement process; and (d) to assist MINTP in supervising works execution. Detailed terms of reference are available in the project files.

E. Training and Sensitization Program to Involve Beneficiaries in Rural Roads Maintenance

A. Sensitization

This subcomponent is intended to promote the program. The objectives are as follows: (a) encourage people to participate, to stimulate competition; (b) create a positive attitude towards community participation on the part of Government leaders and technicians; (c) prepare the community to take over maintenance; and (d) prepare the community to plan priorities.

The sensitization process is designed to encourage the rural communities involved to participate in managing the routine maintenance of their road system. This is accomplished as follows: (a) By conducting a local promotional campaign centered on the opportunities available to rural communities to obtain outside financing and the criteria governing eligibility for it. (b) An NGO that is well established in Cameroon and offers a wide range of activities to local participants (missions, projects, existing groups, communities...) will be selected for this promotional campaign. (c) Government experts from subdivisions of pilot zones will be included in the target groups to demonstrate the uniqueness of the content of the strategy.

- By setting up and organizing local road maintenance committees (CLER) as an expression of community interest, so that they may receive technical and management training from the "operator-designer" NGO, through its representatives. Local road maintenance committees will set up their own organization, including statutes, operating procedures, and so forth. They will advise the "trainer/sensitizer" NGO of the proposed roads for which they are requesting outside financing.

Details on the target groups involved, information channels, primary messages to convey, and an estimate of the cost for promotional activities are provided in the project files.

B. Training

B.1. General Description

Training should involve the heads of the road subdivisions designated for the "rural roads" component and local participants responsible for road rehabilitation and maintenance, in that order.

The training component, including promotion, will be managed by a training unit, through a "specialized operator-designer" NGO. Initially, and for the first three (3) months, the work will involve preparation of teaching aids and organization of courses. This will lead into an initial program for training the persons actually performing the construction and the communities responsible for maintenance, as part of the management cycle of each "project."

The information and training unit will comprise at least the following technical staff: (a) one road engineer; (b) two trainers in labor-intensive works; (c) four persons in charge of community promotion activities, one per pilot zone; (d) one person in charge of logistics; (e) one graphic designer and illustrator of promotional materials and manuals. The description of these positions is available in the project's files.

B.2. Activities and Schedule of Implementation

A detailed description of the 12 major information and training activities is provided in the project files. The timetable for the execution of the information campaign and training program is presented in Schedule 10.

C. Strengthening of the Merchant Shipping Department

1. Services required under this component will include:
 - (a) seminar on the UDEAC Code of Merchant Shipping adopted by the UDEAC countries in 1994;
 - (b) Training on the MARPOL convention and legal assistance to prepare its implementation;
 - (c) training on environmental issues in the port and maritime sector.

D. Preparation of an Action Plan to Develop the International Trucking Industry

D.1. Vehicle Rehabilitation Study

3. *Objectives.* The study targets trucks owned by operators engaged in regional transport to land-locked countries.
5. *Scope of Work.* The scope of work is as follows:
 - (a) to document the mechanical condition of the vehicles owned by the private operators engaged in regional transport;
 - (b) to provide a general census of the vehicles in operational condition, discriminating by makes and model groups which could be earmarked for rehabilitation according to one of the following criteria:
 - (i) cost of rehabilitation below 20% of CIF vehicle cost for a similar new vehicle, and
 - (ii) number of similar specifications examined;
 - (c) to estimate the need for components and spare-parts for rehabilitation of selected makes, models taking into account the TIPAC criteria for vehicle specifications;
 - (d) to outline preliminary procurement specifications for the components and spare-parts selected;
 - (e) to prepare cost estimates for rehabilitation works discriminating between capital costs (spare-parts and components) and labor costs;
 - (f) to select, for project purposes, a number of vehicles from the above census, which could meet Cameroon demand for regional transport, within the lowest rehabilitation cost.

D.2. Workshop Capacity Study

4. The objectives of the workshop capacity facilitation program are:
 - (a) to encourage cost-effective workshop capacity through encouragement of small entrepreneurs in automotive maintenance;
 - (b) to provide the ground-rules for workshop capacity investments in coordination with the credit intermediation program;
 - (c) to complement the vehicle rehabilitation and training sub-components of the trucking component of TIPAC by providing low-cost capacity for vehicle rehabilitation; and
 - (d) to encourage human resources deployment in technical skills.
5. *Scope of Consulting Services.* The scope of work is as follows:

- (a) to documents the coverage, cost and shortcomings of the automotive repairs and vehicle maintenance industry;
- (b) to analyze the impact and cost of (a) above in the trucking industry and in vehicle operating costs in general;
- (c) to assess the capacity for vehicle rehabilitation (as described in the vehicle rehabilitation terms of reference); of the present facilities and the advantages of encouraging small entrepreneurs;
- (d) to assess the human resource base engaged in the automotive repairs and maintenance industry; and to assess the need for training in mechanical skills, the schools and/or institutions supplying mechanical skill training; and in general the present environment, availability and quality of mechanical skill training.

6. The above analyses and assessments should lead to preparation of a set of proposals concerning the following specific areas:

- (a) human resource existing in the automotive repair and maintenance industry;
- (b) regulatory environment of the automotive distribution, spare-parts dealership, and automotive repair and maintenance industry; adequacy, shortcomings and proposals for improvement;
- (c) technical proposal to encourage participation of small enterprises in industry development and access to financing and training;
- (d) general workshop capacity facilitation, liberalization, and encouragement in the light of the findings of the financial intermediation and vehicle rehabilitation studies and in the light of the proposals for training contained in the terms of reference for preparation of the TIPAC initiative.

G.3. Manpower Training Assistance

3. Identification of the type and scope of assistance needed will be necessary at the inception of the manpower training and assistance program. The identification should be part of the technical assistance for manpower training and should materialize in a short study of manpower and training needs as a first step to organizing the delivery of assistance.

4. The end product of the training assistance should be a private sector oriented program complete with manpower targets, types of training, institutions involved, types of curriculum and cost estimates aimed at encouraging private sector skills in trucking, mechanical workshop capacity and freight-forwarding.

D.4. Terminal Facilities Study

3. *Objectives.* The purpose of the Freight Facility Study is to assist in the analysis of proposed investments and financial prospects of the transport industry in Cameroon, with particular reference to operations, revenues, costs, management, and administration of possible low cost freight facilities in Douala and Ngaoundere. To this end, the study shall provide:

- (a) forecasting of commodity movements, domestic and international;
- (b) operational, economic and financial analyses of possible freight facilities;
- (c) liaison with the workshop capacity study; and
- (d) determination of recovery mechanism for the proposed investments.

4. *Scope of Consulting Services.* The study should have the following scope:

- (a) assess current transport services, for domestic and regional transport investigating the possibilities for consolidation and unitization of cargoes, for operating regional door-to-door freight-forwarding services and, for developing transit storage services (containers);
 - (b) determine the needs for simple low-cost freight centers providing services to the trucking, shipping and transport industries, identifying the necessary investments and complementary measures required for its economic and financial justification.
 - (c) conduct economic and financial analyses to determine the appropriate scale of the freight consolidation centers;
 - (d) draw the technical plans for establishment of the freight consolidation centers up to the preliminary engineering stage, and prepare the terms of reference, estimates and technical specifications for the final engineering;
 - (e) formulate an organization plan for the management of the facilities and elaborate terms of reference for a subsequent management contract as required;
5. The Consultants' recommendations shall include but not be limited to the following aspects:
- (a) cargo handling methods;
 - (b) transfer facilities required at Douala and at inland locations, including container facilities, inland clearance depots, etc.;
 - (c) workshop facility requirements (if any); the consultants will liaise with the mechanical engineer carrying out the workshop capacity study.
6. A financing plan and a work program will be prepared. The financial cost estimate for all the works pertaining to the solution recommended will be broken down to show local and foreign exchange cost components.

Schedule 9: Training

A. Support to Small and Medium Enterprises (SMEs)

Available Experience

1. A training program of SMEs was carried out under the Road Maintenance Program financed by the European Union. This program consisted of:
 - (a) Enterprise management and determination of prices during the period where bids were prepared: The training was provided by a consulting firm.
 - (b) Execution of civil works: The training was provided by the consulting firm supervising the execution of the works.
2. The use of foreign expatriates made the cost of training very expensive and unsustainable on a long period. Therefore, a different approach is proposed:
 - (a) A local training firm would be appointed to prepare a training program based on short units (for example half an hour per theme).
 - (b) The program would be prepared in consultation with the SMEs to determine the training needs. It would be extended on the basis of new requirements identified by SMEs.
 - (c) Training would be open to all SMEs and not only SMEs which have been selected to execute works. SMEs would have to contribute to the cost of training.
 - (d) Training would be carried out at a decentralized level. Regional NGOs would be appointed to provide training to SMEs.
 - (e) The local training firm would coordinate training activities carried out by NGOs. The training firm would receive assistance from local consultants highway engineers.
 - (f) A Steering committee would be created to monitor the implementation of the training program. The committee would consist in representatives of the private sector (Syndicate of civil engineers, private banks among others) and the public sector (Ministry in charge of SMEs, Ministry of Public Works). The committee would be supported by short-term experts (training specialist, highway engineer).

B. Restructuring of Customs

The project would include training of customs' agents both in technical computer-related skills and in the new customs administration procedures being introduced in conjunction with the new computer system. The training would focus on on-the-job training to improve capacity of customs' agents in overall customs administration and operations, as well as enable customs' agents to participate in and assume progressive responsibility in computer administration and operations, software maintenance and enhancements, and communication management.

The information technology training would include:

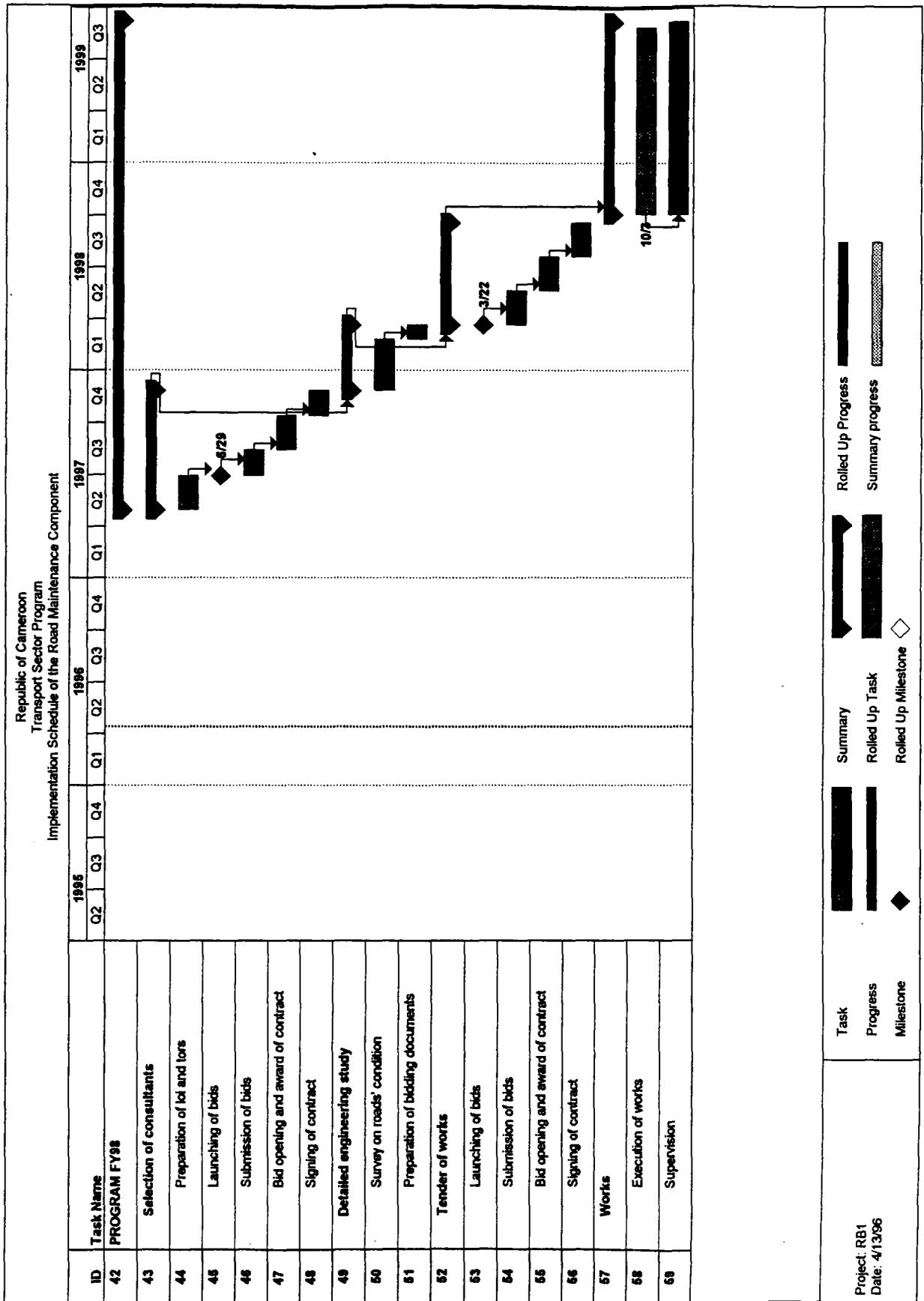
- (a) project management, system analysis;

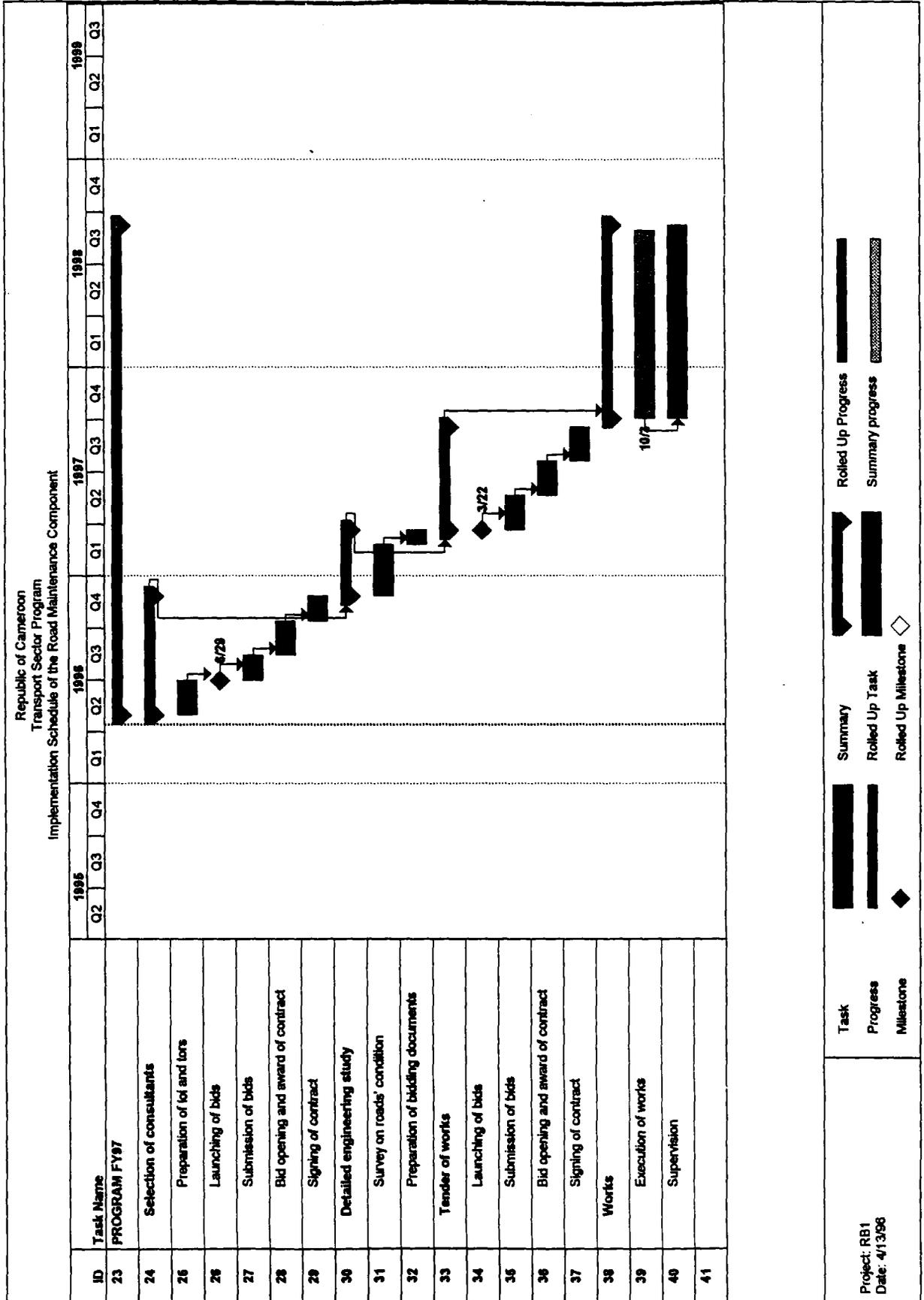
- (b) hardware and system software operations, remote diagnostics, file back-up, network configuration and management;
- (c) application software modalities and operations, programming logic and structure, maintenance, and enhancement techniques;
- (d) database management; and
- (e) computer-based auditing techniques.

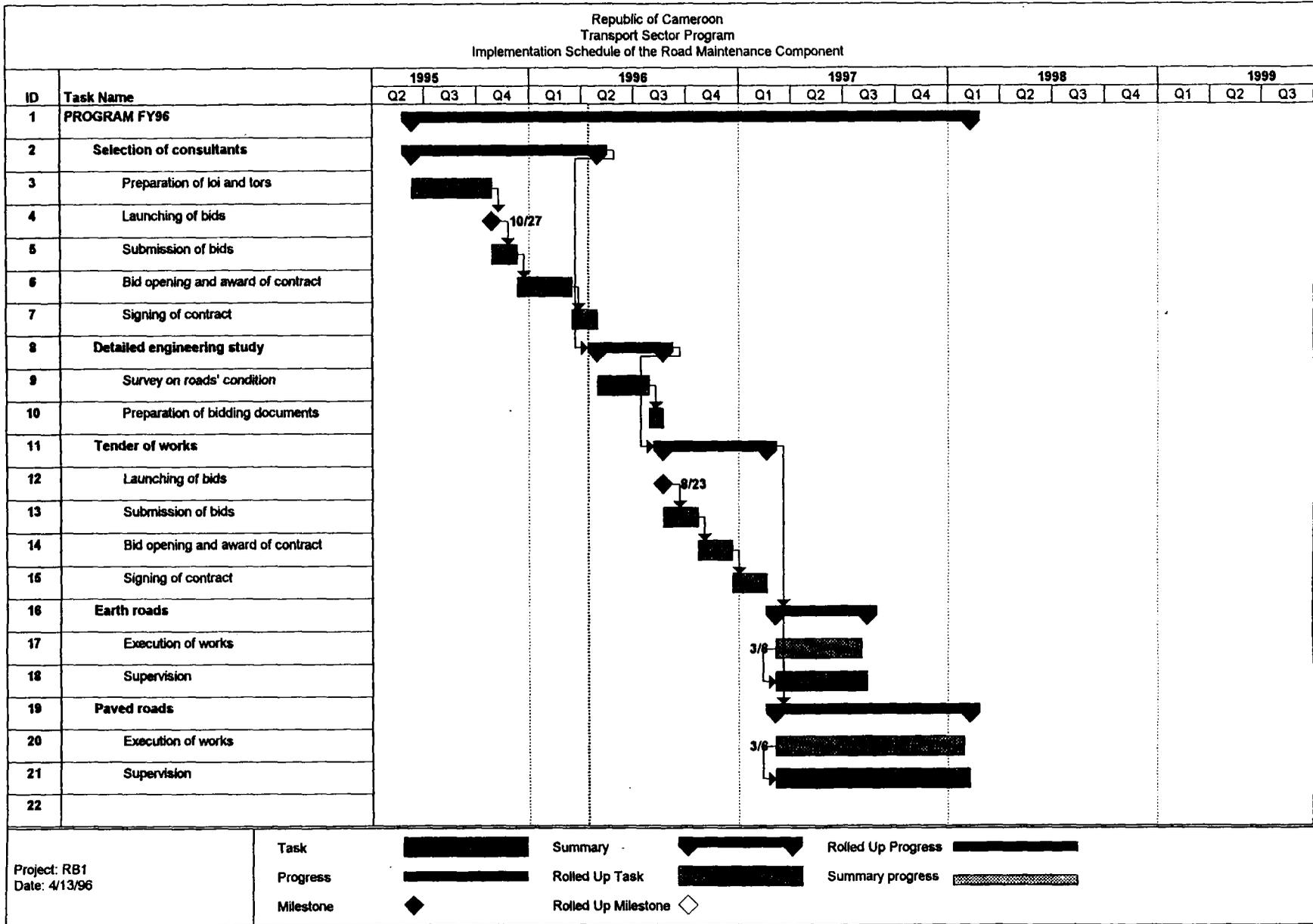
The following table describes the type of training on information technology to be provided and the employees targeted.

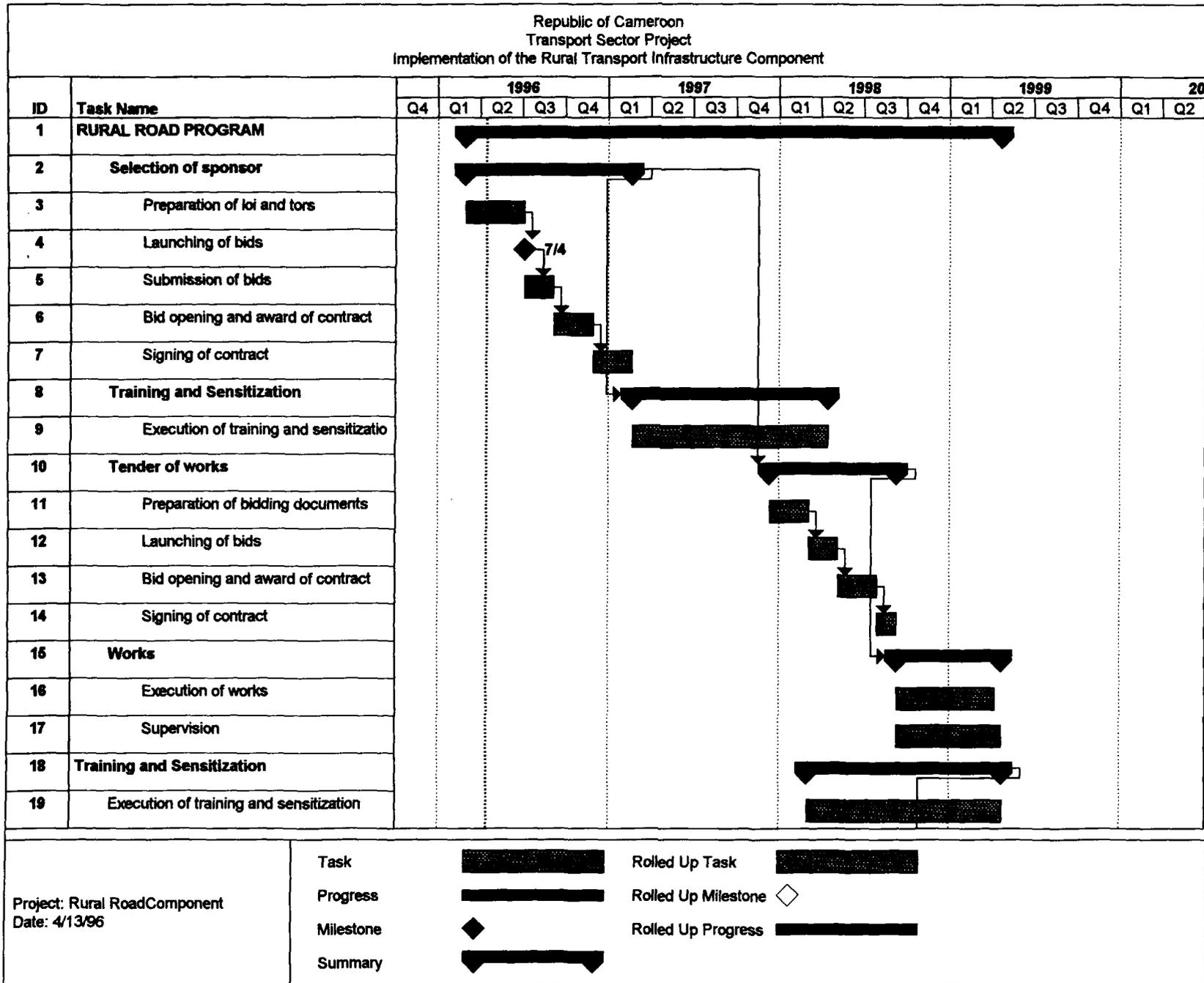
Type of training	Target	Duration
Users training on customs computerized applications	Managers, supervisors and terminal operators	3 weeks per type of application
Technical training on customs computerized applications	System administrators, data base administrators, system analysts, programmers, facility operations staff, business systems trainers, information center specialists	3 weeks per type of application
Executive computer awareness	Freight forwarders, port managers	2 days
Office automation (spreadsheet, word processing, text retrieval)	Managers, analysts and clerical staff	1 week per type of application
Project management (including team leadership)	Senior staff	3 weeks
System analysis	System analysts	6 weeks
Programming (3rd and 4th generation language)	Programmers	6 weeks per type of language
Computer operations	Computer operators	3 weeks
Technical support (hardware, communications, operating systems)	System programmers and database administrators, hardware engineers	3 months

Schedule 10: Project Implementation Schedule









Republic of Cameroon
Transport Sector Project
Implementation of the Rural Transport Infrastructure Component

ID	Task Name	1996				1997				1998				1999				2000				
		Q4	Q1	Q2	Q3	Q4																
20	Tender of works																					
21	Preparation of bidding documents																					
22	Launching of bids																					
23	Bid opening and award of contract																					
24	Signing of contract																					
25	Works																					
26	Execution of works																					
27	Supervision																					

Project: Rural RoadComponent
Date: 4/13/96

Task		Rolled Up Task	
Progress		Rolled Up Milestone	
Milestone		Rolled Up Progress	
Summary			

Schedule 11: Program Performance Indicators

Transport Sector Reform Program: Indicators in accordance with the targets in the matrix of action attached to the letter of sector policy.

Investment Program

Overall Program: Rate of execution.

Road Maintenance

Financed by IDA	Paved roads rehabilitation	Earth roads rehabilitation
FY97	300 km	615 km

The FY98 and FY99 program for rehabilitation and periodic maintenance will be determined on the basis of the road maintenance programming studies underway.

Port: Channel of the port of Douala rehabilitated and maintained at -7.5m.

Management performance targets as agreed before Board presentation.

Project Implementation

Road Maintenance: Average overrun on cost of road maintenance contracts and on delays in contract execution.

Rural Roads: Degree of satisfaction of beneficiaries. Level of involvement of beneficiaries in rural road maintenance.

Sector Monitoring Indicators (The reference indicators for FY95 and before will be provided in the Project Implementation Plan)

Road Maintenance

Kilometers of roads maintained or rehabilitated. Average cost of road maintenance by contract.

Road maintenance budget execution. Funds allocated to the Road Maintenance Fund, deposited on the special account and disbursed. Traffic on roads maintained or rehabilitated under the project.

Number of road maintenance contracts signed with local small and medium enterprises and number of man-days generated by these contracts. Distribution between foreign and local contractors of resources allocated to road maintenance. Number of employees in MINTP.

Port

Volume of traffic. Characteristics of ships calling at Douala. Cargo handling performance. Waiting time at buoy. Berth occupancy rates/Financial ratios. Tariffs/Productivity of employees.

Airports

Volume of traffic/Financial ratios/Tariffs.

Rail

Volume of traffic.
Equipment availability and productivity.
Financial ratios.
Productivity of employees.

Civil Aviation

Volume of traffic/Share of traffic between CAMAIR and local private operators.
Financial ratios/Tariffs/Productivity of employees.

Schedule 12: IDA Supervision Plan

Timing	Main Activities	Skills Required	Staff Weeks
12/96	Project launch workshop: Review of all key procedures of project executing agencies, procurement, disbursement, statement of operating expenses, compliance with credit covenants, monitoring of environmental impacts and systematic client consultation	Project management Financial analyst Highway engineer Sociologist	3 2 2 1
4/97	Major Supervision: Review of implementation status: (a) contractor's performance (b) progress and outcome of studies; performance of consultants and counterparts; (c) execution of action plans; (d) monitoring of environmental impacts and systematic client consultation	Project management Financial analyst Highway engineer Sociologist	3 2 2 1
9/97	Donor meeting (a) review overall progress of each component; identify issues and agree on follow-up actions; (b) review and reach agreement on arrangements for training	Project management Highway engineer	2 2
4/98	Major Supervision: Review of implementation status: (a) contractor's performance (b) progress and outcome of studies; performance of consultants and counterparts; (c) execution of action plans; (d) monitoring of environmental impacts and systematic client consultation	Project management Financial analyst Highway engineer Sociologist	3 2 2 1
9/98	Donor meeting (a) review overall progress of each component; identify issues and agree on follow-up actions; (b) review and reach agreement on arrangements for training	Project management Highway engineer	2 2
4/99	Major Supervision:	Project management	3
4/00	Review of implementation status:	Financial analyst	2
4/01	(a) contractor's performance (b) progress and outcome of studies; performance of consultants and counterparts; (c) execution of action plans; (d) monitoring of environmental impacts and systematic client consultation	Highway engineer Sociologist Environmental specialist	2 1 1
9/99	Donor meeting	Project management	2
9/00	(a) review overall progress of each component; identify issues and agree on follow-up actions;	Highway engineer	2
9/01	(b) review and reach agreement on arrangements for training		
4/02	ICR mission	Project management Financial analyst Highway engineer Sociologist Environmental specialist	3 1 2 1 1

Schedule 13: Economic Evaluation of the Overall Road Maintenance Program

1. The costs and benefits of the road maintenance program are presented in table 1. The road maintenance strategy and the unit costs for maintenance are summarized in the subsequent paragraphs.

Table 1: Cost-Benefits Flows of the Road Maintenance Program (CFAF billion)

Paved Roads			
	Savings on Vehicle Operating Costs	Savings on Road Maintenance Costs	Total Benefits
Year 1	-	-12.9	-12.9
Year 2	61.7	-2.8	58.9
Year 3	59.3	-6.1	53.2
Year 4	56.9	-1.9	55.0
Year 5	49.6	-	49.6
Year 6	51.8	-	51.8

Earth Roads			
	Savings on Vehicle Operating Costs	Savings on Road Maintenance Costs	Total Benefits
Year 1	-	-13.8	-13.8
Year 2	23.4	-13.8	9.6
Year 3	30.7	-9.3	21.4
Year 4	30.3	-6.9	23.4
Year 5	29.7	-	29.7
Year 6	29.7	-	29.7

A. Paved Roads

2. Cost of operations have been estimated depending on the transversal profile of the roads, the type of carriageway and the geo-climatic area. The distribution of the network according to these criteria is available in Project files..

3. **Full Maintenance.** Six maintenance operations will be carried out on paved roads: (a) cantonnage; (b) signaling; (c) repair of bridges, ditches and culverts; (d) cleaning of shoulders; (e) patching; and (f) periodic maintenance. The unit cost of maintenance operations are available in Project files.

4. **Simplified Maintenance.** Four maintenance operations will be carried out on paved roads: (a) cantonnage; (b) signaling; (c) repair of bridges, ditches and culverts; (d) and patching. The unit cost of maintenance operations are available in Project files.

B Earth Roads

5. **Full Maintenance.** Eleven maintenance operations will be carried out on paved roads: (a) cantonnage (C); (b) light reshaping (RR); (c) grading with compacting without addition of material (RSA); (d) grading with compacting with addition of material (RAA); (e) regravelling; (f) rehabilitation; (g) cleaning of shoulders; (h) starting cantonnage; (i) signaling; (j) rain barriers; and (k) repair of bridges, ditches and culverts. Costs of operations have been estimated depending of the transversal profile of the roads and the geo-climatic conditions. All details on engineering design and cost of operations are in Project files.

6. **Simplified Maintenance.** Six maintenance operations will be carried out on earth roads and link roads: (a) cantonnage (C); (b) light reshaping (RR); (c) reshaping with compacting without addition of material (RSA); (d) spot regravelling; (e) rain barriers; and (f) repair of bridges, ditches and culverts. Road lengths according to transversal profile and geo-climatic area and cost of operations are available in Project files.

C. Vehicle Operating Costs (CFA per vehicle-kilometer)

Road surface	Type of vehicle	Road condition			
		Good	Fair	Poor	Very Poor
Paved	Private car	81	87	97	
	Taxi	84	94	117	
	Pick-up	185	206	256	
	2-axle truck	349	395	446	
	3-axle truck	469	550	639	
	Minibus	304	339	421	
Earth	Private car	100	133	165	169
	Taxi	109	155	201	203
	Pick-up	242	308	374	385
	2-axle truck	424	604	734	756
	3-axle truck	632	786	940	966
	Minibus	393	469	544	562

Schedule 14: Economic Evaluation of the First-Year Road Maintenance Program

1. The economic evaluation was carried out using the HDM Model set up by the World Bank. For each year of the economic analysis period, the model calculates the road deterioration due to the traffic and the maintenance strategy applied to the road, the cost of the maintenance, and the vehicle operating costs based on the new road condition. The model compares the total costs, including rehabilitation costs, maintenance costs and vehicle operating costs, in the with- and without-project scenarios. Table 1 presents the maintenance strategy in the with-project scenario. Table 2 presents key parameters of the economic analysis and provides the Economic Rate of Return and the Net Present Value for each road in the program. Table 3 presents the cost-benefits flows. Table 4 presents the results of the sensitivity studies.

Table 1: Road maintenance Strategy in the With-Project Scenario

Road	Earth Roads				Paved Roads	
	Rehabilitation	Regravelling	Reshaping without addition of material	Reshaping with addition of material	Rehabilitation	Periodic Maintenance
Nanga Eboko-Bouam	1996 and 2006	every 3 years	once a year	once a year		
Garoua Boulai-Meiganga	1996 and 2006	2000	twice a year			
Meiganga-Ngaoundere	1996 and 2006	2000	twice a year until 2000 and once a year after	once a year after 2000		
Ebolowa-Gabon	1996 and 2006	every 4 years		twice a year		
Bertoua-Batouri	1996 and 2006	every 3 years		twice a year		
Batouri-Ngoura	2006	1996 and		twice a year		
Bamenda-Belifang	1996 and 2006	every 4 years				
Belifang-Wum	2006	every 8 years		once a year		
Kumba-Loum	1996 and 2006	partial every 4 years		once a year		
		2000	twice a year until 2000 and once a year after	once a year after 2000		
Garoua-Maroua					1996	every 10 years
Douala-Edea-Pouma					1996	every 6 years
Kekem-Bandjoun					1996	every 7 years

Table 2: Key Parameters of the Economic Analysis

Road	Length (km)	Traffic (AADT)	Percent Heavy Traffic	Average Rehabilitation Cost	Total Rehabilitation Cost	Economic Rate of Return	Net Present Value
Nanga Eboko-Bouam	145	139	60.0	10.3	1.5	143%	8.8
Garoua Boulai-Meiganga	115	68	39.7	10.8	1.2	29%	0.9
Meiganga-Ngaoundere	152	130	36.1	8.6	1.3	79%	4.6
Ebolowa-Gabon	108	144	18.0	10.3	1.1	37%	1.2
Bertoua-Batouri	90	220	62.7	11.7	1.1	311%	14.3
Batouri-Ngoura	21	47	57.4	5.0	0.1	104%	0.4
Bamenda-Belifang	49	229	4.8	9.7	0.5	14%	0.0
Belifang-Wum	17	149	2.0	6.0	0.1	18%	0.0
Kumba-Loum	47	288	24.3	11.7	0.5	23%	0.3
Garoua-Maroua	150	599	16.0	20.0	3.0	22%	3.1
Douala-Edea-Pouma	80	2975	21.5	20.0	1.6	90%	14.6
Kekem-Bandjoun	70	1650	13.0	50.0	3.5	62%	4.3

AADT: Average Annual Daily Traffic

The average rehabilitation cost is expressed in CFAF million per km. The total rehabilitation cost is expressed in CFAF billion. The net present value is expressed in CFAF billion discounted at 12 percent.

Table 3: Annual Costs-Benefits Flows (CFAF million)

	Earth Roads									Total Earth Roads
	Nanga Eboko Bouam	Garoua Boulai Meiganga	Meiganga Ngaoundere	Ebolowa Front. Gabon	Bertoua Batouri	Batouri Ngoura	Bamenda Belifang	Belifang Wum	Kumba Loum	
1996	-1,493	-1,242	-1,307	-1,112	-1,053	(0,105)	(0,475)	-1,102	(0,550)	-7,439
1997	2,418	0,471	1,255	0,537	3,361	0,118	0,011	0,031	0,149	8,351
1998	1,874	0,415	0,961	0,520	3,093	0,117	0,032	0,023	0,124	7,159
1999	0,879	0,352	0,709	0,311	2,559	0,114	0,115	0,025	0,133	5,197
2000	2,779	(0,315)	(0,174)	(0,319)	3,326	(0,037)	0,117	0,024	(0,140)	5,261
2001	2,050	0,836	2,161	1,069	2,594	0,154	0,118	0,019	0,449	9,450
2002	0,984	0,731	1,477	0,689	1,979	0,132	0,120	0,019	0,286	6,417
2003	2,930	0,543	1,367	0,423	3,498	0,108	0,122	0,019	0,173	9,183
2004	2,128	0,385	1,359	(0,299)	2,749	0,099	(0,163)	0,019	0,132	6,409
2005	1,088	0,306	1,381	1,120	2,128	0,100	0,576	0,019	0,126	6,844
ERR	143%	29%	79%	37%	311%	104%	14%	18%	23%	100%

	Paved Roads				Total Paved Roads	Total Earth Roads	Total Program	
	Garoua Maroua	Douala Edea Pouma	Kekem Bandjoun	Total Paved Roads				
1996	-3,000	-1,600	-3,500	-8,100	1996	-8,100	-7,439	-15,539
1997	0,282	0,939	2,348	3,569	1997	3,569	8,351	11,920
1998	0,354	1,390	2,709	4,453	1998	4,453	7,159	11,612
1999	0,456	1,977	2,580	5,013	1999	5,013	5,197	10,210
2000	0,551	2,440	1,993	4,984	2000	4,984	5,261	10,245
2001	0,645	2,678	1,321	4,644	2001	4,644	9,450	14,094
2002	0,748	1,253	0,543	2,544	2002	2,544	6,417	8,961
2003	0,870	4,564	(0,994)	4,440	2003	4,440	9,183	13,623
2004	1,012	4,790	(0,341)	5,461	2004	5,461	6,409	11,870
2005	1,170	4,920	(0,084)	6,006	2005	6,006	6,844	12,850
2006	(0,759)	4,814	(0,087)	3,968	2006	3,968		3,968
2007	2,229	4,106	(0,090)	6,245	2007	6,245		6,245
2008	2,529	0,176	(0,093)	2,612	2008	2,612		2,612
2009	2,762	2,400	(0,096)	5,066	2009	5,066		5,066
2010	2,584	0,428	-1,159	1,853	2010	1,853		1,853
2011	2,030	(0,349)	0,852	2,533	2011	2,533		2,533
2012	1,398	(0,360)	0,087	1,125	2012	1,125		1,125
2013	0,658	(0,371)	(0,109)	0,178	2013	0,178		0,178
2014	0,087	-1,832	(0,112)	-1,857	2014	-1,857		-1,857
ERR	22%	90%	62%	52%	ERR	52%	100%	74%

Table 4: Sensitivity Studies

	Basic Scenario	Investment +20%	Benefits -20%	Investment +20% Benefits -20%	Investment +30% Benefits -30%	Investment +40% Benefits -40%
Nanga Eboko-Bouam	143	115	110	88	66	47
Garoua Boulai-Meiganga	29	19	18	9	1	<0
Meiganga-Ngaoundere	79	62	59	45	31	18
Ebolowa-Gabon	37	26	23	13	0	<0
Bertoua-Batouri	311	255	244	199	156	119
Batouri-Ngoura	104	78	73	52	31	11
Bamenda-Belifang	14	7	5	2	<0	<0
Belifang-Wum	18	7	3	<0	<0	<0
Kumba-Loum	23	14	12	5	<0	<0
Total Earth Roads	100	71	67	52	36	22
Garoua-Maroua	22	19	18	15	12	9
Douala-Edea-Pouma	90	78	76	56	56	46
Kekem-Bandjoun	62	47	45	18	18	<0
Total Paved Roads	52	44	42	27	27	20
Total Program	74	54	52	30	30	20

Schedule 15: Economic Analysis of the Rural Transport Infrastructure Program

1. Three benefits were quantified in the economic analysis: (a) value added in new agricultural production; (b) reduction in product losses during transport; and (c) savings in transport costs for both normal and induced traffic other than resulting from (a) and (b). Several benefits were not quantified, such as enhanced food security and enhanced ease of access to health services, extension and teaching.

2. The first benefit is the most important in quantitative terms, as it represents about three fourths of the benefits that the rural infrastructure program is expected to generate. Restricted access to areas of agricultural production to inadequate infrastructure has three consequences: (a) during all seasons of the year, but especially during the rainy season, farmers cannot conveniently access to their fields and are unable to fully harvest their crops which are left to perish; (b) in areas where transportation has to be head loaded, the quantities that can be taken out of the fields are limited, which hamper on any desire to expand production; and (c) the quality of the produce which reaches the markets is lower because produce was not harvested in time or because of deficient transportation. The study assumed that the country's food production would increase by 1.6 percent per annum without the program and 3.1 percent per annum with the program. The percentage of value added per type of agricultural product and per type of road condition is given in table 1.

Table 1: Value Added on Agricultural Products (%)

	Road impassable at any season	Road impassable during the rain season	Road impassable during part of the rain season	Road passable at any season
Food crops	75	60	50	25
Cotton	60	40	20	0
Cacao	50	25	0	0
Coffee	50	25	0	0

3. Induced traffic benefits account for an additional 15 percent of total program benefits. Induced traffic is generated by increased non-farm earnings. As the mobility of small holder farming households and small scale businesses increases through the availability of cheaper transportation and higher level of transport services, added value will result from increased supply and demand of goods and services. Demand for non-farm services which are important to the rural poor and are especially provided by women include food processing, such as cooked snacks, processed roots, beverages, palm oil extraction, brewing, and manufactured produce, which have low investment requirements. Also, demand for wage labor for weeding, planting and harvesting, and for field leveling, ridging and preparation, should increase. So will demand for farm inputs.

4. Average Economic Rates of Return (ERRs) are provided in Table 1 per region and type of works for the priority rural transport infrastructure network.

Table 1: Average ERRs (%) per Region and Type of Works

Work type	Adamaoua	Centre	Est	Extreme Nord	Littoral	Nord	Nord Ouest	Ouest	Sud	Sud Ouest	Total
RA	43.2	58.7	30.1	45.6	42.0	50.0	72.8	72.5	25.9	25.3	48.9
TL	13.0	56.7			43.9	57.0	31.2	48.4		51.7	41.1
RM	19.9	42.0		37.9	56.1	20.0	47.5	47.0	24.7	33.5	35.6
OU								24.0			24.0
Total	21.3	48.4	30.1	43.3	53.9	24.0	52.3	56.0	24.9	34.5	39.9

RA: Light Reshaping; RL: Reconstruction; RM: Heavy Reshaping and Compacting; OU: Reopening

Table 2: Sensitivity Analysis for a Sample of Roads

Road	Initial ERR	Investment +10%	Investment - 10%	Transport benefits +10%	Transport benefits -10%	Agricultural benefits +10%	Agricultural benefits -10%
Doundera-Kobossi	47.4	44.8	50.2	48.5	46.3	49.1	45.6
Gazi-Inter N1-Gbatoua-Godole	26.6	24.8	28.9	28.2	25.0	27.1	26.2
Nkolfoulou-Elat	36.6	33.7	39.9	37.4	35.9	39.5	33.8
Sa'a-Int D48-Polo-Eyene-Int. P13	45.6	42.6	49.1	46.2	45.0	48.2	42.9
Inter P7-Assok-Akomndong	23.5	21.7	25.7	24.6	22.5	24.6	22.4
Mbanga-Mombo	99.1	90.9	109.2	101.2	96.9	105.7	92.4
Ebonsi 2 (Int N9)-Oveng	124.1	112.5	138.6	125.3	123.0	135.2	113.1
Loum Gare-Loum Chantier	124.5	113.5	137.9	127.3	121.6	134.1	114.8
Koutaba-Massiessier	25.4	23.3	27.3	25.7	25.2	27.5	23.2
Batcham Chef-Bankui	194.4	178.3	214.0	200.0	193.1	200.0	177.8
Kwakwa-Bai Banya	43.3	40.1	47.1	43.8	42.8	46.3	40.3
Inter 101-Inter 121	53.2	49.3	58.0	54.0	52.5	56.8	49.6
Djottin-Lassin	54.2	50.2	59.0	55.7	52.7	57.0	51.4
Guilekong-Foreke-Dschang	43.0	39.5	47.3	43.5	42.6	46.5	39.4
Bangangte-Sanya	46.5	42.8	50.7	46.9	46.0	50.0	42.9
Modeka N8-Mungo River	46.2	42.9	50.1	46.7	45.6	49.2	43.1

Sensitivity studies were carried out only for a sample of roads and not on the entire 10,000 km priority network which comprises about 800 roads.

Schedule 16: Economic Evaluation of the Rehabilitation of the Access Channel to the Port of Douala

1. Benefits expected from the rehabilitation of the channel are the following:
 - (a) for cargo ships, an increase in the average freight transported to and from Cameroon resulting either in a reduced number of ships or in an higher occupancy ratio of ships, both resulting in a reduction of the average maritime transport cost per ton of freight;
 - (b) for tramps, an increase in the size of the ships resulting in a reduction of the average maritime transport cost per tone of freight;
 - (c) reduced waiting time borne by the ships when entering the channel or leaving the port;
 - (d) reduced waiting time for berths.
2. Key parameters of the economic study are:
 - (a) Traffic: Three scenarios were considered.

	Scenario	Tons 1995	Annual Growth Rate		
			1995-2000	2000-2005	2005-2020
Export	Mini	1,780,931	1.5	0.9	0.9
	Medium	1,789,779	2.5	1.5	1.5
	Maxi	1,822,974	5.0	2.6	2.6
Import	Mini	1,876,980	0.1	0.1	0.1
	Medium	1,878,145	0.9	1.0	1.3
	Maxi	1,882,379	1.5	1.8	1.9
Total	Mini	3,657,911	0.8	0.5	0.5
	Medium	3,667,924	1.7	1.3	1.4
	Maxi	3,705,353	3.3	2.2	2.3

- (b) Ships characteristics. 18 types of ships were considered. Their characteristics vary depending on the channel depth. The evolution between characteristics is progressive depending on the type of ships. Detailed data are in the Project Files.
 - (c) Transport costs: Costs were estimated at sea and at berth, depending of the size of the ships. Detailed data are in the Project Files.
 - (d) Waiting time for high tide and for berth. Detailed data are in the Project Files.
3. Dredging costs include the rehabilitation cost and the annual maintenance cost. Quantities were estimated on the basis of a physical model to simulate the channel.

Channel depth (m)	Rehabilitation		Maintenance	
	Quantities (10 ³ m ³)	Cost CFAF million	Quantities (10 ³ m ³)	Cost CFAF million
6.0	0	0	1,916	3,170
6.5	947	1,840	2,120	3,540
7.0	2,581	4,292	2,320	3,880
7.5	4,215	6,744	2,600	4,400
8.0	7,104	11,154	3,020	5,180
8.5	9,992	15,565	3,758	6,600

4. The net present value and the rate of return of the rehabilitation are provided in the following tables.

**Net Present Value of the Rehabilitation of the Access Channel to the Port of Douala
(Discounted at 12 percent - CFAF million)**

Traffic	Cost of dredging CFAF/m3	Channel Depth (meters)				
		6.5	7.0	7.5	8.0	8.5
Mini	2,000	4,497	6,853	22,631	19,767	9,623
	2,500	3,900	5,710	20,653	16,537	4,113
	3,000	3,309	4,573	18,681	13,313	-1,390
Medium	2,000	5,168	8,108	24,597	22,170	12,141
	2,500	4,571	6,965	22,619	18,940	6,631
	3,000	3,980	5,829	20,648	15,717	1,128
Maxi	2,000	5,836	9,416	27,916	26,110	16,404
	2,500	5,239	8,273	25,939	22,880	10,894
	3,000	4,648	7,137	23,967	19,657	5,391

Rate of Return of the Rehabilitation of the Access Channel to the Port of Douala (%)

Traffic	Cost of dredging CFAF/m3	Channel Depth (meters)				
		6.5	7.0	7.5	8.0	8.5
Mini	2,000	49	37	61	38	21
	2,500	44	33	56	33	16
	3,000	39	28	52	29	11
Medium	2,000	52	39	62	39	23
	2,500	47	35	58	35	18
	3,000	42	31	53	31	13
Maxi	2,000	55	41	65	42	25
	2,500	50	38	61	38	20
	3,000	45	34	57	34	16

**Net Present Value of the Rehabilitation of the Access Channel to the Port of Douala
(Discounted at 12 percent - CFAF million)
Benefits reduced by 50 percent**

Traffic	Cost of dredging CFAF/m3	Channel Depth (meters)				
		6.5	7.0	7.5	8.0	8.5
Mini	2,000	327	-564	4,678	-1,016	-12,406
	2,500	-270	-1,707	2,700	-4,246	-17,915
	3,000	-861	-2,844	779	-7,470	-23,419
Medium	2,000	663	64	5,661	186	-11,147
	2,500	65	-1,079	3,683	-3,045	-16,656
	3,000	-525	-2,216	1,712	-6,268	-22,160
Maxi	2,000	996	718	7,321	2,156	-9,015
	2,500	399	-425	5,343	-1,074	-14,525
	3,000	-191	-1,562	3,372	-4,298	-20,028

Rate of Return of the Rehabilitation of the Access Channel to the Port of Douala (%)
Benefits reduced by 50 percent

Traffic	Cost of dredging CFAF/m3	Channel Depth (meters)				
		6.5	7.0	7.5	8.0	8.5
Mini	2,000	15	10	22	11	<0
	2,500	10	5	18	6	<0
	3,000	3	<0	14	<0	<0
Medium	2,000	17	12	23	12	<0
	2,500	13	8	19	8	<0
	3,000	8	4	15	4	<0
Maxi	2,000	19	14	26	15	4
	2,500	15	11	22	11	<0
	3,000	11	7	18	7	<0

Flows of Benefits and Costs (CFAF million)

Traffic mini -- Cost of dredging: CFAF2,000/m3 -- Depth of Channel:-7.5m

Year	Investment	Maintenance	Benefits	Total
1996	6,744	0	0	-6,744
1997	0	1,230	5,294	4,064
1998	0	1,230	5,378	4,148
1999	0	1,230	5,464	4,234
2000	0	1,230	5,548	4,318
2001	0	1,230	5,580	4,350
2002	0	1,230	5,612	4,382
2003	0	1,230	5,643	4,413
2004	0	1,230	5,674	4,444
2005	0	1,230	5,705	4,475
2006	0	1,230	5,900	4,670
2007	0	1,230	6,098	4,868
2008	0	1,230	6,297	5,067
2009	0	1,230	6,500	5,270
2010	0	1,230	6,707	5,477
2011	0	1,230	6,762	5,532
2012	0	1,230	6,817	5,587
2013	0	1,230	6,869	5,639
2014	0	1,230	6,923	5,693
2015	0	1,230	6,977	5,747
2016	0	1,230	7,043	5,813
2017	0	1,230	7,111	5,881
2018	0	1,230	7,177	5,947
2019	0	1,230	7,244	6,014
2020	0	1,230	7,309	6,079
2021	0	1,230	7,309	6,079
2022	0	1,230	7,309	6,079
2023	0	1,230	7,309	6,079
2024	0	1,230	7,309	6,079
2025	0	1,230	7,309	6,079
2026	0	1,230	7,309	6,079

Schedule 17: Financial Evaluation of ONPC

1. The following tables assess ONPC's financial capacity to support its 1995/1996-2009/2010 investment plan. Three traffic scenarios were considered as in the economic study. Two rates of interests were considered corresponding to concessional and commercial borrowing. Five assumptions were made for the percentage of self financing (40 percent, 50 percent, 60 percent, 70 percent and 85 percent). Port tariffs are those of 1994 kept constant during the entire period of analysis. Table 1 presents the annual income statement during the investment period in the minimum traffic scenario assuming concessional borrowing and a 40-percent of self financing. Table 2 presents the annual net cash-flow assuming a 40 percent and 85 percent self financing, concessional and commercial borrowing, and a minimum and medium traffic. An additional sensitivity study was carried out assuming a 20 percent increase in the investment cost.

2. In addition to the investment plan provided in Schedule 10, investments executed after 2000 consist in the completion of berth rehabilitation started in FY99, construction of a new building for the harbor master (CFAF2.3 billion) and construction of dikes to calibrate the channel (CFAF40 billion). The income statements are extrapolated from the FY94 data. They are conservative and do not assume any significant reduction of the charges.

3. The financial analysis was carried out with maintenance dredging costs for the optimum depth of -7.5 meters estimated in the economic analysis. Maintenance dredging is expected to start in 1998. The cost of dredging the channel including along the quays is estimated at CFAF4,768 million, CFAF2,373 million above the operating cost of the dredger Youpwe used by ONPC to maintain the channel at its current depth of -5.8m. The income statements do not take into account the impact of the reevaluation of the assets to take into account the January 1994 devaluation of the CFA franc, as well as the impact of the recent modification of the fiscal regime which suppress ONPC's tax exoneration and require ONPC to pay a 16.5 percent tax on its revenues. If necessary, tariffs will have to be adjusted to reflect these modifications. The debt service does not include current arrears estimated at CFAF5.3 billion. It is assumed that after compensation of cross-debts between ONPC and the State, the remaining balance will be affected to the capital.

Table 1: Cameroon -- National Port Authority. Income Statements
 (Basic scenario: Minimum Traffic Scenario-40 percent Self Financing-3.5 percent Interest Rate; CFA million)

Expenses	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Materials	1985	2001	2018	2034	2050	2067	2084	2101	2112	2122	2133	2143	2154	2165	2176	2188	2199	2211
Services-Transport	1494	2117	2117	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
Other expenditures	442	500	550	600	600	2973	2973	2973	2973	2973	2973	2973	2973	2973	2973	2973	2973	2973
Salaries	4077	4000	3900	3850	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800	3800
Others	0	0	0	424	423	542	543	544	544	545	545	546	546	547	547	548	549	549
Tax	21	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	30	50
Interest	1603	1470	1235	1543	1511	1701	1713	1655	1516	1349	1214	1116	1870	1769	1666	1565	1477	1394
Depreciation incl. Provisions	6245	5581	5488	6512	6890	7037	7369	7414	7288	6994	6701	6851	7002	6325	5504	5210	4816	3962
Revenues	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Duties on freight	4048	3909	3905	3914	3924	3934	3945	3955	3963	3971	3979	3988	3996	4005	4013	4022	4031	4040
Duties on ships	9178	14753	14952	15170	15398	13649	13126	13258	13311	13424	13533	13587	13658	13775	13893	13959	14034	14094
Leasing	2645	2667	2690	2711	2732	2754	2777	2801	2814	2828	2842	2857	2871	2886	2901	2916	2931	2947
Other non-port revenues	1331	1346	1357	1367	1377	1387	1398	1409	1415	1421	1428	1435	1441	1448	1455	1462	1469	1477
Operating income	1335	6956	7546	6149	6108	1555	714	886	1220	1811	2366	2388	1571	2485	3545	4024	4621	5618
Non-operating income	-509	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500
Net income	826	6456	7046	5649	5608	1055	214	386	720	1311	1866	1888	1071	1985	3045	3524	4121	5118
Cash generation	7071	12037	12534	12161	12498	8091	7583	7800	8008	8305	8567	8739	8072	8310	8549	8735	8938	9081
Reimbursement of capital	3192	3696	2787	2643	2196	2213	2212	2044	6682	6458	6459	8263	8388	8388	8389	9689	9334	9335
Self-financing			5430	5430	5430	5430	1236	790	790	790	790	5965	5965	5965	790	790	790	790
Cumulated net cash-flow			4317	8404	13276	13724	17859	22825	23361	24418	25736	20246	13966	7923	7293	5549	4363	3319

Table 2: CAMEROON -- National Port Authority. Net Cash Flow (CFAF million)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Traffic mini	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>3.5%</i>			BASE	CASE								
Net Income	826	6456	7046	5649	5608	1055	214	386	720	1311	1866	1888	1071	1985	3045	3524	4121	5118	
Cash Generation	7071	12037	12534	12161	12498	8091	7583	7800	8008	8305	8567	8739	8072	8310	8549	8735	8938	9081	
Net Cash Flow			4317	8404	13276	13724	17859	22825	23361	24418	25736	20246	13966	7923	7293	5549	4363	3319	
	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>9.0%</i>												
Net Income	826	6456	7046	4880	4565	-486	-1578	-1508	-1122	-462	196	337	-1700	-660	527	1133	1856	2979	
Cash Generation	7071	12037	12534	11391	11455	6551	5791	5906	6165	6532	6896	7188	5302	5666	6031	6343	6672	6941	
Net Cash Flow			4317	7635	11463	10370	12713	15785	14479	13762	13410	6370	-2682	-11369	-14517	-18653	-22104	-25288	
	<i>Percentage of self-financing:</i>			<i>85% Interest rate:</i>			<i>3.5%</i>												
Net Income	826	6456	7046	6017	6106	1790	1069	1290	1592	2146	2647	2609	2393	3247	4247	4666	5203	6139	
Cash Generation	7071	12037	12534	12528	12996	8827	8438	8704	8879	9140	9348	9460	9395	9572	9751	9876	10019	10101	
Net Cash Flow			-10	119	1161	-1981	-5512	358	2465	5305	8805	-453	-9808	-18985	-16691	-15572	-13955	-12256	
	<i>Percentage of self-financing:</i>			<i>85% Interest rate:</i>			<i>9.0%</i>												
Net Income	826	6456	7046	5824	5845	1405	621	817	1118	1686	2204	2192	1700	2586	3617	4068	4636	5604	
Cash Generation	7071	12037	12534	12336	12735	8442	7990	8230	8406	8679	8904	9043	8702	8911	9121	9278	9453	9567	
Net Cash Flow			-10	-74	708	-2820	-6799	-1402	232	2611	5667	-4008	-14055	-23894	-22229	-21708	-20657	-19494	
Traffic median	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>3.5%</i>												
Net Income	826	6516	7194	6014	6150	1715	1034	1427	2010	2647	3348	3560	2944	4007	5261	5998	6832	8067	
Cash Generation	7071	12097	12682	12526	13040	8752	8403	8840	9298	9641	10048	10411	9945	10332	10766	11208	11649	12030	
Net Cash Flow			4465	8917	14331	15439	20395	26401	28227	30619	33419	29601	25193	21172	22759	23489	25013	26918	
	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>9.0%</i>												
Net Income	826	6516	7194	5244	5107	175	-758	-467	167	874	1677	2009	173	1362	2743	3606	4567	5927	
Cash Generation	7071	12097	12682	11756	11997	7211	6611	6946	7455	7867	8378	8860	7175	7687	8247	8816	9383	9890	
Net Cash Flow			4465	8147	12518	12086	15249	19361	19345	19964	21093	15724	8546	1880	949	-714	-1454	-1690	
	<i>Percentage of self-financing:</i>			<i>85% Interest rate:</i>			<i>3.5%</i>												
Net Income	826	6516	7194	6381	6648	2451	1890	2330	2881	3482	4128	4281	4266	5269	6463	7139	7914	9088	
Cash Generation	7071	12097	12682	12893	13538	9487	9259	9744	10169	10476	10829	11132	11268	11594	11967	12350	12730	13050	
Net Cash Flow			138	631	2216	-266	-2976	3934	7331	11506	16488	8902	1420	-5736	-1225	2368	6696	11343	
	<i>Percentage of self-financing:</i>			<i>85% Interest rate:</i>			<i>9.0%</i>												
Net Income	826	6516	7194	6189	6387	2066	1442	1857	2408	3021	3685	3863	3573	4608	5834	6541	7347	8553	
Cash Generation	7071	12097	12682	12700	13277	9102	8811	9271	9695	10015	10386	10715	10575	10933	11338	11752	12164	12515	
Net Cash Flow			138	439	1763	-1104	-4263	2174	5097	8812	13350	5347	-2828	-10644	-6764	-3769	-7	4105	
Investment+20%	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>3.5%</i>												
Net Income	826	6456	7046	5288	5077	373	-625	-534	-227	373	941	889	-172	834	2016	2512	3145	4269	
Cash Generation	7071	12037	12534	12063	12365	7895	7355	7559	7774	8079	8354	8542	7720	7974	8229	8430	8649	8808	
Net Cash Flow			3231	6134	9787	8953	12612	17179	17137	17557	18130	10816	2531	-5501	-7068	-9733	-11825	-13759	
	<i>Percentage of self-financing:</i>			<i>40% Interest rate:</i>			<i>9.0%</i>												
Net Income	826	6456	7046	4364	3825	-1476	-2776	-2807	-2438	-1755	-1064	-972	-3497	-2339	-1006	-359	426	1702	
Cash Generation	7071	12037	12534	11140	11113	6046	5204	5286	5562	5951	6350	6681	4395	4800	5207	5560	5930	6241	
Net Cash Flow			3231	5211	7612	4929	6438	8732	6478	4770	3339	-5836	-17446	-28651	-33240	-38776	-43586	-48087	

Schedule 18: Documents in the Project File

1. Project Preparation

- 1.1 Projet Sectoriel des Transports. Mission de préparation. April 5, 1992
- 1.2 Rapport de mission de pré-évaluation du Projet Sectoriel des Transports. February 24, 1993.
- 1.4 Projet sectoriel transport. Rapport d'évaluation. Documents annexes composante routière. World Bank - June 1993.
- 1.5 Transport Sector Adjustment Credit. Aide-memoire. Appraisal Mission. World Bank. October-November 1994.
- 1.6 Transport Sector Technical Assistance Project. Credit 2703-CM. Memorandum of the President (Report No. P-6559-CM, March 23, 1995) and Technical Annex (Report No. T-6559-CM, March 23, 1995).
- 1.7 Transport Sector Project. Aide-memoire. Reappraisal mission. World Bank. May-June 1995.
- 1.8 Transport Sector Technical Assistance Project. Project Implementation Manual. September 1995.
- 1.9 Programme d'entretien routier FED. Formation de PME et des cadres du MTP. Pingat Ingénierie. September 1994. (Four volumes).

2. Road Maintenance

- 2.1 Etude de préparation du Projet Sectoriel des Transports. BCEOM. July 1992. (Three volumes).
- 2.2 Plan d'action pour le développement des routes de collecte. BCEOM. July 1992. (Two volumes)
- 2.3 Ministère des Travaux Publics et des Transports - Assistance technique à la Direction de l'entretien routier. Sixième Projet Routier. Rapport de fin de mission. - BCEOM - November 1992.
- 2.3 Projet sectoriel des transports Cameroun - Composante routière, Mission de pré-évaluation 1993. Document récapitulatif des analyses techniques relatives aux standards, aux spécifications, aux fréquences d'intervention pour les travaux et aux coûts unitaires et globaux de ces travaux. Non official draft document of February 1993. A. Garaud.
- 2.4 Equipe Stabex/BCEOM - Programme de réhabilitation et d'entretien des routes de collecte et des itinéraires de désenclavement. Document de travail pour la préparation pratique du programme CEE/Stabex pour l'exécution de la phase expérimentale. July 1993.
- 2.5 Parc National de Matériel de Génie Civil (MATGENIE). Etats financiers. Années 1988, 1989, 1990, 1991, 1992, 1993 et 1994.
- 2.6 Laboratoire de Génie Civil (LABOGENIE). Etats financiers. Années 1988, 1989, 1990, 1991, 1992, et 1993.
- 2.7 Etude de faisabilité pour la restructuration de MATGENIE. SEGMENT. March 1995.
- 2.8 Rapport d'actualisation des coûts des travaux d'entretien routier. A. Garaud. March 1995.

3. Railways

- 3.1 Etude du statut institutionnel de la REGIFERCAM. Eurexcel Associates. October 1995.
- 3.2 Etude des perspectives de transport de voyageurs à la REGIFERCAM. CATRAM. December 1993.
- 3.3 IDC - Financial Restructuring of REGIFERCAM, 30 septembre 1993.
- 3.4 Etats financiers. Années 1988, 1989, 1990, 1991, 1992, et 1993. REGIFERCAM.
- 3.5 Suivi du plan de redressement financier de la REGIFERCAM. Caisse Française de Développement. April 1992.
- 3.6 Assistance technique à la réhabilitation de la voie d'un tronçon de la ligne TRANSCAM. DE-Consult. September 1994.

3.7 Plan stratégique d'entreprise. Avant-projet. AFCA-SIPCA. December 1993.

4. Civil Aviation and Airport

4.1 Aéroports de Paris - Contrat d'assistance pour la constitution et la mise en oeuvre d'une société autonome de gestion des principaux aéroports du Cameroun. Rapport définitif.

4.2 Audit Cameroon Airlines, Assessment and Recommendations. Documentation de synthèse et Annexes. MACH 2000. June 30, 1993.

5. Maritime Transport

5.1 Services maritimes dans les pays de l'Afrique de l'Ouest et du Centre. Table Ronde de Cotonou. CMEAOC and World Bank. September 1993.

5.2 Etude diagnostique et propositions de restructuration des entreprises para-publiques du secteur maritime. Port Autonome du Havre. March 1991 (Four Volumes).

5.3 IDC - Financial Restructuring of CAMSHIP - CAMTAINER - CNIC - August 27, 1993.

5.4 Rapport final du Comité de Suivi des recommandations de la Table Ronde CNCC/Chargeurs/Banque Mondiale tenue les 22 et 23 juin 1993.

6. Port

6.1 Douala Port Cargo Flow Study. Final Report. Netherlands Economic Institute (NEI). October 1992.

6.2 Plan d'actions pour le secteur portuaire. NEI. January 1994.

6.3 Etude de protection environnementale du port de Douala, du Chenal d'accès et des eaux côtières. Version provisoire. NEI. August 6, 1993.

6.4 Office National des Ports du Cameroun - Plan d'entreprise 1993/1988.

6.5 Aménagement du chenal intérieur du port de Douala. Evaluation économique et financière. SOGELERG. Juin 1995.

6.6 Projet de contrat de performance Etat/ONPC 1994-1998.

6.7 Office national des Ports du Cameroun. Diagnostic. Caisse Française de Développement. March 1995.

6.8 Port de Douala. Ouvrage de calibrage de la rivière Wouri. Rapport d'étude d'impact. SOGREAH. May 1995.

6.9 Système d'information portuaire. Schéma directeur. Africa Ingénierie.

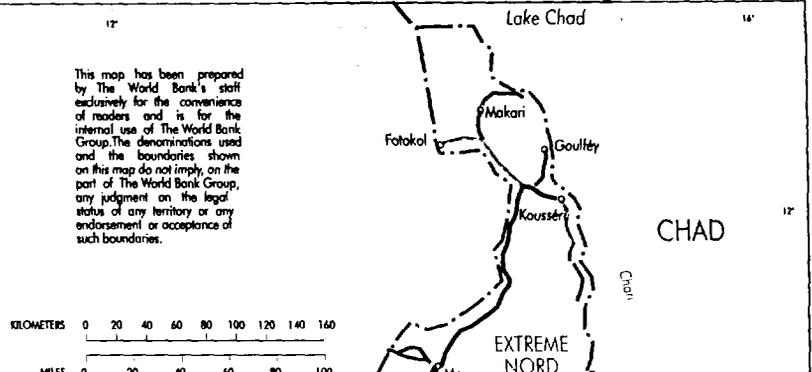
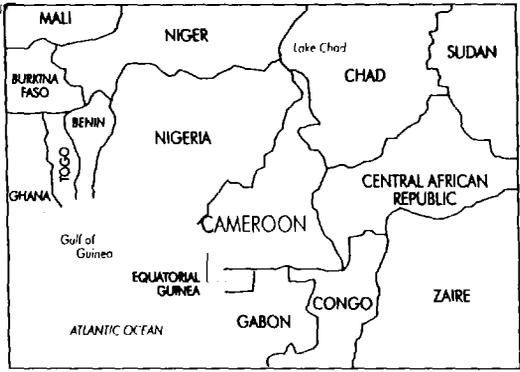
6.10 Etude des accès du port de Douala. Rapport d'ensemble. OCCR Inter G-LCHF-Port Autonome de Rouen. September 1987.

6.11 Douala Port Container Terminal Modernization Project. Review and Reassessment Report of Feasibility Study. Ocean Consultant-Nippon Koei-SOCEI-LABOGENIE. November 1990.

6.12 Etude diagnostique et propositions de restructuration des entreprises para-publiques du secteur maritime. Port Autonome du Havre. March 1991 (Four Volumes).

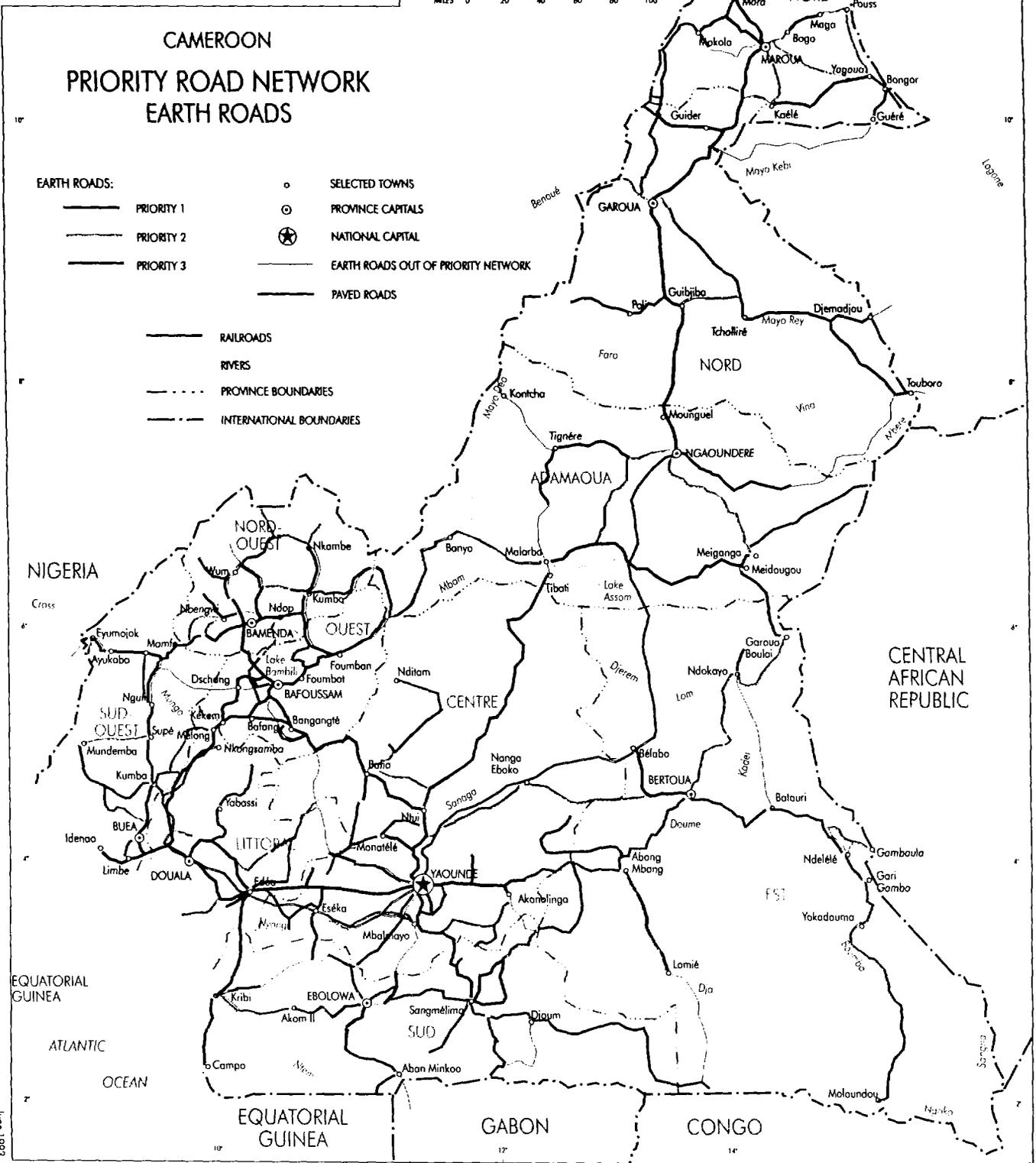
7. Transit Transport

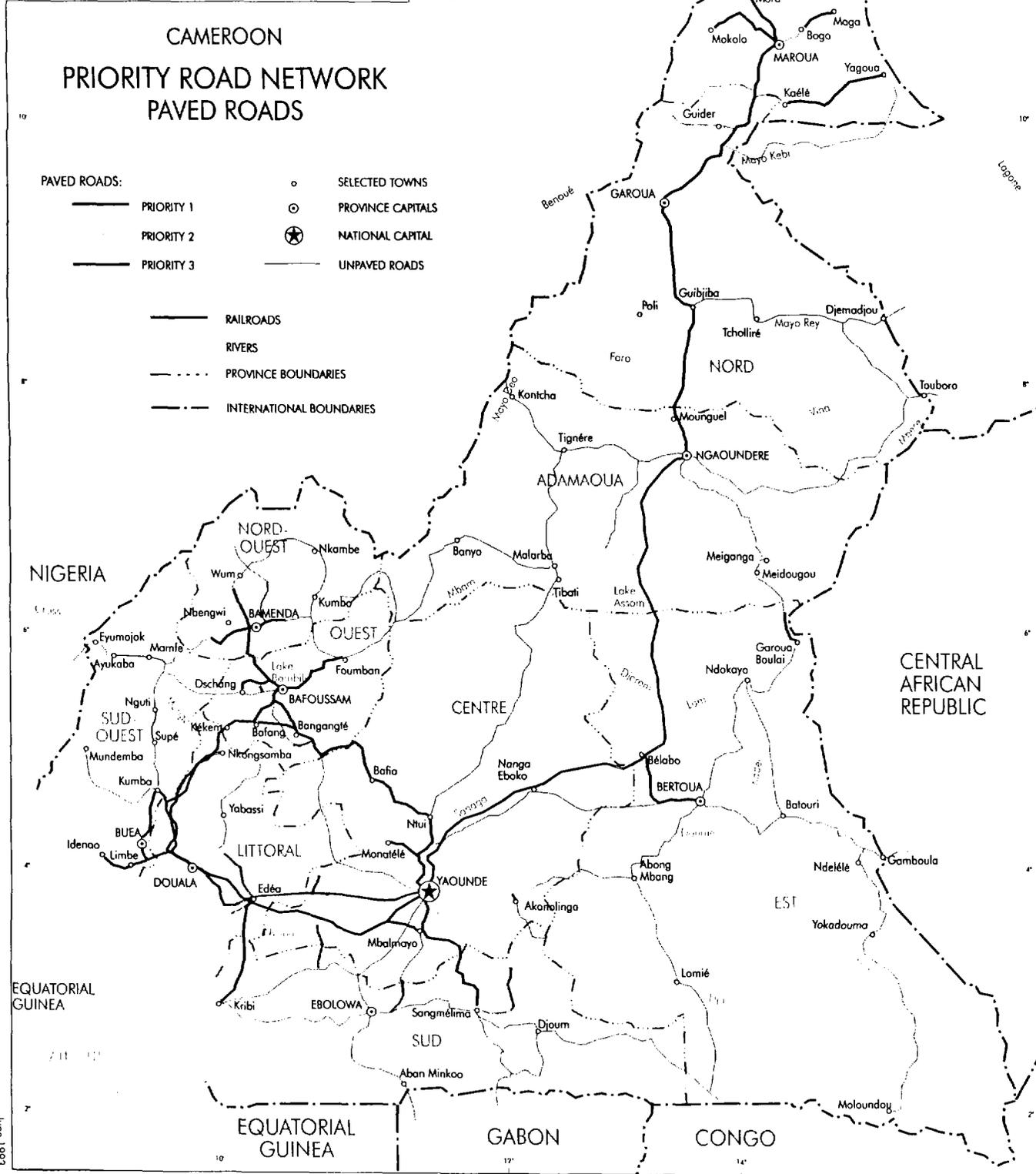
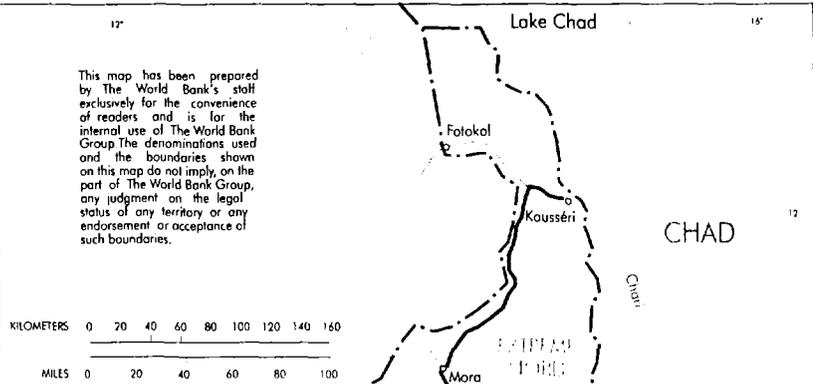
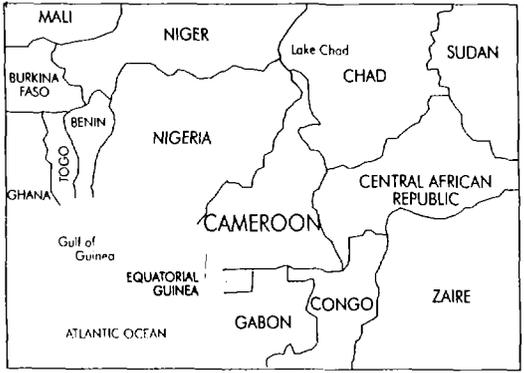
7.1 Regional Policy Reform Program Transport Component - The Customs Union of Central African States (UDEAC) - Volume I (Executive Summary and Main Report) - Volume II. April 30, 1993.



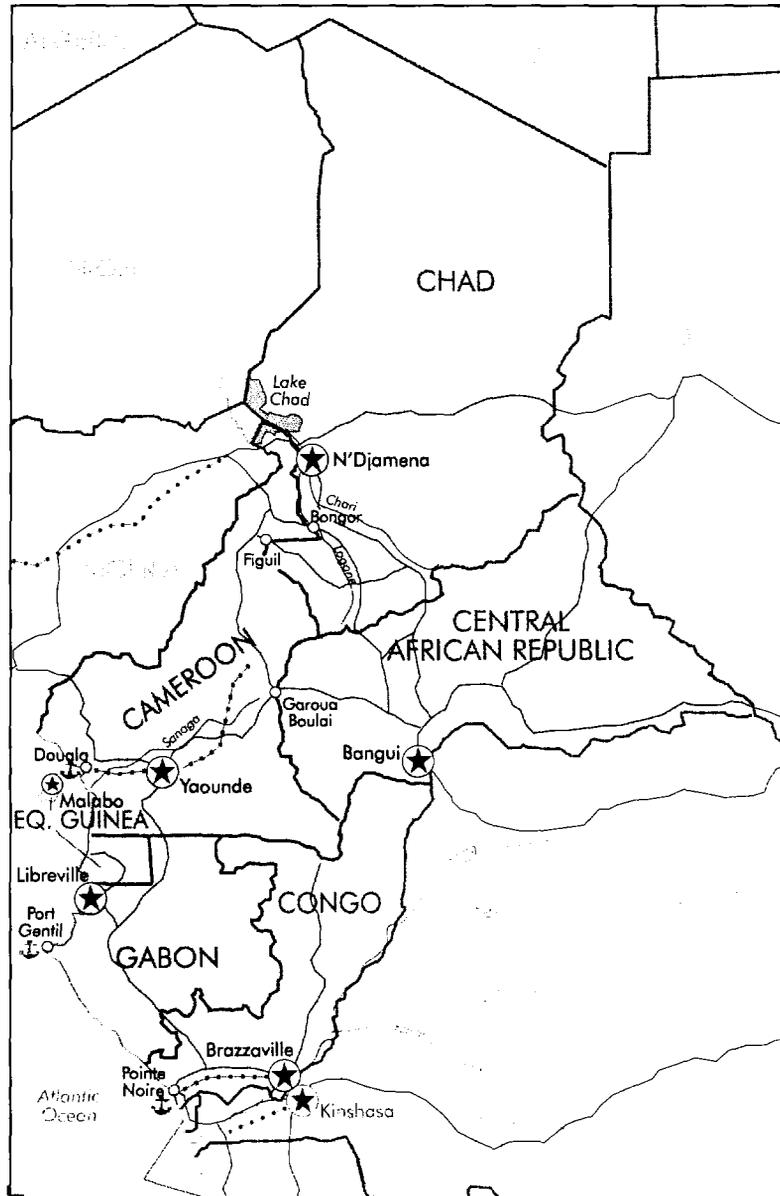
CAMEROON PRIORITY ROAD NETWORK EARTH ROADS

- EARTH ROADS:**
- PRIORITY 1
 - PRIORITY 2
 - PRIORITY 3
 - PAVED ROADS
 - SELECTED TOWNS
 - PROVINCE CAPITALS
 - NATIONAL CAPITAL
 - EARTH ROADS OUT OF PRIORITY NETWORK
 - RAILROADS
 - RIVERS
 - PROVINCE BOUNDARIES
 - INTERNATIONAL BOUNDARIES





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